Flying Solo podcast transcript – Chris Green

Why business growth needs both strategy and culture

*Automated transcript

Cec Busby [00:00:04]:

Hi, everybody. I'm Cec Busby, editor of Flying Solo. Welcome to our weekly podcast where we step inside the minds and lives of soloists and small business owners.

Now, if your business is all-consuming and you're feeling like you're walking a tightrope and in constant danger of falling off, then my next guest has some great advice. Chris Green is a business strategist with over 20 years of experience in supporting entrepreneurs and business owners to grow their businesses and realize their leadership potential. He's the author of the new book, *Business by Design*, and he's here today to tell us how you can take your business from overwhelming and chaotic to scalable and rewarding.

Hi, Chris. Welcome to the show. Thanks so much for joining us today.

Chris Green [00:00:54]:

Gday Cec. Thanks for having me.

Cec Busby [00:00:56]:

Absolute pleasure. Now, I'd like to jump into the nitty gritty. Where did this interest in business strategy come from in the first place? Why have you made it your specialty?

Chris Green [00:01:08]:

Great question. So interestingly, when I was 25, in the mid 90s, I moved away from a job in the law courts, a good job, and I bought my local country pub, believe it or not, and my wife and I ran that for five years. And during that time, I really started to understand and get a comprehension on how hard entrepreneurial, family-based SME business is, and how there was so little support out there for people who wanted to grow and learn and had curiosity about business and wanted to take their business to the next level. There was a real dearth of mentors and coaches that could help them do that. So when we sold the hotel, in a little tiny village outside of Wangaratta, I went back to university and did my MBA, my Masters, and made it my mission to become a management consultant for SME businesses.

Cec Busby [00:02:05]:

Wow, that's quite the journey. Not typical either.

Chris Green [00:02:10]:

Well, it's interesting because when I do go into SME businesses and family businesses, I have great empathy for what they're going through. And I really understand it because, well, I've been there.

Cec Busby [00:02:22]:

Yeah, you've come from that side.

Chris Green [00:02:24]:

Yeah, correct.

Cec Busby [00:02:25]:

Yeah. So what made you realize it was time to actually put all that good knowledge that you've gleaned over the years into a book? Because *Business by Design* is a great practical book that has a lot of strategies that will help business owners get the framework right for making their businesses a success.

Chris Green [00:02:45]:

What actually made me put it into a book? Well, we were coming out of COVID and during COVID I had, like everyone, probably a little bit more time to contemplate what next, what's possible. My client base pretty much went to Zoom, and I had some capacity. And I found myself thinking about the 20 years that I have been a management consultant; that the stories were similar, the challenges were similar. The ways that we moved clients from where they were, stuck under what I call the entrepreneurial ceiling, where they were in overwhelm, they had lack of business systems and in chaos, and they were stuck there and porpoising up and down based on their energy levels. So I thought it was time to stop repeating myself one on one and try and put it into a book. All the things I'd learned over those 20 years that were able to help businesses transition. So that was it. So that was 2022.

Cec Busby [00:03:42]:

You spent the year writing it and now it's out and hitting the bookshelves and I hope it's been a great success for you. But let's dive into a bit of the topics that you're covering in the book. So firstly, is there a first step, like a specific kind of framework or elements that business owners should always consider when they're formulating their business strategy?

Chris Green [00:04:06]:

The thing that I've noticed on the journey the most is that business owners value the work that they've done. So the technical work, the operational work, traditionally, and it's really easy to find them gravitating back to that technical work. And in fact, I use the engineering term, being the single point of failure in their businesses. All the decision making needs to go through them. A lot of the operational technical elements of the business need to go through them. So the first thing they really need to understand is that they have to take on a

different role. They have to take on a different mindset, a mindset that says they're going to take what they know and they're going to leverage that into their people, into their business systems, and do things differently. And it's very challenging in the day to day because they will naturally have demands on them, from clients, from suppliers, from their staff. And the most natural thing for them to do is to gravitate back to where they've come from and move into that technician's role. Michael Gerber spoke about this in the 80s. And if they can make the decision and change their mindset and take a long term view, play a longer game and start to leverage their knowledge into business systems, into building management processes, into building capacity of their people, then they can start to transition through the entrepreneurial ceiling.

