



# 20 MAIN FACTORS FOR SUCCEEDING IN BUSINESS

and how ERPs can help you with each



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# **Foreword**

We have made a list of the 20 most influential factors for business success.

We've drawn on quantitative and qualitative evidence - business failure statistics and managers' self-reports.

Significantly, identifying these key factors excludes hype, trends and popular theories.

Most businesses aspire to grow; all businesses seek to prosper. However, there are many ways to build a business. Awareness of key factors for success is highly important.

Technology, especially business software, could directly or indirectly support these seemingly very human success factors. We've highlighted examples of how business software can help maximise key factors for success.

# NO.1

## ***Strong market need for product***



Evidence of strong market need is that good customers are easy to find.

With strong market need for products or services, there should be a decent revenue flow, even if mistakes are made.

Strong market need is the single most influential factor for business success.

No business software will create a strong market - but it assists. People in marketing and sales mainly pursue the goal of influencing the market, and software amply supports their targeted actions.

Software can help you where you're weak, extend your abilities, ally with you for specific goals, do tasks that need patience and perseverance. And sometimes this is exactly what you need to create strong market demand.

How does business software help?

For example, by -

- planning, executing, monitoring, assessing marketing actions
- contributing to the control and monitoring of salespeople's activities
- providing additional marketing tools to reach the market's main prospects and also even hidden segments
- enabling timely and focused follow-ups of prospects

## **Sound cash flow control**

**NO.2**



Run out of money and it's "game over".

Never take your eyes off the cash flow because it's the life blood of business. Without it, salaries, invoices, daily needs, are impossible. This is self-evident. However, exerting control over cash flow is more complex than obvious.

Developing products and operations, changing the company structure, expanding the business to reach a safe and viable size or new markets, all require money. Even with sound profits, a company can encounter serious cash flow challenges.

Knowing in advance of cash flow demands allows scope to raise capital, arrange loans and credit lines, or step on the brakes to cool things off.

How does business software help?

For example, by -

- providing a clear, up-to-date picture of cash flow
- modelling future cash flow needs, giving time for management to act
- helping to keep the company in order, making it easier to come up with sound predictions

# NO.3

*The right team*



Work is essential, but ultimately only results count. Hard work without results is insignificant.

To achieve required results in their jobs time after time, people in your team need the right attitude and knowledge, as well as putting in the hours.

For a company to succeed, every key function has to be covered by an able and willing person. Team members must also be able to work together cooperatively.

How does business software help?

For example, by -

- helping to manage recruitment and to follow training
- helping to build the right team by focusing on specified objectives for individuals and teams
- standardising and supporting operations, lessening the pressure on individuals' abilities and performance

In addition, work not needing intrinsic human skills can be done by software (particularly repetitive work) ... since software is certainly tireless, and its "attitude" adheres to how it is programmed for the company - but software can also gain control over workflows or what informative data and documents are stored in it for easy access.

## No unbeatable competition

NO.4



Fierce competition usually forces a business to offer serious discounts, to make painful strategic compromises. It can also drive up salaries and put more strain on the company to hold on to personnel.

This all narrows any margin for error, so having good competitive niche advantage, having your own “blue ocean”, gives a great commercial advantage.

Of course a software system will not get rid of the competition, but it can often make the difference, keeping and bolstering a competitive advantage.

Software is transformative technology. It can help you where you’re weak, extend your abilities, ally with you for specific goals, do tasks that need patience and perseverance, optimize workflows and increase efficiency.

How does business software help?

For example, by -

- repetitive tasks can be automated increasing efficiency
- complicated calculations, modeling of the future can be made possible using software, enabling quicker, better, more insightful decisions
- installing an ERP can get and keep your business operations in order, increasing discipline, creating competitive strength in the company
- technological advances, like Industry 4.0, can give the company a communication and information edge

# NO.5

## *Easy to make profits on sales*



Revenue volume is important, but if it does not come with profitability, then the company is heading for trouble in the long run.

Selling each product or service should amply cover all the costs associated with it. While this truth hastily seems self-evident, a thorough analysis for every product and service could lead to pivoting decisions about exactly what to sell and to whom.

Reduce business costs; target your most profitable customers; increase profitability through supply chain management. Software facilitates continuous improvement for better profitability.

