

Every decision is a case. Investigate it before you close it.

*A practical guide for business owners, supervisors
and managers who learned on the job: decisions,
strategy, customers, money, operations, people and
hard times.*

D O S S I E R

30 CHAPTERS · 7 PARTS · WORKSHEETS

Sebastian L. Zilempe
FIRST EDITION · 2026

bbgownersmanual.com

BBG Owner's Manual

Every decision is a case. Investigate it before you close it.

For business owners, supervisors and managers who learned business on the job.

BBG stands for Business Book Guide.

Sebastian L. Zilempe

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The interactive tools and fillable worksheets referred to in this book are free at bbgownersmanual.com.

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About the author

■ THE FOUNDER

Sebastian L. Zilempe

The BBG Owner's Manual is written by Sebastian L. Zilempe. Sebastian has a bachelor's degree in Business Administration, is a certified bookkeeper and is completing an MBA in accounting. He has competed in multiple business and public presentation competitions.

The rest of his experience comes from practice, not just the classroom:

- **Entrepreneur.** Sebastian has worked through the day-to-day operations of running a business himself: the decisions, the details and the problems that don't wait.
- **Consultant.** He has worked with other business owners on their operations and planning, helping them step back, see their business clearly and decide what to do next.
- **Think tanks and entrepreneurship programs.** He has taken part in think tanks and entrepreneurship programs, working through business problems alongside other owners and founders.

That mix is where the manual's approach comes from. Consulting showed him how much clearer a business looks from the outside, which became the idea behind [Be Your Own Consultant](#). Running operations showed him how small slips turn into big problems, which became [Tight Ship](#). And his bookkeeping background keeps everything tied to real numbers. Every decision eventually shows up in the books, so the manual keeps asking owners to look at things realistically and trace them back to the bottom line.

Sebastian also created [Clear at Work](#), a free guide to communication in business. The two sites are meant to be used together: this one covers what to decide and how to run the business, and Clear at Work covers how to say it.

How to use this book

Running a business, a department or a team means making calls nobody else will make for you. You don't have to figure it out alone. This book teaches one habit: step outside yourself, question the easy answer, work through the what-ifs, and only then decide.

■ WHY THIS BOOK EXISTS

Built for people who learned business on the job

A lot of people running businesses never planned to. They took over the family business, turned a skill into a company, or stepped in when someone left. Others chose to become entrepreneurs, but couldn't take years off or pay for a business degree first. And many people climb the ladder, from supervisor to team lead to manager to department head, until one day they're responsible for a team, a budget and hard decisions, and nobody hands them a manual.

Most of them learn the hard way: by trial and error, with real money and real people at stake. This book exists to make that easier. It gives you the tools and ways of thinking that business school and experienced mentors teach, in plain language, for free, so you can run your business, department or team smoothly without going back to school.

YOU FELL INTO IT

The accidental owner

You inherited the business, took it over or grew a skill into a company. You're great at the work, and now you're also the boss, the bookkeeper, the salesperson and the person who has to make every hard call.

YOU CHOSE IT

The self-taught entrepreneur

You decided to build something of your own. You have the drive. What you need are practical tools for decisions, money, customers and people, without a degree program or expensive consultants.

YOU'RE MOVING UP

The leader in charge

You were promoted for doing your job well. Now you're a supervisor, team lead, manager or department head. You lead people, own results and make decisions with incomplete information. That's an owner's job, at a different scale.

Owners and leaders at every level need the same mindset

A business owner, a department head and a supervisor running a shift do the same kind of job. Each is responsible for results they can't produce alone. Each manages people, time, money or resources, customers and risk, and each makes hard decisions without perfect information. The difference is mostly scale, and who signs the checks. The thinking is the same, so this book is written for all of them.

No degree is required. Every idea is explained in plain words, every tool is free, and you can start with whatever problem you're facing today.

OUR PROMISE

Plain language.
Practical tools.
Free, with no sign-up.
Honest about limits.

SUPERVISORS AND MANAGERS

See [how to read this book for your team or department](#).

Every decision is a case

Detectives don't start with the answer they like. They open a file, collect evidence, test every theory, and only close the case when it holds up. This book applies that approach to running a business. Part I teaches the method. Parts II to VII apply it to strategy, customers, money, operations, people and hard times.

Two ways to read it

- **Front to back.** Start with Part I, which everything else builds on, then read the parts in order. Each chapter opens with what you'll learn and ends with a review and an exercise to try that week.
- **By situation.** Facing a specific problem? Use the table below to go straight to the chapter that helps.

Recurring features

- **Side notes** give a rule of thumb or point to a related chapter.
- **"The BBG take"** boxes show how the book's core ideas apply to each topic: thinking like a detective, the Dossier Method, running a tight ship, the reality check and being your own consultant.
- **"On the website"** notes point to interactive tools you can use online with your own numbers.
- **"Say it well"** notes connect a chapter to [Clear at Work](#), the free companion guide to business communication by the same author. Deciding is half the job. Saying it well is the other half.
- **Worksheets** at the back of the book can be printed and filled in by hand.

■ FOR SUPERVISORS, TEAM LEADS AND MANAGERS

Reading this book for your team or department

Every chapter is written for owners, but almost all of it applies directly if you lead people at any level: a shift, a crew, a team, a department or a division. Use this translation as you read:

WHEN THE MANUAL SAYS...	READ IT AS...
The owner	You, the person responsible for your team's results
The business	Your team, shift, crew or department
Clients or customers	The people you serve, inside or outside the company
Revenue and profit	Your budget, your output and the results you're measured on
Cash runway	Your budget, hours and resources remaining, and how long your team can deliver at the current pace
Selling or pitching	Getting buy-in from your boss, your peers and other teams
Building a business worth selling	Building a team that runs well without you, so you're ready for the next step up
Hiring and letting people go	The same judgment, whether you make the call or recommend it, alongside HR and company policy

Where to start, at any level

- **Use as written:** [The Dossier Method](#), [Be Your Own Consultant](#), [Tight Ship](#), [Systems](#), [The Owner's Time](#), every People chapter, and [Crisis Mode](#).
- **Apply to your budget and goals:** [Reality Check](#) for every request for money or people, and [the One-Page Plan](#) for your team's year.
- **Translate:** [Sales](#) becomes winning support for your ideas. [Worth Selling](#) becomes succession: developing someone who could take your seat.
- **Supervisors and new leads:** start with [Managing People](#), [Meetings & Reviews](#) and [Tight Ship](#). They cover what you'll use every day.

LEADER'S RULE

Run your team as if you owned it. It's the fastest way to be trusted with more.

What are you dealing with right now?

IF YOU'RE THINKING...	START WITH
I have a big decision to make	Chapter 1: The Dossier Method
I need an outside opinion but can't hire a consultant	Chapter 6: Be Your Own Consultant
I don't have a clear plan for the year	Chapter 7: The One-Page Plan
We compete on price and blend in	Chapter 8: Where You Compete
I need more clients	Chapter 12: Sales Process
Clients keep leaving	Chapter 14: Keep Your Clients
A client is a problem, or my prices feel wrong	Chapter 13: Clients & Pricing
Cash is tight or I don't trust my numbers	Chapter 16: Cash Flow
I never seem to pay myself	Chapter 17: Profit First
Should I spend money on this?	Chapter 15: Reality Check
Things feel loose, and stuff is slipping	Chapter 18: Tight Ship
Everything depends on me	Chapter 19: Systems & Procedures
I need to hire someone	Chapter 23: Hiring
My team isn't working well together	Chapter 24: Team & Culture
I have a negotiation coming up	Chapter 26: Negotiation
We're growing fast, maybe too fast	Chapter 9: Grow Without Breaking
Something just went wrong	Chapter 28: Crisis Mode
The business model isn't working anymore	Chapter 29: Pivot to Survive

IF YOU'RE THINKING...	START WITH
Can software or AI do some of this work?	Chapter 21: Technology & AI
I'm the bottleneck, or I'm burning out	Chapter 27: Protect the Owner



PART I

The Method

How to think through any decision like a detective.

1. The Dossier Method: a deep dive into making decisions
2. Think about yourself in the third person
3. Think through the what-ifs before you move
4. Don't be the yes man, even to yourself
5. Making the tough calls
6. Be your own consultant: advise in the third person, act in the first

The Dossier Method: a deep dive into making decisions

Good owners aren't people who never make bad calls. They're people who make decisions the same careful way every time, keep a record, and learn from it. Anyone can learn to decide this way. This page shows you how.

IN THIS CHAPTER

- Why you need a system, not just good instincts
- The three case classes
- Working the case, step by step
- The Decision Quality Grid
- What a finished dossier looks like

Why you need a system, not just good instincts

Instinct works when you've seen a situation hundreds of times and got quick, clear feedback. Most owner decisions aren't like that. You hire a few times a year, set prices once or twice, and choose a direction even less often. You don't get enough repetitions for instinct to become reliable.

A system fills that gap in three ways. It makes you **consistent**, so mood and pressure matter less. It makes your thinking **visible**, so you and others can check it. And it leaves a **record**, so a year later you can see whether your reasoning was good or you just got lucky.

That record is the dossier: a one-page file for each important decision. Over time your dossiers become the most valuable document in your business, a history of how you think.

THE CORE IDEA

Judge a decision by the quality of the thinking at the time, not only by how it turned out.

THE OUTPUT

One dossier per important decision. Build one in the [Dossier Builder](#).

■ TRIAGE FIRST

The three case classes

Before you open a file, decide how big the case is. This keeps you from spending a week on a two-minute choice, or two minutes on a choice that could sink the company. You'll see these class labels throughout this book.

Class I ROUTINE

Two-way door, low cost.

Can be undone easily.

Ordering supplies, trying a new email subject line, rearranging a schedule.

Time: minutes

D O S S I
E R

Class II SIGNIFICANT

Costly but reversible.

Mistakes hurt but can be fixed. A price change, a new tool, a part-time hire, a marketing push.

Time: an hour or two

D O S S I
E R

Class III CRITICAL

One-way door. Hard or impossible to undo.

Firing someone, signing a long lease, taking on debt, dropping a major client, a partnership.

Time: days, plus a second opinion

D O S S I
E R

■ THE SEVEN STEPS

Working the case, step by step

D

Define the question

Most bad decisions start as the wrong question. "Should I fire Alex?" is narrower than "How do I get reliable work done in this role?" Chip and Dan Heath, in their book *Decisive*, warn about "whether or not" questions because they hide the other options. Rewrite your question until it leaves room for at least two real choices.

ASK	What problem am I really solving? What are my options, including doing nothing? When must this be decided? What does success look like in six months?
GOES IN THE DOSSIER	The question, the options, the deadline, the case class, and a one-line success measure.
TRAP	Solving a symptom. Lost clients may be a pricing problem, a service problem or a sales problem.

O

Take the outside view

Two moves. First, describe the situation in the third person, using your name, so your ego steps back (covered in [Third Person](#)). Second, check the base rate: how do decisions like this usually turn out for people in general? Psychologist Daniel Kahneman called this the outside view. Your plan always feels special from the inside. The base rate tells you how often plans like it actually work.

ASK	What would a new owner do? What would I tell a friend? How do cases like this usually go for other businesses?
GOES IN THE DOSSIER	One third-person sentence and one base-rate note.
TRAP	"My situation is different." Sometimes it is. Make yourself say why.

S

Sort the evidence

Put everything you know into facts, assumptions and guesses (see [What-If First](#)). Then find your shakiest assumption, the one that would change the decision if it were wrong, and look for the cheapest way to test it before you commit. One phone call or a small trial often beats a week of thinking.

ASK	What can I prove? What am I assuming? What evidence would change my mind? How can I test my weakest assumption cheaply?
GOES IN THE DOSSIER	Top facts, top assumptions, and the one assumption you tested or still need to test.
TRAP	Counting opinions as facts. "Clients love us" is an assumption until you see repeat orders.