And I've watched lots of businesses do this. It's a well worn path, but I always say start as a business owner with rewriting your job description, something really practical. Sit down, rewrite what your job description needs to be moving forward so that you can transition through the entrepreneurial ceiling. Be prepared. There'll be days when it's really hard and the most natural thing you can do will gravitate back to that operational role. There'll be times when that's appropriate, but over the longer term, normally, I've seen it take about two years. People can then transition if their mindset in the day to day, in the moment to moment, helps them make that decision that we're playing a longer game here.

Cec Busby [00:06:11]:

Yeah, because it's very difficult to grow as a business if all of that knowledge is trapped within the business owner, if it's not passed on and spread out to your team. If you're the sole suppository of the knowledge, then how can you have time to grow? Because you haven't given the knowledge to your team to be able to help you to grow.

Chris Green [00:06:33]:

Absolutely. Practically, a business cannot scale in that scenario past the capacity of the business owner. And what most try to do is work harder and harder and harder and longer and longer hours. But what ultimately will happen is they will burn out, they will get tired, their energy levels will drop and the business fortunes when that happen, we find go with them. And then what happens? They go, we're not doing this again. They start tinkering around the edges, they get their energy back, they bounce off the bottom and I call it porpoising up and down with your energy levels, until they hit the point again where they hit the entrepreneurial ceiling and down they go again. So unless they change something, they're never going to get a different result.

Cec Busby [00:07:13]:

So how do you help someone to adopt a different kind of mindset then, so that they can make that change?

Chris Green [00:07:20]:

Really, they have to get well, the most obvious one is to get a coach or mentor the who can hold you accountable. That clearly helps. And I've certainly always had a mentor in my world, as well as being a mentor for many businesses. But they have to prepare to be uncomfortable. When they move into this new world, things will go wrong. They have to be in the day to day, they have to come into work, they have to do a different job. So that's why I say start with rewriting your job description. And they must commit and live that job in the day to day, in the moment to moment, particularly when things are uncomfortable because it's at that point they will gravitate back. But if they can lean into being uncomfortable, lean into this new role, that doesn't come as naturally to them as the technician, moment by moment they will get stronger and better. They will start to see some results, they'll get confident and then they can start that really strong transition process.

Cec Busby [00:08:20]:

Are there some other common mistakes that you see small business owners making apart from being that sole person with all the knowledge and going back to being that technician? Are there other areas that inhibit businesses from expanding or optimizing their operations? Are there like typical pitfalls?

Chris Green [00:08:38]:

Yeah, there is. There's a lot of typical pitfalls. But being able to build that leadership muscle is really important. I sit in a lot of business meetings and the people stuff comes up often and very common around what the staff or the team do or don't do. And I say, well, look, if I'm going down to dog school on a Sunday and I'm watching the dog owners and the dogs trying to learn how to sit. If the dog's not sitting, I'm not looking at the dog, I'm looking at the owner. So using that analogy, rather than look at what people aren't doing, look at what you're not doing. I think that is the step one, is to really take control of what you can control. And every time something goes wrong in a business, it's an opportunity to make it better, to create a system to look to, a system fix around how we don't come back here again. What systems do we need to put in place, what does that look like? And the modern era with mobile phones and screen capture and all of those things, putting a business system in place on how we do things so that people can follow it should be frictionless, rather than the old days of having to write 80, 100, 200-page operations manuals. We've got mobile phones, we've got screen capture software, a whole range of really easy things that should help people transition. So I think setting yourself up for success by getting a very easy system to capture what you do and what's in your head so you can leverage that into your team, then rethinking your team around any issues that arise as opportunities to create a better business system is a really great place to start.

