SCALE UP

Taking your operational infrastructure to the next level

Wednesday, April 26, 2017

MODERATOR:

Towan Isom *President and CEO, Isom Global Strategies*

PANELIST:

Natalia Olson-Urtecho
Former SBA Regional Administrator of the Mid-Atlantic and CEO of InfraTech21

Tim Hampton
Entrepreneurship Coach and Loan Officer, Washington Area Community Investment Fund (Wacif)

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Expert Panel Moderator

Towan Isom
President and CEO,
Isom Global Strategies

MBDA Welcome

Alicia Sowah
Office of Public Affairs,
The Minority Business Development Agency (MBDA)

Expert Panelist

Natalia Olson-Urtecho
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and CEO of Infratech21*

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What size is your business?

    a) Mom and Pop (no employees)

    b) Micro (2-14 employees)

    c) Small (15-49 employees)

    d) Medium (50-499 employees)

    e) Large (500+ employees)

Are you a business owner/ c-suite executive?

    a) Yes

    b) No

Polling Question #4

What webinar takeaway are you most interested in?

    a) Difference between scaling and company growth

    b) When to scale your business

    c) Setting up your infrastructure to scale

    d) Sharpening your existing operational procedures

    e) Preserve resources to improve your bottom line

What is Scaling?

The development of internal processes and a secure infrastructure for your business to operate whether you have 10 or 10,000 clients without compromising the quality.

- Quality assurance processes
- Standard operating processes/procedures

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Growing vs. Scaling

Growth

– The process of improving some measure of an enterprise's success typically resulting in significant positive cash flows or earnings.

- Focuses on the external output

Growth Example:

– A small bakery that secures 3 new business contracts, which increases revenue by 20%. Growth does not address the infrastructure for how employees will streamline processes to handle the product/service increase from the new business.

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Growing vs. Scaling Cont'd

Scaling

– Allocating and optimizing resources to drive the greatest results and volume for a secure infrastructure.

- Focuses on internal preparation

Scaling Example:

– A small bakery that recently opens a second location documents processes for how to clean all equipment at the end of each business day. Scaling creates automation of operational practices that can be shared with employees as the company expands to ensure a consistent level of quality.

Do you outsource operational tasks (accounting, human resources, etc.)

    a) Yes

    b) No

Scalable Factors: Revenue

- Assess factors that impact your bottom line and create efficiencies for how they are monitored

- Standardize reports or create real-time dashboards to provide metrics in the following key areas:
  - Revenue and margins
  - Cash flow
  - Sales funnel
  - Lead generation costs
  - Profit and Loss

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Scalable Factors: Product/ Services

Are you able to create products and services for an incrementally larger consumer base?

- Mass replication
- Knowledge transfer
- Cost reduction due to efficient training
  - Employees no longer need to 'reinvent the wheel' with staff turnover or cross-collaboration

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Does your business have SOPs and/or employee training documents in place?

    a) Yes

    b) No

Scalable Factors: Processes

Have you created "How To's"?

– Create standard processes to standardize operational functions

– Generate process maps to provide an understanding of how all processes contribute to the overall sustainability of the business

Scalable Factors: Human Resources

- Have you created your employee culture?
  - Hire people who fit the brand of your company
    - Screen candidates not only for their skills and knowledge, but also personality. Employees should complement the mission, values and culture
    - Treat employees well and invest in their growth. They are now representatives
      of your company
    - Hire employees who complement the strategic growth plan of your business
  - Create standard processes to streamline onboarding and job functions
- Everyone should be replaceable…Including you
  - Hire leaders that allow you to shift from working *IN* the company to *ON* the company in order to scale

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Scalable Factors: Technology

- Are you ready for a technological disaster?
  - Implement automated 'back-up', disaster recovery plans and tools
    - Recovery downtime is reduced or eliminated
  - Ensures you can access data if equipment is lost, damaged or stolen
  - Invest in Cloud Technology and Web-based services
    - Less expensive than server based programs
    - Pay-as-you-go (cost effective)

- Careful not to *over* invest in technology, but *under* invest in people. You need people who understand and operate the software

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Scaling on a Budget?

- Create a plan for scaling without money
  - Focus on the processes in all areas of the business.
    - This will streamline operating costs
- Create a plan for scaling with money
  - No cash is expendable
  - <u>Every</u> purchase should be considered thoroughly
    - How will it impact the business? How will the purchase help to reach goals? What are the risks?
  - Money should only be expended in areas with a catastrophic need

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Benefits of Scaling

- Strengthens overall business infrastructure
- Creates a culture of accountability
- Achieves quality assurance and automation
- Process improvements
  - Requires annual review

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Thank You!

Join us next month from 2:00 p.m. – 3:30 p.m. for our innovation webinar on Wednesday, May 31, 2017! Follow MBDA for more information!

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