S

Run the scenarios

For your leading option, write the best case, worst case and most likely case. Then ask "and then what?" once more. Then run a premortem: assume it failed a year from now and write down why. The key test is **survivability**. If the worst case would end the business, you need a backup plan or a smaller first step, however unlikely the worst case seems.

ASK	What's the best, worst and most likely result? And then what? If this failed, what's the most likely reason? Can I survive the worst case?
GOES IN THE DOSSIER	Three short scenarios, the second-order effect, and the top premortem reason.
TRAP	Writing a "worst case" that's really just a mildly bad case because the real one is scary.

Interrogate your plan

Now question your favorite option like a suspect (see [No Yes Man](#)). Write the strongest case against it, ask what would have to be true for it to work, and for Class III cases, get a second person to attack it. If you can't argue the other side well, you don't understand the decision yet.

ASK	What's the best argument against this? What has to be true for it to work? Who would disagree, and what would they say?
GOES IN THE DOSSIER	The case against, and who reviewed it.
TRAP	Arguing against a weak version of the other side so you can win easily.

Execute the decision

Make the call. You won't have every piece of information, and that's normal (see [Tough Calls](#) for the 70% rule). Then set **tripwires**, an idea the Heath brothers also describe: signals you choose now that will force you to rethink later. "If we haven't signed three new clients by March 1, we stop the ad spend." Tripwires protect you from sticking with a bad call because you've already invested in it. Last, tell the people affected clearly. How you explain a decision decides how well it gets carried out. For how to say it, see [Clear at Work](#).

ASK	What's my call? What signal would make me rethink it? Who needs to hear about it, and how?
GOES IN THE DOSSIER	The decision, one or two tripwires, and who you told.
TRAP	Waiting for certainty that never comes, or deciding but never telling anyone the why.

R

Review on a set date

Every dossier gets a review date. When it comes, compare what happened with what you expected and grade the decision. Poker player and author Annie Duke calls the common mistake "resulting": judging a decision only by its outcome. A good decision can have a bad result, and a bad decision can get lucky. The Decision Quality Grid below separates the two.

ASK	What happened? What did I expect? Did any tripwire go off? Was my reasoning sound with what I knew then? What would I do differently?
GOES IN THE DOSSIER	The outcome, a grid grade, and one lesson.
TRAP	Skipping the review because the result was good. Lucky wins teach the worst habits.

R · REVIEW TOOL

The Decision Quality Grid

At review time, place the decision in one square. Over many dossiers, this tells you whether you have a thinking problem or just bad luck.

	GOOD OUTCOME	BAD OUTCOME
SOUND REASONING	Earned Do it again. Note what made it work.	Bad luck Keep the process. Check if a tripwire could have caught it sooner.
WEAK REASONING	Dumb luck The most dangerous square. Fix the process before it fails you.	Lesson Find the step you skipped. Write it down.

■ THE ARTIFACT

What a finished dossier looks like

This is the deliverable of the whole method: one page, every step covered, readable in two minutes. This example is a Class II decision for a small bookkeeping firm.

How do we handle growing admin work without burning out?

D • DEFINE Options: hire full-time, hire part-time contractor, buy software, do nothing. Decide by Dec 1. Success: owner under 45 hours a week by March.	O • OUTSIDE VIEW "A new owner would get help now." Many small firms hire too early and struggle with payroll, so a trial is safer.
S • EVIDENCE Fact: turned down 6 clients in 3 months. Shakiest assumption: that I can delegate well. Not yet tested.	S • SCENARIOS Best: capacity doubles. Worst: salary with no new work. Likely: slow 2 months, then gains. Premortem: "I never trained them properly."
I • INTERROGATE Against: full-time locks in cost before delegation is proven. Reviewed by a mentor.	E • EXECUTE Hire a 90-day contractor. Tripwire: if I'm not saving 8 hours a week by week 6, stop and rethink.
R • REVIEW ON FEB 15 Outcome: <i>to be filled in</i> • Grid grade: <i>to be filled in</i> • Lesson: <i>to be filled in</i>	

Rules of the method

- Every Class III decision gets a full dossier. No exceptions.
- No dossier is closed without a review date.
- Tripwires are set when you decide, not after things go wrong.
- Grade the reasoning, then the outcome, in that order.
- Keep every dossier, including the embarrassing ones. They teach the most.

Ready? Open your first file in the [Dossier Builder](#).

WHERE THE STEPS LIVE

O → [Third Person](#)

S · S → [What-If First](#)

I → [No Yes Man](#)

E · R → [Tough Calls](#)

Team use → [Managing People](#)

CHAPTER 1 REVIEW

Key points

1. Judge decisions by the quality of the thinking at the time, not only by how they turned out.
2. Sort every decision into Class I, II or III first, so small calls stay fast and big ones get the full seven steps.
3. Every important decision ends as a one-page dossier with tripwires and a review date.

Try it this week

Pick one decision you're facing now. Classify it, then work it through all seven steps on one page. Set a review date in your calendar.

Think about yourself in the third person

Most people give better advice to a friend than they give themselves. Owners can use that on purpose.

IN THIS CHAPTER

- Why it works
- What it is not
- Four ways to step outside
- Take it further: be your own consultant

Why it works

When a problem is yours, your fear, pride and money are all in the room. Psychologists call the fix **self-distancing**: looking at your own situation as if it belonged to someone else. Research by Igor Grossmann and Ethan Kross found that people reasoned more wisely about a friend's problem than their own, and that the gap shrank when people described their own problem in the third person.

You are not pretending to be someone else. You are moving your viewpoint far enough back that the full picture fits in frame.

Four ways to step outside

- **Use your own name.** Instead of "What should I do?", ask "What should Sebastian do?" Write it that way in your notes.
- **The new owner test.** In 1985 Intel's leaders, Andy Grove and Gordon Moore, asked what a new CEO would do if the board replaced them. The answer was to leave the memory chip business, and they did it. Ask: if someone bought my company tomorrow, what would they change first?
- **The friend test.** If a friend described this exact situation to you, what would you tell them? Say it out loud.
- **The time test.** How will this look in 10 minutes, 10 months and 10 years? Short-term discomfort often shrinks a lot from far away.

What it is not

Stepping outside does not mean ignoring your feelings. Your gut is evidence, so log it like any other clue. The point is that it becomes one clue on the board instead of the judge.

Where this fits in the Dossier

This is step **O** of [the Dossier Method](#). It pairs third-person thinking with a base-rate check: how do decisions like yours usually turn out for other businesses? Your dossier records one sentence of each.

Take it further: be your own consultant

Third-person thinking works best as a regular habit. [Be Your Own Consultant](#) turns it into a monthly routine: advise your business in the third person, then decide and act on it in the first.

TRY IT NOW

Write one sentence about a decision you're avoiding, using your name instead of "I."
Notice whether the answer looks more obvious.

WATCH FOR

"I already know what I'll do." That's the moment to run the new owner test.

CHAPTER 2 REVIEW

Key points

1. People reason more wisely about someone else's problem than their own. Describing your situation in the third person closes the gap.
2. Use the new owner test, the friend test and the time test to step outside your own situation.
3. Your gut feeling is evidence to log, not the judge.

Try it this week

Write three sentences about a decision you've been avoiding, using your own name instead of "I." Then answer: what would a new owner do?

Think through the what-ifs before you move

A detective doesn't arrest the first suspect who looks guilty. They list every suspect and rule them out one by one. It takes a few extra minutes, and it can save you months.

IN THIS CHAPTER

- Start with the evidence board
- Run three scenarios
- Ask "and then what?"
- Hold a premortem
- Keep more than one suspect

Start with the evidence board

Before you think about outcomes, sort what you have into three piles.

COMMON SLIP

Treating a customer's "sounds great" as a fact. It's a statement. The fact is whether they paid.

PILE	WHAT GOES IN IT	EXAMPLE: "SHOULD I RAISE PRICES?"
Facts	Things you can show with records	Costs rose 12% this year. Two clients asked about rates last month.
Assumptions	Things you believe but haven't tested	"Most clients will leave if I raise prices."
Guesses	Hunches with no support yet	"My competitor is about to cut prices."

Run three scenarios

For every real option, write a best case, a worst case and a most likely case. Keep each one to a sentence or two. The worst case matters most: if you can survive it, the decision is safer than it feels. If you can't, you need a plan B before you start.

Ask "and then what?"

First-order thinking stops at the immediate result. Second-order thinking keeps going. Cutting prices brings more customers. And then what? You have more work at lower margin. And then what? You need to hire sooner, and your cash gets tighter. One extra question often changes the answer.

Hold a premortem

Psychologist Gary Klein's premortem flips the usual review. Imagine it's a year from now and the decision failed badly. Write down why it failed. People find risks this way that they'd never name when asked "what could go wrong?", because the failure is treated as already true.

Keep more than one suspect

Investigators call it tunnel vision: locking onto one theory and only noticing clues that fit. Owners do the same with plans they like. For any decision, keep at least two real alternatives on the board, including "do nothing," until the evidence rules them out.

Where this fits in the Dossier

This page covers the two **S** steps of [the Dossier Method](#): Sort the evidence, then run the Scenarios. Class II and Class III decisions use both. Your dossier records your shakiest assumption, three scenarios and the top premortem reason.

QUICK DRILL

Pick any option. Finish this sentence three times: "This failed because..."

THEN

For each reason, write one thing you could do now to prevent it.

CHAPTER 3 REVIEW

Key points

1. Split everything you know into facts, assumptions and guesses before deciding.
2. Run best, worst and most likely cases, then ask "and then what?" one more time.
3. A premortem, imagining the plan already failed, surfaces risks people won't name otherwise.

Try it this week

Take a plan you like. Write "This failed because..." three times, then write one thing you could do now to prevent each cause.

Don't be the yes man, even to yourself

A yes man agrees to keep the peace. A critical thinker agrees only after the idea survives questioning. Owners need to be the second kind and build a team that is too.

IN THIS CHAPTER

- Saying yes to yourself is the sneaky version
- When you're the boss, speak last
- Questions that break agreement open

Saying yes to yourself is the sneaky version

Most owners picture the yes man as an employee who flatters the boss. The more common one lives in your own head. You get excited about an idea, and your brain starts collecting reasons it will work. That's confirmation bias, and the fix is to go looking for reasons it won't.

Tools for real critical thinking

- **Steelman the other side.** State the opposing view so well that its supporters would agree with your summary. Then answer that version, not a weak one.
- **Ask "what would have to be true?"** Strategy writer Roger Martin uses this question to turn arguments into tests. For your plan to work, what has to be true about customers, costs and timing? Check the shakiest one first.
- **Assign a red team.** Ask one person, or yourself on a separate day, to attack the plan on purpose. Make it their job so it isn't personal.
- **Separate the idea from the person.** Criticize plans, never people. That keeps the room honest the next time.

When you're the boss, speak last

The moment the owner shares an opinion, most people move toward it. Ask for views before you give yours. Ask "what am I missing?" instead of "does everyone agree?" Thank the person who disagrees, especially when they turn out to be wrong, so they keep doing it.

Where this fits in the Dossier

This is step **I** of [the Dossier Method](#). It's required for every Class III decision, and those also need a second person to attack the plan. The questions below are the ones to use.

RED FLAG

A meeting where nobody disagreed is not proof of a good idea. It may be proof of a quiet room.

GREEN FLAG

Someone says, "I think this is a mistake, here's why."

Questions that break agreement open

- Q1 What's the strongest reason this will fail?
 - Q2 If a competitor did this, how would we beat them?
 - Q3 What are we assuming that we haven't checked?
 - Q4 What would make us reverse this decision in three months?
 - Q5 Who loses if we do this, and how will they react?
 - Q6 What would we do if this option were off the table?
-

CHAPTER 4 REVIEW

Key points

1. The most common yes man is in your own head. Look for reasons your plan won't work.
2. Argue against the strongest version of the other side, and ask what would have to be true for your plan to work.
3. As the owner, speak last and thank the person who disagrees.

