

April 15, 2011

## Newsletter Article

### Four Vital Steps to Increase the Value of your Business

What I like the most about March Madness is the coherence in the way winning coaches prepare their players and team for each game. Successful coaches set clear game strategies that capitalize on what they do best collectively as a team. As a result, the coherence between coach and players provides a winning advantage, in many cases surprising the favored team.

Unfortunately, that same disciplined approach does not translate into many companies. As an example, in a recent experience with one of our clients, the owner and management team were so preoccupied with growing the top line that at the end of the day they were trying to compete in too many unrelated markets. They had lost sight of, or rather were not aligned to, what the company does really well. Our client was pursuing multiple new product and market strategies that actually undermined rather than strengthen their ability to win. Albu Consulting's role was to help the management team redirect their energies and resources toward reinforcing what they do really well and providing a winning advantage.

Our client's haphazard approach to selecting growth priorities represents a big hurdle for many middle market firms. In a recent survey by two Booz & Co. partners, Paul Leinward and Cesare Mainardi 1800 top executives were interviewed. Most of these executives said they struggled to make sure their day-to-day decisions were in line with their strategic plans. More often than not resources were not being allocated in a way that supported the company's true strengths. The Booz & Co. research found that:

- 56% of executives said it was a challenge to ensure day-to-day decisions were in line with the strategy.
- 52% of executives felt their company's strategies would not lead to success.
- Two thirds confessed their company's capabilities don't fully support their current strategy.
- 64% said their biggest frustration is too many conflicting priorities.
- 81% felt growth initiatives led to waste, at least some of the time.

*(Paul Leinward and Cesare Mainardi are co-authored the book "The Essential Advantage: How to Win with a Capabilities-Driven Strategy.")*

What can you do to become more focused and successful? Consider these four key steps to create long-term value for your company.

1. Get a solid understanding of what your company does really well. What are your true strengths? Where did these strengths come from? How does



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W.E. Bassett & Co

#### Craig Finney

President,

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"Albu Consulting did an excellent job of challenging our key executives to address the brutal facts about our company and industry. We are extremely pleased with our new strategy that will solidify our future success, by transforming our business to an international sales and marketing organization."

this differentiate your business from competitors?

2. Focus your efforts on leveraging your true source of competitive advantage. Be ruthless and even obsessive about staying on strategy. Resist the temptation to jump at product or market ideas that dilute resources and your company's strengths.
3. Build capabilities that intensify your strengths. Invest in people and processes that will strengthen your products or services, market position and customer loyalty.
4. Clearly and consistently communicate your strategy, gain support, and align action plans so strategy becomes part of everyone's day-to-day responsibility.

Bottom line, understand your strengths and leverage them. Companies that stay focused and invest in what they do best will increase their business value faster and more consistently.

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## AlbuInfo

Albu Consulting is a strategy consulting firm with a focus on establishing strategy management as a core organizational competency. We work closely with Owners/CEOs of middle market companies building greater value by developing robust strategic plans and strong implementation capabilities.

Our mission is to help our clients achieve the results they want by:

- Accelerating top line growth by focusing resources on high value-added initiatives
- Improving profitability by optimizing the value chain.
- Building an organizational climate that fosters innovation and collaboration.
- Establishing execution management as competency to capture the strategy's full value.

Learn more about Albu Consulting on our website at [www.albuconsulting.com](http://www.albuconsulting.com).

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Please contact us directly for a confidential discussion about the challenges you face, or if you know of someone that might benefit from our services, we would welcome the referral.

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**Steve Ciskowski**  
*President & CEO*  
**The Lyman Farm, Inc.**

"Albu Consulting's objective and constructive advice challenged our organization's culture and aligned our strategic initiatives with our organizational resources. Many of the goals we have achieved and are pursuing today are a direct result of working with Albu Consulting. Their engagement with us will have a positive impact on our business for years to come."

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