

Funding Your *Sweet Spot*

START WITH *GREAT IN MIND*



Funding Your Sweet Spot

By Nita Black

Table of Contents

Introduction	Page 2
Organize ~ Clarify ~ Share	Page 5
Three Steps	Page 7
About Nita	Page 11



Introduction

In the book, ***Good to Great***, the author Jim Collins compares a group of good companies to a group of great companies. Based on extensive research, Collins uses several analytical tools, including the Sweet Spot, to make comparisons.

“You don’t have to be big to be great!”

Some founders may think that advice from books like ***Good to Great*** is way too big for their business. Think again, though. As a small business, we have the same challenges as big business, and more. We do it all, are under extreme pressure to succeed (often we bring this on ourselves by doing everything and wanting it all to be perfect *right away*.) We’re good at what we do every day, but maybe not so good at knowing what the “end” looks like. What do we want our business to “look like” at the end of the day? Working ***in the business*** every day versus working ***on the business*** to grow can be a challenge for a lot of us.

Good to Great by Jim Collins is a lengthy discussion of results from a study of several companies which made a sustained quantitative and qualitative jump over a period of at least 15 years.

The framework it describes covers six core common principles of these companies:

1. Level 5 Leadership
2. First Who... Then What
3. Confront the Brutal Facts
4. The Hedgehog Concept
5. A Culture of Discipline
6. Technology Accelerators



It's interesting to notice how some of the referred companies have developed since the time the book was written, such as Gillette (bought by Procter & Gamble). Reputations of companies like Fannie Mae (hit by the subprime), Circuit City (filed for bankruptcy) and Wells Fargo have all suffered. Nevertheless, not all companies can be forever great, and the principles outlined in this book are timeless.

The explanation of Level 5 leaders embodies all five layers of the pyramid. "Humility + Will = Level 5" is a concept that most people don't realize. There are many CEO's who never made it to Level 5 because they are so charmed by their own power and sense of superior decision-making that they make costly mistakes. Companies end in failure or transition to new leadership.

Collins describes the Hedgehog Concept (the Sweet Spot) as a strategy for core business success. He says we should develop and focus on a very simple concept that you can then use as a frame of reference for decisions.

The simple concept is based on three key dimensions -- what can you be best at, what drives your economic engine (the single factor that drives profit), and what are you "deeply passionate about."

If you are reading our Funding Your Sweet Spot guide because you desire to learn more, our goal is to help you as the Founder to either start with "great" in mind or to move from "good to great." It doesn't matter if it is within a profit, not-for-profit, or even in a home-family setting, our Funding the Sweet Spot process is easy to use and a good visual reminder of three things that integrate with each other constantly:

1. Who you are, (what makes you happy, and what is your passion).
2. What you do, (What you are good at and what you do very well).
3. Who will buy what you do that you are good at and that makes you happy.





Organize ~ Clarify ~ Share

Funding Your Sweet Spot means staying focused on the intersection of Who You Are, What You Do (well), and Who Will Buy so that you make more money while being happy at what you are doing. Our hope is that you can use Jim Collins' Sweet Spot as a cornerstone of organizing your ideas, clarifying who you are and what you want, and then sharing your story.



Try using the following steps to develop a written statement that helps you find the “Sweet Spot” in your business. You probably know that in golf, the sweet spot is described as the perfect shot, where the golf club and the ball meet exactly in the right spot resulting in a perfect shot.

In business, this can work the same way – always aiming for your Sweet Spot to fund your business and build personal wealth.

I always return to my Sweet Spot to re-focus on what makes me happy, what I do best, and who can/will pay for what I do best that also makes me happy.

Clients have told me that they continue to post their Sweet Spot on the refrigerator at home – some place where they go often, so that even for a few moments every day, they can focus on what makes them or will make them happy and successful.

Think of the Sweet Spot as a tool by which to make better decisions day after day, month after month, year after year.

The result is that your time and talents will be focused on what you enjoy, what you do best, and who can pay you. (Source of the Sweet Spot: ***Good to Great*** by Jim Collins)

Any activities outside your Sweet Spot should be budgeted sparingly! When we say activities, this includes your time, money, and energy.

Identifying your Sweet Spot and then sticking with it will help you make more money. We call it Funding Your Sweet Spot – your Sweet Spot is like that perfect shot in golf, where you can experience the highest probability of joy and success in your business when you stay in your Sweet Spot.



Three Steps

To define your business Sweet Spot, complete the following three steps. This is the very first thing to do in developing a plan for your business, resulting in a happy life and building sustainable personal wealth. Trust me, this works!

Step (1) – Write down what really makes you happy by choosing a verb or verbs that best describe(s) what you want to do in your life and/or your business. Then think about what problem you are solving and for whom.

Complete the following sentence:

I really want to _____ because I like
(verb and who/what receives benefit)

(describe how you feel and/or what you want to accomplish)

An example from my own plan is:

I really want to connect Business Founders with financial success because I like to make a difference that empowers them to help themselves, their employees, and their community.

In the above example, the key verb is connect and the passion describes the who (Business Founders), the what (financial success for the Founders), and my why (to make a difference that empowers the Founders).

Rewrite your own statement using the best verb that describes what you want to do, the who, the what, and your why. Be patient in doing this and continue to clarify using the best words that describe your passion and/or situation.

Now re-write this part of your Sweet Spot statement again, keep clarifying what you want this to say, so that it's clear and you stay focused.

Step (2) – Describe what you do well ...and something you can pursue with the goal of being the very best at “whatever” on your block or in your neighborhood. Start this sentence with the verb you chose in Step (1) above.

(verb)

by _____

(describe the activity that you will pursue and the problem it solves)

An example from my own plan is:

I connect Business Founders with financial success by providing business consulting, resulting in business strategies, financial forecasts, and enhanced processes that increase profits and build client wealth.

In the example, the key verb is connect and the expertise/activity is financial success through strategies, tools and processes. The result is increased profitability and client’s personal wealth.

Step (3) – Describe who will pay for what makes you happy and what you are good at.

(verb)

by

(describe activity)

(indicate business, consumer, organization, or entity that can/will pay for the activity)

An example from my own plan is:

I connect Business Founders with financial success by providing business consulting, resulting in business strategies, financial forecasts, and enhanced processes that increase profits and build client wealth.

It is important that your sweet spot include:

- A. The best action word or verb that fits your passion;
- B. The best description of activity you want to pursue, based on your experience, expertise, and education;
- C. The most likely description of those customers/prospects who can buy, and what benefit they receive.

In our personal and professional lives, there is an abundance of activities that we, as individuals, can accomplish that go far beyond settling for just a good life. A meaningful life can be spectacular, even under the worst set of conditions. Through our own ideas and follow-through, we as Business Founders can have a hand in creating something of intrinsic, long-lasting excellence. This is what the book **Good to Great** tells us. This is what Funding Your Sweet Spot is all about.

Funding Your Sweet Spot

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Experience Success!



NitaBlack.com is a management consulting firm that helps founders monetize their ideas. We help clients use business tools, such as our Cash Maker Brief, to clarify core aspects of the business. Our forecasting tool is great for projecting cash flow based on key revenue drivers, time required, and needed resources.

Nita Black is the CEO/Business Strategist and founder of the firm. She has 30+ years large corporate experience in the banking industry and 15+ years' experience as a business owner. She applies knowledge from past experiences and current technology to help clients grow revenues in a cost-effective manner.

Email Info@NitaBlack.com

to schedule a complimentary consultation.