

Unlock the Potential of Your Business

# **3 PROVEN MASTER MOVES FOR SUCCESSFUL TRANSITION AND GROWTH**

Do you own a business that's been around for a few years?

You're in good company. Many businesses reach this point, but what separates the successful ones from the ones that decline is knowing which strategic moves to make.

This guide shows you the three most important moves every business owner should make to ensure they thrive in this stage of their life. These aren't easy steps, but they are essential if you want your business to continue growing.

Have a read and reach out at the end if you'd like to work more closely on these Master Moves with experts who can help you work out the best moves for you.

**Liber8 Academy**

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# About the Author



**Laura Humphreys** started working life as a secretary in an advertising agency. She went on to create her own award winning ad agency, which she built from scratch to billings in excess of \$15 million and sold to the Ogilvy Group after just 9 years.

Her next business, Pet Angels, a highly systemized pet care business grew to 150 employees across NZ and sold to a competitor after 6 years.

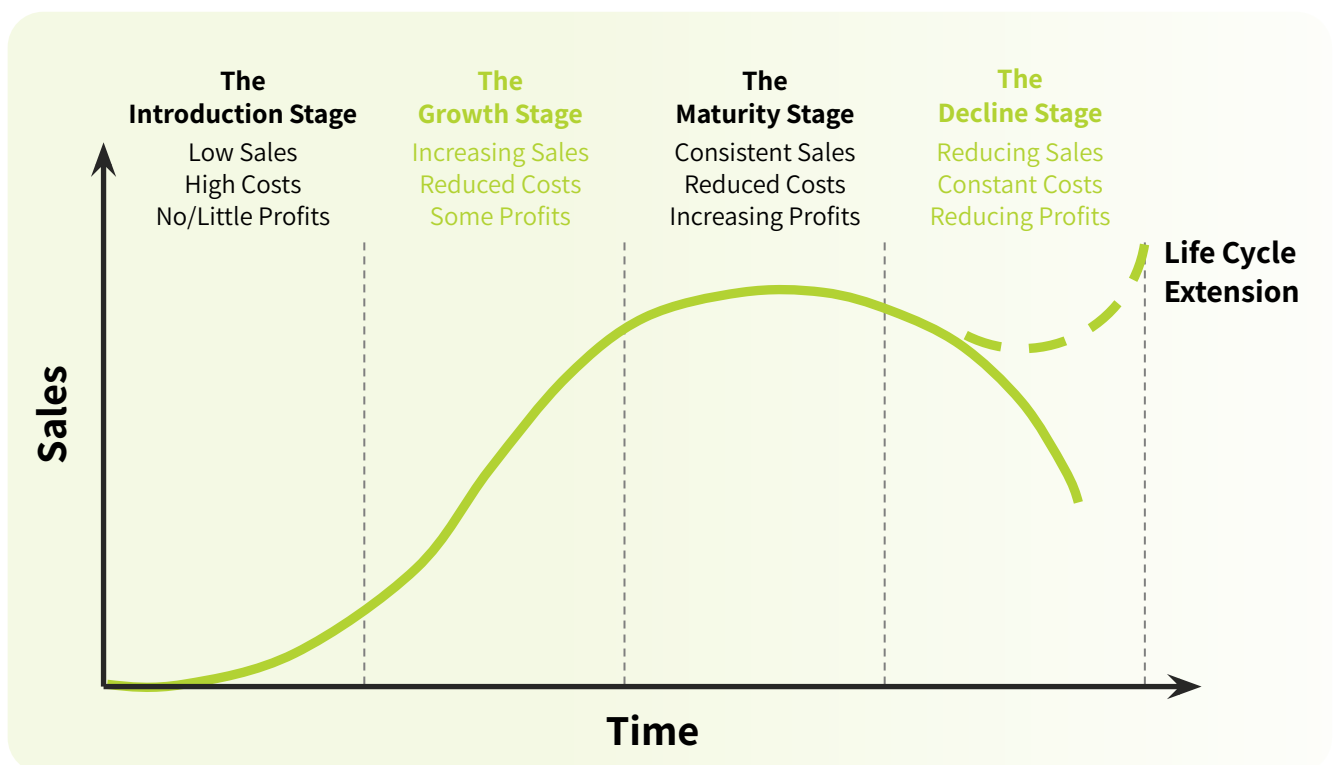
Now an author and business advisor, Laura spends her time helping other business owners create valuable, scalable and saleable businesses. Laura's passion is seeing business owners move beyond owner dependency into valuable businesses that can really make a difference.

