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Become a Peerless Competitor

By: [David W. Weatherholt, MBA](#)

What does a peerless competitor look like? If you are thinking, "Our office looks great and my logo is cool"...read on! Peerless competitors need more than good looks; they must use proven systems based on a sound structure. If this structure looks a little wobbly or resembles a house-of-cards, then your core structure has "systemic" problems. **Structure matters!** Pyramids are the ideal edifice to describe this structure. They start with a solid foundation to support the essential systems needed to make your company stand out. The Great Pyramids in Egypt have stood the test of time, enduring for thousands of years, surviving harsh elements that have reduced other structures to dust. Still standing after all of those years, a pyramid makes the best blueprint to use in building your business.

Below is the Peerless Pyramid, your guide to becoming a peerless competitor. In this article, I will explain the Customer Apex along with the two levels that make the base of the pyramid: Financial Resources and Accounting Systems. Next month, I will talk about the rest of the pyramid.



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Peerless Pyramid

The apex of our Peerless Pyramid "**Customers**" is actually a miniature pyramid, itself supported by a strong base. The support for this miniature pyramid will work as the apex for any strong base. Looking at it another way, **your customer base will work with any solid base, which can be either your company or your competitor.** The

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goal for building your "Peerless Pyramid" then is to develop a base composed of solid business systems resulting in a "peerless competitor."

The goal for General Electric's (GE) many operating divisions, under the leadership of Jack Welch, was to be one of the top three competitors in any market they entered. Their diversity meant they were in a number of markets, and if they couldn't compete at the very top level, they left that market. They knew that optimum profits were reached at the top and dropped significantly further down the competitive chain. To compete successfully in any market requires financial resources, controls, top products, marketing and good people. Competing at the top means that these elements are combined and arranged in such a way that each level provides the support needed to effectively execute at the next level.

Financial Resources - The base for a Business Pyramid, that is the money needed to finance and support the organization. Undercapitalization is at the root of most business problems and will prevent your business from becoming peerless or even making it through the month. Your business needs a comprehensive [cash flow](#) projection, [see Business Downloads](#), looking three years into the future, identifying sources and uses of cash. This plan should specifically identify all sources of cash, i.e. reserves both personal and business, gross income from operations, debt, and other equity injections. This base needs to be broad enough to support your current business and adaptable to be able to support future growth. This combination of resources forms the foundation for your business and the broader the better. Envision a Peerless Pyramid with a narrow base!

Accounting Systems - The next level for our Peerless Pyramid simply means that adequate controls are in place to ensure the best use of the company's Financial Resources. Loose financial controls lead to money and asset walking out the door. Having controls but operating your business without financial reports is like driving a car without windows. How will you know where you have been, but most importantly how will you know where you are going? Properly designed accounting systems provide not only tight financial control but produce metrics and reports needed by management to make business decisions as well. The management team for a "peerless competitor" will know the four or five critical indicators needed to successfully navigate a competitive environment. The source of these metrics are the "Accounting System." (Continued in next month's issue of Business/news & Views®)



Let me know if you have any comments, questions, or suggestions.

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