Cec Busby [00:10:21]:

So, every business should have some kind of operational manual then, you think?

Chris Green [00:10:25]:

Well, operational manual in the terms of a modern term, whether that be a video library on how to do things that's easily indexed and people can find it easily, or screen capture, or PowerPoints. The old days of having to write 800-word operations manual, it should be over. People don't learn like that. They have access to mobile phones. If you want to learn how to do a task, for example, and you're a welder on the floor and it's a complex task that only the owner or the technician owner used to do, if you videotape that and then the new people coming into the business, or the people stepping up into more senior roles, they can look it up on their phone, they can hit play, they can watch how it's done and then they can emulate that. And so I'm saying the days of operations manuals aren't necessarily where we need to be in SME businesses. There's so many better options now, but we have to commit and we have to have a structure that we are absolutely committed to and a process we're committed to that will make it easy.

Cec Busby [00:11:29]:

Yeah, I guess I was thinking not necessarily in that traditional sense, but more, as you say, like getting that information out so it's accessible and it's in a place that everyone can access, so that not one person is responsible for holding all the knowledge. So if you are sending that information out to your team where they can really easily get it, then that's also eliminating an area of risk for your business. Like if someone resigns or if you're that person that has all the knowledge and you get sick. Like, what's going to happen to your business if you haven't passed it on somehow, or have some kind of documentation of how you should be doing things.

Chris Green [00:12:08]:

Exactly right, spot on. That needs to be a commitment long before the moment when people need it. So, John F. Kennedy said, fix your roof while the sun shines. And I think that's a great saying and let's get all this stuff sorted now before people need it. At the moment in my client base, a lot of people are getting sick. It's winter, a lot of people are struggling, getting sick, and people are away. And I'm finding a lot of my business owners are stepping back into the roles that the people that away are doing, whether it be their emergent leaders or whether it be people on the floor or their staff. Rather than having the opportunity for people to step up into those vacant roles, even for a short period of time. So what can we do that we can harness the knowledge, create the system, give people the tools to be able to understand what's required, and then the business owners get out into their new job, into the job of management, into the job of building capacity and the job of feeding the beast.

Cec Busby [00:13:06]:

Do you think it can be tricky for a business owner to step into that leadership role? Because often they started their business out of passion, or they saw a need and they wanted to fix something - that doesn't necessarily always go hand in hand with leadership?

Chris Green [00:13:23]:

Absolutely. It's very anti intuitive for a lot of people in how they operate. I call it turning up to a job, and that's not a derogatory term. They turn up to very task-based functions that they've always done that and they've always valued. So I guess, when they start their business, normally, when you start your business or take over a business, it's a highly creative endeavour. Normally not very commercial in that first period, but it's a lot of fun, it's creative, you're off and running. The next stage they tend to hit is that high growth, customer driven, highly reactive to the market phase. But then ultimately that becomes more successful and they move to where they're at capacity. And it's at that stage that demand outstrips supply and things can go horribly wrong without the right processes and systems. It's quite chaotic. So being a business owner, they've grown their business from that technical angle. They value that technical work traditionally as a general rule, and it's very hard to break that cycle without being prepared well in advance to when the heat comes on, how are you going to act?

Cec Busby [00:14:36]:

So what tips would you give to someone who is perhaps struggling with that at the moment? They've been in the weeds doing everything for themselves. Now they've got a bit of a small team and they're struggling to wear that leadership hat.

Chris Green [00:14:49]:

Yes. So first of all, play the long game and take your time. Set yourself up for success long before the pressure comes on. So rethink and grow your team. Look at your organization structure and what your role now needs to look like, and how you're going to fill that organizational capacity that will be required when you eventually step up into roles. Step up into the leadership role, the genuine leadership role. Look at what capacity you have in the business now and how you need to bring people forward and put in some structure around the training, building capacity, what things you need to capture that only you know. And look at key person risk or single point of failure, not only in yourself but your team, and how do you bring them through? So the place to start is once you've got your mindset ready to make the shift, once you've got your systems in place to be able to capture that knowledge, the next step is to rethink and grow your team. Around taking those opportunities to teach people to step up into the roles, how to use the information that you've captured, all of those things and start to grow the team under you, to do what you used to do.