### How does business software help?

For example, by -

- efficiency improvements in individual operations to decrease overall costs
- better control of stock levels to reduce stock associated costs
- attending to financial control reports for margins on products and services
- reports on customer profitability
- better control over supplier prices
- repetitive tasks can be automated, decreasing labour costs



While not in the top five Success Factors, having your product user-friendly is a justified priority.

It helps a business immensely if customers use the product, keep using the product, come back for replacements and recommend it to others.

When customers find it easy enough to use the service/product, the cost of one sale can ultimately help to generate several more sales, building influence and reputation in the market.

Product ideas usually stem from some mixture of intuition, public demand and the emulation of competition. They are then developed, refined and updated in all sorts of ways. Sometimes test customers are involved in the process.

How does business software help?

For example, by -

- helping with product development projects as a project management tool.
- supporting customer satisfaction surveys
- supporting customer service so that typical and frequent problems can be easily recorded for statistics and analysis

# NO.7

## **Strong business model**



With a sound understanding of sources of revenue, customer base, products, and ways of financing the business, it becomes easier to solve the problems life throws at the business. This ultimately enables robust plans for the company's sustainability and expansion.

With the understanding of different sources of revenue, the business has multiple options on which to focus under different circumstances. Preferences of revenue source can change and the company can pivot in more lucrative directions.

The relationship of products and the company base can show the possible paths to expansion.

Finally, understanding the financing options available for the company can help with successful expansion or save the company in dire times.

How does business software help?  
For example, by -

- statistics for revenue, products, margins
- long term cash flow forecasts
- through modelling, providing insights to top management for strategy options



Two maxims. You can't buy what you don't know exists. The more chance your market gets to build a desire for your product, the more customers you will have.

Good marketing communication is all about finding affordable ways to reach your “audience”, and once you have their attention, use it so that they will want to solve a need with the product your company offers.

How does business software help?

For example, by -

- keeping track and supporting direct marketing events and actions
- providing marketing tools to reach even the hidden segments of the market
- keeping an orderly catalogue of marketing platforms, materials and campaigns and results
- helping with planning marketing campaigns, budgets and required outcomes

# NO.9

*Listen to customers*



Induce desire easily in customers to do business with you and you are halfway there to success. To gain this ability by having a good understanding of your market's fears, dreams and desires goes a long way.

So when customers are trying or willing to share their thoughts, a lot can be learnt.

It does not mean that the customer should design the product or service. Sometimes they are suggesting a direct solution, while the real gem is behind their words.

Seeing an actual real problem might spark new ideas or small changes. This can lead to pivots and change the business's future for the better.

How does business software help?  
For example, by -

- keeping score and helping analysis of most common complaints and requests
- managing customer satisfaction surveys and giving statistical insights into the collected data



The product may be world-beating, but if at that point in time customers can't or don't want to buy it then it is going to be a flop.

It is not just about the lost revenue, but also wasted investment in stocks, marketing, hiring and training staff, and so on.

It is to a great extent down to gut feelings and experience, but in some cases numbers can also help us to assess the situation.

How does business software help?

For example, by -

- providing statistical data for seasonal demands for certain products

# NO.11

*Focus on what's important*



It doesn't matter how many tasks, projects you completed successfully if the single most important is missed. This is why prioritising is probably the best skill you could have.

Especially because time and resources almost always lag behind demand.

On the business strategy level, in a cyclical way most businesses go through stages of pathfinding, expansion and profit-optimising. Each stage comes with its own priorities and requires slightly different skill sets and focus points. This should fundamentally decide where the company concentrates its resources.

Because the company's total output is directly dependent on the sum total of staff's output, it goes without saying that prioritizing on the individual level is also very important.

How does business software help?

For example, by -

- best practices can be built into company operations
- managing resource allocation and scheduling
- task delegation management
- forecasts in cash flow, scheduling, sales, and others, will help prioritise
- modelling draws focus on alternative pitfalls and success opportunities



If the financing of the business heavily depends on investors, then alignment of goals is hugely important. Owners and leaders of the firm should pull in the same direction or the business will suffer.

Often looking at the same “map” will help.

How does business software help?

For example, by -

- can provide up-to-date information for investors how the company is progressing, giving more time in advance to negotiate difficulties

# NO.13

## *Pivots managed properly*



Pivoting the company means you are suddenly in a new pathfinding phase. Products, operations, all have to be re-thought and maybe staff re-trained. It is a huge strain on the company and finances: the more quickly the company can successfully complete a pivot the better.

