



"I hired American Business Advisors to assist us with accomplishing our business objectives and I was very satisfied with their services. I highly recommend you talk to them."

- John Bandimere Jr., President, Bandimere Speedway

The Strategic EDGE Newsletter™

January 2016



Wisdom Shared

"Building a business is like building a building..."

...would you start construction without engineering it for success first?"

- American Business Advisors, Inc.

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Featured Article

Strategic Planning: What is it, Really?

By Dennis R. Guse, Senior Vice President

Part II: What it IS!

As a continuation from our last edition of *The Strategic Edge Newsletter*, we will discuss one of our favorite topics, Strategic Planning. As you may recall, we dispelled the top 5 myths about what it is **not**. In this edition, we will share 5 truths about what Strategic Planning **is**.

Truth #1: A Formal Strategic Business Plan is a well thought-out plan that takes time, thorough consideration, and significant effort

Some companies try to "do" Strategic Planning at a weekend retreat or in a few meetings. However, to sufficiently complete a Formal Strategic Business Plan, containing all of the necessary elements, more time and effort are needed. These elements need to be thoroughly thought-out so the right elements are in place to strategically position your business to outsmart the competition and win.

"If a business's profit is not in the top 25% of their industry, by definition it is underperforming, and the reason is likely the lack of a Formal Strategic Business Plan."

Strategic planning requires discussion about the various necessary elements followed by a period of thoughtful contemplation of strategic options before crafting the appropriate Formal Strategic Business Plan for your business. Like many things in life, little effort will produce little value, but sufficient effort will produce a valuable Formal Strategic Business Plan resulting in a thriving and profitably growing business with a valuable intangible asset.

Our Mission Statement

Our passion is to help small and mid-size companies grow and produce wealth with the hope that it will result in more humanitarian acts and honor to God.

Truth #2: The key element of a Formal Strategic Business Plan is the Strategic Engineering Blueprint™

Successful business owners take the time to engineer a blueprint for how they want to build their business to the next level. Once a Strategic Engineering Blueprint™ is in place, it simplifies your decision-making and focuses your resources. Consider the analogy of a blueprint for a building. If the blueprint calls for steel, but a load of lumber is delivered to the construction site, a project manager or foreman quickly rejects the lumber because it is not part of the plan. So it is with a business. Once a Strategic Engineering Blueprint™ is in place, as a business owner you will know what it takes to build your business, and you will not settle for inferior options with which to build your business. Furthermore, a Strategic Engineering Blueprint™ will provide enduring and solid direction for your business well into the future. Finally, a Strategic Engineering Blueprint™ will provide greater profit and cash-flow for your business as it is growing and will increase the value if your business is sold. The Strategic Engineering Blueprint™ and other key elements of a Formal Strategic Business Plan are intangible assets that provide significant value and worth to your business.

“... a Strategic Engineering Blueprint™ will provide enduring and solid direction for the business well into the future.”

Truth #3: A Business Action Plan™ and a Formal Financial Forecast are key supporting elements of a Formal Strategic Business Plan

While a Strategic Engineering Blueprint™ will provide an enduring and solid picture of how to build your business, preparing a focused Business Action Plan™ and creating a Formal Financial Forecast will provide the solid foundation for your growth. Together, these key elements of your Strategic Plan provide valuable guidance in the construction of building a business that performs in the top 25% of your industry. A Business Action Plan™ provides measurable and actionable items that stimulate the effective building of your business. A Formal Financial Forecast assists in predicting profits, cash-flow and capital requirements to fund your business's growth.

Truth #4: A Formal Strategic Business Plan is enduring, but it does need refreshing

A Formal Strategic Business Plan is enduring for the life of your business, because it is the blueprint. However, every three to five years, you should review your Strategic Engineering Blueprint™ to see if there are parts of it that need re-engineering, or if there are components that you might like to “add on” (just the same as you would to a building).

Truth #5: Your Formal Strategic Business Plan is something we can do this year

As we mentioned in the last edition of *The Strategic Edge Newsletter*, 50% of your profits are tied to strategic planning, therefore your business may be missing out on half of the profitability it could be generating. The sooner you get started, the sooner you will never again miss out on the power of a focused and well-developed Strategic Engineering Blueprint™. Make this year the year that you strategically position your business to outsmart the competition, become more profitable, increase cash-flow and win!

“...to sufficiently complete a Formal Strategic Business Plan, containing all of the necessary elements, more time and effort are needed.”

