



ENVISIONING 100 MILLION

WHAT IT LOOKS LIKE...

ASSEMBLERS INCORPORATED | WILLIAM BRUYEA



SUMMARY

“Whatever the mind can conceive and believe, it can achieve.”

Napoleon Hill, “Think and Grow Rich” 1937

Although written more than 75 years ago, the principles contained within this book still hold true. We also know this approach as goal setting, visualization, or, as Stephen Covey author of *The 7 Habits of Highly Effective People* calls habit #1 “Thinking With the End in Mind.”

All great companies can attribute their success to having a future vision of the marketplace and the customer and then creating a plan to develop their companies to fit that vision. Think Amazon, Apple, Google, Microsoft, Tesla and you get a who’s who of companies who developed such a vision.

Though Assemblers Inc. is not a global behemoth like the companies noted above, we can apply the same principles to reach OUR goals as an organization.

The current goal of \$100 million in revenue in 5 years is NOT achievable today because it’s only a dream. It’s not a goal because there is no plan behind it. No step-by-step outline of what is required to reach \$100 million in revenue and no vision of what the organization looks like when we get there.

The purpose of this whitepaper is to offer an outline of a possible vision of what Assemblers could look like once “the goal” is reached. I propose it as a template to build the year over year plans and tactics required to achieve it.

It is not meant to be an end in itself... rather a beginning!



WHAT DOES 100 MILLION LOOK LIKE?

OBJECTIVE

STOP DREAMING AND START PLANNING

Goals without plans, are just dreams! So let's start the journey.

CHANGE HOW WE THINK

Assemblers current approach is short-term rather than long-term, it's reactive rather than proactive, and it's tactical and not strategic. We can change that but it takes time and effort as with all personal and organizational change.

GET STARTED... SOMEWHERE

All new journeys start with a first step. It may be into the unknown, but if the current approach is not meeting personal or corporate goals and objectives, the risk may be small while the reward if it succeeds can be huge.

IT'S NOT AN EVENT BUT A PROCESS

The strategic process is not an event but rather a new way of thinking and planning and doing. It will evolve for all participants and the documented plan(s) that are the output will be a living document subject to constant review and revision as we determine what works and what doesn't, and, what gets results and what doesn't.



WHAT DOES 100 MILLION LOOK LIKE?

OBJECTIVE

**IT'S NEW ... AND
UNCOMFORTABLE ... WE'LL MAKE
MISTAKES, BUT WE'LL GET
BETTER**

There is an amazing amount of management talent at Assemblers and a team of professionals committed to the success of the organization. Many have been through all or some of this process before, so there is no lack of experience and knowledge to draw on and leadership to keep us focused and on track. What we don't know we'll figure out along the way. We'll make mistakes, but we'll correct and move on.

This is called "Strategic" for a reason as nobody knows or can predict all possible future events which might impact the plan. Staying the course in light of obstacles is what will give us the highest probability of success!



WHAT DOES 100 MILLION LOOK LIKE?

WHY DO WE EXIST?

CUSTOMER PERSPECTIVE

Build it and they will come from the movie “Field of Dreams” aptly describes having a customer viewpoint. It’s as simple as finding out what customers want and then delivering it to them. The first step is to ask them rather than assume or guess what they want.

VALUE PROPOSITION

A value proposition is a simple statement that summarizes why a customer would choose your product or service. ... A great value proposition may highlight what makes you different from competitors, but it should always focus on how customers define your value. (See Appendix B for how to build a Value Proposition.)

UNIQUE SELLING PROPOSITION

A unique selling proposition, more commonly referred to as a USP, is the one thing that makes your business better than the competition. It’s a specific benefit that makes your business stand out when compared to other businesses in your market.

Forming an opinionated and deliberate USP helps focus your marketing strategy and influences pricing, messaging, branding, copywriting, and other marketing & sales decisions. (See Appendix C for how to build a Unique Selling Proposition).

WHY BOTH ARE IMPORTANT

While a USP describes for your target market how you're different, a value proposition answers the question: Why should customers care about that difference? ... They serve to convince your target market that they'll get “value for their money” by describing exactly what that value is.



WHAT DOES 100 MILLION LOOK LIKE?

