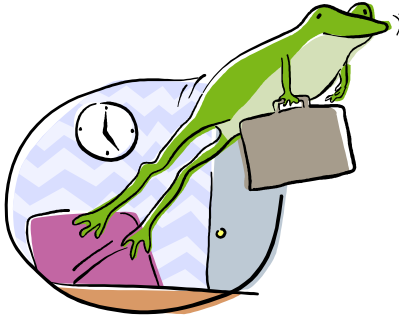


The Pot is Heating Up. Is Your Company the Frog?

By Dan Maloney CPA CFP CM&AA

Remember the story of the frog in a pot of water on the stove? If a frog falls into a pot of hot water, it will immediately jump out. But if the water is still cold but heating up, the frog will relax and stay put. It will not notice the gradual change and will eventually be in boiling water. Is your company like the proverbial frog? Is your business relaxing in the changing environment?



Many companies are slow to adapt to change. Some companies seem to be oblivious to the fast changing world. Not only do we now face international competition in our global economy, but even at home in the USA, our economy has experienced the most dramatic swings in the past few years. Still, many businesses operate in status quo mode. How does your company compare?

Entrepreneurs have some decisions to make. They can get in front of change, like the frog that jumped out of the pot, or they can sit back, relax and wait for the change to have its full effect on their company, like the less fortunate frog.

In times of change, it's important for entrepreneurial CEO's to be the change agent in their company. This means examining old habits, identifying and eliminating sacred cows, exploring new niches, developing new opportunities, and creating a winning environment. (To clarify the term "sacred cows", they are not "people". Sacred cows are often outdated processes and procedures that do not add value to your business or customers.) Change, even proactive change, doesn't come quick, so the sooner you start, the sooner you'll see the difference.

One of the problems with change management is that we can't foretell whether the strategic changes we make will be beneficial. Not to worry. Mistakes are often easy to fix if small steps are taken. Don't take huge leaps unless disaster is imminent. Do however, focus on continual incremental change.

Start the change process by creating a sense of urgency. Back it up with development of the company mission and vision. Don't go it alone. Get your employees involved by creating a change team. This is easier said than done, so make sure the team members display characteristics of high performing teams, some of which include:

- Clear and elevating goals with specific performance objectives phrased in concrete SMART language (Specific, Measurable, Attainable, Relevant, Time focused).
- A results driven structure – appropriate for achievement of performance objectives and resources needed to succeed.

- Competent team members – in technical and personal skills. Members must show a strong desire to contribute.
- Unified commitment to the change initiative and team spirit.
- A collaborative climate where team members work well together with trust and honesty.
- Principled leadership where leaders create expectations for excellence.

Permanent change can take hold when vision and mission are clear to all, when roles are clearly defined and documented, when accountability is set, when performance measures are in place, when SMART goals are properly designed and clear to all, and when departments work together with mutual trust and respect.



Take charge of change and jump out of the pot!

About the author: Dan Maloney is a CPA, CFP® and CM&AA. He is the Managing Member of Certified Acquisition Associates LLC, a business brokerage and exit planning firm. He is also a Managing Director with Aria Capital Advisors, LLC, a broker-dealer where he holds Series 24, 79, 62 and 63 securities licenses.