Clarifying and communicating the vision, coming up with a plan, preparation, then execution and finally assessment again, are all parts of managing a pivot.

How does business software help?  
For example, by -

- providing project management tools
- providing task management tools
- cash flow and scheduling
- cementing new operations into the company's life



Businesses can run into all sorts of hardships. Suddenly the energy, time and resources needed to overcome these could exceed what is easily available.

The same could be said for when people around us don't understand what we envision, and we have to swim against the tide.

During these periods, people inside the company will have to tap into their inner strength. To find the strong motivation needed, passion for what the company is trying to achieve will go a long way, and often is the only thing that will get us through.

Naturally, passion is a completely human trait, but good ERP systems can help indirectly but powerfully.

How does business software help?  
For example, by -

- providing acute objective feedback to individuals and teams, making it easier for them to concentrate their efforts on what is appreciated. This leads to better feedback, higher satisfaction and fuelled motivation.

# NO.15

## *Successful expansion*



There are many reasons why the business would have to grow. To keep up with competition, to achieve a viable or meaningful size, or to increase the value of the company, to name a few.

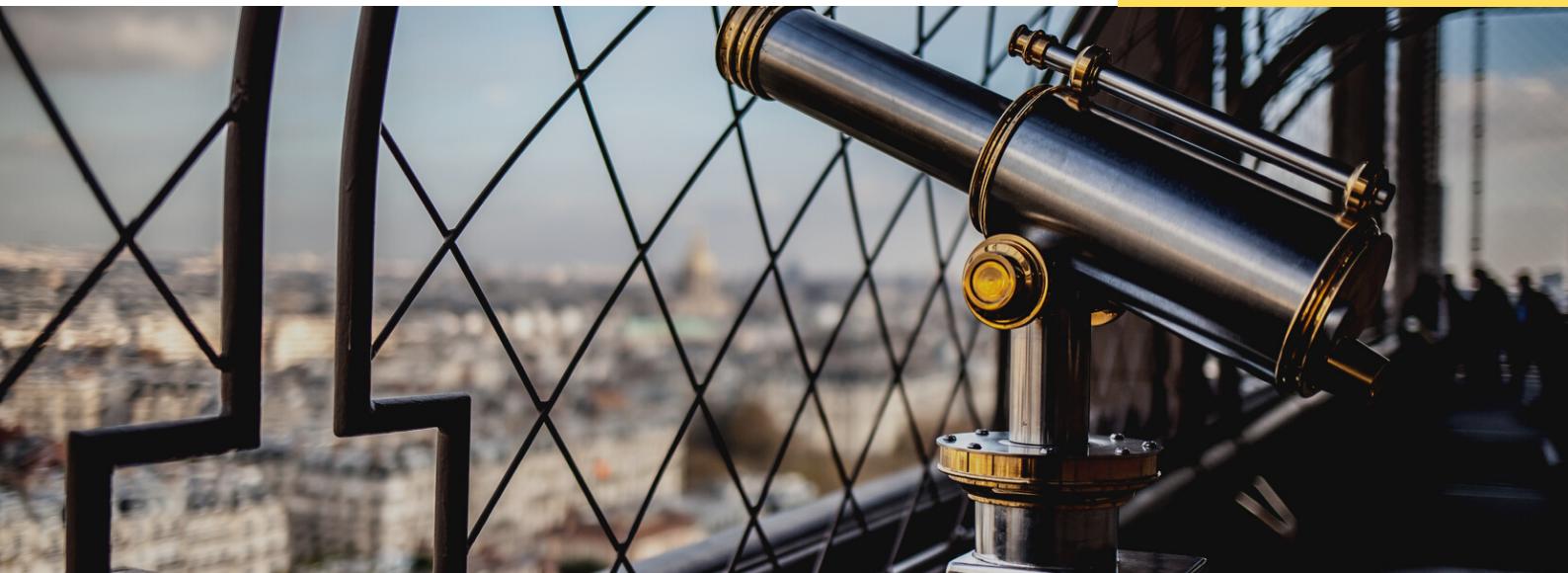
For the company to be scalable, it must find ways to grow. Geographically and/or vertically.

Naturally, it upsets the status quo, and the better the company is prepared for the challenges, the more likely it is to succeed.

How does business software help?

For example, by -

- cementing tested operational rules and workflows into the company's life, thus making training of new staff easier
- providing the seed-operational culture and framework for new sites, offices and subsidiaries
- providing cash flow forecasts to support viability planning.