ABA Newsbreak

How Dennis Guse, one of our new owners, adds value...

Dennis Guse is Senior Vice President of American Business Advisors®, the leading strategic and management consulting firm specializing in Building Cash Cows® and Improving Quality of Life® services for mid-size and small companies, family businesses, and their owners. Dennis has served in several strategic and financial advisory roles for Fortune 500 and Fortune 1000 size companies. As a select participant of the Leadership Excellence through Accelerated Development (LEAD) program at CH2M Hill, he was tasked with managing a special strategic mission project for the CEO. He was instrumental in establishing a Geographical Information Systems (GIS) technology department at The Schwan Food Company to improve decision-making and enhance efficient and effective use of resources. Dennis has held various leadership roles in non-profit organizations. He successfully helped found the Students in Free Enterprise (now Enactus) local chapter at Southwest Minnesota State University. He also served as president of the local business club. With a passion for serving, he delights in helping others learn, grow and realize their potential. He enjoys solving problems and is intrigued by learning new ideas and building relationships with individuals.

Areas of expertise

Strategic Business Engineering™	Business Master Planning
Relevant financial reporting and controls	Capital expenditure & ROI planning
Sound decision modeling and analysis	Profit & loss improvement
Dashboards & key performance indicators (KPI)	Process Reengineering
Cash flow forecasting and improvement	Financial projections and budgeting
Strategic planning and development	Quality and customer service controls
Financial acumen training and coaching	Incentive compensation planning
Operations systems development	IT performance enhancement

As a strategic, finance, and business coach he uses a Developmental ConsultingSM approach, the 14 Dynamics of Building a Cash Cow Model™, and ABA's Dynamics of Sustained Profits and Growth System™ of services. Dennis serves as an advisor to companies regarding Building Cash Cows™, strategic planning, increasing profit/cash-flow, Improving Quality of Life™, and business financial management. Dennis also performs Execushare™ services as President and Chief Financial Officer for companies.

To talk with Dennis about how he can specifically help you take your business to the next level by using our Building Cash Cows® and Improving Quality of Life® services, please send him an email at dguse@abadvisors.com or call to schedule time with him 303-335-4218.

Thank you for your continued interest in American Business Advisors. We hope the information we provide to you is enlightening and helpful.

Sincerely,

Robert C. Benson, President
Jon K. Y. Hokama, Senior Vice President
Dennis R. Guse, Senior Vice President
AMERICAN BUSINESS ADVISORS, INC.

www.ABAdvisors.com

Success Story

Situation

In 2005, a manufacturing company was Colorado's industry leader. However, they became very concerned about losing business to new competitors in China. Additionally, other U.S. companies were making plans to establish facilities in Colorado and achieve a significant market share.

Solution

This manufacturing company engaged American Business Advisors to establish a Formal Strategic Business Plan, which included a Competitive Positioning PlanSM. The objective was to defend the company's share of the market and allow the business to thrive and grow to the next level.

Result

Today this Colorado manufacturing company is top in their industry. They are the "800 pound gorilla." Their competitors openly tell them it is nearly impossible to get customers away from them! Since 2005, they have worked with their customers and now treasure a 44% market share. They have grown 67% and their Net Income Before Taxes has increased 73%. They have been profitable every year since 2005, including during the recession years following the 2008 mortgage crisis, the 2nd worst in U.S. history. They are known across the nation for their innovation, technical abilities, and outstanding success. They are frequently asked to speak at seminars and workshops across the country.

Endorsement

"Our profits and compensation have increased substantially and are dependable. Before hiring ABA, we were working 60-70 hours per week."
- Owners

The Strategic Edge newsletter is published monthly by American Business Advisors to provide business and financial planning information and ideas. All material is presented to provide general and broad information only. The information found in this publication does not constitute business, tax, financial, or legal advice and should not be acted upon without seeking the counsel of a professional advisor.

Comments and questions can be directed to Dennis R. Guse at dguse@abadvisors.com.

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We respect your right to privacy. If you have any questions about our Privacy Policy or this email, feel free to call us directly at 303-335-4218. Subscribers' personal information will not be shared, sold or rented.

American Business Advisors, Inc. www.ABAdvisors.com
6635 South Dayton Street, Suite 210 Greenwood Village, CO 80111
Phone 303-335-4218 Toll Free 844-902-3600 Fax 303-220-1937

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