

CRAIG SAPHIN



# SCALING NEW HEIGHTS

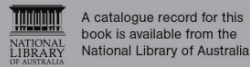
A collection of vignettes and expert opinions  
for successful small and medium business  
founders, owners and leaders

**CRAIG SAPHIN**

**SCALING**  
**NEW HEIGHTS**

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Saphin, Craig (author)  
*Scaling New Heights*  
ISBN 978-1-922337-87-0  
BUSINESS

Typeset Whitman 11/15

Cover illustration by  
Colleen O'Reilly  
Cover and book design by  
Green Hill Publishing



References / attributes  
/ waiver / disclaimer

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## FOR WHOM IS THIS BOOK WRITTEN?

You are a successful, energetic and intelligent entrepreneur.

You have grown one or more businesses to a critical mass.

You are turning over several million dollars and hired five or more people.

You are working too hard and would like to redefine your role in the business.

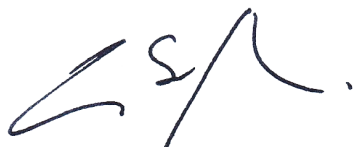
Your business growth has stagnated or not growing as quickly as you would prefer.

You have the energy and motivation to Scale New Heights

Your motivations can include:

- ▶ scale a business to grow or,
- ▶ the desire to own a bigger business or,
- ▶ a plan to exit after Scaling New Heights.

My hope is that you find this collection of vignettes and expert opinions to be useful and that your business Scales New Heights.



### About Rod Hore

*Rod Hore is the founder of HHMC Global, an internationally recognised advisory firm focused on merger and acquisition transactions across the Recruitment and IT Services sectors.*

*Rod leads the organisation's business advisory and equity transaction activity. He is well known for his writing on growth and equity value issues for emerging services companies and regularly presents internationally.*

*Prior to founding HHMC Global in 1999, Rod held a career in the Information Technology Sector, working for the public sector, privately owned and international organisations.*

## INTRODUCTION

Craig Saphin is a successful, experienced, and articulate business leader. I am delighted he has devoted the time and energy required to write this book and provide his structured business strategy framework to a wider audience.

I deal with small to medium business owners daily, and I love it. They will all benefit from this book.

There are many smart, driven business owners devoting all their energy and resources to the continuing processes of their organisation.

However, many of these organisations have not clearly articulated why they are in business and what greater purpose their business will stand for. Many have not set goals that are defined, measurable and can be used to engage and motivate teams towards the common objective. Many have not reconciled their own personal plan with that of the business.

My company, HHMC Global, assesses organisation's performance and manages buy and sell transactions. When it is time to value an organisation

or enter a sale transaction, there is often a disconnect between market reality and the expectations of the shareholders.

Selling a business that has a rectifiable strategy or performance challenges is rarely recommended. A business needs to be performing strongly to enter an equity transaction process, especially as the owners may be required to stay within the business for a period following the sale.

When it comes to assisting business owners through the challenges they may encounter from time to time, we defer to the specialists like Craig. Sometimes a business owner benefits from an advisory board or a business coach, but often a rebuild of the strategy and the plan to execute that strategy is required.

I've had the pleasure of meeting Craig in his role as an international CEO, and more recently as he has developed Craig Saphin Consulting to provide strategic support to progressive business leaders.

There are few business advisors that have the relevant breadth of experience that Craig has gathered: living and working in countries with a different language, culture and business practices; being part of the largest corporate structures yet working with small to medium services organisations; and constantly travelling throughout Asia. Working across countries as diverse as Japan, India, Vietnam and Australia is challenging and enlightening, and when you live life fully like Craig, you gain rare experience.

As an external advisor, Craig has observed organisations that lose momentum and plateau.

Loss of momentum often occurs when the size of the organisation grows beyond what can be controlled and managed by the founders' personal influence and enthusiasm. For many service organisations, this stagnation can be when an organisation grows to the point where structural changes are needed in terms of leadership, internal recruitment, sales, and commercial capability. Business performance can also be reduced by changes in the market, major client movement, leadership or shareholder changes, or even new competition.