To keep a healthy cash flow, the business will likely need extra financing, as discussed in the no. 2 factor. This could very well mean that the company will have to “sell” itself, not just to customers but to investors and financial people as well.

This is an art form in itself and ample preparation and practice is needed for most leaders to master the required skills and get familiar with the environment.

How does business software help?

For example, by -

- modelling, drawing focus on alternative pitfalls and success opportunities,
- providing warning for financing needsproviding data for the proposal
- providing sound structure and order for operations increasing credibility for investors.

# NO.17 *Avoid huge, difficult legal challenges*



The business must have been founded with a positive outlook, not expecting much legal opposition. If, however, legal challenges absorb a substantial percentage of the company's resources, this is a sign that it has got itself into considerable conflict with its business environment.

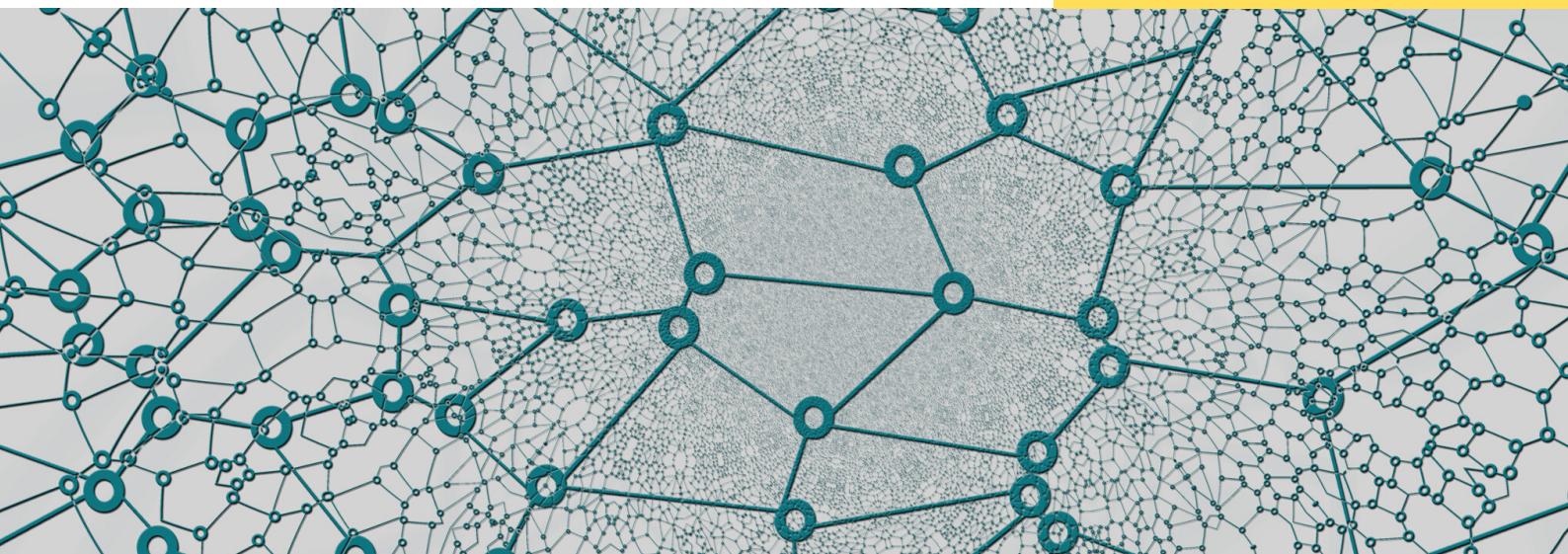
Legal defence can naturally be just and necessary sometimes, but it should not drain the company of resources, leaving less for other issues. Whether it is the competition, some official body, neighbours, employees, customers or other people, legal challenges can hinder success.

Huge legal restrictions, or cost and time-consuming litigation should be avoided as much as possible.

How does business software help?

For example, by -

- having a document management system and register keeps company documents in order.



A company does not have to “conquer every mountain” the hard way. Sometimes the solution is just a chat away. So much so that some companies depend on nearly nothing else. Using one’s connections and the connections of one’s connections is so important that this factor made it to the top 20.

Building a good network of connections takes a lot of effort and time. It is a lifestyle choice. Meeting the right people, gaining their trust or goodwill, maintaining it over the long term, does not just happen. It needs preparation, and the right mindset.

