

BUILDING PROSPERITY

The Importance of Expansion

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 Prosperity Plus

BUILDING PROSPERITY



EXPANSION ISN'T A GAME FOR LARGE AND WEALTHY ALONE

Here on the cusp of Spring, it may be a easier to consider the concept of expansion now than it was just a few months ago. If we take a lesson from nature, we can see it's an inevitable part of survival which is, after all, the common denominator of all life.

So, let's take this up in terms of business. In this issue of *Building Prosperity*, we look at how expansion is advanced or hindered by the thoughts and actions taken or accepted as policy. You can see that idea well covered in the article *If You're Not Marketing, You're Not Expanding* on page three.

That's just to get you in the right mindset before confronting an even more hard-hitting article *Get Organized and Double Your Business* by our very own founder Jim Kahrs.

So as the weather continues to warm up and the daylight hours expand further into the afternoon, let's consider the points being made here. Expansion is a necessity to the survival of any organization. As L. Ron Hubbard says in his article *Infinite Expansion* - "There is no reason whatever to ever contract or reduce the size of an organization except covert destruction."

Enjoy the issue. Let us know how you're doing.

Tim Votapka
VP & Director of Marketing



If You're Not Marketing. You're Not Expanding.

And Your Mindset May be the Problem

written by Tim Votapka

There is big reason why companies don't get the market share their managers feel they deserve: they don't communicate. That may be a tough thing to hear, particularly if you have been spending money on advertising campaigns or other tactics intended to attract attention and grow revenue. Nevertheless, truth is truth and when we pause to look at successful organizations, you

can't deny the value of what they've done to keep communication flowing no matter what may be going on inside or outside the business, or how big or small the organization is in revenue, staff or product offering. To get this down, we have to review the very definition of communication itself and the anatomy of its formula.

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Marketing & Expansion

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Even Oxford's definition falls short in clarifying the subject.

1. The action of communicating (a letter or message containing information).
2. The means of sending or receiving information, such as telephone lines or computers.
3. The means of travelling or of transporting goods, such as roads or railways.

That says nothing about communication actually reaching its target, being understood and then knowing those two requirements were achieved. Here then is a common error in thought and action in marketing. Communication is more accurately defined as an interchange of ideas between two people. On one end of the line, you have the idea, the concept, or the data. On the other end, you need someone receiving the communication. Whether or not they're willing to is another matter, but let's at least draw that line.

There is a flow from one point to the other where the "Aha!" occurs and then that is acknowledged in a flow that goes back up the other way, so the originator sees he's been heard and understood. This all depends on intention, attention, reality, and agreement. Any one of these can make or break the marketing communications game for a business, especially when they're not put into regular use.

Intention is a nasty little bug for some business owners in today's business systems industry. If one really doesn't have the intention to get a communication across to another individual or group, we'll never have much luck getting the share of mind that sparks the fire that drives market share. This is an area I've had to confront with many people over 30 years in marketing and promotion. There are actually individuals who have an aversion to outflowing in terms of communication. They rely on word-of-mouth referrals, or they assign the entire function of marketing to their salespeople.

If one has little or no interest in expansion, then this is the best way to operate because it will guarantee that the company's name, reputation and brand will contract. We don't need a pandemic and social distancing to make that a natural law; it has been a basic fact for as long man has had something to sell. COVID-19 merely shook mindsets up enough to help people realize how vital marketing really is, especially when you can't send salespeople out to visit customers and prospects in the field.

The awareness customers have for us as a go-to resource diminishes as soon as we back off on the outflow. When that occurs, it is very difficult to get back into the race. A good rep may reach several prospects in a day, but there's no way he can reach hundreds or thousands without the power of a good marketing communications program, with widespread email, social media, digital webinars and showcases, and other publicity.

Marketing is vital in keeping the business afloat and ahead of the fleet. To back that up we refer to the American Marketing Association's definition which says marketing is "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

For me, that's a pretty good definition and one that needs to be read a couple of times through to really get. It certainly aligns with our intentions for our businesses and the people we want to reach and service. You don't have to be a charter member of the AMA to appreciate that. You do need to examine your communication and assess whether or not it's being done with the proper intention, attention, and effort. If you don't have time for that, then it's time to let someone help.

