

SDW Industry Discussion Paper

Is Your Company Frozen?

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If your company is struggling to gain competitive advantage, solidify its business strategy, straighten up its marketplace priorities or simply to make a predictable top-line profit, you are in danger of losing ground while your competition builds momentum and true value.

In our years of experience in consulting with companies from start-up to Fortune 500, we have often run across companies we refer to as “Frozen” - organizations that may have hit the wall, that are locked in a state of indecision, false starts and frequent changes of direction in their quest for growth and profitability. Executive teams are often unable to reach consensus about where the company is headed or have trouble deciding how to best leverage their products or services. They often have an unclear view of their market, the best path to sustainable profitability, and the value they had in mind when the business was first started. The result is confusion, frustration and inevitable mistakes in positioning and execution. Meanwhile, astute competitors continue to move forward, putting these companies at a disadvantage and steadily widening the profit gap between them.

There can be many reasons why companies become frozen: changes in the management team, significant new products or solutions introduced by competitors, simple dissatisfaction with the company’s growth or market penetration. Often, the management team has simply run out of ideas or the company has grown past their “managerial comfort zones.” Regardless of the reasons why, the unfortunate outcome tends to be one of the following scenarios:

- Efforts that worked in the past are repeated but do not yield desired results
- Owners are frustrated that they have little to show for all the hard work and see no way out
- Profit is unsustainable and certainly not predictable - value is not measurable

Any one of these possible outcomes, and many more, can slow and even stop the forward momentum of a company bogged down in this frozen state. That’s why it is imperative for the executive team to take immediate steps to get the company back on track.

You're Frozen - Now What Do You Do?

If you are finding that your company is frozen (or you are afraid that it may be), due to an inability to solidify top-line profitability, clarify future direction and make crucial decisions, (operations, competitiveness, even exit strategy), there are steps you can take to move the company forward:

1. Recognize the problem and acknowledge its negative impact on your company's potential. Frozen companies and their executives often have a hard time stepping back to see how indecision, false starts and frequent frustrating changes in direction (or the opposite - failure to do anything differently) are hurting their business success. For clarity to emerge, company executives should focus the organization on a few high impact objectives, formulate a core strategy to drive company success and concentrate on a highly focused target audience.
2. Conduct an **"Annual Physical"**, for your organization. Just as you want to keep track of your health in order to head off predictable illness, business owners need to do the same for their businesses. If the business isn't sustainably healthy, you won't create the value you had in mind when you started the enterprise in the first place. First diagnose the health of your business, then treat it - it will live a long time and you will prosper. Fact-based decision making is powerful because you will know you are on the right track and if not, you can fix it. Research gives you the confidence to make informed choices and empowers you to be bold in your approach to the marketplace.
3. Pull together the executive team to discuss research findings (results of the Annual Physical) and to brainstorm about the direction of the company. An outside, objective development consultant can prove helpful in a company strategy session to help generate ideas and discuss them in an organized way to start building consensus.
4. Ultimately, there must be a guide out of the "old" and into the new - renewed strategy, plans for execution, measurement systems that measure the "right stuff", value goals and coherent, time bounded exit strategies. After these critical decisions are made, the company must stay on course with consistent execution and measurement in order to build trust, brand equity and profitability.

Frozen companies go in so many different directions they end up going no place at all. By acknowledging the problem, making fact-based decisions, working to build and execute a renewal, profit driven plan and staying on track once the course is set, companies can regain their momentum and accelerate their growth results exponentially.

At SDW, we work with a broad range of companies in various stages of growth and profitability. Our focus is in helping small and mid-sized companies develop powerful and predictable top-line profit and the value that should (but often doesn't) go with that profitability. Our expertise builds organizations designed to support the owners business and profitability strategies and to accelerate sustainable growth and imbedded value. As a result, we are involved from boardroom to shop floor, strategy to execution, start-up to exit, and typically begin with what we call the "Annual Physical for Your Organization."