Tennick

Building business legacies

The Four Pillars

A guide to building the foundations
of your business legacy

Changing legacies right before us

Society has become one in which peoples expectations are changing. They want more of something, delivered faster but for less cost.

Technological developments have; and will continue to make the world a smaller place that in turn makes competition greater than ever.

Local greengrocers can now compete with major supermarkets; independent consultants can serve businesses anywhere in the world and marketplace platforms have opened up logistics and customers that never before existed.

Amazon's marketplace, Shopify and Zoom are the types of technology that have provided smaller businesses with previously non-existent opportunities to compete with significantly larger businesses.

These differentiating factors are changing how we do business on a scale never seen before. The strengths of larger and market-leading businesses are often being exposed as their weakness due to the slow pace at which they can react (despite their resources).

Your local fruit and veg business discovered this during COVID-19 when they grabbed the opportunity to serve local communities that national supermarket chains couldn't mobilise fast enough to serve. The sentiment to support local business drove a groundswell of demand.

Are these changes sustainable?

Legacies are being built and disappearing as each day passes in the current business climate and those with strong foundations are inevitably the ones that carry a higher chance of growing or capitalising on opportunities.

There are four fundamental pillars on which such businesses are underpinned and this guide walks you through how to most effectively implement each one.

We have built our own business and those of clients on these same proven principles.

It is upon the creation and maintenance of these core pillars that sustainable legacies are built; ones that business owners, their teams, clients, friends and families can be proud of and benefit from.

Do not fall at the first hurdle

In the current climate it is very easy to do one of two things; both of which need a balanced way of thinking to succeed:

1. Continue as you are - you could work the way you always have and forget about the possibilities the new business world presents to you
2. Embrace the opportunities - you could get caught up in the possibilities available but forget the skills that got you to where you are in the first place

It is very easy to get caught up and lose perspective in the pace of such technological advances and marketplace change. Managing this change and acknowledging it is critical and needs to be controlled in a balanced way.

It is worth remembering that humans (now more ever value) the company of friends and loved one's. No amount of technology or virtual calls will ever replace the elements we miss from face to face meetings.

However, we should also not ignore the opportunities that new ways of working present. We must adapt what works best in different circumstances, particularly if it allows us to open up new markets and serve customers better.

This trend has been evident in current generations of children and the way they interact with technology to communicate with friends and family. It is significantly different to generations before and is more than likely to be very different to generations that follow.

TThe challenges that we face both now and in the future is why we need to consider this balance between technology and the human touch. It is upon this that the Tennick Legacy Foundations are built.

It is the experiences and changes from the past and present coupled with our successes and mistakes changes that form the basis of the Four Pillars.

The Four Key Pillars

There are four key pillars upon which we believe that the foundations of sustainable businesses are built:

1. People
2. Processes
3. Technology
4. Data

Relationship between pillars

As with all pillars of strength, they are dependent on each other and there is a 'secret glue' that holds them together which we will discussed throughout this guide.

The relationship between each pillar must be understood along with various ways in which they can built or even rebuilt.

As you would expect, when one pillar falls, they can all fall. But they don't all necessarily fall at the same pace, in the same way and subsequently the impact can vary greatly.

Depending on the industry, the demands and extent to which each of these four pillars are relevant will vary. For example, a small electrical contracting business may not need the latest analytics technology and data dashboard in the same way that a large pharmaceutical business will.

SImilarly, the inter-relationship between different pillars will vary. People without processes will lead to loss of consistency and control but too many people without process will lead to inefficiency and a lack of output. Different businesses will need a different blend between pillars.

Assessing your pillars strength

It is more than likely that many businesses will already have one or more of the key pillars in place. Some will be strong and performing as needed but others may have structural weaknesses; even if it is not immediately obvious.

The best way to assess the strength of your existing pillars and your future needs is to imagine you are back at day one of your business.

Ask yourself this question:

- If I started my business again, how would I differently address the way I built the pillars in my business?

You can then take a step back and use this answer to help assess your existing pillars against how you ideally want them to perform.

