

## ***Improving Profitability Through Laser Focused Priorities***

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When executives talk about how to target their sales and marketing efforts more effectively they usually discuss taking a “rifle shot” approach rather than a “shotgun approach”. With the current economic challenges, the “rifle shot” approach just isn’t good enough!

In today’s market, companies need to be “laser focused” in order to succeed. Laser focus means that every person in the company has a very specific definition of what is to be accomplished, how and when. Without laser focus, people are wasting resources, time and money.

The critical question is, “What do companies need to focus on to succeed in these challenging economic conditions and how do I become laser focused?”

### **Laser Focused Priorities**

We have been researching what drives successful business growth for the past ten years and this research indicates that there are seven specific management practices that drive the growth and profitability of successful companies. We call these management practices the 7 Keys to Growth. I’m not going to go into all seven at this time since laser focus requires us to prioritize these seven. When we analyze our research on growing companies and combine it with our past client successes, we identify three specific management practices that have either increased or sustained the profitability of these companies. These three laser focused priorities are strategic planning, customer niche marketing and the ability to execute.

### **Strategic Planning**

Strategic planning is the process of defining long term strategic goals for the business and then managing the strategies and tactics to achieve them. Specifically, this means that each executive of the company’s leadership team has quantitative goals, targets, key performance metrics and timeframes to complete each goal. These goals should then be cascaded through the organization. For example, the head of operations for a firearms manufacturer might have goals to reduce manufacturing costs by 7%, improve product quality by 12%, increase throughput by 18% and initiate a lean manufacturing program by a certain date. Does each of your executives have specific and measurable goals to achieve by a specific date? If not, what are they working on? What they assume is important? Whichever ‘fire’ erupted today? Companies without any defined corporate goals are really using a shotgun approach to managing their business. Companies with corporate goals but without specific and measurable goals for each member of the leadership team are taking an improved rifle shot approach, but are still not laser focused.

Being laser focused means that the leadership team is completely aligned on the goals for the company and these goals are assigned to specific executives with tangible measures of success. In turn, these executives have cascaded their goals to their direct reports. If each of the key leaders in your organization does not have specific and measurable goals to achieve, then they undoubtedly are not laser focused on what is necessary to drive success for your business. Laser focus also means reducing the number of goals for the business and achieving the critical ones rather than spreading the organization and people thin across many goals. In these tough times, we’d recommend each executive only focus on one or two critical goals (laser focus) rather than the traditional 5 to 6 goals (rifle focus).

## **Customer Management**

There are many areas within customer management where the laser focused approach is useful, but undoubtedly the area where laser focus provides the greatest value is in targeting your 'sweet spot' for prospects or customers, or what is commonly referred to as niche marketing. Niche marketing is the process of identifying and targeting profitable niches or segments of a customer group and then providing them with custom or unique solutions.

The firearms, ammunition or accessories manufacturer who offers 'the broadest selection' of products typically isn't taking a niche marketing or laser focused approach as they are trying to sell 'everything to everybody'. Even companies who sell 'everything for your AR-15' might suggest they have a laser focused approach on the AR-15 customer, but with so many AR suppliers, these companies are having a difficult time differentiating themselves.

A laser focused niche marketing approach would mean you are targeting a unique customer segment, demographic or psychographic profile. Keeping with the AR-15 theme, a rifle shot approach might mean targeting law enforcement or military sales whereas a laser shot approach would be the targeting the SWAT teams in law enforcement or Special Forces units in the military. Many organizations say they have this laser focus but we typically uncover the actual focus by asking the sales representative who are calling on the customers, 'Who are your ideal target customers?' When they answer law enforcement or military in general, rather than the specific units, we know there is not laser focus on an ideal market niche. If you asked all of your sales resources, how would they answer the question?

## **Ability to Execute**

The strategic planning process creates a leadership team aligned and focused on what is critical for success. The ability to execute puts them into action. This is like planning for that big elk or deer hunt, spending days tracking the animal only to jerk the trigger as you shoot, missing your target, which you knew not to do.

Laser focused organizations begin with a very small number of goals. They then align the resources to accomplish these goals and build a culture of discipline to keep them focused. This culture of discipline is driven by the leadership team and manifests itself in strategic planning, operational and tactical meetings in addition to one-on-one follow up. In these meetings, the laser focused organization keeps a disciplined focus on the goals of the organization, the current performance to the goals and shifts resources or breaks down barriers to overcome anything that could impede forward progress. Rifle shot companies, in contrast, become easily distracted by 'running the business', do not have regular performance review meetings and therefore the goals are not accomplished on time or as expected.

So how do you know if you have laser focused execution? A laser focused organization completes 100% of the goals they set out to accomplish each year whereas a rifle focused organization only completes 80% or less. The rifle focused company is happy hitting the target each time whereas the laser focused company hits the bull's-eye every time!

## **Summary**

The goal of this article was to provide you with some insights on how to become laser focused to improve your growth and profitability. To be laser focused, organizations need a small list of specific and measurable goals for at least the key executives, targeted niche market segments and a culture of discipline to keep the execution focused. Hopefully you've identified some areas in your business that can become more laser focused.

Growth Strategy Partners LLC accelerates the revenue and profit growth and performance of small and mid size businesses by implementing its research based 7 Keys to Growth.

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