These are the business owners that will benefit most from this book. Those who are starting out in business will also benefit from the clarity and structure provided here.

Craig articulates his strategy for building sustainable and growing organisations. The Five Pillars approach in *Scaling New Heights* is an inspiring

read from cover to cover. However, it is cleverly written in bite-sized topics that can be easily digested by a busy company owner when a particular issue requires attention. Complimented by interviews and action lists, this is a book that sits on the owner's desk and never gathers dust.

Business owners know that it is hard to attract, develop and hold the essential talent, especially emerging leaders. If the business is not engaged, successful and moving towards a common goal, then talent will move. Without an engaged team, success is not possible. If your business stagnates, *Scaling New Heights* will help you regain focus to reap the rewards you deserve.

–Rod Hore

## THE AUTHOR

Craig Saphin is a seasoned executive with over 30 years' experience in Asia Pacific Operations. He has CEO, General Management, Executive and Non-Executive Directorship, Board oversight and full P&L experience for public, private and not-for-profit organisations.

His skills set and experience includes strategy development and execution for growing businesses and turn-around for troubled entities.

His leadership philosophy is grounded in the investment in the right people, talent development and empowerment.

Previously Craig was Executive Director with the technology and HR services company, en Japan Inc., which is a publicly listed company in Tokyo. He also held the role of CEO at en world, where he led the growth strategy of the recruitment company from 100 members in Japan to 800 members in seven countries across Asia and Australia in 5 years.



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Before this, he worked in executive roles leading diverse teams in Australia, China, Japan and Asia for the US technology company, EFI Inc. and a Japanese company, Fuji Xerox.

As a CEO Craig was instrumental in driving business acquisition and post-merger integration projects in Japan, Australia, Thailand, Vietnam, Malaysia and India. He has managed startup companies in Korea, Singapore, China, and India.

Cross-culturally he has formed and led diverse leadership teams across most of Asia, Japan, China and Australia.

Currently, through his company Craig Saphin Consulting, he is working with clients who are shareholders and CEOs to build strategies for their companies which result in a sustainable growth plan, future investment or an exit event.

As a none executive director, Craig holds a position on the board of Ignite Limited (ASX:IGN). He has been board chair of the Tokyo based nonprofit, Tokyo English Lifeline (TELL) and a board member of the nonprofit Western Sydney Migrant Resources Center.

Craig is a Certified Executive Coach and has an Executive MBA from AGSM in Sydney.

## ACKNOWLEDGEMENTS

Mary P. J. Saphin is my wife, business partner and the editor for this book. She indulges, encourages and supports me always.

Alana Saphin, Tarrant Saphin, Scott Polchleb and Noriko Nakanishi teach me more than they realise.

Linda Ratto is an accomplished author and pushed this project over the start line.

The intelligence and courage of my colleagues, leadership teams, clients and many successful small business owners and entrepreneurs, inspired and contributed to the contents and experiences which form this book.

Carlo Bongarzoni, Arun Nangia, Nick Johnston, Debbie Simister, Cathy Doyle, James Koefoed, Jason Hayes and Ivan Kaye generously shared their rich and deep expert opinions.

Colleen O'Reilly created the artwork which sets the mood.

## ARTWORK

Colleen O'Reilly is a multidisciplinary artist whose practise includes drawing, photography and painting but mostly drawing. She draws every day. For her, there exist things that can only be drawn and things that can only be photographed. Both are to her different modes of thinking. She was born in New Jersey and attended Tyler School of Art, where she received her BFA in Photography. Her work is included in private collections in Australia, Ireland, and the USA. In 2017 her drawing of Trump being peed on was included in the Historic exhibition, "Wrong Side of History " at Bullet Space in NYC. Jerry Saltz, the Pulitzer prize-winning Art Critic, referred to her line as knotty. You can find her work on Instagram at [colleen.oreilly62](https://www.instagram.com/colleen.oreilly62) and contact her at [colleen.oreilly62@gmail.com](mailto:colleen.oreilly62@gmail.com).





