

Entrepreneurs Academy



Constraints to Growth

Our experience has shown that businesses fail to reach their potential and achieve their strategic objectives due to four common constraints; Cash-flow management, Lack of Strategic focus, Execution of the strategy, and People.

Using a proven suite of tools and methodology, we have helped businesses address these constraints to growth that have become the frustration of business owners. Having advised more than 150 businesses through our Advisory program in the last year, we have identified that business owners often:

- Don't know their numbers
- Don't have a clear strategy
- Are unsure of how to win in the market
- Unable to articulate how they create value to their customers and what their distinctive capabilities are that allow them to win

The businesses that understand and address each of these issues are set to win.



Program Overview

The Entrepreneurs Academy will help your business to fulfil its potential through a series of six informative and practical modules led by experienced PwC Advisors.

These six modules will address each of the constraints to growth through five workshop-style settings and one personalised one-on-one discussion with a PwC Advisor.



Module 1

X-ray your numbers



Module 2

What drives your business



Module 3

Build a customer centric strategy



Module 4

Linking strategy & execution



Module 5

Achieving your winning aspiration



Module 6

Realising your strategy

Checking your business health through the lens of the Financial X-Ray®

Time: 3 hours

- Clearly understand the connections of P&L and Balance Sheet & importance of return on capital
- Understand working capital requirements
- Understand profit to cash conversion
- Understand how to measure value creation

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What drives your business

Pinpoint and determine the levers for sustainable growth

This module will build from the 10 Financial Rules introduced in Module 1 and will introduce you to the Activity Based Management (ABM) report and Sensitivity Analysis. We will determine your key Economic Denominator – the underlying driver of your businesses performance. The ABM summarises the Profit & Loss into key categories including: Revenue, Gross Profit, Direct expenses (which are further broken down into cost pools), Other revenue, EBITDA, Depreciation & Amortisation, EBIT, Interest (net of expense and income), Income tax expense, and Net profit. This then transforms into the ABM report when it is unitised by dividing each of the items by the Activity Driver (or Economic Denominator) so that analysis can be performed on a per unit basis across months and year-to-date results.

The ABM Sensitivity Analysis will help you understand at first, the mutually exclusive levers such as: Average Sale, Gross Profit, Expenditure, and Activity that can be adjusted, before being combined together to view the overall improvement.

Time: 3 hours

Learning outcomes:

- Understand your underlying economic denominator
- Learn how to implement and drive financial improvement through activity based management
- Sensitivity analysis

	Current result 30 June 2016	Average Sale	Gross Profit	Expenditure	Activity	Combined Results
Profit and Loss						
Sales	14,249,505	14,997,455	14,249,505	14,249,505	15,202,075	16,000,025
Gross Profit	5,220,630	5,494,658	5,505,620	5,220,630	5,569,626	6,181,973
Gross Profit %	36.64%	36.64%	38.64%	36.64%	36.64%	38.64%
Expenses (exc. Depreciation)	3,688,985	3,688,985	3,688,985	3,539,395	3,688,985	3,539,395
Expenses %	25.89%	24.60%	25.89%	24.84%	24.27%	22.12%
EBITDA	1,531,644	1,805,673	1,816,634	1,681,234	1,880,640	2,642,578
Rate						
Average Sale Value	952.57	1,002.57	952.57	952.57	952.57	1,002.57
Gross Profit	349.00	367.31	368.05	349.00	349.00	387.37
Expenses	246.61	246.61	246.61	236.61	231.15	236.61
Sundry Revenue	-	-	-	-	-	-
EBITDA	102.39	120.71	121.44	112.39	117.84	165.59
Volume						
Units Sold	14,959	14,959	14,959	14,959	15,959	15,959
Adjustable Factors						
	Increase Average Sale	Increase Gross Profit	Reduce Average Costs	Increase Activity (Units Sold)		
Activity Data	Units	\$ 50.00	2.00%	\$ 10.00	1,000	



Build a customer centric strategy

Aligning your customer, value proposition and distinctive capabilities

This module will be the introduction to setting a coherent strategy. We will show you how to align areas of the business on what matters most, creating value to your customers.