Try it this week

In your next team meeting, ask for everyone's view before giving yours, and end with "What am I missing?"

Making the tough calls

Some decisions have no good option, only less bad ones. The goal is not to feel sure. The goal is a clear reason you can stand behind later. You can do hard things, and this page shows you how to do them well.

IN THIS CHAPTER

- First, ask what kind of door it is
- Decide before you feel fully ready
- Write it down
- Set tripwires when you decide
- Case files: common tough calls

First, ask what kind of door it is

In his 2015 letter to shareholders, Jeff Bezos split decisions into two types. **One-way doors** are hard or impossible to undo, so they deserve slow, careful thought. **Two-way doors** can be reversed if they don't work, so make them quickly and learn. Many owners treat every decision like a one-way door and stall the whole company.

Decide before you feel fully ready

Bezos also wrote that most decisions should be made with about 70% of the information you wish you had. Waiting for 90% usually means you're too slow. The what-if work is how you make 70% feel safe enough to act.

Write it down

For each big call, record the date, what you chose, why, what you expected to happen, and when you'll review it. In [the Dossier Method](#) that record is the dossier itself: **E** is making the call and setting tripwires, and **R** is grading it later on the [Decision Quality Grid](#). Judge the reasoning with what you knew then, not only the outcome. Good decisions sometimes have bad luck.

Set tripwires when you decide

A tripwire is a signal you choose in advance that forces you to rethink. "If the new service hasn't covered its costs by month four, we shut it down." Decide the tripwire while you're calm, so you don't have to argue with your own sunk costs later.

DOSSIER E · R LINES

Decision · Tripwires · Who was told · Review on · Outcome · Grid grade · Lesson

REVIEW QUESTION

Was I wrong, or just unlucky? The dossier tells you which.

[Open a dossier →](#)

Case files: common tough calls

CASE 04-A

CLASS III · ONE-WAY

Letting go of an employee who isn't working out

THIRD-PERSON VIEW

If a friend told you they'd coached this person three times with no change, what would you say?

WHAT-IFS

Best: the team improves and morale lifts.

Worst: you lose key knowledge and struggle to replace them. Likely: a hard month, then relief.

BEFORE YOU ACT

Document the coaching, plan coverage for their work, and check employment rules where you operate.

CASE 04-B

CLASS II · TWO-WAY

Raising your prices

THIRD-PERSON VIEW

Would a new owner keep prices where they are after seeing your costs?

WHAT-IFS

Best: margins improve and few clients leave. Worst: a big client walks. Likely: a few complaints, most stay.

BEFORE YOU ACT

Test with new clients first, give existing ones notice, and know which clients you'd be fine losing.

CASE 04-C

CLASS III · ONE-WAY

Saying no to a big customer

THIRD-PERSON VIEW

If this customer were 40% of someone else's revenue, would you call that business healthy?

WHAT-IFS

Best: you free time for better clients.

Worst: cash drops before you replace them. Likely: a tight quarter.

BEFORE YOU ACT

Count how many months of expenses you can cover without them. That number decides your timing.

CASE 04-D

CLASS II · TWO-WAY

Shutting down a service that loses money

THIRD-PERSON VIEW

Are you keeping it because it works, or because you built it and it feels like quitting?

WHAT-IFS

Best: you focus on what's profitable.

Worst: it was bringing in clients who bought other things. Likely: little change in total sales.

BEFORE YOU ACT

Check whether customers of this service also buy your others. That's the clue most owners miss.

CHAPTER 5 REVIEW

Key points

1. Ask first whether a decision is a one-way door or a two-way door.
2. Most decisions are made with incomplete information. Waiting for certainty is usually too slow.
3. Set tripwires when you decide, and keep a record so you can review your reasoning later.

Try it this week

Look at your open decisions. Mark each one as a one-way or two-way door, and make one two-way decision today.

Be your own consultant: advise in the third person, act in the first

You can be two people in your business. The consultant looks at it from the outside, in the third person, and writes recommendations. The owner reads them, decides in the first person and acts. Clear thinking from one, follow-through from the other.

IN THIS CHAPTER

- Why two roles work better than one
- The monthly engagement
- One recommendation, both voices
- How each role talks
- Guardrails

Why two roles work better than one

Psychologists Igor Grossmann and Ethan Kross call it **Solomon's paradox**. In three experiments with 693 people, participants reasoned more wisely about a friend's relationship conflict than about their own: they were more open to other viewpoints, to compromise and to the limits of what they knew. When people described their own situation in the third person, the gap disappeared. Their study looked at personal conflicts, but the same idea applies to a business you're too close to.

That's why outside consultants are valuable. They usually aren't smarter than the owner. They're just not tangled up in the problem. But consulting has a well-known weakness: the report ends up in a drawer because nobody acts on it. So this method has two halves, and the second half matters as much as the first.

THE CORE IDEA

The consultant thinks. The owner acts. Both are you, on purpose, at different times.

BUILDS ON

[Third Person](#) thinking and the [Dossier Method](#).

	THE CONSULTANT	THE OWNER
Speaks in	Third person: "Dana's firm is..."	First person: "I will..."

	THE CONSULTANT	THE OWNER
Job	See, diagnose, recommend	Decide, commit, act
Attitude	Curious, neutral, direct	Responsible, committed
Must not	Flatter the client or be cruel	Ignore a recommendation without answering it
Owns	The quality of the advice	The results
Dossier steps	D · O · S · S · I	E · R

■ STEP BY STEP

The monthly engagement

Treat it like a real consulting engagement: booked, structured and followed up. About an hour a month for the consultant, and as long as it takes for the owner to act.

1

Book the engagement CONSULTANT

Put it on your calendar as a meeting with your consultant. Change your setting if you can: a different room, a coffee shop, a different time of day. The physical change helps your mind change roles.

2

Write the brief in the third person CONSULTANT

Describe the business as if you were briefing a new consultant. Use your name, never "I." "Dana runs a bookkeeping firm with four clients. Revenue is flat. She says she's busy, but margins are falling."

3

Diagnose like an outsider CONSULTANT

Ask the questions a paid consultant would ask. What do the numbers say? What is the owner avoiding? What would a new owner change first? What is the owner telling themselves that isn't true? Use the [evidence board](#) to separate facts from assumptions.

4

Write the recommendation memo CONSULTANT

No more than three recommendations. For each, write what to do, why, what it costs or risks, and the first step. Real consultants keep reports short because owners act on short lists.

5

Switch roles and respond OWNER

Now read the memo as the owner. For each recommendation, answer in writing: **accept**, **change** or **reject**, with a reason. The owner keeps the final say. Rejecting with a reason is fine. Ignoring isn't.

6

Turn it into first-person commitments OWNER

Every accepted or changed recommendation becomes "I will ___ by ___." Then add an if-then plan for the moment you'll act: "If it's Monday at 9 a.m., then I set up the tool before opening email." Psychologists call these **implementation intentions**. A review of 94 studies by Peter Gollwitzer and Paschal Sheeran found they had a medium-to-large positive effect on reaching goals.

7

Report back next month BOTH

The next engagement starts with the consultant asking: "What did the owner do since last time, and what happened?" That creates accountability, even though both roles are you. Unfinished commitments either get a new date or an honest "rejected, here's why."

■ EXAMPLE

One recommendation, both voices

CONSULTANT'S MEMO

THIRD PERSON

Recommendation 1

FINDING

Dana spends about 15 hours a week on admin while turning away new clients.

RECOMMEND

Move invoicing and payment reminders to software.

WHY

Frees roughly 6 hours a week for paying work.

COST AND RISK

About \$45 a month. Risk: setup takes longer than expected.

FIRST STEP

Test one tool with two clients this week.

OWNER'S RESPONSE

FIRST PERSON

Accept, with a change

REASON

I'll test it with all four clients so I learn faster.

I WILL

Choose a tool by Monday and send every November invoice through it.

IF - THEN

If it's Monday at 9 a.m., then I set up the tool before opening email.

TRIPWIRE

If I'm not saving 4 hours a week by December 15, I drop it.

■ TOOL

The Engagement Builder

Write the consultant's side, then switch roles and answer as the owner. It turns your answers into an action plan you can copy.

ON THE WEBSITE

The Engagement Builder is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

■ LANGUAGE SWITCH

How each role talks

The words you use help you stay in the right role. If the consultant starts saying "I," or the owner starts saying "maybe someday," you've slipped.

CONSULTANT (THIRD PERSON)	OWNER (FIRST PERSON)
"Dana's numbers show..."	"I will..."
"The owner seems to be avoiding..."	"I'm doing this by..."
"A new owner would..."	"If ____ happens, then I..."
"Recommendation: ... First step: ..."	"Accept / change / reject, because..."
"What did the owner do since last time?"	"Done. Here's what happened."

Guardrails

- **The consultant isn't a yes man.** If every memo recommends what you already wanted, you aren't really switching roles. See [No Yes Man](#).
- **The consultant isn't a bully either.** Be direct about the business and respectful about the person, the way a good advisor would be.
- **The owner always answers.** Every recommendation gets accept, change or reject, with a reason. Silence is how reports end up in drawers.
- **Three recommendations, not ten.** A short list gets done. A long one gets admired.
- **Know the limits.** Being your own consultant doesn't replace an attorney, accountant or outside advisor for Class III decisions, taxes or legal questions. It does make you a much better client when you hire one.

Where this fits in the Dossier

The consultant runs the thinking steps of the [Dossier Method](#): define, outside view, sort the evidence, scenarios and interrogate. The owner runs the action steps: execute and review. When a recommendation is a big decision, the consultant opens a full [dossier](#) on it.

MONTHLY RHYTHM

Week 1: consulting session and memo.

Same week: owner responds and commits.

Weekly: if-then plans run alongside the [weekly checklist](#).

Next month: report back.

ON PAPER

The Consulting Engagement PDF has both sides on two pages.



SAY IT WELL • FROM CLEAR AT WORK

Being your own consultant is half the skill. Explaining recommendations so other people act on them is the other half.

Clear at Work's consulting section covers earning client trust and making recommendations people act on.

[Read Business consulting on Clear at Work →](#)

THE RESEARCH

What this method is based on

Distance makes reasoning wiser

Across three experiments with 693 people, participants reasoned more wisely about another person's conflicts than their own. Taking a distanced, third-person view of their own situation removed the gap. The pattern held for both younger (20–40) and older (60–80) adults.

Grossmann & Kross, 2014, *Psychological Science*

If-then plans help people follow through

A meta-analysis of 94 independent tests found that forming "if situation X, then I will do Y" plans had a medium-to-large positive effect on reaching goals compared with goals alone.

Gollwitzer & Sheeran, 2006, *Advances in Experimental Social Psychology*

Sources

CHAPTER 6 REVIEW

Key points

1. Split yourself into two roles: the consultant thinks in the third person, the owner acts in the first.
2. Limit the memo to three recommendations, and answer every one with accept, change or reject.
3. Turn every accepted recommendation into "I will... by..." with an if-then plan, and report back next month.

Try it this week

Book a one-hour engagement with yourself this month. Write the brief in the third person and end with at least one dated commitment.



PART II

Strategy & Growth

Where you're going, where you compete, and how big to get.

1. The one-page plan: where you're going and how you'll know
2. Where you compete: positioning and your real edge
3. Grow without breaking
4. Build a business worth selling, even if you never sell it

The one-page plan: where you're going and how you'll know

Good decisions need a direction to point at. Without a plan, every choice gets judged on its own and the business drifts. With one, you can ask a simple question about any decision: does this move us toward the plan or away from it?