## PREAMBLE

“Stagnation”: the lack of activity, growth or development.

“Scaling”: enabling and support growth in a business.

At some stage in their history, most successful businesses experience stagnation.

If you are an energetic, successful entrepreneur who has a stagnated business, “Scaling New Heights” is written for you.

Scaling a successful business to new heights requires a new strategy and a revitalized approach.

As part of my business career, I have spent more than 30 years working throughout Australia, India, China and Asia from Sydney and Tokyo.

One thing that is constant in Tokyo is change. The biggest physical manifestation of this change is the regular demolition and rebuild of the vast Kanto plains skyline. Modern architecture in Tokyo is stunning. The use of space, the creation of new communities, the mix of commercial and livable spaces and the conversion of inefficiency into efficiency are all impressive and a beacon and mecca for design and architecture globally.

However, the big thing I noticed in this never-ending transformation of a modern megacity is that new building sites seem to take forever before there is something visible out of the ground. To create a 50+ floor tower in a city that is experiencing frequent earthquakes requires careful engineering of the building foundations and then advanced design in the structure above. The buildings are designed to move in an earthquake, and they do that in a

way that can generate a seasick feeling for the occupants. However, they stay standing, and life goes on just minutes after the earthquake passes, even while the building continues to sway gently.

In a related situation, I have noticed that successful small businesses quite often go through a period of stagnation because they don’t have the solid foundations required to withstand “earthquakes” and the many changes and challenges that come with Scaling New Heights.

The small to medium-sized businesses I have had the privilege to work and partner with have all been led and grown by intelligent, energetic entrepreneurs who have a burning desire to grow a business and create an environment where people love to work and earn a living to support themselves and their significant others.

Regularly this business growth goes through a period of stagnation. At these times, Scaling New Heights seems impossible, and the old tricks and innate entrepreneurial skills are not resulting in the same meteoric rise.

If your business stagnates, Scaling New Heights requires a rethink. It requires the utilisation of a five pillars approach which can be used to Scale New Heights in a sustainable manner. Careful attention to the five pillars of:

- ▶ Business Foundations,
- ▶ Sales Strategy,
- ▶ People and Culture Strategy,
- ▶ Strategic Marketing and
- ▶ Operational Excellence

can help to put in place a new perspective and relaunch your business so that it can Scale New Heights.

I hope this collection of vignettes and expert opinions helps to reinforce your great ideas and trigger a fresh perspective.

I hope your business Scales New Heights.

**PILLAR ONE**  
Business Foundations

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## 1.1

### The golden question: *“What will my business success look like?”*

#### **Executive Summary:**

- ▶ What is your passionate, personal goal for Scaling New Heights?
- ▶ A period of business stagnation is common for most successful businesses.
- ▶ Scaling a business requires an engaged team which understands the journey on which they are joining with you.

Many clients I meet have established, successful businesses. However, in some cases, the businesses have started to stagnate in growth. For a successful entrepreneur who is used to things going more to plan, the stagnation can create frustration. Successful entrepreneurs are used to regular “wins”. The wins motivate and excite them.

These entrepreneurs have the ability and authority to float and test new ideas. In this scenario, it can be unusual for these founders not to experience success and the immediate or short term returns on effort.

Most successful businesses can, and should, be run and grown by the founder and entrepreneur for the first few years. At some stage, there will come a time for business consolidation and restructuring. How the restructure and the consolidation is executed will determine how and if the business Scales New Heights.

In initial meetings with the founder, I ask “what does your business’ success look like to you”?

It's an important question because it frames the shape of the restructure and the focus for the consolidation.

Some recent answers to the question “what does success look like for your business”?

“All my staff will be happy and feel they are successful at work.”

“Our company contributes back to society and is making a difference.”

“I just want to make money.”

“That's a great question. I have not really thought much about it.”

“I want to grow a business with turnover greater than \$60 million within three years”.