We will address the following key areas:

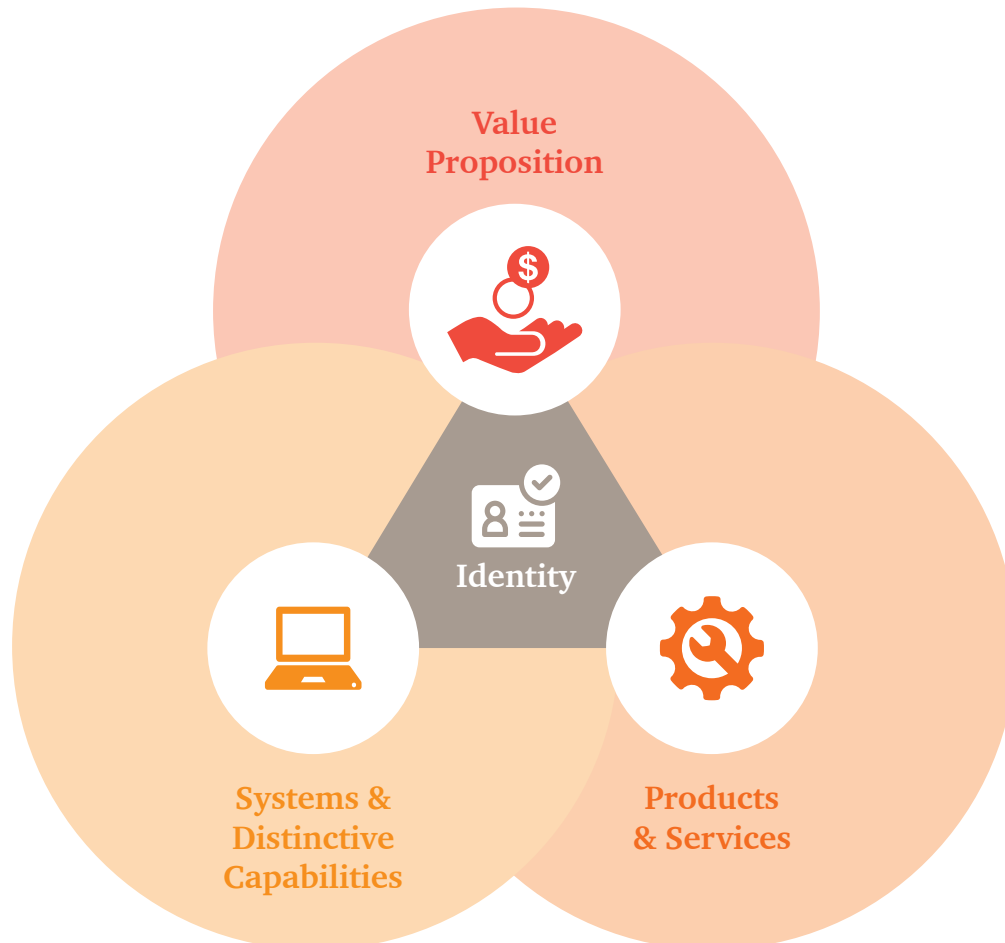
- How do you create value for your customers? What is your Value Proposition?
- What core capabilities does your business have that differentiates you from your competitors? What gives you the right to win in the marketplace? What can you do that no-one else can?
- What products and/or services allow your business to fulfil the above two questions?

The first step of this module is to define your customer through the lens of their needs, wants, aspirations, fears, concerns and apprehensions.

Time: 3 hours

Learning outcomes:

- Define and understand the positioning of your business
- Define how you create value
- Define how you deliver value
- Make decisions where and how you will play





