

68 Key Decisions to Increase the Value of Your Business

The path to increasing the value and maturity of your technology service organization



Increasing the value of your organization requires both a Visionary/CEO and an Integrator/service executive to work in harmony, building maturity and value in the organization. While the paths track along the same lines, with similar decision points, they are unique. One thing is certain: these paths must be in harmony, or you will not build the value of your organization and will continue to experience the same challenges year over year.

To build value in your organization, choose your role as either the visionary or the integrator. Then follow the path to success.

Visionary/CEO Path

Decide to build the business as a valuable asset

When you've had your business long enough, it's time to build business value.

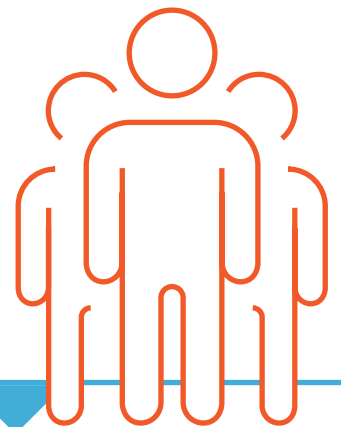
1. Pass the hat. Systematically take off your hats and delegate them to your team. Learn to develop other team members to "do" the work.
2. Develop leaders. When is the best time to plant a shade tree? 30 year ago. When is the second best time? Today.
3. Create a vacuum culture. The premise is that no one will step up to take on a new task if it's already being done by someone else. It's the responsibility of the leader to intentionally "create" vacuums so others will step up.
4. Find your integrator. You cannot be both the visionary and integrator (using EOS Traction terms). You must find your Integrator. They need to follow the path on the right alongside you.
5. Embrace the challenge and risk.
6. Commit to "thinking time." Set aside dedicated time for to develop your vision.
7. Read. Leaders are readers.

Integrator/Service Executive Path

I must lead the service department

Service executives are the integrators of the CEO's vision. To do that effectively, you must lead your team.

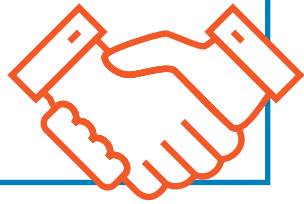
1. Pass the hat. Systematically take off your hats and delegate them to your team. Learn to develop other team members to "do" the work.
2. Develop leaders. Develop each person on the team to find their highest potential.
3. Be determined to help the owner build a successful business.
4. Embrace the challenge and risk.
5. Commit to "thinking time." Set aside dedicated time to develop your vision.
6. Read. Leaders are readers.



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Do less technical work and focus on building the business

1. Lean on your leaders. Focus on transitioning all technical work and service management responsibilities to a service manager.
2. Make time for making money. Prioritize your time to build revenue.



Do less technical work and focus on building the service department

1. HBU. Realize the highest and best use (HBU) of your time is not doing the technical work. It's organizing your service team to get the work done in the most efficient way possible. Spend more time there and step back from technical work.

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Get a business coach

1. Be coachable! Even the most elite athletes have a coach.
2. Realize you need help from others who have been in your shoes.
3. Get accounting and tax advice.
4. Seek legal advice.
5. Everyone can learn from a good mentor.

Get an operations coach

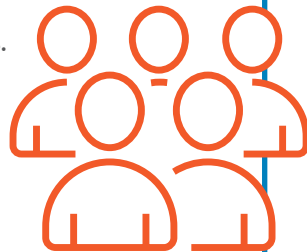
1. Be coachable! Even the most elite athletes have a coach.
2. Realize you need help from others who have been in your shoes.
3. Be accountable for progress.
4. Everyone can learn from a good mentor.



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Join a peer group for owners

1. Try to find a group where you are not the biggest fish in the pond.
2. Your peers will hold you accountable to act toward your goals.
3. Your peers will help you push through your natural growth barriers.
4. Some of your peers will become your role models.



Join a peer group for service executives

1. You will find some peers where you can help them. Others will have their bar set higher than yours, and they can help you.
2. Your peers will hold you accountable to act toward your goals.
3. Your peers will help you push through your natural growth barriers.

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Focus on marketing and sales

1. Get a sales coach.
2. Commit to marketing for the long haul with appropriate internal and external resources.
3. Develop the Sales Manager role.



Productize your service offering

1. The sales team is your most important client, not any of your clients. Owners can sell through service missteps, but once a salesperson loses confidence, it's game over.
2. Standardize what sales sells and you deliver.
3. Understand why clients choose your company.

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Commit to producing a best-in-class net profit (EBIDTA) and creating a strong balance sheet

1. Learn about the P&L.
2. Learn about the balance sheet.
3. Make decisions that lead to a 20% net profit.
4. Participate in industry benchmarking.
5. Establish and operate using a budget for the service department.
6. Improve financial transparency with the team.

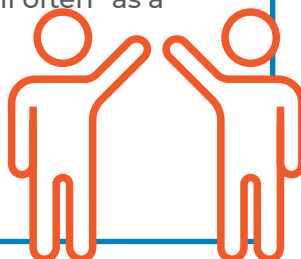
Commit to producing a best-in-class service gross margin

1. Learn about the P&L.
2. Make decisions that lead to a 60% gross margin.
3. Pull the Sea-Level 4 Levers of Gross Margin:
 - a. Your engineers' pay
 - b. Your billing rate
 - c. Engineer billable utilization
 - d. Agreement Profitability Ratio
4. Improve financial transparency with the team.
5. Establish and operate using a budget for the company.

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Focus on business culture

1. Define or clarify your company's:
 - a. Core purpose
 - b. Mission
 - c. Vision
 - d. Core values
2. People are your most important asset. Clarify your expectations and how you'll empower them.
3. Embrace "Fail fast and fail often" as a philosophy.



Focus on process and procedure

1. Work through Sea-Level's **5 Phases of Operational Excellence**:
 1. Understand the best practice
 2. Make it yours
 3. Train your team
 4. Implement
 5. Inspect what you expect
2. One hand up and one hand down. Everyone should be teaching something to someone every day, and everyone should be learning something from someone every day.
3. Embrace "Fail fast and fail often" as a philosophy.

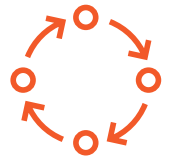
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Define and understand your business KPIs

1. Identify your KPIs for revenue, net profit and balance sheet growth.
2. Create metrics to strengthen the effectiveness of your leadership team.

Define and understand your operational KPIs

1. Measure client churn.
2. Create ticket performance goals.
3. Identify KPIs to enhance engineer performance.



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Embrace strategic planning

1. Leverage a strategic planning system like StratOP.
2. Define 10-year, 3-year and 1-year business strategies.



Embrace business operations planning

1. Leverage a business operating system like EOS.
2. Translate strategy into quarterly, monthly, weekly and daily tactics.
3. Create accountability for action.
4. Act with urgency.

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Focus on legacy planning

1. A deal is struck when both the buyer and seller are equally unhappy.

Focus on business and leadership planning

1. Your service organization is on the way up.

Work With Us

Every successful business owner, athlete and manager has worked with someone who has been in their shoes. Sea-Level's 1-on-1 coaching can help you with any of these steps to build your company value sooner.

Visit <https://www.sealevelops.com/get-in-touch/>



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