

SNOW START UP

ISSUE #1: FOCUS ON BUSINESS

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BUILDING COMPANY VALUE

➔ Many business owners may think the value of their company only matters when it's time to sell the business. While it's a key component in exit strategy planning, understanding your company's value also brings insight to the inner workings of the business, helps you shape goals and decisions, and offers the opportunity to course-correct management and operational issues more quickly. There are multiple business valuation methods, which is a topic for another day. This issue of StartUp focuses on key areas of your business that can help improve your company's value.

1 BRAND

Your brand is more than a logo and a mission statement. It represents how your company is perceived by customers, employees, stakeholders, community and competitors. It characterizes what you do and the unique way you do it.

2 CUSTOMER / MARKET FOCUS

Clearly define the marketplace that you are going to compete in. By working only with your target market and staying consistent with your service offerings, you build a stronger, more specialized identity and a more manageable, profitable business.

3 SYSTEMS DEVELOPMENT

Developing and implementing systems helps to standardize company operations. This will trickle down into just about every aspect of your business, particularly with your employees' day-to-day activities.

4 PERFORMANCE MEASUREMENT

You should have mechanisms in place to earn year-over-year growth and indicators to help you identify areas for improvement. Performance is often measured through key performance indicators that can provide better accountability within your business, while allowing team members to understand their day-to-day roles.



BUILDING A BRAND

➔ Branding is simply the impression someone has when they think of a company. No matter what size the company, what channels are used to engage customers or what type of product or service is being sold, perception is reality. So why is branding so important? In essence, a great brand leads to higher sales and profit.

As important as it is, it can be difficult for a small- to mid-sized business. Whether you're bogged down with invoicing and operations or equipment maintenance and employee training, the uphill battle of trying to distinguish your company's service above your competition can take years to accomplish.

While there's no substitute for things like quality workmanship and timely, consistent service, the one thing that smaller companies should be doing is often neglected: brand management. Brands that get people talking about a product, especially through a clear vision and a consistent, permeating message, will resonate with clients and prospects.

Of course, to manage your brand you must first create one, so let's dig into some best practices of brand creation.

Set yourself apart. What distinguishes your company from your competition? If you don't have at least one item on the tip of your tongue, then your brand has an identity issue. It is an important litmus test in determining if you are innovating or just following the pack. Can you succinctly describe what you do or how you do it? What is the benefit to the client if they buy from your company

instead of a competitor? Companies today are trying to articulate the oft overlooked question: Why do we do what we do? Don't discount the fact

that many believe a company can't just plow snow anymore ... there needs to be a higher meaning. Perhaps you are intrinsically vested in keeping people safe or have a passion for environmental stewardship. Your ability to go to this higher level of branding may help you define what you do and how you do it. If your company is genuine in its stated purpose, it can be a powerful facet of your brand and will attract a client sector that you may not currently connect with using standard service branding.

Build your image. Many companies have a difficult time developing an identity in a crowded field of competitors. Your company is not only identified by name but through many different elements: colors, voice, imagery, shapes, taglines, font, etc. It is important that these elements are purposely selected and managed so as not to dilute or confuse your brand.

Conduct a competitor analysis. Flip the script and pretend you're looking in your market for snow services. Do you see your company and competitors in a different light? You are essentially performing a competitor analysis that may help you determine what is missing in your market and guide the direction of your brand. A competitor analysis identifies the strengths and weaknesses of your competition, which ultimately determines opportunities and threats for your company. When you add brand perception to this exercise, it can help guide your branding objectives and efforts.

Remember, building a brand for the ages starts well before your logo and color scheme. It begins with deciding who you are, how you do things and why you're different from every other company. Combining a strong, recognizable brand with a business model that consistently produces the value promised by the brand gives you powerful competitive advantages. Prospects seek you out. Making sales is easier. The best employees want to work for you. Customers are more loyal and refer others.

VISION

The right vision statement will inspire and give greater purpose to your existence. It makes your business about more than a paycheck for employees and moving snow for customers.

MISSION

Your mission statement is not a road map; it creates a rallying cry for employees and customers alike, something to look to on those cold nights when maybe one doesn't want to go shovel that walk.

CORE VALUES

Your core values define the principles upon which your company operates and provides services. Your values allow you to attract the right talent, operations and experience with a clear focus on the art of thinking that enters your business. It also tells customers what you're about.

REFINE YOUR CUSTOMER / MARKET BASE

➔ When your brand name is heard, you should ask yourself if your market segment is clearly identifiable by your customers, employees, suppliers and competitors. If it's not, you're already at a huge disadvantage to competing brands that can say yes to that question.

If prospective customers and potential employees aren't able to quickly identify your company with the market segment and services you provide, the likelihood of them seeking you out versus you pursuing them is low.

By branding your company in the segment or niche in which you intend to compete, you can become identified as

a go-to brand in that space. So when someone brings up hiring a provider for their snow removal needs, your name should ideally be the first name that comes to mind.

Niche snow and ice management professionals solve problems for their customers better than anyone else. They make the pain or the problem go away, which is how a niche provider defends and prospers in the space. Developing a niche focus means learning what goes on in the segment down to the most finite details. This will get your company

recognized by the players in that space and lead to a competitive advantage over other providers. Plus, market niches allow small companies to play a larger role when they identify market segments that they learn to master.