Ask these questions to understand where the greatest attention is needed:

- Which; if any, of the key pillars are missing entirely?
- Which of these pillars would you consider your greatest strength and why?
- Which of these pillars would you consider to be underperforming why?
- How are your different pillars interacting with one another?
- Which of these pillars would be easiest to fix and why?
- What is the cost of getting one or more of these fully functioning and the opportunity cost of it failing?

Use this exercise alongside this guide and repeat it periodically to help focus on maintaining the foundations you rely on.

If you would like support with the outcomes, then share your results with us and we will help.

People

Whilst it might seem obvious to say that you need people, and of course the right people, you must go far deeper than that.

Values

Before you even look at the people you have and are looking to attract, you need to understand what your business is about, the values you stand for, the mission you are on and how its personality is communicated through channels such as social media or your website. By understanding this, you can align people to fit your business culture.

Key tip
The Business Canvas and Value Proposition Canvas models can help you to clearly understand what you are offering to who and the differentiating factors that will make a difference. This helps to understand personality and and what you stand for which in turn translates into talking the same language internally and externally.

In our experience, this should be done first to try and help shape the people you have or the people you want to attract.

Understanding

Understanding yourself and your people on a deeper level is the next stage in trying to ensure you optimise the performance of your team and focus on gaps you identify.

Key tip
Myers Briggs is one example of tools that help you to learn about you and the individuals around you and how you operate as a team. By undertaking this exercise at Tennick, we were able to translate this into a better understanding of the way that different personality types suit certain scenarios better than others. It gave us a constructive way to think about how we both operate as a team and most effectively support the clients we engage with.

Once this understanding is there, you will truly know what actions are needed to make a difference to your ambitions. It will help you make big decisions like changes to people or the recruitment of new hires because you understand the benefits.

You will be able to assess how people interact and in what conditions they best perform. This might be as an individual or as part of a team so your structure is something key to consider. Needs such as management and coaching will inform whether the type of structure you need.

It could be that a flat structure frees people to be much more agile and accountable whilst developing flatter. Conversely a pyramid may help provide clearer process, coaching and management structure which is useful in more process or regulatory driven environments.

Thinking about the needs of your customers through this process will help define how you operate externally and match structures, training or people to their needs.

We recommend taking an open minded approach to such work. External advisors can help to bring neutrality and objectivity as well as experience as to what works in different scenarios.

Just because something or someone doesn't seem to work or 'fit' might actually just be a case of needing to align things to different opportunities.

Key tip
Your people and customers should have an influence over how you do business but they should not dictate it. Don't forget that it is possible to change both whilst retaining the core identify of your business. You just need to make sure the various steps are assessed to give you the right approach and minimise the impact of wrong decisions.

Processes

No matter how great people are, processes will always help them to ensure they fully reach their potential. They also make business continuity much easier by ensuring that operations continue when someone is on holiday or moves to a different role/company.

Key person dependency can be avoided by capturing specific operational processes People can often be quite protective of knowledge and expertise but by sharing knowledge and processes, we can help each other to improve whilst providing much more diverse and enriching experiences for people to learn.

In short, an over-reliance on people is very damaging and it can be like acting on a cliff-edge that you will never realise until something goes wrong.

What processes?

'Processes' is a rather generic term but the processes that we find to have the biggest impact on businesses are:

- Sales experience
- Customer journey
- Operations

Where to start?

Key tip

Mapping out a process is a great way to identify key activities and find quick win improvements by looking at it in full end-to-end. The best and easiest way to map a process is with a blank spreadsheet or large piece of paper. Online tools like Miro can be useful or simply the back of a long roll of wall paper! Map every stage from beginning to end and differentiate customer facing experiences from operational (back office) activities. Using a Think - Feel - Do approach can also help to appreciate the behavioural aspects of a process.

For example, a customer journey may involve touch points from three different departments. A map may be the only way to identify that those touch points are actually too close together and all via the same mechanism. This causes confusion and lack of engagement from customers but is only visible when every element is laid out at once in a process.