Linking strategy & execution

Translating strategy into the everyday

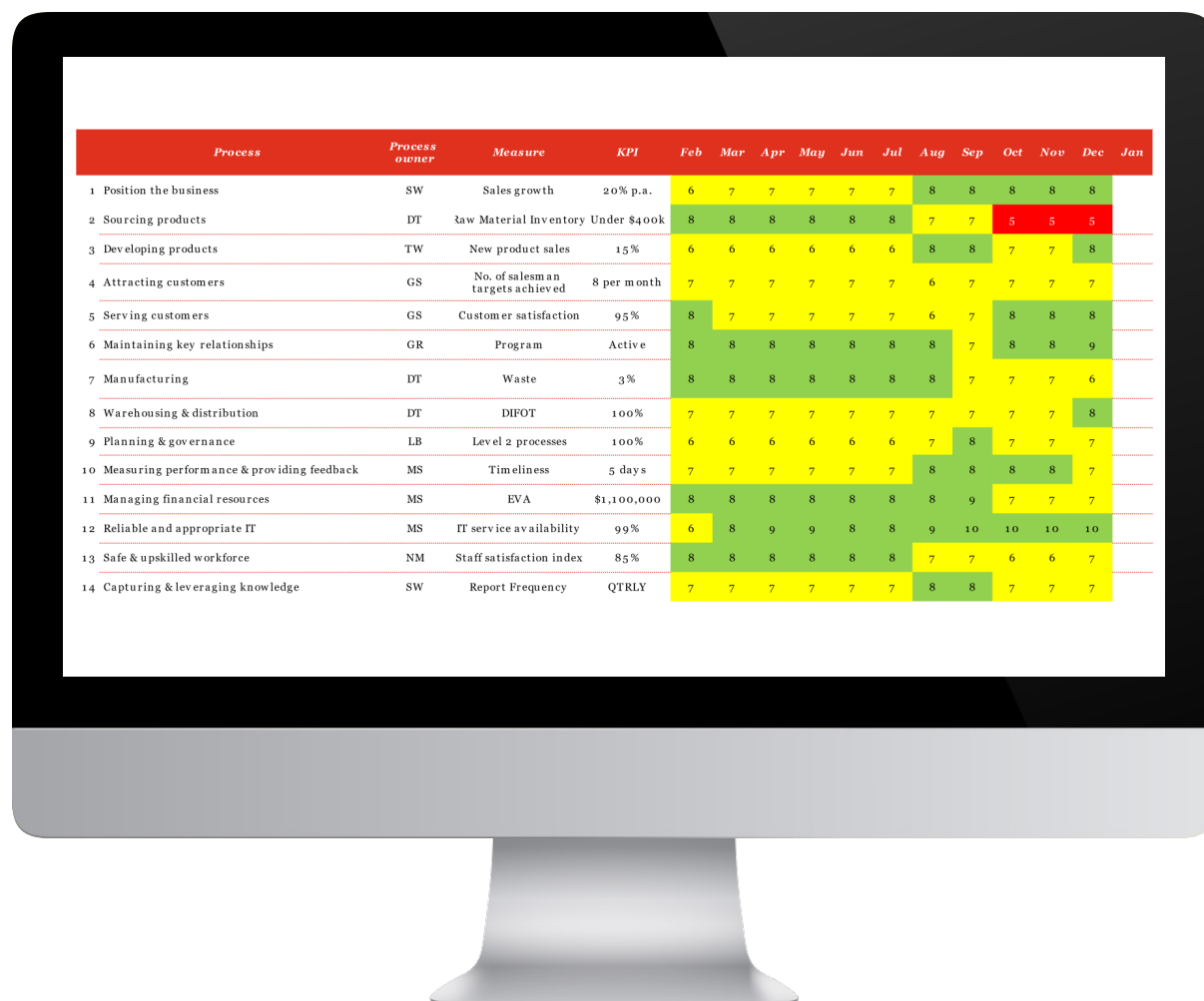
Solving the Strategy to Execution gap is key to future success. This module will introduce you to key business and key support processes such as: Positioning the business, Attracting customers, Servicing customers, Developing products, Maintaining key relationships, Managing operations, Planning & governing the business, Measuring performance & providing feedback, Managing the financial resources, Capturing intel & leveraging insights, Reliable & appropriate IT, and Building an upskilled workforce, that are prevalent among all organisations.

We will guide you through defining who will own each of these processes, the individual measures, and find targets that will stretch the business through the Level 1 Process Scoreboard.

Time: 3 hours

Learning outcomes:

- Develop a process improvement framework
- Assign responsibility to key processes
- Define the KPI's for each process
- Learn the process improvement process to implement into your business





Achieving your winning aspiration

Defining the key thrusts, key initiatives and quarterly must achieves


Having been through the previous modules, this module is all about the actions that need to be taken by the organisation. First we will now focus on your Winning Aspiration, the target for the business, and how this will be achieved. We will do this with a clear statement of what winning looks like for the organisation and then by linking this to how you are going to achieve your 3-5 year financial targets through identifying the Key Capabilities that need to be developed and in place in the medium term. Having set the Key Capabilities, we will then drill into the initiatives, or projects, that need to be completed in the shorter term in order to work towards this. Having set both the Key Capabilities and Key Initiatives, you will then look at the Quarterly Must Achieves which are the business imperatives for the next 90 days. By completing these, your team will have a clear path moving forward, further closing the Strategy to Execution gap.

