

The Abasia Point™

In an economy where more and more people are being employed by privately owned businesses it is both interesting and troublesome to see that their survival rate is still very low. Less than 10% of new businesses will make it to their 10th year anniversary. Just 43 % of business owners have a business plan. The problem with most business plans or templates available is that they are used for applying for a business loan, but not for actually running your business.

In order to create a successful business the owner needs to wear multiple hats. Three are mentioned here. The hat of the expert is one. This could be a mechanic, painter engineer or any other professional that becomes a business owner. The other two, manager, and the president of the company present the difficulties. Devoting the majority of the workday to the role of expert there is never enough time left over to wear the hat of manager or president. At best these hats are tried on at night or on the weekends.

Issues like, “I can’t grow past x dollars a year”, “I can’t find good people”, “I have had to skip paying myself”, “accounts receivable are out of control”, “Operational Performance is inconsistent”, “not enough time”, etc. are all very common and tell tale signs of the Abasia Point. Very often the owner also pays him/herself far below what can be considered fair market salary.

Most business owners start out the same way. Being very good at what they do, they one day decide to venture off on their own thinking they will be able to make more money by themselves. The start is usually modest, maybe even from their garage or home. Business starts to pick up and sales start to grow. At that point typically everything is in the owners head or on a couple sheets of paper. At first the sales growth is great, but then Net Profits begin to divert from the increase in sales. This is the Abasia Point™, indicated by an inverse relationship between Revenue from operation and Net Profit.

The core problem area’s we have encountered working as Executive Counsellors with business owners are surprisingly similar, regardless of what kind of business they have. The solution however is always different simply because every business is as unique as the owner. This is exactly why a comparison of your company to market average or what others in this area are doing is not a solution. It is nice to know but it won’t tell you where the problems are in your business. The only way to discover the issues at hand is to compare your company with your own company over a period of time. This is where the Business Physical based on the Abasia Point gives the answers.

The general description of Abasia is loss of control. In the medical world Abasia is often used in conjunction with another term referring to the inability to walk. This is not what I refer to although the inability to move forward seems to have a connection with this particular business situation. The Abasia Point™ is a trend indicator. To establish it you need a minimum of 3, or preferably 4 years of Profit & Loss Statements and Balance Sheets. The Abasia Point™ is the point of loss of control. At this point the

business literally grows out of the scope of control and becomes uncontrollable. This leads to constant firefighting, leaving virtually no time to actually get planning or organization done. We see this over and over again. More of the same is not enough.

The first reaction when hitting the Abasia Point is often; fire everybody and start working out of my garage again, because that is when I was making money. This reaction brings the volume of operation back into their scope of control. The second option business owners often choose is just to keep going until either the business or the owner comes to a grinding halt. The right option would be to bring the system and controls in that allow you to continue to grow and maximize profitability. Unfortunately a lot of business owners have the feeling they are like Robinson Crusoe, the only ones with these problems and the only ones that can solve them on that island they call their business. For some reason it seems that asking for outside help from a professional is the last resort. When a business owner can not successfully leave the company for 4 weeks without any contact with their company, you don't have a company you are the company!

Business owners in general look at consultants with high hopes for an all-encompassing solution, a new method, technology, theory, or system. The first issue with this is that everybody is unique. Therefore a new method, technology, theory, or system based on someone else's experience has no meaning at all. Functional transferability of experience is not possible. Think back to when your parents told you not to do something; you had to do it anyway to have your own experience. This is why we have developed a process that facilitates the business owner to have his or her own experiences along with techniques to improve their business with. The problem lies in the fact that it is the business owner that needs to adjust not just change the environment. Until the moment that the business owner accepts responsibility for what is happening in his or her business all outside help is futile. Approximately 70% of business owners that had previous consultant experience were unhappy with that experience. There will be no positive results without a properly conducted analysis like the Business Physical to create actual deliverables and the ability to measure the results. Part of the issue is communication and setting expectations. The other part is that most consulting firms rather create a dependency than fixing the issues at hand. We prefer to teach you "how to fish vs. being willing to come fish for you." Using the Abasia Point Business Physical process ensures that both Business owner(s) and Counsellor become fully aware of the issues at hand in order to facilitate the Custom Corrections Session Plan and allow that business owner to have their own experience.

The unique inside of the Abasia Point™ allows you as a business owner (or executive) to actually start running your business as a business instead of, in many cases, the business running you. The program developed around the Abasia Point™ differs from any management consultancy. It is a true transfer of knowledge that embarks the business owner on a journey to a "mini MBA" of his/her own business. The process uses a disruptive method to break the business owner out of his/her habits therefore leading to much greater results.