12/7/23

Solutions Found

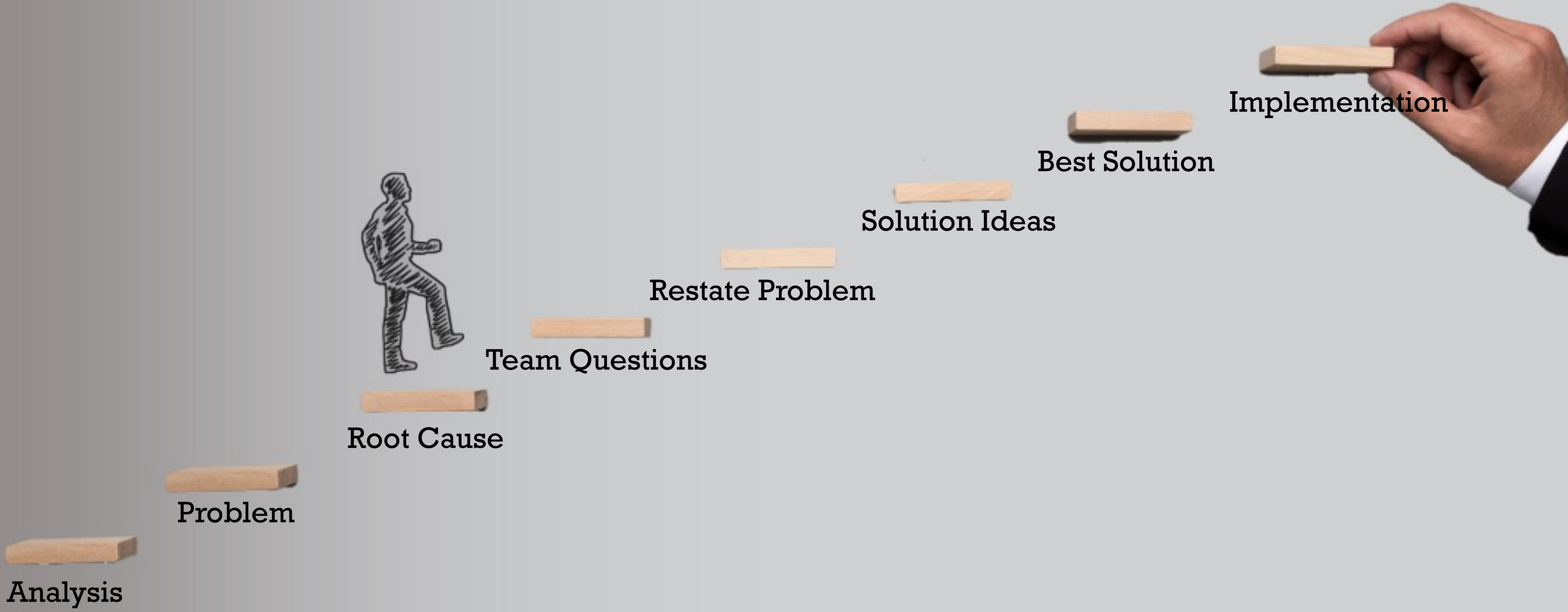
Identifying and Overcoming Common Business Challenges

No one thinks they have business problems, but we do. We all do.

“Our mission is to teach people and companies a *method* to find and implement their best solutions.” ~ The Project Consultant

"We cannot solve our problems with the same thinking we used when we created them." ~ Albert Einstein

The Project Consultant 8-Step Process



Methodology

Identify

15 Minutes

Solve

15 Minutes

Step One	Perform a thorough analysis
Step Two	Describe your problem in the form of a question.
Step Three	What is the main cause or root of your problem?
Step Four	Your team asks as many questions as they can about your problem.
Step Five	Based on your answers, if necessary, restate your problem. That is the real problem.
Step Six	Your team suggests possible solutions to your real problem.
Step Seven	Choose the best solution or prioritize possible solutions.
Step Eight	List actions to enact the best solution. Make a promise to act.

Workshop Protocol

Works best with a team of people. You're in the weeds.

When asking questions don't offer veiled solutions.

When the team is giving you solutions, don't speak.

Have someone take notes for you so you can *listen*.

EVERYTHING is confidential.

A Word About Analysis

1. You must know how to read a) an Income Statement; b) a Balance Sheet; and c) a Cash Flow Statement
2. Trend analysis
3. Any number as a percentage of Sales, Assets or Equity
4. Industry averages

Starting With a Hypothetical Example

Step 1. Analysis

After a thorough analysis you realize you are undercapitalized.

