

Developing a Profitable and Sustainable Stress Management Business:

10 Things You Do Need To Be Successful

This is the fourth in a series of articles I'm writing for *ISMA News* about Developing a Profitable and Sustainable Stress Management Business.

In the first article I wrote about the 10 things you *don't* need to be successful. The second was about winning business and getting large contracts by following a business development process. And the third was about what I've found to be a highly effective marketing strategy; running events. In this, the fourth article, I'm returning to the broader theme those things I believe you *do* need to be successful in developing a profitable and sustainable business.

Here's my personal list of the 10 things you do need to be successful:

1. **Time**
2. **Money (management)**
3. **Resilience**
4. **Support**
5. **Your own products and services**
6. **Marketing skills**
7. **A computer and IT skills**
8. **A website**
9. **Social media**
10. **Partners**

In this article, I'm going to focus on the first three: time, good money management, and resilience.

What you do need 1: Time

The first one, time, can be a tough one for people to accept.

Growing a business to the point where it is profitable and sustainable takes time, much more time than people think. Most of us underestimate how long it takes because of an optimistic bias, which is a good thing, at least partly. When you start out, optimism sustains you and keeps you going through the challenging times. I'll have more to say about this and other aspects of resilience later.

However, after 20 years' business experience and a number of start-ups (my own and supporting others'), I've come to the conclusion it's as well to be prepared for how long it takes to develop your business, which is typically around 3 years. This time-span can be shortened somewhat if you have relevant experience and can develop the new skills you need, for example through training and coaching.

There are a number of reasons for this. Firstly, it takes time to **work out exactly what it is you're selling**. Just as important is working out what you're

not selling. A common business mistake is the 'one stop shop' approach; the view that if we broaden our offering that gives us the best chance of success. It doesn't. It's the worst thing you can do. If you try and sell everything in your niche, you'll end up selling nothing. But somehow, it's part of the learning process about business. We've all done it (yes, me too).

A linked issue of course is the time to learn about your market, *who* you're selling to. There is no point trying to sell a product or service that potential clients don't want or aren't prepared to pay for. Please don't make this common, cart-before-the-horse mistake!

So you need time to learn, to make mistakes, to test things.

Secondly, there is the time to build relationships. The relationship, and associated trust, almost always comes *before* winning the business (the only exception is where you have already built a strong reputation in your market and that takes a lot of... yes you guessed it... **time**). The need to build relationships will influence the marketing approach you take. I've talked about the business development process I follow in previous articles. It's time-consuming but effective.

Remember, trusting business relationships take time to build.

There is also the lead-time issue. This is the time from first contact with your potential client to getting a sale or contract. I've found this to be typically 6 to 18 months, sometimes longer. (Remember though, there's a chunk of marketing that must happen *before* you make contact with the potential client.)

Then, even when you have won business, there's still quite a bit of time to be factored in. There's the planning and organisation of when your service will be delivered, the delivery itself, the invoicing and finally the payment. Most clients will pay promptly, but some won't and you'll need to allow for that.

So you see now why it takes as much time as it does for the business to become profitable and sustainable. Be optimistic, yes, but go into business with your eyes open. Be prepared for the time it takes, which leads us nicely to *what you do need* number 2...

What you do need 2: Money (management)

Good money management is essential in business, *any* business. A large part of why you need good money management is of course related to number 1, time.

It will take time to generate income, and even when money starts to come in, it'll take more time before your business yields a sustainable income.

If you've been in full-time employment, you'll earn less, probably much less to begin with. Yes, your potential income is higher, but it may be 3 or more years before you begin to earn more than you did when you were employed.

Therefore, you need to be prepared to take full responsibility for your finances. In my experience, you need a totally different approach and mindset to managing your money.

Do you have financial management skills?

The first question to address is whether you yourself have good financial management skills. If you don't have them (and many of us don't), that's not the end of the world. But you'll need to find someone you can trust who *does* have them.

Although I've got better at money management over the years, when I started out I felt I was weak in this area so I found a business partner who did have these skills. I was also lucky to meet a great Accountant before I started out in business while on a business enterprise training course. He's still my Accountant after all these years and one of the best people I know.

He taught me this poem; great advice if you're in business...

Turnover's vanity

Profit's sanity

Cash flow's reality

Remember that and you won't go far wrong.