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DEVELOPING A NICHE

- 1 Fulfill a need.** Identify a need and then set out to become the fulfiller of that need at a higher level than anyone else in the marketplace.
- 2 Look around.** Often there is an example in your marketplace where someone has already created a model you can study and gain insight from. This will help you determine the reality and risks of what is needed to succeed.
- 3 Grow your customer base.** Study your customers to understand the niche services you're already offering (and may not realize) or markets you're already servicing. If you look objectively at your customer base, you will likely find that 20% of your customers produce 80% of the benefit your company enjoys. Most companies continue taking on more of the 80% type of customers that don't provide a large return versus investing the focused effort to bring home more of the 20% crowd that does.
- 4 Recognize your drive and passions.** If you find a niche you are passionate about, it's going to be hard for the competition to stop you from dominating that space. Becoming a niche organization is a very deliberate practice. It requires great discipline to succeed. But if you are able to align your strengths and values with a niche you are passionate about, you can produce a winning formula and create a company and or brand that can dominate its market niche.

BRANDING TIPS:

- Create an emotional impression of your product
- Be consistent in frequency of advertising and tone of message
- Ensure it permeates every consumer experience

POSITIONING

The snow business can be very competitive. So, what makes you different? In creating a positioning statement, you clearly define for all who, what, why and how in a way that's clear for your team and customers to understand. It's your elevator speech ... the advertisement that each team member echoes when asked, "What do you do over there?"

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SYSTEMS STRENGTHEN YOUR COMPANY AS AN ASSET

How can systemizing your business improve the company's value? The benefits are far-reaching:

- Increase your business's efficiency while reducing labor costs
- Deliver consistent results
- Reduce reliance on people
- Make scaling easier

Define and implement your systems

You must have systems in place to run the repeatable parts of your business, whether it's administration, HR, sales and marketing or production. Once systems are developed and properly implemented, they help standardize company operations.

In most small businesses, your best people are the systems, and they don't always get the relief they need, especially during peak times. Well-configured systems can provide relief by taking over repetitive needs and issues, which reduces a lot of heavy lifting your staff would otherwise be doing with manual processes. This also allows you and your team to be proactive when facing business challenges and planning for your future. And when someone leaves or positions need to be added, having proven methods and systems in place make this much simpler to achieve.

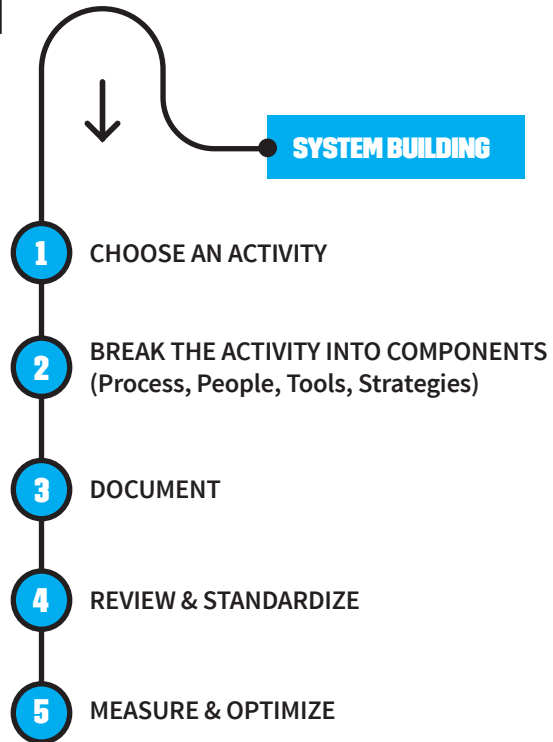
Measure performance for continuous improvement

To be successful in business, everything should be analyzed to measure the effectiveness of the team and the system in place.

One way is to use key performance indicators (KPIs) to provide better accountability within your business, while allowing all team members to understand their day-to-day roles.

“Organize around business functions, not people. Build systems within each business function. Let systems run the business and people run the systems. People come and go but the systems remain constant.”

- Michael Gerber, author of *E-Myth Revisited*



A well-crafted KPI provides better accountability within your business by using measurements and metrics to evaluate any area of your company to determine if you're reaching specific targets; identify what's working and what needs to change in a part of your business; clarifies employee roles and responsibilities within your organization; and can be used in the short-term to correct a regularly occurring issue in the company.

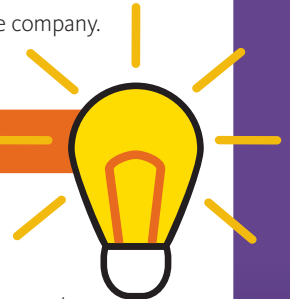
TIP: TURN TO TECH FOR HELP



Software solutions that can help standardize and maintain systems have become more specialized, more flexible and more affordable.

If you look at the areas in your company that cause you the most grief or take you the most time to complete, you might be able to alleviate some stress associated with these functions by using a simple technical solution that doesn't take a lot of time or cost a lot of money to purchase and learn.

They also act as a single source of truth for your company and help you review your performance and identify areas of improvement.



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