IN THIS CHAPTER

- Why one page
- The four layers
- Write the vision with the end in mind
- Pick fewer priorities than you want
- Build a scorecard of leading numbers

Why one page

Long business plans get written once and never opened again. A plan that fits on one page gets read, shared and used. Several well-known operating systems for small companies, including Gino Wickman's *Traction* and Verne Harnish's *Scaling Up*, are built around the same idea: a short written vision, a few priorities at a time, and a handful of numbers checked every week.

The four layers

The plan works from far away to close up. Each layer is shorter-term and more specific than the one above it.

PLAN RULE

If it doesn't fit on one page, you haven't decided what matters yet.

DOSSIER LINK

Each quarterly priority is a decision. Big ones get a [dossier](#).

3–5 yrs

Vision

What the business will be, who it serves and roughly how big. A few sentences.

1 yr

Annual goals

Three to five measurable results for this year: revenue, profit, clients, capacity.

90 days

Priorities

No more than three to five projects that move the annual goals forward. Each has one owner and a due date.

Weekly

Scorecard

Five to ten numbers, each with a target, checked every week. They show whether you're on track before the quarter ends.

Write the vision with the end in mind

Good vision statements are specific enough to say no to things. "Be the best bookkeeping firm" can't guide a decision. "Serve 40 small service businesses in our region on monthly plans, with a team of five, at a 25% profit margin" can. It also tells you what the business is not: not tax-only, not national, not cheap.

Pick fewer priorities than you want

Every owner wants ten priorities. Teams that try ten finish few of them. Choose the three to five that matter most this quarter and put the rest on a written "not now" list, so they aren't forgotten and also aren't distracting.

Build a scorecard of leading numbers

Revenue and profit tell you what already happened. Leading numbers warn you earlier: new inquiries, proposals sent, close rate, client hours delivered, invoices overdue, cash on hand. Pick the five to ten that best predict your results, give each a weekly target, and review them in your weekly meeting. See [Meetings & Reviews](#).

Run the plan on a rhythm

- **Weekly:** review the scorecard and priorities. Is each one on track or off track?
- **Quarterly:** grade the last 90 days, set the next three to five priorities.
- **Yearly:** revisit the vision and set new annual goals.

EXAMPLE SCORECARD

New inquiries: 8/wk

Proposals sent: 3/wk

Close rate: 40%

Invoices 30+ days late: 0

Cash runway: 4+ months

Billable hours: 120/wk

Plan like a consultant, commit like an owner

CONSULTANT

Write the first draft in the third person during your monthly engagement: "In three years, Dana's firm should..." It's easier to be ambitious and honest about someone else's business.

REALITY CHECK

Every annual goal gets the Dollar Test. If you can't say how it shows up in the bottom line, it's a wish, not a goal.

TIGHT SHIP

The scorecard is your weekly radar. When a number misses its target two weeks in a row, that's a drift to investigate, not a mood.

DETECTIVE

At each quarterly review, ask what the evidence says about the plan itself. Plans are theories. Keep the ones the numbers support.

■ TOOL

One-Page Plan builder

Fill it in, then copy the finished plan into a document or print it.

ON THE WEBSITE

One-Page Plan builder is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

CHAPTER 7 REVIEW

Key points

1. A plan that fits on one page gets used. Work from vision to annual goals to quarterly priorities to a weekly scorecard.
2. Choose three to five priorities per quarter and put everything else on a "not now" list.
3. Leading numbers on a weekly scorecard warn you before results arrive.

Try it this week

Write your one-page plan. Start with a vision specific enough to say no to things, and a scorecard of five numbers with weekly targets.

Where you compete: positioning and your real edge

Customers have choices. Positioning is the honest answer to one question: why should the right customer pick you over every other option, including doing nothing? If you can't answer it clearly, neither can they.

IN THIS CHAPTER

- Positioning is a choice about who you're not for
- Find the overlap
- Change the comparison
- Write your position statement
- Signs your positioning is too broad

Positioning is a choice about who you're not for

In *Positioning*, Al Ries and Jack Trout argued that the battle for customers happens in the customer's mind, and that the clearest, simplest position usually wins. For a small business, that means narrowing down: a specific type of client, a specific problem, a specific way of solving it. "Bookkeeping for everyone" is invisible. "Monthly bookkeeping for small service businesses, with a report you can actually read" is memorable.

Narrowing feels risky because it seems to turn customers away. In practice, it makes you the obvious choice for the customers who matter most, and it makes your marketing, pricing and hiring easier.

Find the overlap

Jim Collins's *Good to Great* describes companies that focused on the overlap of three things. In small-business terms:

- **What you can be among the best at** in your market, not just good at.
- **What people will pay well for**, with a profit margin that works.
- **What you and your team care about**, because you'll be doing it for years.

Work that hits all three is your core. Work that hits only one or two is a distraction, however tempting the revenue.

POSITION TEST

Can a client explain what you do, and who it's for, in one sentence to a friend? If not, simplify.

SEE ALSO

[Your Offer](#) turns your position into something people buy.

■ STAND OUT ON PURPOSE

Change the comparison

W. Chan Kim and Renée Mauborgne's *Blue Ocean Strategy* suggests competing by changing what customers compare, instead of trying to beat rivals on the same features. They use four questions. Here they are applied to a small service business:

QUESTION	ASK YOURSELF	EXAMPLE: A BOOKKEEPING FIRM
Eliminate	What does the industry offer that customers don't really value?	Long annual engagement letters and hourly billing
Reduce	What could be well below the industry standard?	In-person meetings, replaced by a 15-minute monthly video call
Raise	What should be well above the standard?	Speed: books closed by the 10th, every month
Create	What could you offer that nobody in your market does?	A one-page plain-English report with three things to act on

Investigate your edge before you advertise it

DETECTIVE

Every owner believes they have an edge. Treat it as a claim, not a fact. What evidence do you have? Repeat clients, referrals, win rate, what clients say when you ask why they chose you.

SORT THE EVIDENCE

Put each claimed advantage on the evidence board. "Clients love our service" is an assumption. "80% of clients renewed last year" is a fact.

NO YES MAN

Ask three clients and one lost prospect why they chose you, or didn't. Listen for the real reason, not the polite one. See No Yes Man.

REALITY CHECK

An edge only counts if customers will pay for it. If your advantage doesn't show up in price, win rate or retention, it's a preference, not an edge.

Write your position statement

Use this simple form and keep rewriting it until it's true and clear:

Then test it. Use it on your website, in proposals and in conversations for a month. Watch whether the right clients respond, and whether the wrong ones stop showing up. That's the evidence.

Signs your positioning is too broad

- You compete on price in most deals.
- Clients can't explain what you do to a friend.
- Your clients are so different that every job feels new.
- Your marketing tries to speak to everyone and connects with no one.

CONSULTANT PROMPT

In your monthly [engagement](#), have the consultant ask: "If Dana's firm could only serve one type of client, which one, and why?"



SAY IT WELL · FROM CLEAR AT WORK

"A good work email can be understood from the subject line and first sentence alone."

The same rule applies to your position: it should land in one sentence. Clear at Work's business writing guide covers getting to the point.

[Read Business writing on Clear at Work →](#)

CHAPTER 8 REVIEW

Key points

1. Positioning is the honest answer to why the right customer should pick you, including over doing nothing.
2. Focus on the overlap of what you can be among the best at, what pays well and what you care about.
3. Treat your claimed edge as a theory and check the evidence before you advertise it.

Try it this week

Write your position statement using the template, then ask three clients and one lost prospect why they chose you, or didn't.

Grow without breaking

Growth feels like the goal, but growth done carelessly breaks businesses that were doing fine. More clients mean more cash tied up, more people to manage and more chances for things to slip. The question isn't whether to grow. It's whether the business is ready for the next size. Done right, growth is one of the most rewarding stages a business goes through.

IN THIS CHAPTER

- Growing vs. scaling
- Growth eats cash
- What breaks as you grow
- Signs you're ready to grow
- Signs you should fix things first

Growing vs. scaling

Growing means revenue goes up and costs go up with it. Scaling means revenue goes up faster than costs, so each new dollar of sales is more profitable than the last. A business that only grows gets bigger and busier but not better off. Systems, pricing and the right technology are what turn growth into scaling.

Growth eats cash

This surprises a lot of profitable owners. When sales rise, you usually pay for the extra work, like staff, supplies and software, before clients pay you. The faster you grow and the slower clients pay, the more cash the gap swallows. A business can be growing, profitable and out of money at the same time. The calculator on the website estimates how much cash your growth will tie up.

What breaks as you grow

GROWTH RULE

Only grow as fast as your cash, systems and people can handle.

PLAN LINK

Put growth targets in your [one-page plan](#), with tripwires.

AS YOU GROW...	WHAT TENDS TO BREAK	WHAT TO BUILD FIRST
Solo to first hires	The owner is the bottleneck for everything	Written procedures and a hiring process
A small team	Communication and consistency: everyone does it differently	Systems , a weekly meeting , a scorecard
A team with managers	The owner loses sight of the details, and quality slips	Managers trained to coach, clear decision rights, a healthy culture
At every stage	Cash: growth needs more of it than expected	A cash forecast, credit lined up early, faster invoicing

ON THE WEBSITE

How much cash will growth tie up? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

How it's worked out: $\text{extra revenue} \times (\text{days to get paid} \div 30)$, plus new monthly costs $\times$ months before the new revenue arrives. It's a rough planning number. Use a full [cash forecast](#) for the real decision.

THE BBG TAKE

Treat growth as a Class III decision

DOSSIER

A big growth move, like a new location, a large hire or a major client, is hard to undo. Open a dossier and run the full seven steps.

TRIPWIRES

Set them before you start: "If runway drops below three months, we pause hiring." Growth momentum makes it hard to stop later.

WHAT-IFS

Run the worst case: the new revenue comes six months late. Can the business survive the cash gap? If not, grow in smaller steps.

TIGHT SHIP

Growth hides drift. When everyone is busy, small slips go unnoticed. Keep the weekly checklist going, especially when it feels too busy for it.

Signs you're ready to grow

- Your core work runs on written procedures, not memory.
- You have at least a few months of cash runway, plus credit you haven't used.
- Your current clients are well served, and retention is strong.
- Your margins are healthy, so growth will add profit, not just work.
- Someone besides you can handle day-to-day operations.

Signs you should fix things first

- Quality is already slipping or clients are complaining.
- You're the bottleneck for most decisions. See [Protect the Owner](#).
- Cash is tight even at the current size.
- Your best people are already stretched thin.

GROW IN STEPS

Add capacity one step at a time, prove it works, then take the next step. It's the same phased approach as the [pivot timeline](#).

CHAPTER 9 REVIEW

Key points

1. Growing adds revenue and costs together. Scaling grows revenue faster than costs.
2. Growth ties up cash, because you pay for capacity before clients pay you.
3. Treat big growth moves as Class III decisions, with runway tripwires set before you start.

Try it this week

Estimate how much cash your next growth step would tie up, and set one tripwire that would pause it.

Build a business worth selling, even if you never sell it

The things that make a business valuable to a buyer are the same things that make it easier to own: it runs without you, earns reliably and has clean books. Build for that, and you have choices later, whether you sell, pass it on or keep it.

IN THIS CHAPTER

- A job you own, or a business?
- What makes a business valuable
- Ways an owner eventually steps away

A job you own, or a business?

Michael Gerber's *The E-Myth Revisited* makes a sharp point: many small-business owners haven't built a business at all. They've built a job they can't quit. If everything depends on the owner, there's little to sell, because the value walks out the door when the owner does.

John Warrillow's *Built to Sell* tells the story of a service-business owner who turns his company into something sellable by standardizing what it sells, documenting how it's done and stepping out of daily operations. The lesson applies whether or not you ever plan to sell.

