



Why the **#middlemarket**  
is celebrating with  
fireworks this week +  
how growth doesn't have  
to cost gagillions...



NATIONAL CENTER FOR  
THE MIDDLE MARKET

The National Center for the Middle Market reports that confidence in the local and global middle market economy is at an all-time high at 94% and 82% while confidence in the national economy peaks at 87%. In the first quarter of 2018, middle market revenues grew **8.4%**.

# MIDDLE MARKET MANUFACTURERS ARE FIRING ON ALL CYLINDERS IN 2018



**AS THESE COMPANIES  
GROW, AMEND OFFERS  
SUPPORT, ADVICE, AND  
TOOLS TO SUCCEED.**

**LET'S EXPLORE THIS  
GROWTH A LITTLE DEEPER...**

# Growth Doesn't Have to Cost Gagillions

**Growth doesn't have to cost gagillions, but it will take time...**

**And TIME is the one element *almost all business leaders underestimate.***

It's easy to believe things happen faster than they actually do. It *feels* like this is true. Everything is moving so fast, it *must* be true.

**The truth is business growth comes in two speeds: slow and slower.**

The expectation of instant business growth results is dangerous. Expecting instant business growth results makes you walk away from good ideas, miss promising opportunities, or waste resources.

You may put off business growth initiatives – you know, the “hard stuff” that requires real change to make a difference – thinking they will roll out faster and have an impact sooner than is realistic.

You may think you have a high failure rate, terrible follow through, or the complete inability to launch new initiatives because all your plans fall through...when the truth is your plans were unrealistic from the start.

You may overspend on an initiative thinking that throwing more money at the effort will speed your results and increase your returns, when the only thing that will actually make any difference is TIME.

So how long does business growth actually take?

The straight answer is, it depends. It depends on what you're trying to accomplish and how effective you are at getting stuff done. We can't give you an exact answer on how long business growth actually takes. We can, however, share some averages with you. Using these growth time averages will make your growth plans stronger while keeping your expectations in check.

There are **four** basic ways to grow your business and all of them require **13 months or more** to implement.

# Growth Option 1: Sell More Of Your Current Products/Services To Your Existing Customers

*Timing: 13 months or less*

Selling more of your current stuff to your existing customers seems like the easiest and most obvious move. It is, and it's one you should absolutely make. It's also the move with the shortest lifespan and the smallest returns.

Most options in this category require you to make small tweaks and changes to your current offerings. A slight customization here, another there. Any small changes of 20% or less versus what you're currently doing would fit in this category.

Many times these are customer driven. A current customer calls with a request for a slight change or modification. It seems easy enough, so you do it. Now you have a slightly different offering that may appeal to other customers, so you extend the offering, and so on.

Another business growth option in this category is increasing your throughput/optimizing your operations. This is a great option when sales is not your problem. If you have more orders than you can handle, making changes to your delivery process can be a great source of growth.

*We once helped a client increase their throughput by 30% without adding people or equipment. This change allowed them to win a job with an existing customer that nearly doubled their business. They would not have even bid on this business prior to working with us because they had ZERO capacity for additional work and a huge backlog.*

## Option 2: Sell More Of Your Current Products/Services To New Customers

*Timing: 13-20 months*

Beware of this one... Many business leaders will see this as an easy option. A no-brainer.

The truth is this one is easy to underestimate.

It's easy to think, "there's lots of customers out there who want what we sell." The reality is, every buying group is different, so while you won't have to make a lot of changes to *WHAT* you're selling, you will have to make a lot of changes to *HOW* you're selling it.

Success here will require you to change anywhere from 20-40% of your sales and operations versus what you're doing today. You will have to learn about a whole new set of buyers... What are their problems? What solutions currently exist? How do you compare versus those current solutions? What do they value most? You will need answers and a plan for overcoming a whole new set of questions and objections.

You will also have to make some changes to your product to adapt to these new conditions. And, you won't know what those changes are until you start selling.

**Net: if you decide to head down this path, do so with your eyes wide open and your expectations in check. This is not an easy, no-brainer. It's a challenge that requires dedicated resources and – you guessed it – time.**

## Option 3: Sell New Products To Existing Customers

*Timing: 20-34 months*

Option 3 is interesting, indeed. Many believe this to be an easy and profitable path, however, this path must be walked carefully if you want to gather up all your rewards.

Challenge #1 – your existing customers know you and love you for who you are and what you already do. They like you, and they want you to keep doing it. New is risky, and risky can cause challenges. Why change if everything is “just fine.”

Challenge #2 – your existing customers know you and love you for who you are and what you already do! *(Yes, this was intentionally repeated. It's this thinking that usually makes existing customers your least profitable customers.)* They want to be rewarded for their loyalty and their support of you over the past XX years. They expect to be treated as special. They expect to get the best deals at the lowest prices, always.

**This mentality makes it hard to sell them new products at higher price points. This becomes even more challenging if you're doing a good job and they are already satisfied.**

## Option 4: Sell New Products To New Customers

*Timing: 34 months or more*

The most disruptive, the most risky, and the most profitable option is also the one that takes the longest to execute. Solutions here will take you way out of your comfort zone, and challenge your skills in new and exciting ways.

Not much of your current activity will apply to these options – you're looking at a 60-100% change versus what you're doing today. Every department will be affected. New people and equipment will be required. New customers will be defined.

This kind of growth is a struggle for everyone. Small, medium, large and mega-jumbo companies all struggle to make this happen. A lot of companies throw a lot of resources (people, time, money) against this, yet achieve zero new growth.

This. Is. Hard. This is more than innovation, it's invention. It's not enough for these ideas to be new to you, or new to your area. These ideas have to be new to the world. They have to be big enough that risking everything makes sense.