Cec Busby [00:16:03]:

What about that culture aspect of things? Like how important is it also to focus on the culture of the business and culture for your team to help propel the business forward?

Chris Green [00:16:15]:

Culture and strategy in my world really go hand in hand, in my view. So being able to set a culture of a direction of where we're going and being able to articulate that for your people and give them purpose about where we're going is really important. Another stage around the culture is getting them to not have a fear of failure. People are going to make mistakes

and every mistake that we see, it gives us an opportunity to build capacity in the people or create a system that we had overlooked. So having people confident, taking away a fear of failure in your culture, so that people are willing to try things and step up rather than being shy to do so, and you won't be able to grow if that's the case, is really, really critical.

Set your strategy, create purpose for your team, be very consistent in how you deliver that message, in how you show up every day and the tasks you do. And then really take a systems focus on how we grow our business without people having a fear of failure is really important. And it's challenging in small businesses. We don't have a lot of people, the relationships are very well known. Quite often there's family members involved. So being able to have a third-party vision of this is where we're going, this is what we need to look like, this is the behaviors we all need to adopt to get us there is really, really helpful. So it's not me versus you. Because when that occurs in a family relationship or in a staff relationship in SMEs, which you know so well, we can get conflict. So it's really critical we get the right culture, the right strategy, and we send the right messages.

Cec Busby [00:18:01]:

So then with that conflict piece - sometimes conflict can be a good thing. It can also be a learning opportunity. At what point would you suggest someone should rethink their team if there's conflict at play?

Chris Green [00:18:19]:

That's a really challenging horses for courses one. First of all, we need to be able to put structures in place around our people, just like we do around our systems of how we do things. So have we got the right HR processes, like performance reviews, so that we can have a different conversation against key metrics? So there's a process. Even small businesses, small businesses that play like big businesses ultimately can become big businesses. So we have to get those people structures in place. That gives us a third party inanimate object such as a training plan or a performance plan. That gives us a way to be very consistent in how we manage our people. Without those things, it's very difficult to have the right conversations the right way for the right reasons, and they can tend to become quite emotive. So if we've got underperformance, putting people on a performance plan is a really powerful way to either manage them in or manage them out, where the status quo is not acceptable. But where we don't use processes like that, it can be really challenging because it becomes emotive. It can very quickly deteriorate to me versus you. So putting those processes in place around our people and those structures is a really great way to be able to manage conflict when the relationships are so close and can be so well known.

Cec Busby [00:19:46]:

So what if I'm a small business owner and I was a sole trader and now my business is going well and I'm thinking about expanding my team. Is there anything specific that I should be looking for?

Chris Green [00:20:00]:

There's a couple of ways to answer that. First of all, if you understand, have a very clear direction and vision of where you're taking the business and you've developed up an organization structure on what it will look like now, and what it needs to look like in the future, you can then go and hunt those skills. Which has been really challenging, to be fair, the last couple of years. You can then go and try and attract those skills in the right roles that will prioritize where we're trying to get to. So having that sort of structure in the background is really really positive.

Finding the right skill set has been really challenging, no doubt about it, the last two or three years. But I think I'm seeing a shift in the market away from attraction and recruitment being the key challenge, to retention. And I'm seeing a lot of my businesses now shift in how do we retain people, how do we create career paths for them, how do we inspire them, how do we build their capabilities? And it really plays to this business by design, because all the research says that people want a career path, they want to be able to progress in their career. And if we can set that up and take ourselves out as the single point of failure in the process, even better. So we're looking for people that are inspired by our vision, we're looking for people that have technical skill and we're looking for people that are looking to build their own personal capacity. So if we can find those people, we can put a process in place, we can put a vision in place, we can give them purpose and then a career path mapped through an organization structure. It's a really powerful way for people to get on board and then really start to take control of their own careers, inside your SME business.