Time: 3 hours

Learning outcomes:

- Define the key thrusts and capabilities you need to implement to achieve your three to five year targets
- Define the annual initiative to drive your growth strategy
- Define the quarterly must achieves

The laptop screen displays a template for defining winning aspiration, key thrusts, key initiatives, and quarterly must achieves. The template is structured as follows:

Winning Aspiration		
<div></div>		
Key Thrusts / Capabilities	Key Initiatives (1 Yr)	Quarterly Must Achieve
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5

One-on-one session with PwC to document your strategy for growth

Time: 3 hours

- Tie all your learnings together
- Walk away with an action-oriented One Page Strategic Plan

- Your Winning Aspiration
- Who your customer is
- Value Proposition
- Distinctive Capabilities
- Demand Pools
- Products & Services to focus on
- Your financial goals
- Activity Staircase
- Key Thrusts (3-5 Years)
- Key Initiatives (1 Year)
- Quarterly Must Achieves
- Processes to measure

Organisation Name: _____

One Page Strategic Plan (OPSP)

Date: _____

Winning Aspiration

Who is Our Customer

Where Do We Play

Value Proposition

Distinctive Capabilities

Distinctive Capabilities	Target	Status
1		
2		
3		
4		
5		
6		

Core Values / Beliefs

Targets (3-5 Yrs)

Future date (When)

	Target	Value
Revenues (\$)		
GP (%)	8.8%	-
CORR (%)	0.0%	-
EBIT (%)	0.0%	-
WC (%)	8.8%	-
Fixed Assets		
ROCE (%)		
Debt Capital (%)		8%
Economic Profit (\$)		
Transactions (\$)		
New Transactions		
GP / Transaction		
EBIT / Transaction		
Transactions/ Business Day		

Goals (1 Yr)

Year End (What)

	Target	Value
Revenues (\$)		
GP (%)	8.8%	-
CORR (%)	0.0%	-
EBIT (%)	0.0%	-
WC (%)	8.8%	-
Fixed Assets		
ROCE (%)		
Debt Capital (%)		8%
Economic Profit (\$)		
Transactions (\$)		
New Transactions		
GP / Transaction		
EBIT / Transaction		
Transactions/ Business Day		

Targets (Qtr)

Quarter End / # (How)

	Target	Value
Profit & Loss		
Revenues (\$)		
GP (%)	8.8%	-
CORR (%)	0.0%	-
EBIT (%)	0.0%	-
WC (%)	8.8%	-
Fixed Assets		
ROCE (%)		
Debt Capital (%)		8%
Economic Profit (\$)		
Transactions (\$)		
New Transactions		
GP / Transaction		
EBIT / Transaction		
Transactions/ Business Day		

Key Thrusts / Capabilities

Key Initiatives (1 Yr)

Quarterly Must Achieve

Who

Process Improvement Scoreboard

Owner	Measure	Target
	Positioning the Business	
	Attracting Customers	
	Servicing Customers	
	Developing Products	
	Maintaining Key Relationships	
	Managing Operations	
	Planning & Governance	
	Measuring Performance & Incentives	
	Managing the Financials	
	Capturing Intel & Leveraging it	
	Build Reliable & Appropriate Capabilities	
	Building an Upskilled Workforce	

Historical & Forecast Performance Scoreboard

	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Forecast	2021 Forecast
Profit & Loss						
Revenues (\$m)						
Growth (%)						
GP (%)						
CORR (%)						
EBIT (\$m)						
EBIT growth (%)						
Balance Sheet						
WC (%)						
Fixed Assets (\$m)						
ROCE (%)						
Debt Cap (%)						
Economic Profit (\$m)						
Activity						
Transactions (\$)						
New Transactions						
GP / Transaction						
EBIT / Transaction						
Transactions/Day						

Staircases

of Transactions (Entries) & Transaction Growth

2016 2017 2018 2019 2020 2021

Top 4 of Transactions per Working Day

Bottom: Transaction Growth %

About the Program Leaders



**Trevor
Mahony**

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Trevor has 30+ years experience with PwC providing business advisory and assurance services to privately owned businesses. His professional passion is assisting business owners grow and transform the performance of their business.

Trevor believes in a hands on approach working with his clients to understand their needs so he can tailor an effective and appropriate response. He believes the key to business success is ensuring the correct strategic decisions are made based on solid financial information that lead to value creation.

Trevor led PwC's Brisbane Private Clients practice consisting of 6 partners and 65 staff from 2012 to 2016.



**Rob
Ashley**

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A deep thinker, passionate about the potential that lies within individuals and their businesses, Rob is instrumental in creating opportunities that will inspire success for his clients, colleagues and peers.

A proven entrepreneur now focused on working with other entrepreneurs, Rob has been influential in achieving significant results for his clients and their businesses, using strategic vision, big picture analysis, consistent monitoring and mentoring systems.

Rob is a connected and valued strategic advisor to his clients and is driven to ensure he can empower them with peace of mind, confidence to grow and banker confidence.

How to get started:

Like to find out more about the PwC Entrepreneur Academy or take the first steps in realising your business value?

Visit our website at

www.pwc.com.au/private-clients/advisory-and-deals.html or email **annabelle.arouff@pwc.com**

www.pwc.com.au

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