REVENUE

BUSINESS MIX

What is the targeted mix of business by channel, meaning how do we receive orders from customers? In our case this is Retail Customers vs. Residential Customers. Are there other channels we aren't currently exploring where there is opportunity?

CUSTOMER MIX

This considers the % of our total revenue vested in each customer. Reducing dependence on a few customers reduces risk AND each major customer likely has a finite amount of potential business so that they don't have supplier risk.

ACQUIRING CUSTOMERS

With no formal sales organization or sales activity in the traditional sense, how do we intend to meet the 31% Compound Annual Growth rate to meet our 5 year target. In addition, we need to take into account annual business losses addressed below. This is an extremely aggressive target and likely unachievable. (See Chart in APPENDIX A)

CUSTOMER LOSSES

Each year almost all businesses lose 10-25% of their customers, often due to no fault of performance or service. Many of the reasons are out of our control but the losses are real. Even conservative losses of 10-15% raises the required annual CAGR to meet the goal. An assumed 10% customer loss is included in the CAGR calculations above.

PRICING STRATEGY

How do you know what the right price is to charge?

Start by knowing costs to deliver on your promise based on your target customer feedback. Build in premiums for your value proposition and USP and engage more target customers in your targeted space.

If you're attempting to do business with a customer who doesn't value what is in your Value Proposition, you're likely NOT a good fit.



WHAT DOES 100 MILLION LOOK LIKE?

THE ORGANIZATION

HEADCOUNT

If we take the projected 2021 revenue divided by average FTE count for the NFSC, we get a revenue per employee of about \$375,000. Applied to a \$100 organization we would require more than 250 employees, clearly not feasible with the current physical structure of our 2 locations. So how do we become more efficient per person at NFSC to support the future organization. If we don't grow in efficiency, how to we house 250 employees?

PROCESS IMPROVEMENTS

This is and should be an ongoing initiative to improve how quickly and efficiently we do the work required. More detailed analysis could likely glean some benefit.

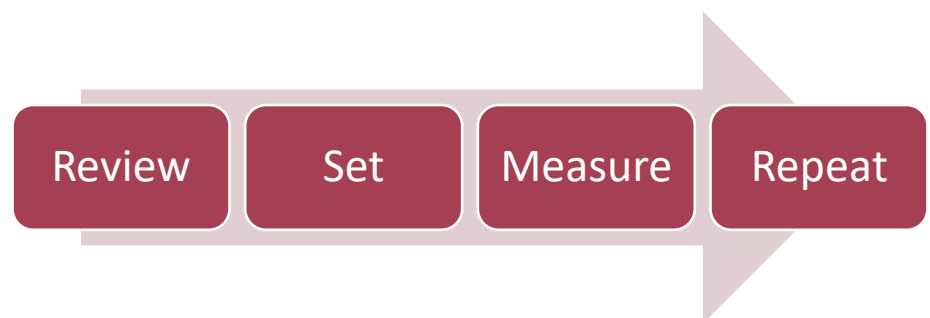
The use of "GAP Analysis" techniques can outline the differences between how we currently do things vs. how we want to do things or better still "best practices."

SYSTEMS IMPROVEMENTS

Technology can clearly save on headcount, create process improvements, enhance reporting, and improve customer experience. Identify opportunities and invest in technology where budgets and payback warrant.

SET PERFORMANCE STANDARDS

Each person in the organization should have clear expectations of work output, many of which can be specifically measured.





WHAT DOES 100 MILLION LOOK LIKE?

THE ORGANIZATION

MEASURE AGAINST PERFORMANCE STANDARDS

You can only manage what you measure, so measure everything that you're going to manage to.

EVALUATE GAPS, RECTIFY AND REPEAT

Hold people accountable to performance standards; coach, mentor, and train: where gaps in performance appear; and make quick decisions to replace non-performers.

OUTSOURCE WHERE POSSIBLE

This should never be done with core or critical functions but has been done successfully by companies of all size worldwide. Why isn't it an option for Assemblers?

WORK REMOTELY WHERE POSSIBLE

This doesn't and shouldn't apply to all functions. But for those where performance is easily measured it should be a consideration. The savings for both employer and employee can't be argued and it is often a logistical win-win for both parties.



WHAT DOES 100 MILLION LOOK LIKE?