To quote one of the most successful slogans of our time "Just do it."

CAN WE TALK ABOUT YOUR MARKETING?

It Can Only Help!

*"Our website looks sharp!
I went through the entire website. It'd been a while, and this time reviewing it refreshed my awareness of a lot of positive things about our company. Including the high degree of solutions and support we provide. I also took notice of how sharp and easily navigable our new website is. We certainly appreciate the creative marketing support that Prosperity Plus provides us."*

G.R. - Little Rock, AR

CONTACT US TODAY FOR A FRIENDLY CONVERSATION ABOUT YOUR MARKETING.

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Get Organized and Double Your Business

How to Get Your Company On a Path of Continuous Growth

written by Jim Kahrs

When I ask dealers what their goals are for the coming months and years, I typically get responses like; "I want to grow the business by 25%" or "we're looking to double the size of the business." If you're taking time from your busy schedule to read this article then I assume you too have goals to grow your business. Unfortunately, few dealers are experiencing the level of growth they want,

and this is attributed to several factors including the economy, product issues and "lazy employees." When looking closely at dealerships on both sides of the equation, those growing and those not, I can tell you that there are some basic similarities shared by companies meeting their goals.

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Get Organized and Double Your Business

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The good news is that because they are basic it doesn't take a nuclear physicist to apply them. So, how do you get your company on a path of continuous growth year in and year out?

As a consulting and training group we work with office systems dealers to implement the Hubbard Management System, developed by L. Ron Hubbard world acclaimed author, administrator and, interestingly enough, nuclear physicist trained at George Washington University. One of the principles outlined in the Hubbard Management System states; "What it takes to make an organization go right is the intelligent assessment of what really needs to be done, setting those as targets and getting them actually fully DONE."

Sounds simple doesn't it? The first part of this principle states that it takes "intelligent assessment of what really needs to be done." A million things could be done that would not lead to improvement in the business. So it's wise to think and look at some fundamentals before you squirrel around with fruitless results. For example, have you ever had an employee that just couldn't prioritize their work? Instead of spending time on things that really need to be done they squandered their time on insignificant tasks.

Common examples of this are reports that take hours to produce yet are never used or meetings that don't have a specific purpose. This is not to say that you should stop creating and using management reports or discontinue all meetings, but rather that you should make sure that the reports and meetings are things that really need to be done.

Another example of this would be a parts manager who spent time analyzing obsolete parts inventory while incomplete service calls and overnight parts orders went up dramatically. The parts manager should have been evaluating car stocks and putting a plan in place to remedy this problem.

Intelligent assessment identifies what is important and what is not and is where good leadership and management really shine.

When you decide to start your assessment of an area the easiest way to begin is by defining the expected products of that area. In the Hubbard Management System a product is defined as "a completed cycle of action, which can then be represented as having been done." Every area of your dealership has specific things that it must produce. For a sales rep it would include closed sales, for a service technician it would include completed service calls, for an accounts receivable clerk it would include invoices collected and for a sales administrator it would include orders billed.

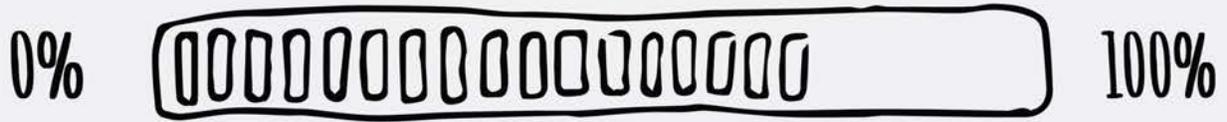
When you define the products for each area you can see what really needs to be done to get these products in volume. If you or your staff members have trouble defining the products for an area, then you may have time being spent on things that aren't really needed. Going back to the products listed above, would you think a sales rep delivering toner is doing something that really needed to be done to get a sale? In most cases the answer would be no, yet this happens daily in some dealerships.

As mentioned earlier, there are a million things that can be done that don't really need to be done, the key is to identify them and get the focus back on to those things that will lead to further production.

After deciding what needs to be done you move on to, "setting those as targets and getting them actually fully DONE." The first thing to look at here is the meaning of targets. The Hubbard Management System defines a target as "an objective one intends to accomplish within a given period of time."

