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ChangeAbility  
The Newsletter of Redpoint Business Coaching  
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Welcome!

You are reading ChangeAbility, a newsletter brought to you by Urs Koenig PhD, MBA from Redpoint Business Coaching

ChangeAbility is a bimonthly newsletter bringing you hands-on tips and cool resources for starting or building your business.

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I. Urs Races Across America: Business Lessons I am Learning while Preparing for the World's Toughest Endurance Race

“They did not know it was impossible, so they did it” - Mark Twain didn't know about the Race Across America (RAAM), but he captured its spirit.

As a reader of ChangeAbility, you will recall that I am gearing up for the start of the Race Across America, a grueling, 3000-mile non-stop bike race across the U.S.A. The race starts on June 19th – which is now just over a month away!

I prepare for this once-in-a-lifetime challenge by training between 12 and 60 hours per week, organizing and managing my crew, and trying to stay on top of all the mental, physical, medical and logistical challenges of getting 10 people, 2 vehicles, 2 bikes and tons of gear across a continent.

+++Planning on Paper is Good and Necessary but Nothing Beats DOING the Real Thing+++

There is a slogan in the Australian Tourism Industry (used by the very remote Northern Territory, home of Ayers Rock/Uluru and Kakadu National Park): “You never never know if you never ever go.”

The same applies for the preparation for the Race Across America or for the growth of your business. Planning on paper, researching existing data, working spread sheets: all of these are useful and necessary, and they should always be the first steps. Nothing, however, beats going out there and testing what you intend to do.

In preparation for the RAAM, for example, our crew completed our first full-on, race simulation three weeks ago: a 28-hour, 390-mile bike ride from Seattle to the end of the Methow Valley in central Washington and back again. It was complete with a mini crew of five (my local crew, remember: I have crew members from four countries!), a rented RV and a pace car.

Over the course of the ride, we updated and rewrote our check lists for each crew position (driver, feeder, navigator, massage therapist), got a feeling for how long it takes the RV to catch back up to the rider and learned the importance of admitting when we are getting too tired to fulfill a task (e.g. driving) and need to hand the job over to the next person.

I could bore you endlessly with a long list of other things we learned by actually being out there over the course of that beautiful and cold (down to the 20s, nice on my feet and fingers on the bike...) day in Eastern Washington. And none of these things could we have thought of by simply talking and writing about doing a ride.

So remember: Business planning with pen and spreadsheet is great, but the best market research is putting yourself out there and testing your ideas in the real world!

Ask yourself for your business:

- + How can I test my new service on a small scale (e.g. with a number of select clients) in order to receive 'real life' feedback?
- + What sort of prototype can I produce to really understand all that is involved with manufacturing and selling my proposed new product?

Check out photos from our training ride:

<http://photobucket.com/albums/y143/TeamUrsus/>

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+++Get the Right People on the Bus (and the Wrong People off)+++

A worthy thesis from Jim Collins (author of 'Built to Last' and 'From Good to Great') is that before we as business owners decide on our vision or strategy, we need to get the right people on board (the bus) and the wrong people off. Jim Collins calls this the 'Who' before the 'What'.

I thought long and hard about who would be the right crew to support me on this unique venture. Must-haves included: an ability to rough it, a great sense of humor, a history of playing well with others and biting their tongues when necessary, quickness on their feet, and no need to display their egos. Nice-to-haves were: either outdoors or ultra-sports experience.

My trial run has shown me that I do indeed have the right people on my RAAM crew bus. But, you ask: how do I know?

You know that you have the right people on the bus/on your payroll when:

- + Your crew/staff comes to you with solutions not problems (i.e. "this is the problem, we have these three options, my recommendation based on my research is option 2 because of xzy.")
- + Your crew/staff has bought into the same goal (i.e. getting me to the finish line of RAAM or making your business the local industry leader over the next two years)
- + You are comfortable delegating because you know things will get done
- + Your crew/staff takes ownership of tasks, runs with them and updates you on a regular basis

+Your crew/staff respects you and each other for their respective strengths, yet does not shy away from constructive criticism (and you know that YOU are the right person on the bus when you can take criticism from your staff and act on it ;-)

...and probably most importantly:

+ when you feel that everyone's heart is truly in it, yet you are all still able to have a good laugh about how nuts it is committing to such an audacious challenge...

Ask yourself for your business:

+What are your criteria for the right people on the bus?

+ Who do you have on your bus who should not be on the bus? What is your strategy to get them off?

+ Who are you missing who should be on your bus? What will you do over the next week to add that person?

Thank you to the many people who have already contributed to Cancer Lifeline. For those of you who have not yet, I ask you to support my bid to race across America by making a contribution to Cancer Lifeline ([www.cancerlifeline.org](http://www.cancerlifeline.org)).

Cancer Lifeline serves more than 10,000 cancer patients annually, and every contribution means more patients and their families are relieved of some of the burden of coping with cancer.

I am on the board of Cancer Lifeline and can personally assure you of the high quality work this Not-For Profit does. You can contribute online quickly and safely.

You can donate at:

<https://secure.xo.com/cancerlifeline.org/onlineform.shtmlor>

Be sure to mention "Urs Races Across America" under 'my gift is for the occasion of'

## II Client Success Story: Seattle Running Company Doubles Bottom Line In The First Quarter of '05

Client Seattle Running Company, whose owner has recently been featured very prominently in 'Trail Running Magazine', increased their

bottom line in the first quarter of 2005 by almost 100 % over the average of all the previous years' first quarters.

Seattle Running Company has been a client for about the last eight months. The task at the beginning of our engagement was clear: Help them improve their bottom line and cash flow.

Together we analyzed the current state of their finances. Among other things we benchmarked them against the industry and performed a break-even analysis. We found that their current sales were only just supporting their expenses and in order to get back to financial health, Seattle Running Company needed to either cut costs, increase revenue, or preferably do both (no surprises there, we realized).

We started with the cost-cutting plan. We systematically went through the Income Statement and tried to squeeze some dollars wherever it would not hurt their business. As a result, Seattle Running Company was able to reduce payroll expenses by 4 % of sales (without firing anyone!) and reduce rent expenses significantly.

Another important part of the cost-cutting plan was the weekly budget meetings: The owners put a detailed '05 budget together and went through the Income Statement line item by line item, assigning responsibilities to the appropriate staff member for each line item. The owners then started to conduct weekly budget meetings with their staff during which each person was held accountable for their part of the costs.

Currently SRC is starting the second phase of our plan, increasing their revenue; stay tuned for results.

For all your running gear needs, check out Seattle Running Company <http://www.seattlerunningcompany.com/>

+++++LET ME KNOW WHAT YOU THINK+++++  
Simply reply to this newsletter. I welcome your feedback!

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ChangeAbility is a publication of Redpoint Business Coaching, which is run by Urs Koenig PhD, MBA

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