FINANCIALS AND CASH

FOCUS ON PROFIT AND CASH

Building a \$100 million organization takes a lot of cash!

It takes top-notch technology to leverage sales per FTE which is a measure of efficiency. It takes top-notch talent to execute the plan and manage the organization. That takes top-of-the market salaries and benefits to attract. And finally, as the owner of the business, you deserve a fair return on capital risked every year.

And not ALL of the cash will be provided by your bank. So, to avoid the need to add more capital personally, bring in private money, possibly give up a piece of the company to do so, the operations have to generate the cash.

To do this the focus should be on profit – both gross profit and net profit. All activities should generate a profit. Those that do not should be avoided, excluded, or re-evaluated.

DEVELOP AND KNOW KEY PERFORMANCE INDICATORS (KPI'S)

There are always a few critical KPI's that drive every business. Every Department should have their own.

In his book Traction: Get A Grip On Your Business, Gino Wickman makes the point that all jobs can have a number, even his receptionist. Hers was two, as in, “two rings good, three rings bad.”

Numbers cut through murky subjective communication between manager and direct reports.

- Numbers create accountability.
- Accountable people appreciate numbers.
- Numbers create clarity and commitment.
- Numbers create competition.
- Numbers produce results.
- Numbers create teamwork.
- You solve problems faster.



WHAT DOES 100 MILLION LOOK LIKE?

FINANCIALS AND CASH

USE A DASHBOARD MANAGEMENT APPROACH

When you get in your car to drive you don't review each dial and gauge in detail to evaluate their status. You turn the key and unless a light flashes orange, a bell goes off, your car stalls, or the gas gauge is low, you just drive.

So we manage our car's performance and current status based on a dashboard and if all the KPI's are "on track" we just drive. **We manage by exception; we don't manage everything!** We're only able to do that by virtue of the "Dashboard."

Businesses can be run the same way. Each manager may have a different set of KPI's or Dashboard but the principle is the same.

The CEO may want to know the monthly Revenue, YTD Net Profit, Status of the bank covenants, etc. On the other hand a Department Manager may be more interested in the KPI's that drive his departments success such as # of calls per hour, average wait time, average order throughput time, etc.

If the company or department KPI's are on track according to the pre-set standard then there's nothing to manage, just keep doing what is working.

STRATEGIC PLANNING CYCLE



PLANNING AWARENESS

- Agreement on value of Strategic Planning
- Plan approach and build the team
- Determine the process and logistics
- Set first meeting

FORMULATE GOALS

- Goals for the Strategic Planning Process
- Goals for the company

ANALYZE THE EXTERNAL ENVIRONMENT

- Who are our target customers/what do they want?
- General Marketplace changes
- Who are the competitors/what are their strengths & weaknesses?
- Industry impacts/changes

ANALYZE THE INTERNAL ENVIRONMENT

- What do well/badly?
- What competitive advantages do we have?
- Where do we fall short with customers?
- Where do we fall short with employees?

STRATEGIC OPPORTUNITIES/THREATS

- Industry
- Marketplace
- Product
- Competitors
- Technology
- Political
- Economic
- Legal
- Financial

GAP ANALYSIS

- Evaluate all factors where there are impacts or expectations and evaluate how we stack up against them. Do we meet expectations? Exceed? Fail? Are we prepared for unexpected events? Can we take advantage of opportunities as they present themselves?
- What are the gaps and how do we close them?

NEW STRATEGY

- How is our approach going to be different in the future to close the gaps identified
- What are the detailed plans to meet the objectives outlined above
- What does success look like?
- How are we going to measure our performance?

- How do we implement? In what order?
- How do we roll out and communicate the changes to staff, customers, vendors, etc.

HOW DO WE MANAGE GOING FORWARD

- What are the company/department KPI's?
- Do we have dashboards to manage with?
- Does everyone have a number?
- Have new performance standards been set? Have they been communicated?
- Are compensation plans in place?
- How are we going to report/manage "off track" performance?
- What is the Strategic Review Process look like?
- How do we ensure we stick with the new Strategic Approach?
- What is the plan to review and revise the plan if necessary?



AUTHOR'S NOTE

The author's intent was to offer a start to a new beginning. This document is the first step.