What makes a business valuable

- **It doesn't depend on the owner.** Clients, processes and decisions don't all run through one person.
- **Revenue is predictable.** Monthly plans, contracts and repeat clients are worth more than one-time projects.
- **No single client dominates.** See concentration risk on [Clients & Pricing](#).
- **The work is documented.** A new owner can see how things are done. See [Systems](#).
- **The books are clean and trustworthy.** Buyers and lenders want records they can verify.
- **Profit is healthy and growing.** Small businesses are often valued as a multiple of the owner's earnings, and the multiple depends heavily on the points above.

OWNER TEST

If you disappeared for three months, would the business still be worth the same when you came back?

RELATED

The [vacation test](#) is the small version of this question.

ON THE WEBSITE

How sellable is your business today? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

■ YOUR OPTIONS

Ways an owner eventually steps away

OPTION

Sell to an outside buyer

GOOD WHEN

The business runs without you and has clean, steady profits.

PREPARE

Two or more years of clean books, documented systems, reduced owner dependence.

OPTION

Pass to family or employees

GOOD WHEN

Someone inside is ready and wants to lead.

PREPARE

Years of gradual handover, training, and a clear plan for how ownership transfers and gets paid for.

OPTION

Keep it and step back

GOOD WHEN

It produces income you want without needing you daily.

PREPARE

A trusted manager, strong systems, and the scorecard and reviews to oversee from a distance.

OPTION

Close it well

GOOD WHEN

The business can't be sold or no longer makes sense.

PREPARE

Finish client commitments, give fair notice, settle debts and taxes properly, protect your reputation.

THE BBG TAKE

Look at your business the way a buyer would

CONSULTANT

Once a year, run your consulting engagement as a buyer doing due diligence: "Would anyone pay for Dana's firm without Dana?"

DETECTIVE

Buyers investigate. They check every claim against the records. Do it first, so you find the weak spots while you still have time to fix them.

TIGHT SHIP

Clean monthly books, written procedures and a weekly scorecard are tight-ship habits, and they're exactly what makes a business valuable.

DOSSIER

Selling or closing is the ultimate Class III decision. Open a dossier years ahead, and get an attorney, accountant and valuation professional involved.

General education only. Selling, transferring or closing a business has legal and tax consequences. Work with an attorney, an accountant and a qualified business valuation professional.

CHAPTER 10 REVIEW

Key points

1. What makes a business valuable to a buyer also makes it easier to own: it runs without you.
2. Recurring revenue, diversified clients, documented systems and clean books raise value.
3. Plan any exit years ahead, with an attorney, accountant and valuation professional.

Try it this week

Take the sellability check. Pick the weakest item and make it one of next quarter's priorities.



PART III

Customers

What you sell, how you sell it, and how you keep the people who buy.

1. Your offer: what customers actually buy
2. A simple sales process: investigate, then propose
3. Clients and pricing: who you serve and what you charge
4. Keep your clients: the cheapest growth there is

Your offer: what customers actually buy

Customers don't buy your hours, your tools or your process. They buy a result. Your offer is how you package that result so the right customer understands it, trusts it and finds it worth the price.

IN THIS CHAPTER

- Sell the result, not the work
- What makes an offer valuable
- Make the client the hero
- Ways to strengthen an offer
- Guarantees, honestly

Sell the result, not the work

"Monthly bookkeeping, 10 hours" describes your work. "Know exactly where your money went by the 10th of every month, so you can make decisions with confidence" describes the client's result. The second is easier to understand and easier to pay for, because it answers the question every client is really asking: what changes for me?

What makes an offer valuable

Alex Hormozi's *\$100M Offers* frames value around four things the customer cares about. In plain terms:

- **How big the result is.** The more it matters to them, the more it's worth.
- **How likely it is to work.** Proof, guarantees and a track record raise this.
- **How fast they get it.** Results sooner are worth more than results later.
- **How much effort it takes from them.** The less they have to do, the better.

You raise an offer's value by increasing the first two and reducing the last two, not by cutting the price.

Make the client the hero

Donald Miller's *Building a StoryBrand* points out that businesses often talk about themselves when clients want to hear about their own problem. In your marketing, the client is the hero with a problem. You're the guide with a plan. Lead with their situation, show you understand it, then show the simple path you offer.

OFFER TEST

Can a client say, in one sentence, what they'll have after working with you that they don't have now?

BUILT ON

Your [position](#): who it's for and why you.



SAY IT WELL · FROM CLEAR AT WORK

"Persuasion principles work because they are mental shortcuts people use to make decisions quickly."

A strong offer still needs the right words. Clear at Work explains the research on what makes people say yes, and how to use it honestly.

[Read Getting to yes on Clear at Work →](#)

ON THE WEBSITE

How strong is your offer? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Ways to strengthen an offer

- **Raise belief:** case examples, client results, a clear process, a guarantee you can afford to honor.
- **Speed it up:** a quick first win in week one, before the full result arrives.
- **Remove effort:** do the setup for them, simplify what they have to send you, handle the follow-up.
- **Package it:** two or three clear options at set prices beat a custom quote every time.
- **Name it:** a named package is easier to remember and refer than "our services."

Guarantees, honestly

A guarantee lowers the customer's risk, which makes it easier to say yes. But only promise what you control and can afford to stand behind. A guarantee you can't honor costs you money and reputation.

PRICING LINK

A stronger offer supports a higher price. Set the floor first on [Clients & Pricing](#).

Test the offer like a theory

DETECTIVE

Your offer is a theory about what customers want. The evidence is what they buy, not what they say. Track inquiries, close rate and renewals for each version.

REALITY CHECK

A great-sounding offer still has to pay. Check that each package clears your price floor with the Dollar Test.

NO YES MAN

Ask clients what almost stopped them from buying. That answer shows you where belief or effort is the weak point.

TIGHT SHIP

Overpromising is a slip that becomes normal. Promise what the team can deliver every time, then deliver it every time.

CHAPTER 11 REVIEW

Key points

1. Customers buy a result, not your hours or process.
2. An offer is worth more when the result is bigger, more believable, faster and easier for the customer.
3. Test your offer like a theory: watch what customers buy, not what they say.

Try it this week

Rewrite your main offer as one sentence about the client's result, and score it on the five factors.

A simple sales process: investigate, then propose

Many owners hate selling because they picture pushing people into things. Good selling is the opposite. It's investigating whether you can actually help someone, and if you can, making it easy for them to say yes. If you can ask good questions, you can sell.

IN THIS CHAPTER

- Sales is detective work
- Ask about the past, not opinions
- The five-stage pipeline
- Follow up like a tight ship
- Handling objections

Sales is detective work

A detective doesn't decide who's guilty and then look for clues. A good salesperson doesn't decide what to sell and then push it. They ask questions until they understand the problem, what it's costing, and whether they're the right fit. Neil Rackham's research for *SPIN Selling* found that in larger sales, the most successful salespeople asked more questions about the buyer's problems, what those problems were costing and why solving them mattered, rather than leading with their product.

Ask about the past, not opinions

Rob Fitzpatrick's *The Mom Test* warns that people will politely say they love your idea. Opinions are cheap. Facts about what they actually did are evidence. Instead of "Would you use this?", ask "When did this last cause you a problem? What did you do about it? What did that cost you?"

SALES RULE

Talk less than half the time in a first meeting. Questions first, solutions later.

SORT THE EVIDENCE

Opinions are assumptions. Past behavior is fact. See [What-If First](#).

■ IN ORDER

The five-stage pipeline

1 Lead

Someone
who
might
need
you: a
referral,
inquiry
or
contact.
Write
down
where
each
one
came
from.

2 Discovery

A
conversation
to
learn
their
problem,
what it
costs
and
who
decides.
Decide
together
if
you're
a fit.

3 Proposal

A
short
written
offer
built
from
their
own
words:
the
problem,
the
result,
the
price
and
the
next
step.

4 Decision

Follow
up on
a set
schedule.
Answer
concerns
honestly.
A clear
"no" is
better
than a
maybe
that
drags
on.

5 Onboarding

The
sale
isn't
done
until
the
client
gets a
first
win.
See
[Keep
Your
Clients.](#)

DISCOVERY QUESTION

WHAT IT UNCOVERS

"Walk me through how you handle this today."

Their current situation, in facts

"When did that last go wrong? What happened?"

The real problem, from past behavior

"What has that cost you, in time or money?"

How much solving it is worth

"What have you already tried?"

What didn't work, and why

"If this were solved, what would be different for you?"

The result they're really buying

"Who else is involved in deciding?"

Who has to say yes



SAY IT WELL · FROM CLEAR AT WORK

"Follow-ups signal that you're listening and interested."

Good discovery runs on follow-up questions. Clear at Work's sales communication section covers discovery, recommending without pressure, objections and follow-up.

[Read Sales communication on Clear at Work →](#)

ON THE WEBSITE

How many leads do you need? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Follow up like a tight ship

Most lost sales aren't lost to a competitor. They fade away because nobody followed up. Put every open proposal in a simple list with a next follow-up date, and check it in your [weekly checklist](#). A polite, scheduled follow-up isn't pushy. It's professional.

Handling objections

Treat an objection as new evidence, not an attack. Ask a question before you answer it: "What makes you say that?" Often the stated objection, usually price, isn't the real one. Sometimes the honest answer is that you're not the right fit, and saying so builds trust and referrals.

Write proposals in their words

The best proposals repeat the client's own description of the problem and the result they want, then show the plan and the price. Keep it to one or two pages. If you need more, the discovery wasn't finished.

SCORECARD NUMBERS

Leads per week, discovery calls, proposals sent and close rate belong on your [weekly scorecard](#).

HOW TO SAY IT

[Clear at Work](#) covers what makes people say yes.

Sell like a detective, follow up like a tight ship

DETECTIVE

Go into every discovery call to find the truth, not to win. You'll lose a few deals you shouldn't have taken, and win more of the right ones.

NO YES MAN

Don't nod along to a bad fit because you want the revenue. A client you can't serve well costs more than they pay.

REALITY CHECK

Run the sales math before you set a revenue goal. If the goal needs more leads than you've ever had, the plan needs a marketing priority, not hope.

CONSULTANT

Review lost deals in your monthly engagement, in the third person: "Why did Dana lose the last three proposals?"

CHAPTER 12 REVIEW

Key points

1. Good selling is investigating whether you can help, not pushing.
2. Ask about past behavior and real costs, not opinions about the future.
3. Most lost sales fade from lack of follow-up. Track every open proposal with a next date.

Try it this week

Run your sales math backward from a revenue goal, then list every open proposal with a follow-up date.

Clients and pricing: who you serve and what you charge

Not every client is good for your business, and the lowest price is rarely the smartest one. The right clients at the right price make everything else easier.

IN THIS CHAPTER

- Know your floor before you set a price
- Three ways to price
- Don't compete on being the cheapest
- Raise prices on a schedule
- Stop scope creep before it starts

Know your floor before you set a price

Your price floor is the lowest price where a job still makes sense. Work it out from the real cost of doing the work, including your time at a fair hourly value, plus your share of overhead, plus the profit margin you need. Anything below the floor is a donation, not a sale.

Three ways to price

- **Cost-plus:** your cost plus a markup. Simple and safe, but it ignores what the work is worth to the client.
- **Market-based:** what others charge for similar work. Useful as a check, but copying competitors puts you in a race to the bottom.
- **Value-based:** priced on the result the client gets. Harder to set, but it's how experienced service businesses earn strong margins. If your work saves a client \$20,000, a \$3,000 fee is easy to justify.

Most owners start with cost-plus to find the floor, check the market, then move toward value-based as they get confident.

Don't compete on being the cheapest

There's always someone willing to charge less. Clients who choose you only for price will leave for the next lower price. Compete on reliability, speed, expertise and how easy you are to work with. Those are harder to copy.