You don't have enough cash flow to properly run your business.

You need to raise money to stay in business.

Step 2. State Your Problem

Problem: How do I find investors to raise money?

Step 3. Possible Root Cause/s

1. Profitability – a) sales too low or b) expenses too high.
2. Cash flow – a) unprofitable; b) collections are too slow; or c) you don't have terms with your vendors.
3. Working capital deficiencies – a) using your working capital for fixed assets b) inadequate bank or factoring lines of credit.
4. Capitalization – you are undercapitalized.

Step 4. Team Questions

1. What type of business do you have? (Service, product, online?)
2. Is your company profitable? How are its year over year sales? Expenses? What is your conversion rate?
3. Have you done a cash flow projection? How many months runway do you have?
4. How was your company financed originally?
5. Do you have a banking relationship beyond a checking account?
6. What are your A/R turndays? What are your A/P turndays?
7. Do you have any valuable fixed assets or collateral?

Step 5. Restate Problem

Original Problem: How do I find investors to raise money?

Restated Problem: How do I help my company to become more profitable?

Step 6. Solution Ideas to Increase Profitability

1. Increase sales.
2. Improve gross margins (raise prices or lower cost of goods sold).
3. Cut overhead expenses.
4. Do a cashflow projection to map your net cash in and know when you will run out of cash (your runway).
5. Buy larger volumes of raw materials to lower your cost of goods sold.
6. Add higher price point products which will increase sales.
7. Use subcontractors or freelancers for project work to keep overhead and payroll taxes low.

Step 7. Best Solution

There are two ways to increase your profits:

1. Increase sales.

2. Cut expenses.

Step 8. Implementation

1. Increase sales.

a. This is the next issue we're processing so I'll go into more detail then.

2. Cut expenses.

a. Find less expensive office space. Or try to shrink your current space.

b. Lay off employees. Hire temp workers to fill in the gaps.

c. Research using alternative suppliers and vendors.

d. Get 3 bids for anything you buy.

e. Talk to your vendors about increasing your terms.

Processing the most common problem of attendees today.

Step 1. Analysis

My sales are stagnant. My monthly trend analysis shows at best a plateau, and at worst, a decrease in my sales.

Step 2. State Your Problem

Problem: How do I increase sales and grow my business?

Step 3. Possible Root Causes

1. I'm not good at sales: introvert or no training or lack of confidence.
2. I'm a startup company and have no sales.
3. I'm not clearly explaining the problem my product solves.
4. I have not identified my target audience.
5. I don't have a big enough following (online sales).
6. I have no marketing or advertising budget.
7. Problem with my product.
8. Problem with my pricing.

Step 4. Team Questions

1. What type of business do you have? (Service, product, online?)
2. What is your industry's average close rate?
3. Who sells for your company: in-house salespeople, sales reps, online pitches, or do *you* do the selling ?
4. What is your pricing compared to your competitors? If your price is too high, can you lower it? Raise it?
5. Do you or your salespeople have training in sales? Have you taken a course on selling?
6. How do you sell? In person? Trade shows? Networking groups? Word of mouth? Referrals? Online?
7. Do you have a prepared sales pitch? Do you have a sales funnel?

Step 5. Restate Problem

Original Problem: How do I increase sales and grow my business?

Restated Problem: How do I create more demand for my product?

Step 6. Solution Ideas to Create More Demand

1. Come up with a story for your product. Why did you start your business? Invent your product or service?
2. Do a thorough competitive analysis. How is your product/service different and better than your competitors?
3. Is your pricing correct? Try to experiment with different pricing models. The best way to do this is with A/B testing and selling DTC (direct to consumer). Construct a demand curve so you correctly price for your optimum sales amount.*
4. Make sure your product clearly solves a problem for your intended customer. If it doesn't, pivot so that it does.
5. Who is your ideal customer? Write a couple paragraphs about them so you are really sure about this.
6. Develop a marketing strategy and plan so that you are reaching your ideal customers.
7. Spend more money on marketing and sales to create demand.

* Read my article, "The Art of Pricing."

Step 7. Best Solution

Do all these things, but prioritize from most important to least important.

Step 8. Implementation

Make a schedule and timeline.

Commit to it.

Write 21 reasons why someone should want to buy your product or service.