Cec Busby [00:21:46]:

So curiosity and an appetite for learning, that's something you should be considering as very essential to your business success?

Chris Green [00:21:56]:

Look, it takes all sorts, to be fair. You don't want everyone to be entrepreneurs in your business because you're not going to get some of those practical things done. You really need a great blend of those people that are strong technically, those people that are curious and want to learn, those people that are very entrepreneurial. If you can get a good mix, not all the same sort of people through your org chart - everyone can't be a leader, you want people in a whole range of different roles - that will give you the blended skill set of your team, that gives real balance. And when we've got balance, once again, you as the business owner can get more confident in your new role and letting go of the reins, delegating to those people. Not abdicating, where you just tell them they're now in charge and move on. Delegating, where you give them the right systems, the tools, the processes and the training and that then allows you to free up to create this business by design.

Cec Busby [00:22:52]:

And so how much, when you're putting together your strategy, how much of it should be practical and how much inspirational?

Chris Green [00:22:59]:

With inspiration versus strategy - great question. I tend to use the attraction model, where we set our values at the outset and that gives us the foundation for how we're going to play. This is the things that are important to us and gives us means to be able to talk to our team, to be able to get their behaviors where we need to go, that align with what we're trying to do. The next thing is I really love an inspiration of a ten year journey. What does 2033 look like? What are we going to be driving? What does our homes look like? Now, what does our industry look like? What sort of businesses will thrive in our industry? What sort of things will our clients want? What sort of things will our people want? Then bringing it back to a three year picture around, okay, if that's going to be ten years, what does three years look like? And we start to get more practical now around what sort of capacity do we need to build? What sort of infrastructure do we need, what sort of equipment, what sort of financing, how are we going to fund it? All of those things. Then bring it back to a one year plan which is very, very practical, around the next twelve months - we're going to do this if we're going to get to the three year picture and the ten year vision, and then breaking that down again into 90 day goals.

So I think having the inspiration of the ten year vision is awesome, to be able to paint a bigger picture and give people purpose, but then actually unpacking it into very practical building blocks of what it needs to look like at three, at one, and at 90 days, and then working our way through those issues that we need to resolve to get there. So I think there's a blend of both. But I start with the inspiration piece around what could this thing look like? Let's start to work towards that.

Cec Busby [00:24:40]:

And so when you're talking to your team, you start with that purpose piece, and here's what I see ten years down the track, what I'd like us to be doing?

Chris Green [00:24:51]:

Absolutely. In fact, I bring in my emergent leaders and my senior leaders into that workshop to try and help to really focus them on what this thing could be, to really set that inspirational vision, and also to solidify the values that are going to get us here. What are the behaviors we want to see, what's our culture need to be? What does that really look like? So ideally, our senior people are part of that story and they then can tell the story to their people.

Cec Busby [00:25:19]:

And so you've got the vision and the passion and the purpose and the plan laid out. Now what about the business systems? What do we need to put in place to make sure that we can meet those goals?

Chris Green [00:25:33]:

Ideally, prioritizing where you, the business owner or leader and your senior people, spend most of their time that really they shouldn't be. So that's a great place to start, is how do we create business systems? Doesn't matter what process you use, whether it's through video or whether it's through screen sharing, whatever, but what are those things that we can quickly push down to the next level and build capacity in the next level that will free us up for capacity?

So to grow a business, my whole philosophy is to create clean air and grow into it. And clean air in leadership. Leadership is the most critical element in growing a business, in my view in the 20 years I've been doing this. The stronger our leadership, the more likely we are to execute. So how do we create some clean air, some room for our leaders to then spend time on management, spend time on our growth, spend time on entering new markets, creating new products around innovation, all of these things that aren't necessarily in the operational field, the technical sphere, where they're most used to operating. So the prioritization is I say to my clients, if I walk in and see my CEO sweeping the floor, I'm not going to be happy. We need to get CEOs doing CEO work. And to do that, we need to help people and give them the tools to be able to push up underneath them to do those tasks that CEOs or business owners shouldn't be doing. And then we can free them to give them their new job description that they can grow their company to where they want to take it.