Raise prices on a schedule

Your costs rise every year. If your prices don't, your margin shrinks quietly. Review prices at least once a year, give existing clients clear notice, and expect a few to leave. That's often the clients you were losing money on anyway.

PRICE FLOOR

Direct cost + your time + overhead share + target margin.

REALITY CHECK

Run new prices through the [Dollar Test](#). A price change is usually a Class II decision in the [Dossier Method](#).

ON THE WEBSITE

Keep, fix or let go? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Stop scope creep before it starts

Scope creep is the slow addition of "one more small thing" until a profitable job becomes a losing one. The fix is a tight-ship habit: write down what's included before work starts, and treat anything outside it as a change with its own price and timeline. Clients usually respect clear boundaries more than you'd expect.

Handling difficult clients

- **Set expectations at the start.** Response times, what's included, how payment works. Most conflicts come from expectations nobody said out loud.
- **Put important things in writing.** A short follow-up email after every key conversation protects both sides.
- **Respond to the problem, not the tone.** Stay calm and specific. You're the professional in the room.
- **Investigate before you react.** Like a detective, ask what's really behind the complaint. Sometimes it's your mistake, sometimes it's pressure on their side.

Watch your concentration risk

If one client brings in a large share of your revenue, they effectively control your business. Losing them could put you under, and they know they have leverage on price. Many advisors get uneasy once a single client passes about a quarter of revenue. If you're there, make growing other clients a priority.

How to let a client go

Sometimes the best business decision is ending a relationship. Do it professionally: finish what you promised, give fair notice, hand over their files cleanly, and if you can, recommend someone who'd be a better fit. Leaving on good terms protects your reputation. For the wording, see [Clear at Work](#).

SCOPE LINE FOR PROPOSALS

"This includes _____. Anything outside this list is quoted separately before we start it."

DOSSIER LINK

Dropping a major client is a Class III decision. Open a [dossier](#) first.



SAY IT WELL • FROM CLEAR AT WORK

"Your reader can't hear your voice"

Most client follow-ups happen in writing, where tone is easy to misread. Clear at Work shows how to keep emails firm and friendly at the same time.

[Read Tone in email on Clear at Work →](#)

CHAPTER 13 REVIEW

Key points

1. Know your price floor before you set any price.
2. Compete on reliability and results, not on being the cheapest.
3. Watch concentration risk, and stop scope creep with written agreements.

Try it this week

Score your two largest clients on the client scorecard, and work out the price floor for your main service.

Keep your clients: the cheapest growth there is

Every new client costs you time and money to find, pitch and set up. A client who stays costs none of that again, and often buys more and refers others. Keeping clients is usually the most profitable growth a small business has.

IN THIS CHAPTER

- Losing clients is a quiet leak
- The first 90 days decide a lot
- Service and hospitality
- Habits that keep clients

Losing clients is a quiet leak

Owners notice a lost deal. They rarely notice a lost client, because it happens slowly: a missed follow-up, a small mistake nobody fixed, a renewal that just didn't happen. Each one feels small. Together, they mean the business has to keep running just to stay in place. The calculator on the website shows what that leak costs.

The first 90 days decide a lot

New clients are watching to see whether you'll do what you said. A clear onboarding sets the tone: a welcome that explains what happens next, a quick first win, a check-in after the first month, and one named person they can reach.

Service and hospitality

Restaurateur Danny Meyer's *Setting the Table* separates service, which is getting the work right, from hospitality, which is how the client feels while you do it. Clients expect the first. The second is why they stay and tell their friends. See [Tight Ship](#) for running strict systems behind a warm experience.

RETENTION RULE

Never let a client find a problem before you tell them about it.

SCORECARD

Track clients lost per quarter and renewals on your [weekly scorecard](#).

ON THE WEBSITE

What do lost clients cost you? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Revenue lost assumes each lost client would have stayed another 12 months. It's an estimate to show the size of the leak.

Habits that keep clients

- **Check in before renewal, not at it.** A short call every quarter: "What's working? What would you change?"
- **Report the value.** Clients forget what you do for them. Show the result regularly, in a sentence or a number.
- **Treat complaints as a gift.** Most unhappy clients don't complain. They just leave. The ones who tell you are giving you a chance to fix it.
- **Fix mistakes fast and say so first.** See the mistake playbook on [Crisis Mode](#).
- **Ask why people leave.** A five-minute exit conversation is some of the best evidence you'll ever get.
- **Ask for referrals at the high point,** right after a client gets a clear win.

NOT EVERY CLIENT SHOULD STAY

Some clients cost more than they pay. Use the [client scorecard](#) to tell the difference.



SAY IT WELL · FROM CLEAR AT WORK

"Clients and colleagues decide fast. Make the first minute count."

Onboarding, check-ins and renewals are all conversations. Clear at Work's foundations cover listening and first impressions.

[Read Communication foundations on Clear at Work →](#)

Every lost client is a case to close

DETECTIVE

When a client leaves, investigate. What were the first warning signs? When could you have caught it? Write it down, like the crisis review.

TIGHT SHIP

Losing clients slowly is drift. Put "every client message answered" and "quarterly check-ins done" on the weekly checklist.

REALITY CHECK

Run the numbers. When owners see what the leak costs each year, retention moves from "nice to have" to a top priority.

TRIPWIRE

"If any client goes 60 days without hearing from us, the account owner calls them this week."

CHAPTER 14 REVIEW

Key points

1. Keeping a client is usually cheaper than finding a new one.
2. The first 90 days set the tone: a clear onboarding, a quick first win and a named contact.
3. Treat every lost client as a case to investigate, and complaints as a chance to fix things.

Try it this week

Calculate what lost clients cost you last year, and schedule a check-in with any client you haven't spoken to in 60 days.



PART IV

Money

Everything goes back to a dollar.

1. Get out of fantasy land. Everything goes back to a dollar.
2. Cash flow and the numbers that keep you alive
3. Pay yourself and protect profit on purpose

Get out of fantasy land. Everything goes back to a dollar.

A business doesn't run on hopes, likes or how good an idea feels. It runs on cash. If something doesn't help your bottom line, directly or indirectly, it isn't for you. That isn't cynical. It's how you protect the business you're working so hard to build.

IN THIS CHAPTER

- Why owners end up in fantasy land
- Revenue, profit and cash are not the same thing
- The Dollar Test
- Your time has a price
- Indirect dollars still count

Why owners end up in fantasy land

It isn't stupidity. It's how people are wired. Psychologists Daniel Kahneman and Amos Tversky described the **planning fallacy**: people consistently expect their own projects to take less time and cost less than they really will, even when they've seen similar projects run over. Add excitement about your own idea, and the forecast drifts further from reality.

Fantasy land sounds like "we'll have 50 clients by summer," "this tool will save us tons of time," or "everyone loves the idea." None of those are lies. They're just untested. Realistic thinking means turning every one of them into a number you can check.

Revenue, profit and cash are not the same thing

An old business saying puts it well: revenue is vanity, profit is sanity, cash is reality. Busy isn't the same as profitable, and profitable isn't the same as having money in the bank. Plenty of businesses with growing sales have run out of cash because clients paid slowly while bills came due on time.

REALITY RULE

Assume it will take longer, cost more and bring in less than you hope. If the plan still works, it's a good plan.

DOSSIER LINK

This is the **0 step**: check the base rate before you trust your own forecast.

FANTASY LAND	REALITY CHECK
"Revenue is up 40%!"	What happened to profit? What happened to cash?
"We're so busy."	Which of these jobs actually make money after your time is counted?
"Everyone loves our idea."	How many people have paid for it?
"This software will save us time."	How many hours, worth how much, compared with what it costs?
"We got 2,000 likes on that post."	How many inquiries and sales came from it?
"We'll land 50 clients by summer."	How many did we land last quarter, and what's changing?
"That big client is great for us."	What's our margin on them, and what happens if they leave?

\$ THE CORE TEST

The Dollar Test

Before you spend money, spend time, take a client or start a project, ask four questions. If you can't answer them, you're still in fantasy land.

- 01 **How does this make or save money?** Directly (new sales, lower costs) or indirectly (keeps clients, keeps staff, avoids a fine). Name it.
- 02 **How much, and by when?** A real number and a real date. "Eventually" is not a date.
- 03 **What does it really cost?** The price, plus the time it takes, plus what it costs to maintain.
- 04 **How will I know if it worked?** Pick the measure now. If you can't measure it, set a tripwire to drop it.

ON THE WEBSITE

Does it pay? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Your time has a price

Owners often treat their own time as free. It isn't. If your best work earns \$75 an hour and you spend five hours a week on tasks someone else could do for \$20 an hour, that's a real cost, even if no money changes hands. Put a dollar value on your hour and use it in every decision.

Indirect dollars still count

"If it doesn't help the bottom line, it's not for you" is the right rule, as long as you count all the dollars. Some of the most important spending never shows up as revenue this month:

- **Keeping good people.** Losing an employee means recruiting, training and lost work while the seat is empty. Fair pay and decent treatment are cheaper than turnover.
- **Training.** Mistakes, rework and slow work all cost money. Training is often the cheapest fix.
- **Compliance and taxes.** Fines, penalties and audits are dollars too. Cutting corners here is borrowing from your future at a terrible rate.
- **Reputation and integrity.** One client who feels cheated tells others. Trust takes years to build and one bad decision to lose.

For these, flip the question: *what will it cost me if I don't?* Put a number on that, and the dollar test works for them too.

What realistic owners cut

- Clients who cost more in time and stress than they pay.
- Services that lose money and don't lead to other sales.
- Subscriptions and tools nobody has opened in a month.
- Marketing that gets attention but no inquiries.
- Projects with no measure of success and no end date.

Each of these is worth a [dossier](#) if cutting it is a Class II or III decision. And when you cut something that affects people, how you say it matters. See [Clear at Work](#).

FLIP QUESTION

Not sure if something is worth it? Ask: "What does it cost me if I stop?" If the answer is nothing, stop.

NEVER ON THE CUT LIST

Paying people what you promised, paying taxes on time, and telling clients the truth. Those are the most expensive corners to cut.

CHAPTER 15 REVIEW

Key points

1. Revenue is vanity, profit is sanity, cash is reality.
2. Run the Dollar Test before spending money or time: how it pays, how much, the real cost, and how you'll know.
3. Count indirect dollars, like turnover and compliance, by asking what it costs if you don't.

Try it this week

Run one planned purchase or project through the Dollar Test and the payback math.

Cash flow and the numbers that keep you alive

Profitable businesses go under every year because they run out of cash. Knowing your numbers isn't paperwork. It's how you see trouble coming months before it arrives. The good news: you don't need to be an accountant to read the warning signs.

IN THIS CHAPTER

- Profit and cash are different things
- What each financial statement tells you
- Five numbers every owner should know
- The monthly close: a tight-ship routine
- Forecast cash, don't just record it

Profit and cash are different things

Most businesses record income when the work is billed, not when the money arrives. That's called accrual accounting, and it gives a truer picture of how the business performs. But it means your income statement can show a strong profit while your bank account is nearly empty, because clients haven't paid yet and your bills came due anyway.

This is why owners need to watch both: **profit** tells you whether the business model works, and **cash** tells you whether you'll survive long enough for it to matter.

REALITY RULE

You can't pay payroll with profit. You pay it with cash.

SEE ALSO

The [Reality Check](#) page: revenue is vanity, profit is sanity, cash is reality.

■ THE THREE REPORTS

What each financial statement tells you

You don't need to be an accountant to read your own reports. You need to know which question each one answers.

INCOME STATEMENT

Did we make money?

Also called the profit and loss (P&L). Revenue minus expenses over a period, like a month. Compare each month with the last one and with the same month last year.

BALANCE SHEET

What do we own and owe?