A list of typical sales activities is an excellent way to demonstrate how many processes and sub-processes can be triggered:

- Activity is undertaken to generate demand for your business service/product e.g. advert via social media

- A data capture tool is used to capture the details of those people interested in your service/product

- The data is added onto a CRM system and aligned to GDPR processes

- A follow up phone call is made

- A quote is raised or the enquiry is closed or added to a 'nurture' list

- Clients added to the 'nurture' list are entered into this sub-process

- Clients that have a quote raised are followed up by a phone call

- Clients that accept a quote entered into the 'onboarding' sub-process

- Once the onboarding sub-process is completed, the work is undertaken

- Once the work is complete, the invoice is raised

- Once payment is made a feedback form is issued

Each of the above processes could have its own sub-process and involve several different teams who rarely communicate to one another.

A universal CRM and customer management system might be great ways to minimise the impact of complicated processes through technology.

Amazon are a great example of process being at the heart of their operations. They are masters in utilising technology to make a process so slick that it allows them to deliver more for less, in a quicker way almost EVERY time – ultimately making what would seem impossible, possible.

You may think that Amazon could not be relevant to the processes in your own business given the vast difference in size and resources. However, it is about taking a similar approach and starting with the intention of continuously improving on what you have irrespective of the size of your business.

Working example

At Tennick, we evaluated our own client management process by producing a journey map that captured many of the points raised in the sales example above. We did not get this right first time and iterated to identify the key improvements.

Following are examples of the key outcomes and benefits they bought

- We identified and agreed the aspects of the process that were either missing or required attention to help improve team buy-in and uncover all needs

- We assessed each aspect using a High Medium Low measure of both the cost to implement and the impact improvements would likely have to help prioritised our actions accordingly

- We appointed 'champions' internally to implement and improve ownership

- Every champion developed 'SMART' goals that they could be responsible for implementing (let's be honest, your team and people are most likely to know processes better than you) and measure themselves against

- We built our improvements with the acceptance that version 1 is better than version 0 whilst committing to continuously review and stress test the process to build iterate better versions

This has become a permanent ongoing project with customer satisfaction as its key goal.

Technology

Let us start with a key lesson - do not allow technology alone to dictate the speed of change in your business.

At Tennick, we invested to fast in technological advances from our industry but did not have the established foundations to make the most of them. Processes and People needed to progress at the same rate to effectively implement whilst data could not be integrated across all systems as expected.

Key tip
Use you process maps to factor in technology and assess whether the ideal experience can be best met by existing or new technology. Your will help to identify any gaps in your current technology but most importantly you can consider how any changes will sit alongside processes or the people that will use it.

Functionality

Once technology is aligned to process and people, a 'technology roadmap' can be used to assess functionality required whilst capturing timing and responsibility for implementation.

Share this roadmap and with your people, suppliers and even customers to gather insights as to what is really needed.

Timing

Be realistic and be patient. Specialist independent advice is often very valuable when considering the roll out of multiple pieces of software. The interests of individual software companies may not fit with your unique business needs or other technology integrations that need to be implemented at the same time.

Chat with the same valuable pool of people you did with the functionality and understand the true extent of what you are about to undertake before committing to anything.

Responsibility

We are fortunate to be able to share lots of good examples of successful technology roll outs.

The most successful are those where all people impacted are involved. You will get greater commitment and even better ownership for its success.

Getting your team involved from day one by appointing 'champions' or 'software leads' will unearth opportunities and challenges that business owners can never identify themselves.

This approach might feel slower at first, but will often turn out much quicker overall.

Data

This section is not about financial acronyms like KPI's, OKRs and FY's.

Instead we are going to focus on the data related activities that are going to really bring together the impact of everything you are doing across your business.

We always start with two simple questions:

1. What does success look like to you?
2. What is stopping you from achieving it?

Your answers directly inter-link with the other key business pillars so we will look at how data can support their success.

People

How do you create a successful team across your own people as well as your suppliers and customers? What are the things that are stopping you?