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# Step 1. Understanding The Business Life Cycle

There is a business lifecycle that applies to every business, including yours. If your business is more than 10 years old it will most likely fall into 'The Maturity Stage' part of the cycle. See below.



The Maturity Stage is a critical time for any business because there are really only 3 things that can happen:

1. It goes into decline because nothing changes internally but externally the market changes, competition gets smarter, technology forces disruption etc.
2. It grows to the next level, which will require making some strategic moves that are entirely different to anything you've done before.
3. The owner plans an exit before decline happens so that the business can pass into new hands.

## Which one will apply to you?

Assuming the decline is not on your preferred list, then you'll need to pick a combination of strategic moves depending on what you want for yourself and your business.

### First ask yourself these 2 questions:

- 1 Do you think you want to exit the business within the next 3 – 5 years? Or
- 2 Do you want your business to grow to the next level and still be involved?

If your answer is yes to question 1, you need to look at Value Moves or Leverage Moves.

If your answer is yes to question 2, you'll need to look at Growth moves.

Ultimately you will need to select a combination of moves that are different to what you may have done in the past to ensure a successful exit or successful growth path. Learn more below.



# Step 2. Knowing The 3 types of Master Moves

## Master Move 1: Value Moves

**Objective:** *Ensure your business is valuable and attractive to a potential buyer within next 3 year horizon.*

### Differentiation/market dominance/an edge

Look at your brand and your point of difference, ensure you have something that is different, better, original or find a way to present your offer in a way that positions you as special.

### Reputation/credibility

A future buyer is more likely to find you and be interested in you if you have a great reputation so it's time to stop flying under the radar. Consider PR or other ways to put your business out there.

### Quality of portfolio/customers

Many buyers are more interested in the customers they gain with a business than anything else. So focus in hard on attracting and building loyalty with good quality clients.

### Financial stability – trending up not down

Your business is likely to be valued on a multiple of your average profit (EBIT) for the last 3 years, so ensuring profitability a good 3-5 years prior to expected exit is smart.

### **Security of future revenues**

The buyer will also want to see that your sales forecasts into the future are reliable, so try to find ways to reassure them of recurring forward revenues.

### **Growth potential**

A buyer wants to feel there is room for this business to grow, as this is where their return on investment will come from. Be thinking now about the potential and trends for your business that you can lead it towards now and a future buyer can see the value of.

### **Little or no dependence on owner**

No one wants to buy a business that's dependent on its owner. So start the process of weaning yourself out NOW!

### **Good leadership**

Now's the time to build your leadership team, so a future buyer can feel confident your clients will not all disappear the minute you leave!

## **Master Move 2. Leverage Moves**

**Objective:** *To reduce dependency on you, enable the business to grow and succeed with less involvement from you.*

### **Succession**

You may want to retain some ownership or involvement but pass the leadership reins over to a leadership team. Or groom an individual to take over your role. This may involve some financial buy in from senior people. Now's the time to start to learn and understand how this might happen.



### Merger

Could you merge with another similar company, with similar offerings and values, that could allow you to be part of a bigger entity with greater resources and less dependence on you?



### Advisory Board

A good CEO or GM replacement for you can work but you do need really good governance around them. An agreed plan and a good group of experienced advisors who meet regularly to ensure the plan is being executed can successfully allow the owner to pull back from the business.

## Master Move 3. Growth Moves

**Objective:** *to stay active in your business but move it to the next stage of growth, beyond what you've achieved previously. This will require a combination of strategic growth moves that you have probably not applied before.*



### Mergers & Acquisitions

There are several reasons why the owner of a mature business might consider mergers or acquisitions as a good strategy. One key benefit is the potential for growth and expansion. By merging or acquiring another company, a mature business can gain access to new markets, customers, and resources, which can help to diversify and strengthen the overall business. Additionally, mergers and acquisitions can also help to increase efficiency and reduce costs, as the combined company can take advantage of economies of scale and eliminate duplicate operations. Another potential benefit is increased competitiveness in the industry, as the merged or acquired company may gain a stronger market position and greater bargaining power. Finally, mergers and acquisitions can also provide a way for a mature business to exit the market or to diversify into new areas.