A snapshot on one day: cash, money owed to you, equipment, what you owe others, and what's left for the owner. It shows whether the business is getting stronger or weaker over time.

CASH FLOW STATEMENT

Where did the cash go?

How cash came in and went out: from running the business, from buying equipment, and from loans or owner money. It explains why profit and the bank balance don't match.

■ WATCH THESE

Five numbers every owner should know

NUMBER	HOW TO WORK IT OUT	WHAT IT TELLS YOU
Runway	Cash on hand ÷ monthly expenses	How many months you could survive with no new money coming in.
Gross margin	(Revenue – direct costs of the work) ÷ revenue	How much of each dollar is left after doing the work, before overhead.
Net margin	Net profit ÷ revenue	How much of each dollar you actually keep.
Days to get paid	(Money owed to you ÷ monthly revenue) × 30	Roughly how long clients take to pay you. Accountants call this days sales outstanding.
Current ratio	Current assets ÷ current liabilities	Whether you can cover the bills due within a year. Below 1 is a warning sign.

ON THE WEBSITE

Runway and collections check is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

The monthly close: a tight-ship routine

Once a month, within the first week or two, close the books and review them. This is the single most useful financial habit an owner can build.

1. Record every transaction for the month and match receipts.
2. Reconcile every bank and credit card account to the statement.
3. Review who owes you money and how long they've owed it.
4. Review what you owe and when it's due.
5. Compare this month's income statement with last month and last year.
6. Check margin by type of work or client.
7. Update your cash forecast for the next three months.

Forecast cash, don't just record it

Your books tell you what already happened. A cash forecast tells you what's coming. List the cash you expect to come in and go out week by week for the next 13 weeks, about one quarter. Many finance teams use this rolling 13-week view because it's far enough ahead to act and close enough to be accurate. When the forecast shows a dip, you have weeks to fix it instead of days.

Habits that protect your cash

- **Keep business and personal money separate.** Separate accounts, separate cards. Mixing them makes your numbers meaningless.
- **Invoice the day the work is done.** Every day you wait is a day added to when you get paid.
- **Set aside money for taxes as it comes in.** Move a share of each payment into a separate account so tax bills never become a crisis. A tax professional can tell you the right share for your situation.
- **Build a cash cushion.** Many advisors suggest keeping several months of expenses in reserve. Decide your number and treat it as a tripwire.
- **Get credit before you need it.** Banks lend more easily to businesses that don't need the money yet.

TRIPWIRE IDEAS

Runway below 3 months → cut nonessential spending.
Days to get paid above 45 → tighten payment terms.
Any client 60+ days late → pause new work for them.

DOSSIER LINK

Use these numbers in the S step of every [dossier](#). They're facts, not assumptions.

General education only. For tax or accounting decisions about your business, talk to a qualified professional.

CHAPTER 16 REVIEW

Key points

1. Profit and cash are different. You pay bills with cash.
2. Know your runway, margins, days to get paid and current ratio.
3. Close the books monthly and forecast cash for the next 13 weeks.

Try it this week

Calculate your runway and days to get paid today, and put a monthly close on your calendar.

Pay yourself and protect profit on purpose

Most owners pay everyone else first and take whatever is left. Usually that's not much. The fix is to decide in advance how every dollar that comes in will be split, so profit, taxes and your own pay are protected before the spending starts.

IN THIS CHAPTER

- Why "what's left over" never works
- How the allocation works

Why "what's left over" never works

The standard formula is revenue minus expenses equals profit. In practice, spending grows to match whatever money is in the account. If all the cash sits in one checking account, it looks available, so it gets spent, and profit is whatever happens to remain.

Mike Michalowicz's *Profit First* turns the formula around: take profit first, then run the business on what's left. The method uses separate bank accounts so money set aside for profit, owner pay and taxes isn't sitting in the account you spend from.

How the allocation works

1. **All income lands in one account.** Every client payment goes here first.
2. **On a set schedule, split it.** Twice a month is common. Move fixed percentages into separate accounts.
3. **Profit:** held back, not spent on operations. Some goes to the owner as a reward, some stays as a reserve.
4. **Owner pay:** your salary for the work you do, paid regularly.
5. **Taxes:** set aside so tax bills are never a surprise.
6. **Operating expenses:** everything else is paid from this account only.

Start with small percentages for profit and grow them each quarter. If the operating share can't cover your expenses, that's not a reason to skip the system. It's evidence that costs are too high or prices are too low.

BOOKKEEPER'S NOTE

This is a cash management habit, not an accounting method. Your books still record everything normally.

GET ADVICE

Ask your accountant how much to set aside for taxes. It depends on your situation.

ON THE WEBSITE

Split your income is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

THE BBG TAKE

Profit is a decision, not a leftover

REALITY CHECK

If the operating share can't cover your costs, the business has been running on money that should have gone to you, your taxes or your reserve. Better to see it now.

TIGHT SHIP

Do the split on the same days every month, without exception. It's the kind of small routine that prevents a large crisis.

DOSSIER

Changing your allocation percentages is a Class II decision. Write down why, and review it at the end of each quarter.

PROTECT THE OWNER

An owner who never gets paid burns out and hides the true cost of the business. See Protect the Owner.

General education only. Tax set-asides and owner pay depend on your business structure and situation. Talk to an accountant or tax professional.

CHAPTER 17 REVIEW

Key points

1. Spending grows to match whatever money is available, so profit can't be a leftover.
2. Split income on a set schedule into profit, owner pay, taxes and operating expenses.
3. If the operating share can't cover expenses, that's evidence to fix costs or prices.

Try it this week

Run this month's income through the allocation calculator, and talk to your accountant about the right tax set-aside.

PART V

Operations

Run a tight ship, build systems and protect your time.

1. Run a tight ship. Make it feel easy.
2. Systems and procedures: make good work repeatable
3. The owner's time: your scarcest resource
4. Technology and AI: tools do the routine, people do the judgment

Run a tight ship. Make it feel easy.

Run the business as if someone's life depended on it, because in a sense it does. Your employees pay rent with the paychecks you sign. Your clients trust you with their money and deadlines. Discipline is how you protect them. And you can be strict about the work while still being the leader people want to work for.

IN THIS CHAPTER

- Tight, not harsh
- Why laid-back operations are dangerous
- The drift, one small exception at a time
- Calm on the surface, a bottom line underneath
- The owner is the buffer

Tight, not harsh

A tight ship doesn't mean yelling, micromanaging or punishing every mistake. It means standards are clear, routines happen every time, and nothing important depends on someone remembering. You can be warm with people and strict with the work at the same time. The best owners are both.

Why laid-back operations are dangerous

Problems rarely start big. They start as small exceptions: an invoice sent a week late, a client email answered "tomorrow," an account not reconciled this month. Nothing bad happens, so the exception becomes normal.

Sociologist Diane Vaughan called this the **normalization of deviance** in her study of the Challenger space shuttle disaster. Engineers had seen warning signs on earlier flights, but nothing failed, so the warnings started to feel acceptable. Businesses drift the same way. Every slip that "worked out fine" lowers the standard a little, until one doesn't.

BORROWED FROM MEDICINE AND AVIATION

Surgeons and pilots use checklists even though they're experts. Atul Gawande's *The Checklist Manifesto* shows why: skilled people still skip steps when tired, rushed or confident.

■ HOW THINGS SLIP UNDER THE RADAR

The drift, one small exception at a time

An example of how a healthy service business ends up in trouble without one big mistake.

WEEK 1

Invoices go out a few days late. Clients still pay.

WEEK 4

Late invoicing is now normal. Nobody tracks who hasn't paid.

WEEK 8

The bank account isn't reconciled because "we're busy."

WEEK 12

Two clients are 60 days overdue. No one noticed.

WEEK 16

A large bill arrives. Cash is short. Payroll is at risk.

WEEK 17

Emergency. Everyone feels it, and it started with one late invoice.

THE MUSCLE THAT DOES THE ROUTINE

Discipline

Doing the important routine every time, especially when it feels unnecessary. Invoices go out on the same day. Follow-ups happen on schedule. Tasks get closed out, not left half done.

Question it answers: "Did we do what we said we'd do?"

THE MUSCLE THAT CHECKS

Diligence

Checking and verifying instead of assuming. Trust your people, and confirm the numbers anyway. A bank reconciliation is diligence built into a routine: you don't assume the balance is right, you prove it every month.

Question it answers: "How do we know it's actually right?"

Calm on the surface, a bottom line underneath

Think of a great restaurant. Guests feel relaxed and welcome, while the kitchen runs on strict timing and standards. Restaurateur Danny Meyer describes the difference between *service*, the technical work done right, and *hospitality*, how people feel. The best businesses are strict about the first so they can be generous with the second.

Clients and employees should feel the calm, not the machinery. The calm comes from the preparation. Owners who are truly laid-back are usually the most stressed, because problems keep surprising them.

The owner is the buffer

You feel the urgency so your team and clients don't have to. That doesn't mean hiding problems. It means dealing with them early and steadily, before they become emergencies everyone feels.

WHAT THEY SEE

Relaxed replies, flexible scheduling, a friendly owner.

WHAT'S UNDERNEATH

Weekly numbers, written standards, tracked deadlines, tripwires set in advance.

BE FIRM ON...	BE FLEXIBLE ON...
The standard: "Every client gets a reply within one business day."	How each person organizes their day to meet it.
The deadline that a client was promised.	Helping someone meet it another way when life happens.
Rules that apply to everyone, including you.	Tone. Fair and friendly beats strict and cold.
Fixing the system after a mistake.	Blame. Ask "what let this happen?" before "who did this?"

■ BEHIND THE SCENES

The bottom-line numbers to watch every week

You don't need fifty metrics. You need a handful you check every week without fail. For most small service businesses, these are the ones that warn you first.

CASH Cash on hand And how many months of expenses it covers. This is your survival number.	RECEIVABLES Money owed to you Who owes what, and for how long. Anything past 30 days needs a follow-up.	PAYABLES Bills coming due What's due in the next 30 days, so payroll and rent never surprise you.
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PIPELINE

Work coming in

New leads and signed work.
Today's pipeline is next quarter's revenue.

MARGIN

Profit per job

Busy and unprofitable is still unprofitable. Know what each type of work earns.

PROMISES

Open commitments

Every deadline promised to a client, tracked somewhere other than your memory.

ON THE WEBSITE

The owner's weekly checklist is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

How this connects to the Dossier

Tripwires are tight-ship tools: they catch drift before it becomes a crisis. Reviews are diligence: you check instead of assuming. And on the [Decision Quality Grid](#), many "dumb luck" results are lax habits that simply haven't failed yet. Running a tight ship is what keeps your lucky wins from turning into lessons.

Keeping things calm for people also takes good communication. For how to deliver standards, follow-ups and hard news without sounding harsh, see [Clear at Work](#).

TIGHT-SHIP RULE

If it matters, it's written down, scheduled and checked. If it's only in your head, it will eventually slip.

CHAPTER 18 REVIEW

Key points

1. Problems start as small exceptions that become normal when nothing goes wrong.
2. Be firm on standards and flexible with people.
3. Calm on the surface comes from discipline underneath: weekly numbers, written standards and tracked deadlines.

Try it this week

Do the owner's weekly checklist this week, and take the "Where are you getting lax?" self-check.

Systems and procedures: make good work repeatable

If the right way to do something lives only in someone's head, the business depends on that person remembering, being there and never leaving. Written systems turn good work into the normal way work gets done. Write it down once, and everyone wins, including you.

IN THIS CHAPTER

- Work on the business, not just in it
- What's worth documenting first
- Fix the bottleneck, not everything

Work on the business, not just in it

In *The E-Myth Revisited*, Michael Gerber describes owners who spend all their time doing the work and none building the business that does the work. His advice is to build the business as if you were going to copy it many times, like a franchise: every important task documented so anyone trained could do it the same way.

