

4 Areas of CEO Focus

Since 1970 I have worked with hundreds of companies and I have seen markets go up and down, mortgage interest rates at over 17%, dot com bubbles popping and now our latest economic dilemma.

During those 40+ years I have helped a lot of companies flourish in similar down economic times. Today I am advising my CEO clients to focus their attention on 4 areas:

Customer Retention/Gaining New Customers

Business Financial Health

Banking Relationships

Growth Opportunities

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Customers

Focus your sales efforts on customer retention and new customer acquisition. Business markets are getting smaller. There are fewer competitors but there are also fewer customers. In this type of market you can expect that all of your key customers are being inundated with sales efforts from your competitors. In fact, you are probably returning the favor by going after your competitors' top customers.

The key to successful customer retention and new customer acquisition is making sure you have a plan for your approach. I am leading several of my customers through the creation of sales account plans for their top customers. Read my article [“The 9 Crucial Elements of Sales Account Planning”](#) to get some detailed background on the subject. Intelligent sales account plans will help you focus your efforts on your key clients. I advise my clients to review their sales account plans with their key customers. Your clients will tell you what they need and how you can help them succeed. I have created and reviewed 100's of plans in my career. I take my clients through a discussion that reveals hidden opportunities and approaches that will generate more revenues.

One of my clients recently created sales accounts plans for two new major customers. During my review of those sales plans I offered several suggestions on different ways he could work with his customers. After working with his two new customers they both advised him that they wanted to expand his operations into other areas their business. Now my client's projected revenue growth should exceed 300%-400% for those two accounts in the next two years. His sales account plans proved to be a distinct competitive advantage and opened new opportunities even in today's slumping marketplace.

There is more to a sales account plan than just filling out a plan form. To be successful they require thought, creativity and experience.

Utilizing smart modeling tools for forecasting

It is always important to focus your attention on the financial health of your company. In today's business environment it is absolutely critical. “Cash is king” is a phrase I hear a lot today. Every CEO should have a forecast of their cash balance that can be reviewed and changed with ease.

I have helped several of my client CEOs create a “CEO Workbook” that contains the following:

- 12 month rolling income statement projections (always project out 12 months from the current month)
- 12 month rolling cash flow projection calculating the conversion of sales into cash and the utilization of any lines of credit to augment cash flow

- 12 month rolling balance sheet
- 12 month rolling bank covenant calculations

The workbook should be used continually (monthly, if not weekly) to review and adjust your projections. Look at your monthly revenues based on the knowledge of your market today. Adjust your projections every month to reflect the reality of your marketplace. If you need to change your revenue projections the workbook should automatically update all of your 12 month rolling calculations. I advise my clients to take the time to review their projections every month with their executive team and make sure that everyone is prepared to take all actions required to maintain profitability.

Banking Relationships

I recommend to my clients that they focus more time on their bankers. Take your 12 month rolling financial statement projections and review them with their bankers but only if you are comfortable with that level of disclosure. Communicate your plans on how you will stay profitable or how you will return to profitability during the current recession. Bankers appreciate the communications and in some instance they are able to provide business or economic advice and resources.

Over the past few weeks I have met with 5 different banking institutions. I asked them one question: What do you want to hear from your banking customers? They all responded with a similar answer: "The honest truth about a company's future operations". They were unanimous in stating they hate surprises.

I also advise my clients to meet other bankers and introduce their company to a few selected banks as alternative banks. If your bank goes through some changes or begins to restrict your lending limits you need to have an alternate banker with whom you have met and reviewed your business.

The worst time to look for a new bank is when you need one.

Opportunities

Everyone today is heads down working at preserving their business. I advise my CEO clients to look for growth opportunities. Consider introducing new product lines or new services. Seek growth through mergers, acquisitions or strategic partnerships.

One of my clients made the decision to go after a market that he felt would grow from 5% of his current revenues to over 50% within the next 3-5 years. He made a strategic hire, built a divisional sales account plan and launched the whole program within 45 days. He was able to hire an incredible talent to head up the effort because another company had just gone through a lay-off that made that person available. I helped him crafted a compensation plan that paid the new hire for achieving the business plan results for the new division. There is a lot of talent looking for work today. It can be a good time to upgrade your team and launch new initiatives.

In addition, many of my clients are looking at their weakened competition with an eye towards either taking clients or to possibly merge companies and increase market presence by adding new customers and locations. CEO's need to spend time working on their business as opposed to working in their business. I advise my clients to set aside some time each week to get out into the business community and find out what is happening in their marketplaces.

Taking Care of the 4 Areas of CEO Focus

Take care of your customers: Sales Account Plans

Take care of your financial health: Rolling 12 month CEO Workbook

Take care of your banker: They hate surprises. Introduce your company to a second banking institution.

Take care of your business growth: Seek new opportunities

Biography: Barry MacKechnie assists CEOs in achieving their goals through strategic planning retreats and implementation of strategic plans, sales account planning, new business development, marketing/ branding campaigns, organizational restructuring and financial modeling. Mr. MacKechnie, founder and president of CEO-Services, has over 40 years of CEO level experience as a business owner and advisor to executives in more than 300 companies with revenues in excess of \$250M.

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