Having experienced both huge success and huge failure at Assemblers in my initial two years, the contrast was overwhelming. Seeing the same tactics have mixed results over my exposure to 3 "busy seasons" it has become obvious that what used to work may no longer work. In addition, we as a company are not achieving the results required to make the company self-sustaining or meet desired goals.

Everyone at Assemblers sees huge opportunity in this company and this industry. But... there must be a better way... there has to be a better way.

**"One who fears failure limits his activities. Failure is only the opportunity to more intelligently begin again."
Henry Ford**

WHAT'S NEXT

If we're serious about the \$100 million goal then we must be better, faster, more consistent, have better quality, meet commitments, and satisfy customer expectations. The current business model is not scalable and has missing components.

I'm of the opinion that everything needs to be on the table for consideration to do differently. Change is scary... but change is required... IF we're to get to \$100 million.

We need to create a compelling USP that blows away the competition and delivers it consistently. It is the only way to get customer loyalty and repeat or expanded business. When competitors say they can do it cheaper, we want them to say "so what?" Can you match X that Assemblers does for us?

To reach this goal we must separate ourselves from ALL our competitors so they are looking at us and saying, "that is the way it should be done." Let them strive to emulate us because we are the leaders in the industry as we often endeavor to say. It is time to BE the leaders in the industry instead of just talking a great story.

The blessing is we already have the talent, the leadership, the experience, and the knowledge to turn this company around.

But it all starts with a first step.

APPENDIX A

A 20% CAGR with zero lost business each year would allow Assemblers to achieve the \$100 million revenue goal. Though achievable the target is aggressive, especially considering company history and the fact there is little formal sales activity.

This however, does not consider lost business. The affect is shown on the next page.

Compound Annual Growth Rate (CAGR)	
Current Revenue	\$40,000,000
Growth Rate	20.1%
Target	\$100,000,000
# Years	5
Does not take into account lost business	
Typical is 10-15% Annually	
CAGR	20%
Lost Business	0%

Year	Beginning Reven	Growth Rate	Ending Reven	Lost Revenue %	Lost Reven	Final Reven
1	\$40,000,000	20%	\$48,000,000	0%	\$0	\$48,000,000
2	\$48,000,000	20%	\$57,600,000	0%	\$0	\$57,600,000
3	\$57,600,000	20%	\$69,120,000	0%	\$0	\$69,120,000
4	\$69,120,000	20%	\$82,944,000	0%	\$0	\$82,944,000
5	\$82,944,000	20%	\$99,532,800	0%	\$0	\$99,532,800
6	\$99,532,800	20%	\$119,439,360	0%	\$0	\$119,439,360
7	\$119,439,360	20%	\$143,327,232	0%	\$0	\$143,327,232
8	\$143,327,232	20%	\$171,992,678	0%	\$0	\$171,992,678
9	\$171,992,678	20%	\$206,391,214	0%	\$0	\$206,391,214
10	\$206,391,214	20%	\$247,669,457	0%	\$0	\$247,669,457
11	\$247,669,457	20%	\$297,203,348	0%	\$0	\$297,203,348
12	\$297,203,348	20%	\$356,644,018	0%	\$0	\$356,644,018
13	\$356,644,018	20%	\$427,972,822	0%	\$0	\$427,972,822