“I want a business valuation of \$15 million within five years and then to find a buyer.”

At any critical stage in your business journey take the time to ask yourself the golden question: “What will my business success look like?” Growing a business is not an easy endeavour and therefore, take the time to work out why, and what you envisage.

In my day to day meetings, I regularly meet some extraordinary, talented, energetic entrepreneurs who have built multimillion-dollar businesses with a strong market brand. These businesses have great facilities and enviable long-term client relationships, generating repeat business year after year. They may lack detailed or basic “strawman” business plans or careful and ongoing financial analysis. However, they survive each year through the grit and determination of the founder.

Business publications and news feeds are full of helpful advice on the types of questions a successful business owner should be asking themselves. Almost certainly, the articles and the advice include a manageable list of buzz words and “to-do lists”.

As an example of this, Zipkin's list of 50 “Easy” personal and business goals is helpful because it combines the personal requirements with the business goals. In a more business-focused approach, Hasabnis' list of 12 Business Goals is very focused on just business.

With both of these useful approaches and the well thought out lists, the application is very operational and tactical.

An advancement in this continuum is the well-known Simon Sinek video which challenges all of us to start with defining our company's “Why”. An eminently useful exercise which leads to the purpose of the business and the mission statement. It also leads to a strong customer message and, if delivered well, great customer experience and sustainable business.

The Sinek message forces us all to move up a few levels and think in a more strategic mode.

Nothing is wrong with either of these approaches. However, at the time of stagnation, you may hear yourself saying: “I can't work any harder.”

As part of this, self-doubt may increase, and you may find yourself asking: “What comes next?” In this context, I see many founders who go through periods of self-doubt and gradually become jaded from long periods of persevering without the expected return on effort and capital invested.

It is quite common for all successful business founders to go through a period of growth and success for several years only to reach a point of stagnation in business growth and development. The day to day pressures of running a business and wearing several hats prevents any chance for the creative entrepreneur to think about the medium to longer term. At this stage of a business life cycle, what happens next in planning and execution becomes critical.

Scaling New Heights, growing the business, keeping employees engaged, planning for an exit, reaching revenue goals, improving profit levels and expanding nationally or overseas are all examples of bigger goals that are far from tactical. They need to be rooted in a passionately held personal goal and form the basis of a well thought out strategy.

Before you embark upon another year of “doing your best” through a business plan and determining your company's “why” ask yourself the golden question, spend some time working out “What will my business success look like?”

Once this is clear to you, then you will find it easier to craft out your company's “why”, the Mission, the Vision, the Values and all other components necessary for a comprehensive strategic plan and road map to achieve your goals.

If you can do this clearly and succinctly, then you will be able to visualise the journey ahead. You can then engage your team and bring them on the journey with you.

**Action List:**

- ▶ "What will my business success look like?" What do you understand about your own business success?
- ▶ What are your key drivers?
- ▶ How long do you give yourself for this project?
- ▶ What is your process for regular and rigorous review?

## 1.2

### Platitudes or Imperatives – Mission, Vision and Strategy

**Executive Summary**

- ▶ Many companies have a mission and vision statement. However, the degree to which this is communicated and the resultant engagement in the organization can be very different from these, typically, bold statements.
- ▶ The CEO or managing director is responsible for regularly communicating the company mission and vision.
- ▶ The company mission, vision and strategy are business imperatives when they are current, well understood and foster engagement.

A few weeks ago, I spent a day interviewing the members of the leadership team of a fast-growing services business in SE Asia. Talking with young, intelligent, energised and switched on leaders is always great. Within a few minutes, it is easy to ascertain which leaders understand the company Mission, Vision and Strategy. More importantly, one can gauge the level of engagement and alignment for each leader.

In this particular instance, the responses varied from lack of engagement to operating with “own agenda” to fully engaged. I concluded there was a lack of alignment, which was one of the reasons for low company performance.

If you want key stakeholders engaged and “walking the talk” on strategy and strategic priorities, then the best place to start is with the foundation pieces of Mission and Vision.