Cec Busby [00:27:05]:

So it's quite a chaotic time for a lot of businesses at the moment, very challenging economically. Is there any advice that finally you would just like to give to entrepreneurs to help them navigate this challenging economic time?

Chris Green [00:27:21]:

At the moment, the media is full of stories of businesses that are going under and business challenges that we're facing. And there's no doubt there's a lot of elements around cash flow, around people management, around discretionary spend, with interest rates. All of those things are in play, there's no doubt about that. But if you look at over the history, and I've actually delved through the Australian Bureau of Statistics business failure statistics from 2016 to 22, and really the odds of failing are actually quite low. If you're a micro business or a startup and you're doing less than $200,000 a year as a business, then a large portion of the business failures actually live in that space. If you're turning over in excess of $2 million, you've got a 2% chance of failure. So the stats say that 98% of businesses turning over 2 million will succeed, and 83% of those turning over in excess of $200,000 will succeed. So I question whether the numbers that we're seeing in the media are not creating a bias around what's real. I'm not saying it's not hard. I'm not saying it's not challenging. But if we're working on the right things and we're building capacity in our people, the bureau of statistics say the odds of failure are actually quite low. We hear four in five businesses fail in the first five years and then four out of five in the five years after that. The Bureau of statistics does not actually support that. For businesses of any sort, once you've got through that startup phase, it doesn't support it. So I would encourage businesses to be confident in trying new things, be confident in creating capacity in their people and freeing up the business owners to then go and find new work or more work or more work with existing clients or whatever.

If they have the capacity to do that, then that will hold their business in much better stead than them going back into the operational roles and actually creating the widgets.

Cec Busby [00:29:22]:

But what about - a lot of our business listeners are sole traders and micro business, and I think maybe those statistics also don't really account for sole trading businesses. Like, they're more about employable businesses with employees. And I think isn't it something like 90% of our businesses are sole traders and micro businesses? So I know that you're saying those statistics are probably not as alarming as you might think, but they probably feel very alarming for a lot of our listeners.

Chris Green [00:29:59]:

Yes. And look, I'm a sole practitioner. I run a practice myself, so I do get that. And I think the challenge is to really be very clear on who your market is as a practitioner. If you're not running it as a business with employees, and I love Flying Solo - in 2004, in my early days, that was my go to to really help me through that phase. And I certainly grabbed the book in early days. I think it's an extraordinary resource and it was incredibly useful for me at the start. But I guess getting good at your craft, building capacity in yourself as a practitioner, as a sole trader, is even more critical. But doing those things that I've spoken about in *Business By Design*, around having enough time to do business development, allowing yourself enough space, using IT effectively so you create more capacity and compress time, all of those things are really critical. And even in those numbers, 83% of businesses, once they get over the 200 success, survive year on year. I would question how many actually go and move back into an employment role. For me, business is a great opportunity to be able to create your own destiny, to create a legacy. But even as a sole trader, which I know a lot of Flying Solo listeners are, I would encourage you to still use business systems, use IT to compress time, create clusters of new innovation, be clear on who your client is and isn't, and create an avatar of those clients, and really own a niche space. And you will generally find a way through to navigate.

Cec Busby [00:32:00]:

Thank you so much, Chris. That's a great note to end on, I think. Where can people grab your book?

Chris Green [00:32:06]:

So Amazon certainly available on all the online stores or my website, which is Chrisgreen.Au - I've gone to the new Au, so it's just WWw.Chrisgreen.Au and you can buy the book online from my website. Also lots of great case studies, too, as well as videos of businesses I've helped over the journey.

Cec Busby [00:32:29]:

Yeah. Thank you so much. Thanks for your time today, Chris.

Chris Green [00:32:32]:

Thanks, Cec. Thank you.