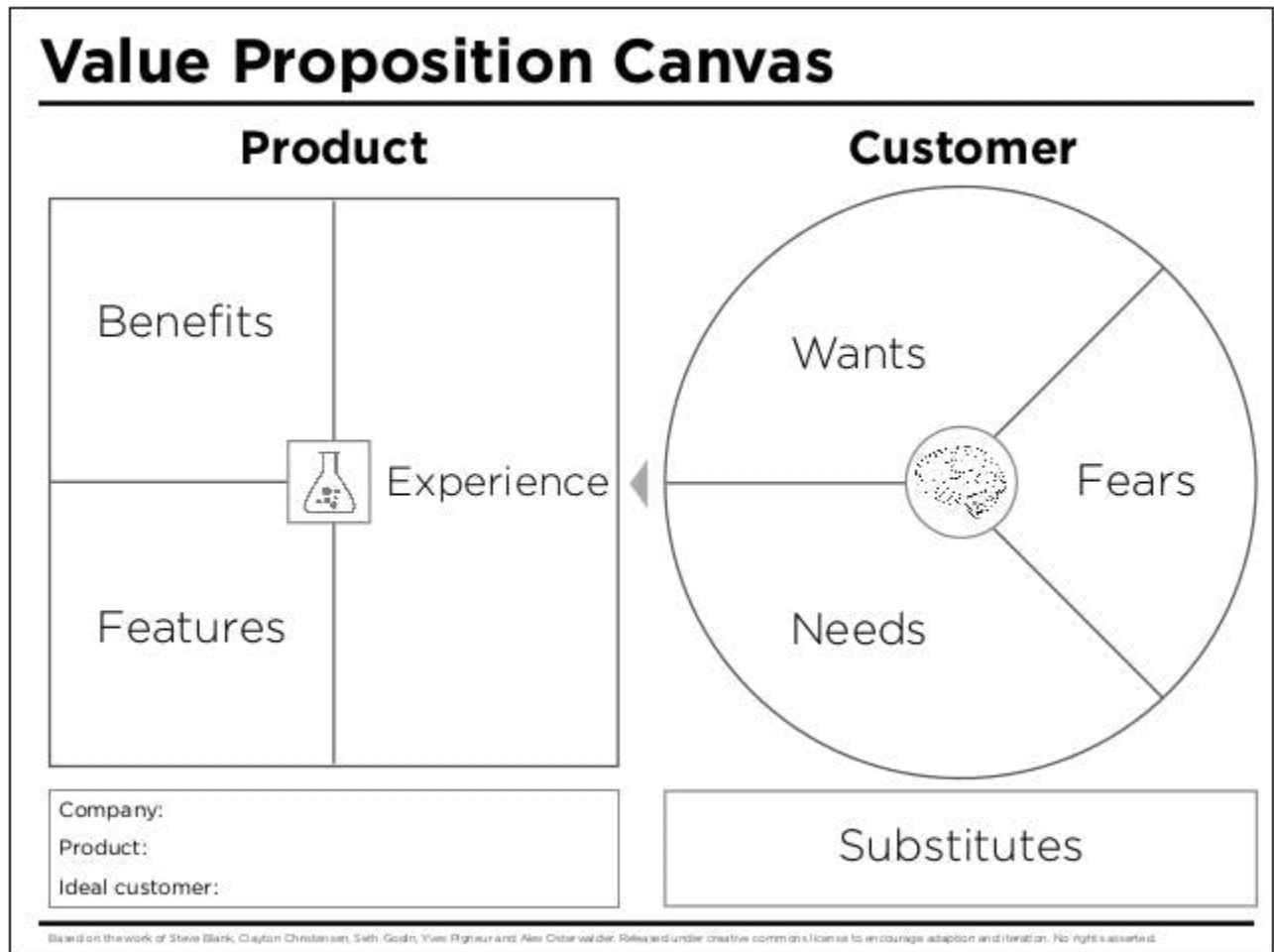
APPENDIX A

With only a 10% in annual lost business which is a conservative assumption, a 30% CAGR is now required to meet the \$100 million target within 5 years. The target is very aggressive and likely not reasonable or achievable without some significant changes to the organization.

Compound Annual Growth Rate (CAGR)	
Current Revenue	\$40,000,000
Growth Rate	20.1%
Target	\$100,000,000
# Years	5
Does not take into account lost business	
Typical is 10-15% Annually	
CAGR	30%
Lost Business	10%

Year	Beginning Reven	Growth Rate	Ending Reven	Lost Revenue %	Lost Reven	Final Reven
1	\$40,000,000	30%	\$52,000,000	10%	\$4,000,000	\$48,000,000
2	\$48,000,000	30%	\$62,400,000	10%	\$4,800,000	\$57,600,000
3	\$57,600,000	30%	\$74,880,000	10%	\$5,760,000	\$69,120,000
4	\$69,120,000	30%	\$89,856,000	10%	\$6,912,000	\$82,944,000
5	\$82,944,000	30%	\$107,827,200	10%	\$8,294,400	\$99,532,800
6	\$99,532,800	30%	\$129,392,640	10%	\$9,953,280	\$119,439,360
7	\$119,439,360	30%	\$155,271,168	10%	\$11,943,936	\$143,327,232
8	\$143,327,232	30%	\$186,325,402	10%	\$14,332,723	\$171,992,678
9	\$171,992,678	30%	\$223,590,482	10%	\$17,199,268	\$206,391,214
10	\$206,391,214	30%	\$268,308,578	10%	\$20,639,121	\$247,669,457
11	\$247,669,457	30%	\$321,970,294	10%	\$24,766,946	\$297,203,348
12	\$297,203,348	30%	\$386,364,353	10%	\$29,720,335	\$356,644,018
13	\$356,644,018	30%	\$463,637,223	10%	\$35,664,402	\$427,972,822