**This...this challenge is why mergers and acquisitions are so powerful when it comes to driving disruptive growth. Mergers and acquisitions allow you to shake things up without all of the disruption coming from the inside. They also allow you to see the idea is viable before diving in.**

# How Can You Tell If You're On A Growth Path?

David Thomson provides one option in his book [Blueprint To A Billion](#). Thomson studied 387 companies – America's highest growth companies – for three years. He wanted to know how these top performers turned an idea into a billion dollar business. (Now *THAT'S* growth! It's also a pretty good **success standard** – **exponential growth**. Revenues of a billion dollars plus would equal success by most any measure.)

Thomson, through his research, actually [quantifies the growth patterns](#) of America's highest growth companies. One of the most fascinating elements – time. Every one of the 387 companies studied followed one of three growth paths when it came to their revenue take-off points – 3, 6, and 12 years.

So give yourself time. Plan for it. Big growth is a marathon, not a sprint.

## Time, Time, Time, Is On Your Side...Yes It Is...

Well, it is if you manage it properly. Knowing how long initiatives actually take (on average) is a big step in the right direction. It can help you make stronger, more proactive growth plans. It can help you better manage and lead your growth expectations.

**Time can be a competitive advantage, or it can be your toughest competitor. Use it well.**



**SOME ADDITIONAL  
THOUGHTS AS I PREPARE  
FOR THE NEXT SIX MONTHS  
OF 2018...**

# But The Wise Listen To Others...

*“Fools think their own way is right but the wise listen to others.”*

– Proverbs 12:15 NLT

I love how the best lessons and reminders are simple. You just get 'em.

They become a part of you almost instantly, and they stick with you forever.

This lesson wasn't a slap in the face...more of a gentle nudge. A reminder that asking for help and reaching out to others isn't a sign of weakness. It's a sign of strength and wisdom.

Do you struggle with asking for help? *I do sometimes.*

Is it hard for you to reach out to others? To admit that someone else has a better idea or approach than you? *It happens.* We're human.

Here are a few things I do to keep on the path towards wisdom. Maybe they can help you too.

## **1) Surround Myself With Great People**

I'm constantly working to put myself in the middle of the smartest people in the room. I also hire people with different backgrounds and experiences than me, and I learn from the many different leaders I help coach and develop. This virtually guarantees I'll get smarter and have plenty of opportunities for listening.

## **2) Force It**

It's easy to do whatever you want when you're a leader – especially if you don't have anyone to call you out on your actions and decisions.

We hold regular AMEND leadership team meetings and board meetings. I also participate in local leadership development programs like the Nashville Jr Chamber and the TN Chamber of Commerce & Industry. These meetings force me to pull my thoughts together, share them, and then be vulnerable and open to feedback. I still don't always listen, but I always walk away smarter.

## **3) Make It Fun!**

Getting people to engage can be a challenge. Making it fun can help you get more effective feedback. Challenge your employees to first find all the flaws with your idea, then challenge them to create solutions. Best solution wins.

Think about the different types of people you know – the know-it-alls, the shy ones, the stuffy ones, the crazy ones... Work to get feedback from each type of person in a week or less.

Working on solving a tough problem? Host a problem party. Share the problem, share the solutions you've discovered so far, and then turn everyone loose. Give them 48 hours to create solutions, then have them present the solutions to you in a Shark-Tank-like setting.

No matter if you listen to the king of kings or the king of the electric strings, the lesson remains:

*“Knowledge speaks but wisdom listens.”*

– Jimi Hendrix

# People or Process – What’s Really Causing Your Problems?

Our [instincts](#) almost instantly identify people as the source of all problems. We blame the person closest to the problem even when we know it’s not their fault.

Even when we can clearly see the cause of the problem, we still blame the person.

Even when we know facts like [95% of all problems are process problems](#), leaving just 5% as people problems, we *still* blame the person closest to the problem.

**Why?** *Why are we trapped in this never-ending cycle of blaming people for the problem even when we logically know it’s not their fault? And, what can we do about it?*

## Defining the problem is the biggest challenge of all.

It’s quick and easy to simply blame the person closest to the problem for the problem. It takes the least amount of time and energy and there’s usually very few negative consequences. The person either accepts the blame or tries to defend or explain their actions. No matter their reaction, it all comes across as excuse making. Again, it remains easier to blame them – first for the problem, then for making excuses.

It takes much more time and energy to review the situation, analyze the details, and figure out the real source of the problem.

Plus, defining the real problem is a challenge for a lot of people. *So many people struggle with defining their problems that problem-solving experts have created more than 50 processes to help people define their problems! Is this a problem?*

## Action is the next challenge.

Assuming you define the problem well...what to do next often becomes a challenge. [Analysis](#) usually leads to the best decisions and solutions. *However*, many people don’t have the skills or resources to properly analyze the situation. This gap often leaves the problem unsolved and the best solution undiscovered.

## Commitment is the final step.

It’s more than committing to action... *Action will have to take place to solve your problem* – especially one that’s large enough to spend time on. What you’ll need to commit to here is awareness, mindfulness, and change.

You’ll need to commit to taking the time to fully review the situation instead of blaming the person closest to the problem. You’ll need to commit to ignoring your instinct to blame, and instead, commit to a deeper problem solving approach.

People can be the problem. Most of the time, they aren’t. If you begin with this belief – the belief that people want to do good work – you will instantly improve your problem solving ability and become a much better leader.

# AMEND

**Changing Lives. Transforming Businesses.**

*AMEND Consulting specializes in helping passionate business leaders achieve growth. We love “unsolvables” – those “I-just-can’t-make-these-go-away problems” all businesses seem to have, no matter how smart the leadership team... If you’re growing too fast, growing too slow, unable to grow, worried about growth, or paralyzed by the thought of growth, we can help.*

***Let’s talk!***

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