Some people are far better equipped for this than others, but it enables a person to use the expertise and network of people you are already in contact with.

How does business software help?

For example, by -

- storing the details and profiles of contacts in a CRM
- supporting social media campaigns, keeping track of who received what.

# NO.19

## Prepare for a marathon



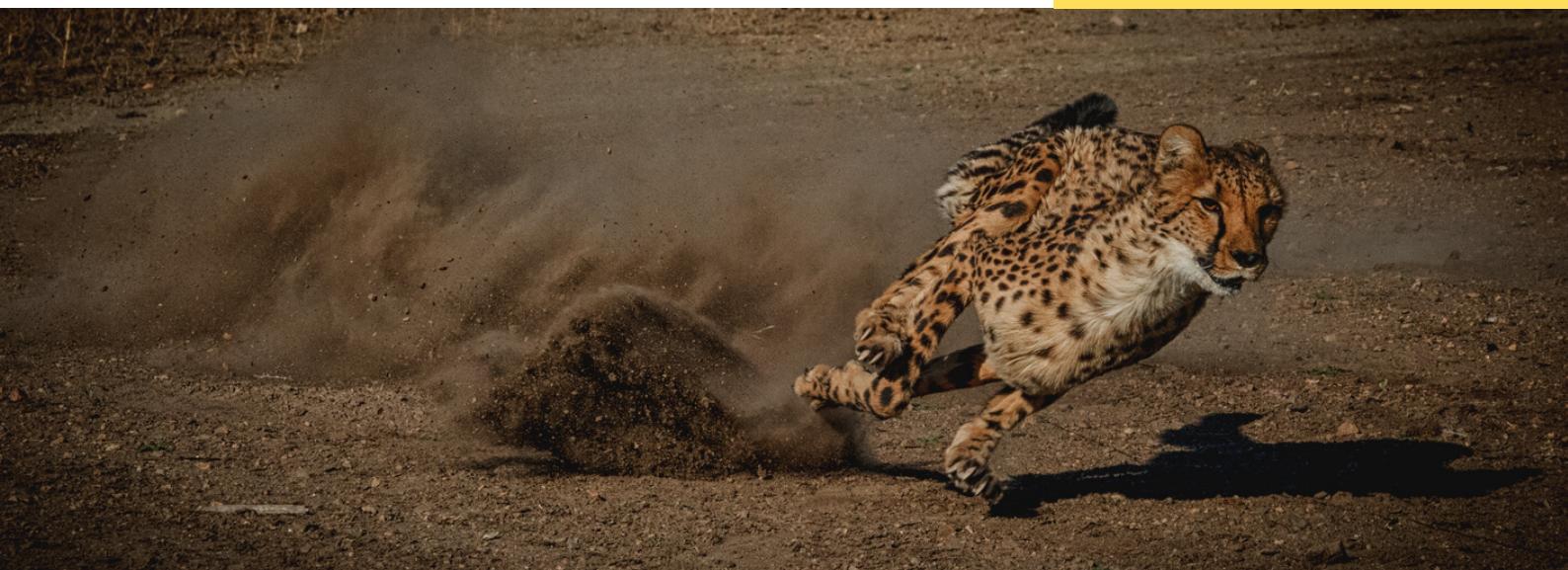
For the vast majority of successful companies, success did not come overnight. More likely it took decades or generations. That means 4 thousand to 40 thousand consecutive working days, most of them hard and challenging.

The team's lifestyle, expectations must accommodate this. Spouses and partners, family and friends will have to accept and fit into the required lifestyle, or trouble is looming. It goes without saying that circumstances deteriorate quickly with private life disruption. "Running a marathon" is hard even in ideal conditions, so one should not hold one's breath for success just around the corner.

How does business software help?

For example, by -

- covering and supporting some jobs with appropriate software, where the machine will be available 24/7, even when team members will have to take a break



Don't chase a failing trail. It could be any number of reasons why the business will have to change. The product was not successful, change in the market, competition became too fierce, key employees or customers were lost, and so on.

At least once a year, leaders of a company should take the time to assess the company's vision, path and strategy. Looking for burdening headaches and possible new opportunities.

This is not about shying away from difficulties and chasing shiny new dreams. It is all about navigating around insurmountable problems or taking advantage of clearly better opportunities.

How does business software help?

For example, by -

- drawing focus on pitfalls and opportunities through modelling