APPENDIX B



To create an integrated, cohesive value proposition, start by brainstorming as a group around these three questions:

- **Which customers are you going to serve?**
- **Which needs are you going to meet?**
- **What relative price will provide acceptable value for customers and acceptable profitability for the customer?**

Depending on your product and service, it may make sense for you to start with the first or second question in the list. Together, all three create a triangle that can lead you closer to a succinct value proposition.

APPENDIX B



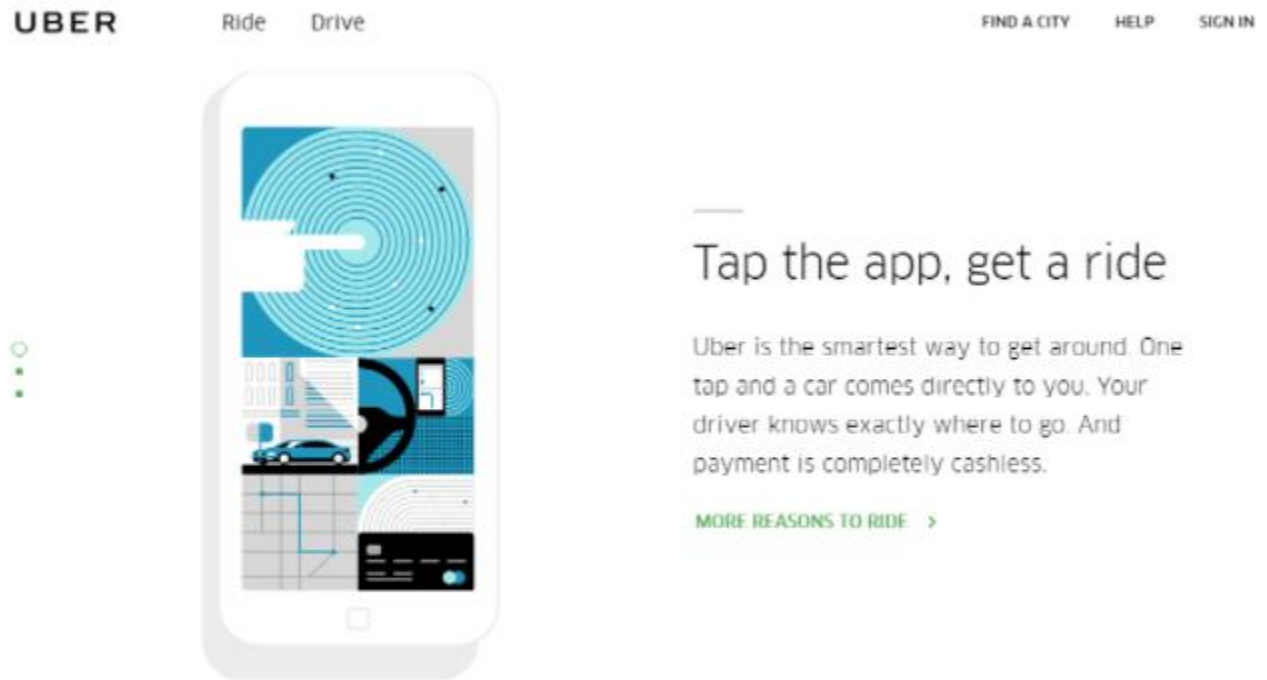
Source: Harvard Business School's Institute for Strategy & Competitiveness



APPENDIX B

Great Value Propositions

Uber – The Smartest Way to Get Around



Uber's value proposition, offering uber convenience

Apple iPhone – The Experience IS the Product



Why there's nothing quite like iPhone.

Every iPhone we've made — and we mean every single one — was built on the same belief. That a phone should be more than a collection of features. That, above all, a phone should be absolutely simple, beautiful, and magical to use.