My current business partner is also my life partner and thankfully she too is excellent at financial management. The key thing is not that you personally are a brilliant financial manager, but that those skills are *somewhere* in the business (or at least accessible).

Based on my experience, I have some general financial advice for anyone developing a business:

Work out what you don't need

Think very, very carefully about what you really *don't* need. I covered this in depth in my first article for *ISMA News*. Every one of the ten *don't need things* I covered there costs money, directly or indirectly. And it's amazing how much you can save without those things. Don't be swayed by image or vanity. Live on less. You can, a lot less.

Work towards becoming debt-free

Reduce (and work towards the elimination of) debt. Debt is an expensive luxury. It's also stress-inducing. When my business started to do better many years ago, I took every opportunity I could to reduce my debt. I'm very glad I did. I don't live in any way an opulent life, but it's totally debt-free and I don't worry about money. If you have them, money worries tend to niggle away at you. They put a strain on both your business and personal life.

So pay off and get rid of your credit cards. Pay off or overpay your mortgage (it's worth having a flexible mortgage where you can do that). Own your car, and if you have 2 cars see if you can get by on one.

Avoid business finance

Think very carefully indeed about whether you need business finance. Business loans are particularly expensive due to the risk aversion of the banks, and you're also then beholden to those banks. That's not a great idea given their recent track record. My advice is to grow your business organically if you possibly can – to grow within your means. It's tough to begin with but worth the sacrifice. If later you do want bank finance, do it from a position of financial strength. Ironically, if you don't need it, there's a much greater chance you'll be offered finance without painful strings attached.

Build up reserves

It's the nature of business; there are feasts and there are famines. When the going is good, build up your reserves. Have a slush fund or funds. The worst may never happen, but if you have money set aside, you won't worry about things so much.

Get good at credit control

Of course, as your business develops you will start invoicing clients. If you work with corporate clients, bear in mind that there can be a long time between invoice and payment.

Sometimes you can prevent or at least minimise late payments, by making sure:

- You're clear about your terms and conditions before agreeing contracts.
- You're well organised and have good systems (they don't need to be hi-tech).
- You're 100% sure about who owes what, when invoiced etc. (even if the client's finances seem shambolic).
- You have the right contact details (e.g. decision maker, person in finance dept.) including email addresses and phones.
- The client has everything *they* need information-wise to set you up on their system (we have a document we send out to clients that contains all the likely details they could possibly need).
- That they have actually set you up on their system. Check this and never assume it's been done until they confirm it has been. That's because if they haven't set you up properly and you invoice them, this will lead to major delays in payment.
- They have given you all the details *you* need such as purchase order numbers, invoicing address and any other payment references they need included on the invoice.

Bear in mind that some clients *will* be late payers. Sadly, a small minority of clients will also make life as awkward as possible, making excuse after excuse about why they haven't paid. This can be stressful and waste a lot of time. From time to time, it's worth considering whether some clients are worth the grief and hassle. If they don't treat you with respect and repeatedly pay late or otherwise

muck you about, don't be afraid to make difficult decisions. Sometimes, it *is* justifiable to sack your worst clients! It's better and ultimately more cost-effective to work with clients who are trustworthy and pay on time.

Never, ever be afraid to be assertive about asking for payment. Don't be aggressive and never lose your temper, no matter how exasperated you become. But do be assertive and explain clearly that payment is overdue you expect payment by a particular date and time.

The best thing if you can is to have someone *within* the business who is good at credit control. However, this is one of those areas that many businesses outsource. So if you're comfortable with that, it's well worth thinking about. Do what works best for you. The key thing is that someone is right on top of things.

Always remember the last line of the poem above: *Cash flow's reality*. Poor cash flow can kill a business.

What you do need 3: Resilience

Running a business is very demanding so you do need to be resilient.

You may be lucky in the sense that your genetic inheritance, your upbringing and your circumstances all boost your resilience. These things can and do make a difference. But they're not the whole story by any means. You can definitely *become* more resilient.

Learn through the experience of overcoming adversity

Partly, you'll learn through experience. You will definitely make mistakes and have some setbacks. In my case, I've had some major setbacks in my business life. Things like that are tough to take and get over. But with time you gain some perspective and move on.

Don't beat yourself up over mistakes

We all make mistakes in business, sometimes big ones! A key thing is not to beat yourself up when those things happen. Rather, reflect on what you can learn and try not to repeat the mistakes. It can definitely help to talk about things with someone you trust. (I'll say more about support in the next issue.)