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GOAL ACHIEVED



**LET'S GET A CLEAR VIEW OVER WHAT STANDS
BETWEEN YOU AND YOUR GOALS.**



The Business Analysis Program from Prosperity Plus will help you get your organization in line with your targets and objectives. In fact, it's helped many dealerships 2X their profitability in less than one year. At a cost of just \$1,495 you can't afford to not to do it.

Take the first step and contact us to hear more.

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Get Organized and Double Your Business

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The easiest way to do this is by requiring the employee to report back all completed targets. This puts the majority of the burden on the staff not the managers. However, managers must keep track of and review the expected targets on a regular basis to catch those that have fallen through the cracks.

Real world examples:

You are trying to figure out why you haven't been able to hire the new sales reps you need. You start by assessing what really needs to be done for you to get the sales reps on board. First you would need a way to bring in candidates. Next you would need to interview the candidates and narrow the choices down. Then you would have to hire the best ones and get them trained. You can get candidates by asking your current employees for referrals, advertising in local newspapers and having recruiters send you candidates. So you work out a plan with the sales manager and set the following targets; meet with each employee by next Friday to ask them personally for referrals, have ads placed in the three local newspapers by this Thursday and get a contract with a local recruiter by Tuesday. You then set a recurring target to interview three candidates a week. As the sales manager's senior you check back with him to make sure that each of these targets was met in the allotted timeframe. I've implemented this exact program with some of our clients and had great success. I've had clients go from interviewing once every three weeks or so to a steady stream of three per week. This increased selection of candidates always leads to better hires. It's great to have options.

I encountered another example while working with a dealer that had trouble with collections. More than 35% of their accounts receivables were older than 60 days. In assessing the area I found that they were not mailing out statements, that the accounts receivable clerk had called less than 10%

of the past due accounts and that no one was monitoring this from a management level. From this assessment it was determined that they needed to start sending out statements, needed a tracking system for calls made and a reporting systems for management to see what was actually being done.

We set some key targets. The first target established was to have statements printed and mailed to all accounts with an open balance on the 15th of each month. The next target was to have the accounts receivable clerk call every account that is past due at least once a month. From here the A/R clerk began tracking these activities through the dealership's management software. All contacts were to be documented and reported to the accounting manager. Once a contact was made all follow up activities were to be entered as future calls and completed on time. From here the accounting manager required a report of all calls made and invoices collected. Because the activities were being entered into the management software it was very easy to verify compliance with the targets and monitor each step of the process account by account. After just a couple of months, accounts receivables older than 60 days decreased to 25% and continued to come down from there.

So if you answered yes to the title of this story, you need to concentrate on "intelligent assessment of what really needs to be done, setting those as targets and getting them actually fully DONE." If you spend time doing these exact steps with each area of your dealership you'll be reaching those growth goals that seem so elusive. Just assess the area, set targets and make sure they are completed on time, it's that simple.

Jim can be reached at (631) 382-7762 or jkahrs@prosperityplus.com.

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Having the right support makes all the difference. Prosperity Plus is the most respected M&A firm in the industry with more than 20 years of success in helping dealerships achieve their goals.

CONTACT US TODAY

631.382.7762 | JKAHRS@PROSPERITYPLUS.COM



Infinite Expansion

written by L. Ron Hubbard



There is no reason whatever to ever contract or reduce the size of an organization except covert destruction.

In theory there is no limit to the size of an organization.

The Org Board is capable of expanding to 200,000 staff members!

So long as property purchase does not commit future income dangerously and so long as administrative staff are kept in a ratio of two to one production staff, there is no limit to expansion.

So long as cash-bills is kept more cash than bills there is no limit to expansion.

So long as the staff produces what their posts call for there is no limit to expansion.

So long as you DELIVER in quality what you SELL there is no limit to expansion.

So don't get frightened, don't fire people, don't cut back. Understand the above and the *whole* of this article. And there is no limit to expansion.

So EXPAND.

A handwritten signature in black ink, which appears to read "L. Ron Hubbard". The signature is stylized and fluid, with long, sweeping lines.

IA# 0208222

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May 19
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June 16
Business Value Drivers



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