## Resource reallocation

Resource reallocation in business refers to the process of shifting resources, such as financial capital, human capital, and time, from one area of the business to another. This is done in order to better align resources with changing business goals and objectives, or to address underperforming or under-resourced areas of the business. Resource reallocation can also be done in response to market changes or shifts in industry dynamics. It is an important strategy for businesses to stay competitive and adapt to new challenges. It requires careful planning, effective communication, and the ability to make difficult decisions about where to allocate resources for maximum impact.



## Capital investment

Capital investment can be beneficial for a mature business in several ways. One of the most important benefits is that it can help to finance growth and expansion. Capital investment can provide the funds needed to invest in new equipment, technology, or facilities, which can help the business to increase production and efficiency, and to enter new markets. Additionally, capital investment can also help to improve the overall competitiveness of a mature business. By investing in new products, services, or processes, a mature business can stay ahead of its competitors and maintain its market position. Capital investment can also provide a way for a mature business to diversify its operations and to reduce its overall risk. By investing in different business areas or industries, a mature business can spread its risk over a wider range of investments, which can help to insulate it from market fluctuations.



## Productivity increase

Increasing productivity is a common strategy for businesses looking to improve their performance and competitiveness. By increasing productivity, a business can produce more output with the same or fewer inputs, which can lead to lower costs, higher profits, and increased growth. There are several ways to increase productivity, including:

1. Implementing new technology: By investing in new technology, a business can automate processes, reduce errors, and improve efficiency.
2. Improving processes: A business can improve its processes by streamlining operations, reducing waste, and eliminating bottlenecks.



3. Investing in employee training and development: By providing employees with the skills and knowledge they need to perform their jobs effectively, a business can improve their productivity and performance.
4. Enhancing work culture and employee engagement: A business can increase productivity by creating a positive work culture that promotes employee engagement and motivation.
5. Managing time and resources effectively: A business can increase productivity by effectively managing its time and resources, by setting clear goals, priorities, and deadlines, and by measuring and tracking performance.

By implementing these strategies, a business can increase productivity, reduce costs, improve quality, and increase competitiveness.



## Differentiation Improvement

Differentiation is a key strategy for a mature business to improve its competitiveness and profitability. By differentiating its products or services from those of its competitors, a mature business can create a unique value proposition that appeals to customers and sets it apart from its competitors. There are several ways to improve differentiation for a mature business, including:

1. Innovating new products or services: A mature business can differentiate itself by developing and introducing new products or services that meet the changing needs and preferences of its customers.
2. Enhancing the customer experience: A mature business can differentiate itself by providing a superior customer experience, for example through personalized service, high-quality customer service or a unique in-store experience.
3. Building a strong brand: A mature business can differentiate itself by building a strong brand that is associated with quality, reliability and reputation, which can help it to attract and retain customers.
4. Developing a unique business model: A mature business can differentiate itself by developing a unique business model, such as a subscription-based service, a franchise model, or an online marketplace.
5. Focusing on sustainability or corporate social responsibility: A mature business can differentiate itself by emphasizing its commitment to sustainability, environmentally-friendly practices or corporate social responsibility, which can appeal to socially conscious customers.

By implementing these strategies, a mature business can improve its differentiation and stand out in a crowded market, which can help it to attract and retain customers, increase sales and profitability.

# Step 3. Getting the right combination of moves.

## Introducing the Master Moves Programme

Whatever your end goals for yourself and your business, to avoid danger of decline for an established business, you will need to consider a combination of some of the moves in this guide.

### But which ones?

It's hard to work this out for yourself. You've been in your business for a while and your experience is limited by your own experience. Sometimes it really is hard to see the wood for the trees. Are you planning an exit in the next three year horizon? Do you want to stay but be better leveraged? Do you want to stay and help take your business to its next level of greatness? And which moves do you need to understand and implement to achieve the best outcomes for you personally and for the business??

So many questions, but you need help to land on the right answers, and then guidance on how to move it all forward.

That's why we've created the [Master Moves Programme](#), an injection of fresh thinking and energy for owners of an established business.

[Click here to find out all about it.](#)

### Want to talk to the expert directly?

Or if you'd like to have a free no obligation chat with our founder Laura Humphreys, and the mastermind behind Master Moves, just email her direct at [laura@liber8u.com](mailto:laura@liber8u.com).

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