Manage your anxiety and negative thinking

What you think about, your attitudes and beliefs, will make a big difference to your business success. If you tend to worry and ruminate about things, you'll need to find ways of managing your anxiety. It's not a case of *eliminating* all anxiety, as worry is there for a reason (e.g. to make sure you tackle a financial problem). But you do need to be able to manage it in such a way as you can get on with growing the business.

It's similar with pessimism or negative thinking. Sometimes you have to look at the negative (or have someone bring it to your attention), but likewise thinking

too negatively can sabotage any chance of business success. You just have to be able to try or test things, especially when marketing. You also have to take a long-term view. Pessimism may stop you doing what you need to do now to generate business a year from now.

There are of course a variety of ways of managing negative emotions and thoughts. Given that you're reading *ISMA News*, I'm you'll have some good strategies! I've found acceptance, distraction and CBT approaches (challenging negative beliefs) can all help.

Overall, I think an optimistic mindset helps, but blind optimism doesn't. You need a balance and be prepared to look at the negatives. If you ignore them, especially if the negatives are money-related, there could be trouble.

Understand your strengths and limitations

One thing I've learned the hard way (which has definitely improved my resilience) is to respect my strengths and limitations. I recommend you do the same.

How do you do that? I've found it's partly through experience, partly through listening to your body and mind, and partly through listening to others who know you well. Below, I've listed some things I've learned.

Don't try to do everything

Play to your strengths (which will make you happier anyway) and find ways of delegating other, less important stuff. If you try to do everything you'll pretty quickly become stressed out, miserable and exhausted. The best approach if you can is to have other people with complementary strengths do the stuff you aren't good at or don't want to do. These may be your colleagues of course, or you could consider completely outsourcing certain tasks, just paying for what you need. This isn't just good for resilience, it's also very cost-efficient.

Listen to, and respect, your body and mind

How many courses (or whatever it is you deliver) can you deliver well before you start to become exhausted and feel unwell?

It's good to consider what you can reasonably cope with over say a week *and* what you can cope with over several weeks in a row. You may need different 'rules', for example one for one-off heavy weeks and one for continuous week-after-week work. This is vitally important, because if your health breaks down, it will have major ramifications for your business.

Bear in mind the demands of travel

If you travel a lot to deliver your service, think about *how* and *when* you travel to maintain your resilience. Some of my own travel-related 'rules' are:

- Avoid very early starts and travel the day before if necessary. (I am not a morning person and don't function cognitively at 4am.)

- Don't drive to clients unless they're very close. Take public transport options wherever possible. (I blogged recently about the 'pleasures' of public transport.) Driving when exhausted is stressful and dangerous. Running a business and delivering your services is demanding enough. Let the train, plane or bus take the strain.
- Pay for the best travel experience you can afford (e.g. 1st class, extra legroom – it's 100% worth it!). Apart from reducing the stress, this gives you the best chance you can to perform well and provide the best service.
- Build in plenty of time for delays and getting lost. If you think you're cutting it fine time-wise, it will put you under stress, not just at the time but in advance.
- Stay in reasonable hotels, close to public transport hubs, to make life as easy as possible.
- Despite your best preventive efforts, occasionally the worst happens with travel in the UK and you just can't get there. So clarify to clients in your terms and conditions or contracts what will happen in such circumstances. Bear in mind that it's likely that your client / delegates will have been affected too. The best thing you can do is to accept it, retain a sense of humour and make the best of the situation.
- Use business travel as an opportunity. There's a lot of sitting around with business travel, so I like to use that time for creative work, like development tasks, strategy or learning. These are tasks I enjoy so the travel is less exhausting. But it's also an opportunity to rest and maybe sleep a little. Don't ever feel guilty about catching up on some rest if comfort allows.
- Take the opportunity to connect with people while travelling. Some of the best conversations I've had have been on trains or planes. Don't be shy. You (and they) will feel better and less stressed if you connect. It also helps pass the time.
- Be curious. Find out about all the places you go and travel through. And if you have the time, have a good look around when you get there. This again makes the travel experience much richer.
- Walk when you can. If you take public transport (and avoid taxis), you end up walking a lot more. Walking is good for the body and the mind and helps you sleep later on. (And most importantly for me, it helps keep the weight down!)

Eat and Drink well

Eat and drink as well as you can given the rigours of service delivery and business travel. Of course, it's easier to do this at home than when travelling.