Key Tip
One of the key challenges that we are often asked about is resource wastage (time or money) and we suggest a three-step approach:
1. Track it – what gets measured gets monitored so if you start tracking this "wastage" and share it with those who are responsible for it you will immediately be involving your team and inviting them to contribute as to how any improvements can actioned.
2. Discuss it - we have an internal 1-3-1 process in which we take key issues, discuss three possible causes then determine the "actual" issue by using data. There is nothing worse than thinking your issue is one thing and it actually being another. You might even end up breaking something that actually worked all along. Data without context can be more damaging than no data at all!
3. Change it – with the same team, create a roadmap of the changes to be implemented and their owners in the team.
4. Repeat it - take the three steps again to make sure you are on the right path and the right decisions have been made.

Processes

You should be using data to tell you what is working and what is not. In some cases, it will also tell you why. But you need process to make sure you are getting the answers you need. Our own data engineer actually has no accountancy experience whatsoever but had the skills needed to bring our 'processes' together and ensure data is the fuel that fills the right car on the right path to the right destination.

Key tip
We mentioned Business Model Canvas earlier and one of the most powerful outcomes is learning how different parts of your business operates together on its journey to reach targets. By looking at your business as a whole, you can find eye opening data insights that inform big decisions and ensure you are aligned.

Technology

We often describe technology as being the 'enabler' and never has this been truer than in current times and data helps you to understand its purpose.

There are any amounts of data out there to help you to understand what a successful technology roll out might look like and the majority of these are closer than you think.

Key tip
Software providers almost always offer no obligation trials so take advantage of both them and the support of the provider to 'stress test' the solution. Gather as much data and get as many people to use it as possible. Look at data points to tell you how well it fits with your processes and use these insights to determine what technology is the best fit.

Finally, "what gets measured gets monitored". If you set key metrics within your business to assess all of the pillars mentioned in this guide then you will significantly increase your chances of succeeding.

ACCOUNTABILITY
(the often-missed ingredient)

"The hidden sauce that is missing from too many sandwiches." This is 'magic' that really makes data valuable.

A lot of the data you need will:

- Already be available and easily accessible subject to some minor changes
- Tell you things that you already know but provide you with the confidence to act on your gut
- Easily identify things that you were unaware of but often have the potential to be fixed quickly

Data is far too often let down by action or 'accountability'.

Once data is accessed, interpreted and translated into actions, success starts to appear a lot closer.

Key tip
Finding external support to help hold you accountable is something that make a major difference to many of our clients. An external influence can listen, interpret and be objective in their judgements. A sounding board to build plans, identify opportunities and make decisions can help make your pipe dream a reality.

At Tennick we work with more than one external coach to support our own business and help keep us accountable. We are expert accountants but not Leadership, Legal or Marketing experts So we work with different coaches who make up a Mastermind group that we are part of. We use data to identify where focus is needed then work with those 'coaches' to accelerate change and gain the expert knowledge needed.

We are not suggesting that you go and appoint several coaches but by identifying the priority area of your business that lacks certain expertise, you can investigate the options available to you. Existing professional services suppliers such as your accountant will often have a good network that you can tap into.

You can also consider peer to peer coaching across your sector. We coach fellow accountants because we believer that through collaboration we can be better. We share knowledge and benchmark using data and improve ourselves to grow quicker together rather than in isolation.

Bringing the four pillars together
Use accountability as the glue

No matter what pillars are in place, without accountability you might build some great infrastructure, but it will never truly be stable nor sustainable.

This accountability will not just help get things done but it will help ensure that things keep getting done as well.

Having accountability to constantly improve the pillars on which your business is based will keep you stronger for longer. Don't believe that anything is ever the perfect solution. Keep looking for better and never stand. Taking ownership is what drives the change needed to build something special.

Use the advice in this guide and the following steps to help implement the foundations for your own business legacy.

1. People - understand your strengths, flaws, development points, and culture to build a high performing team

2. **Processes –** map out how you do things now and what good looks like for the future to identify priorities

3. Technology – fit your technology needs to your business foundations to ensure optimal impact

4. Data – ask yourself about success and what is stopping you to help drive more from people, processes and technology

Finally, bring that accountability to the table to make it all happen; be it your accountant or somebody else external who you feel has the expertise to make a difference.

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The rest is now down to you.
What is your next course of action?

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