Unbounce – A/B Testing Without Tech Headaches

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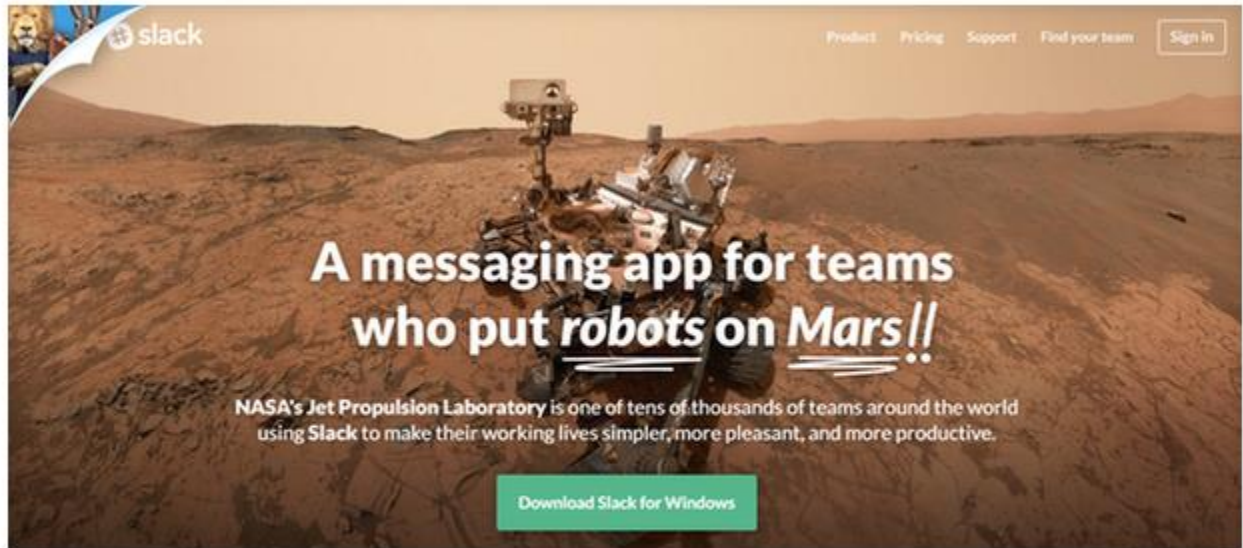
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BUILD A HIGH-CONVERTING LANDING PAGE NOW

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Slack – Be More Productive at Work with Less Effort