This is worth thinking about and planning to suit the way you work, especially with regards to nutrition and hydration on the road.

One of the simple things I do is take pots of instant porridge everywhere I go. Hotel breakfasts are time-consuming, expensive and you tend to eat too much at the buffet (well I do!). Porridge is cheap and good for you. It's also very light to carry in a suitcase.

Another thing I regularly do is buy, or take with me, a selection of fruit. At home I eat a lot of fruit and veg and that can be a challenge when you're away. So easy access to fruit in your hotel room is a good idea.

When I travel, I use Weatherspoons' pubs a lot in the early evenings. In fact, I make a point of knowing exactly where there are in the towns or cities I visit. Not only are they cheap compared to hotels and restaurants but the menus are very varied and helpful with regard to calories and other nutritional info. They also do much cheaper tea and coffee and their breakfasts are about a quarter of the price of the hotels. They usually have good broadband too. So if you need to, you can do a bit of work or catch up on emails free of charge.

Manage your fatigue and sleep

Fatigue (and its nastier relatives, exhaustion and burnout) is a very real risk when running a business.

I'd put it simply and straightforwardly. If you don't manage your fatigue, there will be a price to pay. Often it is your health, mental or physical or both. But equally it could be your relationships, because of the effects on your mood. Or it could be your decision making. Or it could be your creativity. It's very difficult indeed to be creative and develop good stuff when you're exhausted.

Pretty much all of strategies I mentioned above (around knowing your limitations, travel 'rules', eating well etc.) have links to fatigue. A specific issue however is sleep. Sleep and wellbeing are intimately linked. After a few nights with little or no sleep, I find the effects on me are dramatic and unpleasant. I need my sleep and don't cope at all well without it.

You won't sleep as well when you're away from home, and to an extent you have to accept that. However, here are some 'rules' I've found that help for me:

- Choose a hotel with air conditioned rooms, especially in the summer (in fact, I will sometimes phone the hotel directly just to make sure the air con is working). Going for the cheapest overnight accommodation is a false economy.
- Try to get a room on the quieter side of the hotel. It can make a huge difference to your sleep.
- If there's *any* problem with your room, ask if you can change and do that as soon as possible before all other rooms are taken.
- Have your evening meal reasonably early if you can, so you can fully digest it before putting your head down.

- Have a brisk walk in the evening, but not too late. Somehow, the combination of walking and fresh air does really help with sleep.
- If you travel a lot, you have to manage the alcohol consumption, because alcohol affects your sleep. Wetherspoons is good for this too – you can choose a lower alcohol beer and or soft drink. I don't drink tea or coffee in the second half of the day and that definitely helps.
- Go to bed early. On business trips, I usually have to get up much earlier than I do at home. So I've got into a routine of going to bed about 9 or 9.30, when I'm away.
- If your room neighbours are noisy, don't lie there stewing about it, let reception know. Just about the worst thing for sleep is getting annoyed. Any decent hotel will act on your concerns.
- Switch off all electronic devices and minimise light; try to ensure it is really dark.

Conclusion

In this article, I've focussed on the first three things out of ten I believe you *do* need to be successful in business: time, money management, and resilience.

1. Growing a business to the point where it is profitable and sustainable takes time, more time than you think.
2. Because of this, you'll need to become really good at managing your money in order to survive and ultimately thrive.
3. You'll also need to develop resilience skills and perhaps a set of personal 'rules' to make sure you can deal with the demands of being in business.

Over the next two articles, I'll look at the next seven things I believe you *do* need. After support, the others will be more business-specific, like your own products and services, a website and marketing skills.

See you then. Good luck with growing and developing your business.

Alan Bradshaw

Useful links:

Business articles: <http://www.the-stress-site.net/business-articles.html>

Business mentoring: <http://www.the-stress-site.net/business-mentoring.html>

Alan's blog: <http://alanbradshaw.blogspot.co.uk>

Recommended tools: <http://www.the-stress-site.net/business-tools.html>

Business development toolkit for Professionals (e-book): <http://www.the-stress-site.net/business-development-toolkit.html>

Profile:

Alan Bradshaw is a Business Psychologist specialising in the fields of stress management and resilience. His business, Work-Life Solutions, provides stress management training and consultancy to clients across all sectors. Alan also provides training, coaching and mentoring to consultants and practitioners around business development and marketing.