

Knowledge Worker

Three Basic Business Priorities

(August 2021)

Three Basic Skill Sets

Training, development, and performance improvement professionals are sometimes admonished for their lack of business acumen and regularly encouraged to acquire it. I long ago learned that to be successful, we require three sets of skills: (1) technical, (2) consulting, and (3) business¹. I like to think my business skills and know-how are on a par with my consulting and my performance improvement or technical expertise. I thought I'd share a bit of business expertise in this month's column.

A while back I was helping a client – a small educational services firm – review and update its existing business plan. After getting to know a bit about them, their business and their intent, I suggested to them that they were faced with three basic business priorities.

- One was to *grow* the business, to acquire additional customers, broaden their product and service offerings, and perhaps enter additional markets.
- A second was to *operate* the business, to concentrate on delivering existing products and services to their customers, managing customer relationships and tending to the business itself.
- The third priority was to *build* the business, to establish policies, procedures, processes, systems, structures and the like.

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Afterward, it occurred to me that these three basic business priorities – Grow, Operate and Build – apply to all kinds of businesses.

An old saying goes like this: “Put your money where your mouth is.” In more businesslike terms, resource allocations should reflect an organization's basic business priorities. What are those priorities and do things like level of effort, funding, monitoring and reporting, management time, and talent assignment reflect those priorities? To paraphrase that old saying, “Is the organization putting its money where its priorities are?”

The emphasis among the three basic priorities can shift over time. Consider the following illustrative instances.

- A start-up might focus on growth with secondary emphasis on operating the business and little emphasis on building up its systems, processes, infrastructure, etc.
- A young but successful business that experienced significant growth, but has seen that growth taper off, might opt to focus on building and operating the organization with growth taking a back seat – for the time being.

¹ See the Consultant Competency Circle at https://www.nickols.us/Consultant_Competency_Circle.pdf

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- A large, well-established company might decide to zero in on refining and improving its operations to the exclusion of any additional growth or further building of the organization's infrastructure.

The focal points of the three priorities are summarized in the table below.

Grow	Operate	Build
<ul style="list-style-type: none">• Customers• Markets• Products• Services• Suppliers	<ul style="list-style-type: none">• Servicing• Delivering• Managing• Responding• Controlling	<ul style="list-style-type: none">• Policies• Procedures• Processes• Systems• Structure
Goals: More, Bigger	Goals: Refine, Improve	Goals: Stability, Consistency

The emphasis among the three basic priorities can and will shift over time. At the time, my client was focused on growing the business. Naturally, they also had to operate it, but building the business was something that could wait until they'd grown the business to be large enough that structure and infrastructure issues became important. So, my client company set its priorities as follows: (1) Grow, (2) Operate and (3) Build the business.

Downstream I envision a checkpoint with my client that basically asks, "Is the money still being put where the priorities are?" In other words, we will examine resource allocations and expenditures in light of the three basic priorities to see if the funds are going there or elsewhere and, if they are going elsewhere, why is that?

You might consider doing something similar for your organization or perhaps helping a client examine where their money is going in relation to their priorities.

In the end, there is no right answer, just priorities to be set in terms of Grow, Operate, Build and then to make certain resources are allocated accordingly.

And what does all this have to do with performance? Well, in case I haven't made it clear, we've been talking about the performance of a business. That, too, falls under our purview – if we've mastered the necessary business know-how.

About the Author

Fred Nickols, is a writer, consultant, and former executive who spent 20 years in the U.S. Navy, retiring as a decorated Chief Petty Officer. After retiring from the Navy he worked extensively as

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