

David Finkel

6 Tips to scale your service business



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Running a service business can get to be a grind if you're in it for the long haul. Here's some advice that will help scale your business.

Owning a service business can be tough, and *running* a service business day in and day out can be even tougher.

For many owners, building a service business stopped being fun a long time ago and somehow mutated into a "job."

Having **coached** so many service-business owners, not to mention owning multiple services businesses, I understand.

Here are **6 tips** to help you scale your service business and get your life back.

Recognize you're in for a fight, and that it's normal and expected.

Over the years, my company, **Maui Mastermind**, has coached thousands of service businesses, helping them overcome the typical obstacles that keep so many of these labor intensive companies small.

This is such a common challenge that we even have a name for it. We call it the **"Self-Employment**

Trap." This is where you are so consumed by your daily role running the company that you don't have the time or energy to focus on building your service business as a business. In essence, you've built a self-employed job for yourself, *not* a business.

Whether you're working business-to-business or business-to-consumer, service businesses just may have the highest rate of "owner reliant" companies of any type of business (I wish the Small Business Administration would track this statistic).

Statistics: the **US Census Bureau** does track show that **88.6** percent of businesses require the owner to be there as the primary person responsible for core functions such as producing their product or service, managing the day-to-day business, and managing the financial aspects of the business. In other words, they are owner dependent.

So relax if right now your company needs you there every day. You're not alone. And you can solve this challenge and, over the next two to five years, work yourself out of the job of running the business.

Don't let your "expectations" and "perfectionism" trick you into thinking that only you can meet your own standards.

The high expectations of your clients, combined with the difficulties in finding and managing a work force that can deliver up to *your* high standards, trick many service-business owners into thinking that only they can do things the right way. Hence, they better make sure that they check everything.

That means you, the business owner, are forced into the role of catching last-minute mistakes, or "fires" that you have to rush in and fix--often at a high cost to your family and personal life.

But here's the thing: While it may be hard to find any one employee who can do things as well as you can, the solution isn't for you to stay in the mix. The long-term solution is for you to refine your systems so that you can take a talented team member and integrate him or her in a stable structure (read systems) for producing your service offering, then give them simple controls that let them effectively self-manage. Then, not only can you improve on your quality but you finally have a scalable business, too.

Take the example of Klayton Tapley, owner of **The Fireplace Place** in Atlanta, Georgia USA. When we first started coaching Klayton, his business was stuck at \$750,000 a year in sales, with Klayton playing the key role in managing operations, leading sales, and doing the financial pillar of the business at night and on weekends.

Today, Klayton's team produces over \$2 million in revenues, with key staff who, in combination with their internal systems and controls, keep quality and consistency of work product better than ever.

So don't let your own distorted beliefs about how you're essential for doing all the key functions in the business stop you from working your way out of the "job" of your business.

100 percent of a great team member is better than 20 percent of you.

In Klayton's case, he is a great sales person, but because of the other demands of the business, he was spending less than 20 percent of his time focused on sales.

When he made a few key hires in sales and integrated them into his budding system, he got *all* of several solid team members. This has led his company to grow at 50 percent per year for the past several years.

So if you struggle with the belief that you could ever find someone as talented as you, remember that *all* of a solid person is better than a mere distracted fraction of you for that specific area of the business.

Intelligently hand things off in a progressive way to an individual empowered by a system with simple controls in place.

Time to get concrete. If you want to scale your business and get your life back, it's critical that you don't just hand off to a person, but make sure your business gives that person the tools to do an excellent job.

This means the systems and controls to see that the work is done the best way possible, and the feedback to make adjustments on the fly.

Sure, you may have handed things off to team members in the past and they may have screwed up, but does that mean that handing things off was the problem, or was it the specific way you handed things off?

For Klayton this meant giving his service team clear operational procedures to follow, and the training to help them become fluent in them. It also meant helping create the training system all new sales team members go through so they gain the company, product, and sales-process knowledge they need to be successful.

The most expensive words you'll ever say are, *"If you want something done right, you've got to do it yourself."* Too many business owners use this as an excuse to keep doing too much for their company, which only weakens the business long-term.

Systematize the production of your core service offering so you can optimize how it works.

When you take the time to formally process out the production of your core service offering, you can start to break it down and refine it to be better, cheaper, faster, more consistent, and more scalable.

We've seen time and time again that when our **business coaching** clients implement systems and sound business controls, their team enjoys more success, retention increases, and the cost of replacing any one team member drops dramatically.

One of the core components you need to scale your service business is a system to hire and on-board your team.

It's not enough to be able to find good people one-off, you need a solid system in place to reliably find and on-board new people as you grow.

Plus, you'll also need a sound system to manage your team (emphasizing ways for them to self-manage their own behaviours wherever possible).

Remember, your company will be hiring and managing staff forever—that's just a core part of a service business—and as such, you need to make it a real strength of your company. And that means systematizing your knowledge of exactly how to do it.

For a free business-owner tool kit with 21 detailed training videos to help you scale your business and get your life back, [click here](#).

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About the Author

David Finkel is co-author of, *SCALE: 7 Proven Principles to Grow Your Business and Get Your Life Back* (written with Priceline.com co-founder Jeff Hoffman), and one of the nation's most respected business thinkers.

A *Wall Street Journal* and *Business Week* bestselling author of 11 business books, David's weekly business owner e-letter is read by 100,000 business owners around the world. David is the CEO of **Maui Mastermind**, one of the nation's premier business coaching companies. Over the past 20 years, David and the other Maui coaches have personally scaled and sold over \$2 billion of businesses.

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