The Best News

1. This can be applied to personal problems, too.
2. Once you learn and practice the methodology, you and your team can use it over, and over again.

Analysis Overview

Analysis Tools to Identify Problems

Business

- Quantum physics' observer effect on efficiency
- Interview executives, managers, employees, vendors and customers
- Track time spent on all your daily activities
- Financial and cash flow projections
- Comparisons to industry averages

Personal

- Honest discussion with your spouse before you start your company or take a new job.
- Observe and track business partner arguments. What are your expectations from the company? Do you have an operating agreement?
- Track time spent on activities outside work (including sleep).
- List resentments, regrets, fears, blocks, etc.
- Journal 15 minutes a day. Review your journals.

We all have problems!

Examples of problems we have worked with:

- Should I pivot my business model?
- How do I improve my relationship with my business partner?
- How do I increase my sales closing rate?
- What is the best way to deal with my spouse who doesn't support my startup ambitions?
- How do I collect the money from the buyer of my company?
- How do I get my adult daughter to treat me better?
- How do I raise money for my business and how much equity do I give away?
- How do I get more traction on my website?

Common Problem Areas

1. **Selling**
   - **Your business/services**
   - **Your products**
   - **Real estate or property**
2. **Financing**
   - **Your startup**
   - **Working capital**
   - **Fixed assets**
   - **Real Estate**
   - **Banking**
3. **Sourcing**
   - **Raw materials**
   - **Manufacturing**
   - **Shipping**
   - **Physical property**
4. **Personal Problems**
   - **General anxiety**
   - **Anger Management**
   - **ADD/ADHD Focus problems**
   - **Health problems of yourself or family member**
   - **Spouse problems**
5. **Marketing**
   - **Brand development**
   - **Website**
   - **Public relations**
   - **Events**
   - **Promotional**
   - **Advertising**
   - **Sales channels**
   - **Influencers**
6. **Partnerships**
   - **Finding Partners**
   - **Buying out partners**
   - **Fixing partner relationships**
7. **Expenses**
   - **Fixed vs. Variable**
   - **Salaries**
   - **Benefits**
   - **Raw materials**
   - **Competition**
   - **Shipping/Warehousing**
   - **Samples**

Solutions Overview

Examples of Best Use Solution Tools

- Failproof weighted average ranking
- The wisdom of your crowd for forecasting
- Maybe you need a new algorithm
- Easy cost benefit analysis to make decisions
- How to make a better pro and con list
- Therapy

Reference Links

The Dynamic Factors Shaping Sales

Change Your Algorithms. Solve Your Problems.

How Factoring Can Help You to Bootstrap Your Company

A Concept From Quantum Physics Can Improve Your Operations

The Power of 21 Reasons to Accomplish Your Goals

Lack of Working Capital Can Bankrupt your Startup

Why Your Cost of Goods Sold is so Very Important

What Can We Learn from Robots to Improve Our Partnerships

#1 Thing I Need to See in a Startup from a Venture Capitalist

You Should Know How to Do a SWOT Analysis Part I

Selling Encyclopedias Door-to-Door Taught Me 5 Crucial Facts About Selling

Relationship Banking Advice from an Ex-Banker

The Difference Between Markups and Margins Revealed

Can Your Company Be Saved?

Why Cash is King and How to Get More of It

The Art of Pricing

Dramatically Improve Your Productivity Using This One Simple Method

The Hidden Impact of Personal Issues on Your Business

The Problem You Think You Have is often Not Your Problem

You Should Know How to Do a SWOT Analysis Part II

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Pricing commensurate on client's company revenue.

Workshops scheduled 30 days in advance.

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Cynthia Wylie

Ms. Wylie is a co-founder of The Project Consultant. As a founding member of the Startup Founders group in Los Angeles, she has participated in hundreds of problem-solving workshops over the last decade. She has over thirty years of experience as a CFO for private companies and as a successful entrepreneur for three companies. She has her MA in economics from Georgetown University where she was awarded a full fellowship. She was an adjunct professor in statistics and economics at Youngstown State University and a teaching assistant at Georgetown University in microeconomics and econometrics. As a part of UCLA's Anderson School of Business Management, Ms. Wylie is an advisor and judge for their Business Creators Project. She is a regular contributor of business and economic analyses for the online publication, Data Driven Investor. She is currently working on a book, "Solutions Found." Ms. Wylie is also a published children's book author of five books with Rodale Kids, an imprint of Penguin Random House.