Slack's value proposition, focusing on credibility and productivity

Digit – Save Money Without Thinking About It

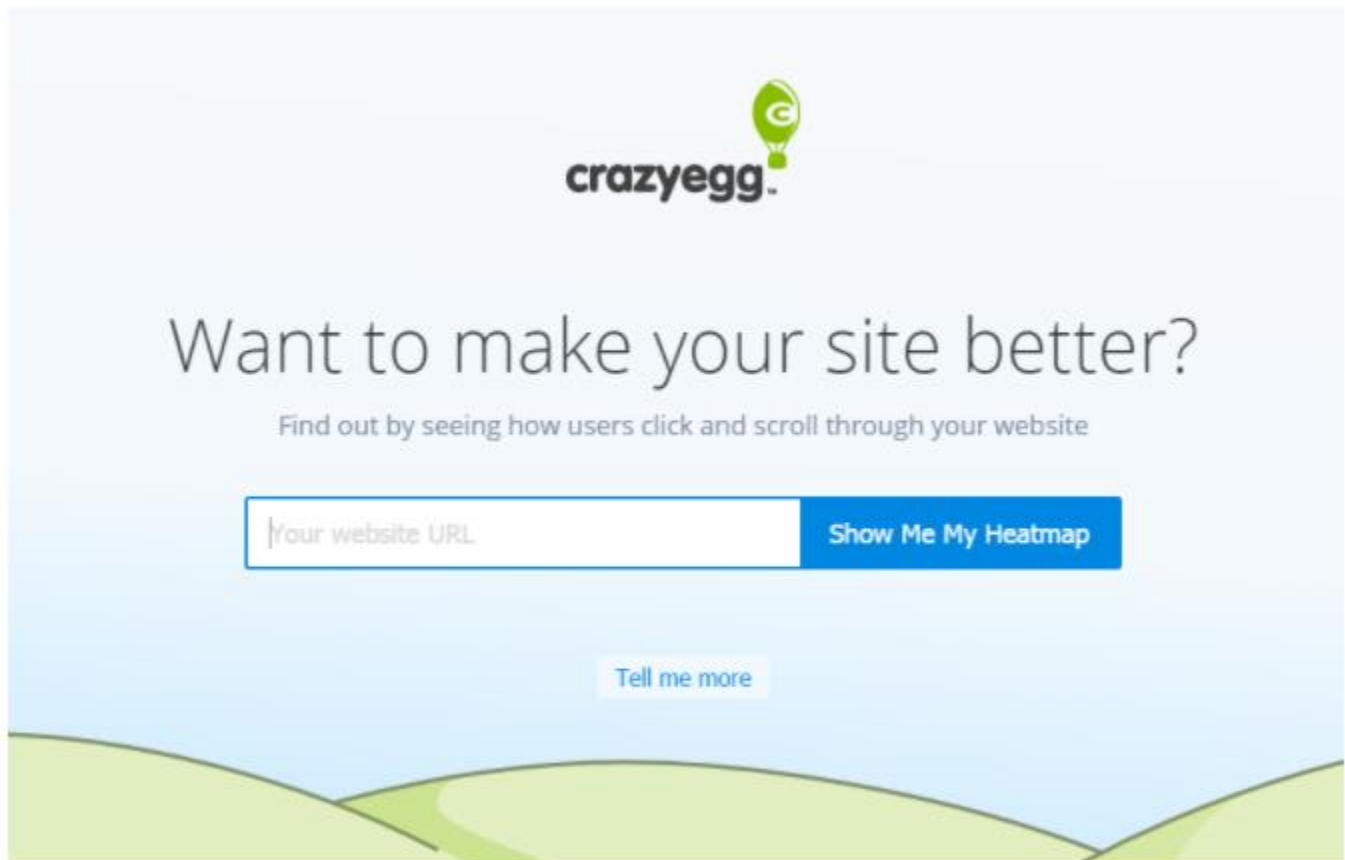


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Digit's value proposition, offering hands-off savings

CrazyEgg – Website Behavior Tracking at an Unbeatable Price



"CrazyEgg: Want to make your site better?"

Sample Ideas for Assemblers



The **ONLY** way to put it together right.



Assembled right... using our time, NOT yours!



APPENDIX C

Building a Unique Selling Proposition (USP)

Keep your primary differentiator at the forefront of your mind as you draft your USP. Here's one way to approach it:

- **Describe your customer persona.** A strong USP originates from an acute sense of who your target market is, what they want (both today and ultimately), and what motivates their purchase decisions. Be as specific as possible in [defining your ideal customer](#).
- **Describe the problem you solve.** Articulating the solution you offer requires an intimate understanding of the need your target market is up against. What challenge are they staring in the face; and how does that showdown make them feel? How is it crippling their lives? Exactly how does your offering meet that need? What do their lives look like after your solution? How, specifically, are they improved?
- **Identify your differentiators.** List 3-5 of the most important benefits a customer gets from working with you that they wouldn't get with your competitors. Product features, price, service, selection, speed, convenience, dependability, customization, philanthropy, warranties, and more are all up for grabs here. What makes you the irresistible choice?
- **Determine your promise.** The USP is fundamentally a promise, and it would behoove you to think of it as such. What's the one beneficial thing your customers will experience with you... hands down, every time? Your promise may be implied rather than expressed in your USP; but it's worth articulating to both yourself and your team.
- **Combine, revise, and cut.** Begin fashioning the above ideas into complete thoughts until you've said everything you want to say. Then cut, ruthlessly, until only one benefit and one differentiator remains. Remember, you're aiming for two sentences max; so let go of anything that isn't absolutely indispensable to what you want to say first to your prospects.
- **Ask for feedback.** Employees, colleagues, [focus groups](#)... ask anyone you can think of who knows your business and can give you intelligent, impartial feedback. Ask them if it meets the criteria for a killer USP (unique, memorable, believable). Be open-minded and patient with this process, no matter how many rewrites it requires. Your USP is worth getting just right.