

25 Traits of a Successful Business

1. Optimum Structure - ensure to have the correct structure in place in your business to allow for growth
2. Strategy for Growth - plan where you want the business to be in the future (drawing on current research)
3. No Economic Dependence - ensure your business is economically not dependant on a person, supplier or customer. Because if you have only one or two suppliers and you lose one you are highly vulnerable.
4. Regular and correct financial statements - ensure these statements are accurate and timely
5. Management understand and use their financial accounts - financial reports must be understood and used to manage the business and staff
6. Budget /cash flow exists - with projections for the next 12 months, what it will cost, returns on investment
7. Profitable clients and divisions - examine profitability – who are your most profitable customers and divisions? It is commonly found that 20% of customers provide 80% of the profits. Know who these customers are.
8. Documented Systems and Processes: this will decrease your economic dependence on one person. Create a procedures manual and keep it current. Also keep this information safe, with selective access because the manual will contain the key functions of the business.
9. Segregation of Duties - if you have a person with complete responsibility for financial functions this can be dangerous for the business. Put a system in place to ensure accountability and transparency of financial functions.
10. Business Brand - brand must be clear, the message is to be clear, concise and consistent.
11. Specific client focus - profile your ideal client and target market so you are clear on who they are
12. Marketing plans – include each market segment have a written marketing plan with a focus on target markets and market segments
13. Job Descriptions - have in place job and position descriptions for all staff and a concise list of duties for staff. This is critical for performance management.
14. Optimum Business Model - consider alternative business models you can use for expansion or to generate wealth
15. Key drivers of the business are known and monitored - have set of KPI's that are not just financial, but cover entire business and monitor these at least monthly
16. Regular management meetings and accountability - regular meetings, setting actions (fundamental to delegation), check that actions have been completed
17. Skilled and trusted management and/or advisors with complete skill sets. Do you have a complete team of skill sets (internal and external) around you?
18. Intellectual Property (IP) is owned: know your IP, for example, who your suppliers are, contracts, how to do things, your competitive

advantage – these are trade secrets and therefore IP) and ensure it is protected

The whole essence of your business needs procedures in place to protect it, for example in the instance of a staff member leaving with internal lists. You also need to be clear of your IP when seeking to sell the business as it creates value in the business – have an IP Asset Register in place.

19. Exit Strategy or Succession plan exists - need these plans in place to help you realise your investment. They should include the process for handling when one owner in a multiple ownership or partnership situation wants to realise their investment early.
20. Corporate will - owners need to have a will which outlines entitlements for ownership and management of business in the event of their death.
21. Continuity of Business Plan:
 - Need a system in place in the event of a disaster to enable the business to be back into operation within 5 days of the disaster occurring.
 - Have a back up of all key assets e.g. customer history, formulas etc
 - Have an agreed plan to deal with the management of business if a key person fell ill for an extended period. It is important to consider what it would mean for dependants if something happened.
22. Risk management issues addressed - to ensure you protect your business assets
23. Management is real about where business is NOW
24. Detailed Action Plan - keeps everyone accountable. A business plan or action plan of what happened, when and who by drives the business.
25. Immediate action is taken - if not taking action what is the point!

Source: Stratacore Pty Ltd 2009