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0/ If you're an SMB operator and want to increase the value of your business, focus on 2 things above all else.

1. EBITDA: how much $ do you make
2. Risk: how reliable is the $ you make

Enough has been written about #1. Here are 5 things you can do to tackle #2:

[THREAD]

1/ All 5 of these tactics are a function of the same guiding principle:

Spend more time working ON the business, not IN the business.

Your job as CEO is to consistently:

- Identify opportunity
- Execute once
- Set process
- Delegate
- Fire yourself

With that said…

2/ Establish your focus

Most SMBs survive in the early days through 1-2 key customers.

If you do a good job, they'll give you more business.

That's the trap.

If it's not in your core focus, resist the urge.

If you don't you'll become a consulting firm for 1 customer.

3/ Eliminate Key Man Risk

SMBs are overly reliant on a small handful of individuals to run the operation.

Implication: Most knowledge about the business sits in the heads of a few people.

Take the time to develop strong Tier 2 management - this creates redundancy in the org

4/ Institute Operating Process

Strong Tier 2 management isn't good enough. You need knowledge to live in docs and systems, not just in brains.

Every dept should have a stand alone playbook.

An easy test: "how quickly can somebody that knows nothing about the dept. plug in?"

5/ Double Down on Corporate Controls

Accounting is the lifeblood of your business.

A lot of SMBs run their financials off of Excel and don't understand their cash flow.

This will literally break your business - I've seen it so many times.

Set up proper systems on Day 1.

6/ Develop a killer brand

SMBs are (on average) SO bad at marketing. The fallacy is most think it takes a lot of resources.

It really doesn’t!

- Invest in a good looking site
- Take professional headshots
- Create high fidelity content

The ROI of professional optics is ■

7/ The cool part about hitting on all of these is they will tie right back to overall company growth.

Over the last 2 years, we’ve instilled all 5 of these into our company’s fabric. It’s led to:

- 7 figure EBITDA growth
- Materially less risk in the operation

8/ So remember - keep it simple.

If you’re running an SMB, do everything you can to:

1. Establish your core focus
2. Eliminate any key man risk
3. Institute operating process
4. Double down on corporate controls
5. Develop a killer brand