You don't have to franchise anything. But writing down how work gets done is what lets you hire, delegate, take a vacation, use technology and eventually [sell](#).

What's worth documenting first

- Anything done every week or month, like invoicing, the monthly close or payroll.
- Anything that goes to clients, where mistakes are visible.
- Anything only one person knows how to do.
- Anything that has gone wrong before.

SYSTEM RULE

If it's done more than twice, write it down.

TECH LINK

Clear procedures are also what let software and AI help. See [Technology & AI](#).

■ FIND THE SLOWEST STEP

Fix the bottleneck, not everything

Eliyahu Goldratt's business novel *The Goal* makes a simple point: any process is only as fast as its slowest step. Improving every other step doesn't help if work still piles up at the bottleneck. His approach, in plain terms:

1 Find it Where does work pile up and wait? That's the bottleneck. Often it's an approval, a review or one busy person.	2 Use it fully Make sure the bottleneck never sits idle or works on low-value tasks.
3 Line up the rest Pace everything else to the bottleneck, so you don't pile up more work in front of it.	4 Expand it Only then add capacity: training, software, another person.

5 Look again

Once
it's
fixed,
the
bottleneck
moves
somewhere
else.
Find
the
new
one.

■ TOOL

Procedure writer

Write one procedure at a time. A good test: could someone new follow it without asking you a question?

ON THE WEBSITE

Procedure writer is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

A procedure is a checklist with a reason

TIGHT SHIP

Written procedures are how you stop drift. When the right way is written down, a shortcut is visible as a shortcut, not quietly becoming the new normal.

THIRD PERSON

Write each procedure for a stranger. "The office manager opens the client list..." It forces you to include the steps you do without thinking.

DETECTIVE

When something goes wrong, check the procedure first. Was it missing, unclear or not followed? Each answer has a different fix.

REALITY CHECK

Start with the procedures that cost the most when they go wrong. You don't need fifty on day one. You need the five that matter most.

CHAPTER 19 REVIEW

Key points

1. Work on the business, not just in it, by writing down how important work gets done.
2. Start with recurring work, client-facing work and anything only one person knows.
3. Find the bottleneck and fix it before improving anything else.

Try it this week

Write one procedure for a task you do every month, so someone new could follow it without asking you.

The owner's time: your scarcest resource

You can raise more money and hire more people. You can't get more hours. How an owner spends the week decides what the business becomes, and most owners don't actually know where their week goes. Small changes can win back hours every week.

IN THIS CHAPTER

- Know where your time actually goes
- Ask what only you can do
- Protect blocks of focused time
- Habits that protect the owner's time

Know where your time actually goes

Peter Drucker's *The Effective Executive* starts with time, not goals. His observation was that people are poor at remembering how they spent their time, and that effective executives record it, then cut and consolidate. Try it for one ordinary week: write down what you did, roughly every hour. Most owners are surprised by how much goes to small interruptions and work someone else could do.

Ask what only you can do

Drucker also asked leaders to focus on their contribution: what can I do that would make a real difference to results? For an owner, that's usually a short list. Setting direction, key client relationships, hiring, the big decisions, and building the systems that let others do the rest.

Protect blocks of focused time

Hard thinking doesn't happen in 10-minute gaps between emails. Block at least a few hours a week for work *on* the business: planning, your [consulting engagement](#), reviewing numbers, writing [procedures](#). Treat it like a client meeting you can't move.

TIME RULE

If someone else could do it 80% as well, it probably shouldn't be on your list.

RELATED

[Protect the Owner](#) covers burnout and the vacation test.

ON THE WEBSITE

Where does your week go? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Habits that protect the owner's time

- **Batch small things.** Answer email and approvals at set times instead of all day.
- **Push decisions down.** Use the [case classes](#): Class I decisions shouldn't reach you.
- **Fix the cause of repeat fires.** If you solve the same problem twice, write a [procedure](#) so you never solve it a third time.
- **Plan the week before it starts.** Fifteen minutes on Friday or Sunday to choose the three things that matter most.
- **Say no to good things.** Every yes to a small request is a no to something on your [one-page plan](#).

WEEKLY QUESTION

"What did I do this week that only I could have done?" If the answer is "not much," that's your bottleneck.

THE BBG TAKE

Audit your week like a consultant would

CONSULTANT

Hand your time log to your inner consultant:
"Dana spent 14 hours on admin and 1 hour on planning. What's wrong with this picture?"

TIGHT SHIP

Time drifts like everything else. One "quick favor" becomes a weekly habit. Re-run the audit every quarter.

REALITY CHECK

Every hour you spend on \$20-an-hour work costs the difference between that and your own rate. That's a real cost, even if no money changes hands.

TRIPWIRE

"If firefighting is more than 20% of my week two weeks in a row, I find the cause and fix the system."

CHAPTER 20 REVIEW

Key points

1. Most owners don't know where their week goes. Log it for one ordinary week.
2. Focus on what only you can do, and protect blocks of time to work on the business.
3. Every hour on low-value work costs the gap between that work and your own rate.

Try it this week

Log your time for one week, then mark which hours someone else could do.

Technology and AI: tools do the routine, people do the judgment

Software and AI can take over a lot of repetitive work in a small business. But a computer is only as good as the person using it. The goal is a business where technology handles the routine and people spend their time on what machines can't do.

IN THIS CHAPTER

- What to hand off
- How to "train" AI for your business
- You still need people. Better ones, doing better work.
- Before you buy any tool

What to hand off

Much of the repetitive work in a small business can now be handled by software, and some of it by AI tools that you set up and train on your own processes. The best candidates are tasks that follow the same steps every time and are easy to check.

- **Data entry and sorting:** pulling numbers from receipts and invoices, categorizing transactions.
- **Scheduling and reminders:** booking, follow-ups, payment reminders.
- **First drafts:** emails, proposals, reports and social posts that a person then reviews.
- **Answering common questions:** hours, pricing, how-to questions, with a person handling anything unusual.
- **Summaries:** meeting notes, long documents, client histories.

How to "train" AI for your business

For most small businesses, training AI doesn't mean building your own model. It means giving an AI tool the right instructions and examples so it does a task your way.

1. **Write down the process first.** If you can't explain the task step by step, AI can't do it either. This is where your [written procedures](#) pay off.
2. **Give it examples of good work.** Past emails, finished reports or correct entries show it what "right" looks like.
3. **Start with one small task.** Test it on real work, compare with what a person would do, and fix the instructions.
4. **Keep a person reviewing the output,** especially anything that goes to a client, involves money, or touches private information.

5. **Protect client data.** Check what each tool does with the information you put in before you use it for anything confidential.

RUN THE DOLLAR TEST

Every new tool goes through the [payback calculator](#). Hours saved only count if those hours go to paying work.

TRIPWIRE

"If the tool isn't saving at least ____ hours a month by day 60, we drop it."

■ THE HUMAN EDGE

You still need people. Better ones, doing better work.

A computer is only as good as the person using it. Software follows instructions, and AI can produce confident answers that are wrong. Someone has to set it up, check its work, catch the mistakes and take responsibility for the result. The goal of technology isn't a business with no people. It's a business where people stop doing work a machine can do, and spend their time on what machines can't.

HAND TO TECHNOLOGY

Repetitive, rule-based work

EXAMPLES

Data entry, scheduling, reminders, sorting, first drafts, routine answers.

WHY

Same steps every time, easy to check, low judgment.

STILL NEEDS

A person to set it up and spot-check it.

KEEP WITH PEOPLE

Judgment, trust and relationships

EXAMPLES

Client relationships, hard conversations, final decisions, ethics, unusual problems, selling.

WHY

Clients trust people, not software. Responsibility can't be handed to a tool.

LEVERAGE

Let technology do the prep so people spend more time here.

THE RESEARCH

What studies show about AI at work

These are real studies with real numbers, from specific settings. They won't transfer exactly to your business, but they show where the gains tend to be and where the risks are.

AI helps most on routine work

In a study of 5,179 customer support agents, an AI assistant raised issues resolved per hour by 14% on average and by 34% for newer, less-skilled agents, with little effect on the most experienced.

Brynjolfsson, Li & Raymond, NBER Working Paper 31161

Writing tasks get faster

In an experiment with 453 college-educated professionals, ChatGPT cut the time to complete writing tasks by about 40%, and evaluators rated the quality 18% higher.

Noy & Zhang, 2023, *Science*

People still have to check

In a study of 758 BCG consultants, those using AI finished suitable tasks about 25% faster with higher quality. But on a task outside what the AI handled well, they were about 19 percentage points less likely to get the right answer than consultants without it.

Dell'Acqua et al., 2023, Harvard Business School Working Paper 24-013

The pattern across all three: AI helps most on routine, well-defined work and with less experienced staff, and it can make people worse on work it doesn't handle well. That's why a person always checks.

Sources

Before you buy any tool

- **Run the [Dollar Test](#).** Hours saved only count if they go to paying work.
- **Start with one task, not a whole system.** Prove it on a small scale, the way the [pivot timeline](#) does in days 31–60.
- **Pick who checks it.** Every automated task has a named person who reviews the output.
- **Set a tripwire.** If it isn't saving the time you expected by day 60, drop it.
- **Plan the training.** A tool nobody knows how to use saves nothing.

When technology changes which roles you need, see the [Role Review](#) on the Pivot page.

TOOLKIT

The Pivot Playbook PDF has a technology and AI rollout plan with setup and go-live checklists.

CHAPTER 21 REVIEW

Key points

1. Hand repetitive, rule-based work to software and AI. Keep judgment, trust and relationships with people.
2. To train AI for your business, write the process, give examples, start small and keep a person reviewing.
3. Research shows real gains on routine work and real risks on work AI handles poorly, so someone always checks.

Try it this week

Pick one repetitive task, write the process down, and test an AI tool on it with a person checking every result.



PART VI

People

Hire, lead, meet, negotiate, and protect the owner.

1. Management styles and how to manage
2. Hiring like a detective
3. Team, trust and culture
4. Meetings and reviews that actually help
5. Negotiation: prepare like a detective, listen like one too
6. Protect the owner: a tight ship needs a captain who lasts

Management styles and how to manage

There is no single best management style. Good managers know several and pick the one the situation calls for, the same way a detective picks the right question for each witness.

IN THIS CHAPTER

- Why style matters
- Match the style to the person
- The core habits of managing well
- Who makes which decisions
- Manage like a detective

Why style matters

Your style is the pattern of how you set direction, make decisions and treat people. Psychologist Daniel Goleman, writing in Harvard Business Review in 2000, described six leadership styles and found that leaders with the best results used several of them, switching as needed. The mistake new owners make is using one style for everything, usually the one that feels natural to them.

SELF-CHECK

Which style do you fall back on when you're stressed? That's your default, and it's the one most likely to be wrong for the moment.

STYLE	WHAT IT SOUNDS LIKE	USE IT WHEN	RISK IF OVERUSED
Directive (command)	"Do this, now."	A real crisis, safety issues, or a turnaround with no time to discuss	People stop thinking and wait for orders
Visionary (authoritative)	"Here's where we're going and why."	The team needs a clear direction or a change of course	Feels hollow if you can't explain the how
Affiliative	"People come first."	Repairing trust after conflict or a hard stretch	Poor performance goes unaddressed

STYLE	WHAT IT SOUNDS LIKE	USE IT WHEN	RISK IF OVERUSED
Democratic (participative)	"What do you think?"	You need buy-in or the team knows more than you	Endless meetings and slow decisions
Pacesetting	"Do it as well as I do."	A skilled, motivated team needs fast results	Burnout, and people feel micromanaged
Coaching	"Try this, and let's see how it goes."	Someone wants to grow and you have time to invest	Fails with people who don't want to change
Delegative (hands-off)	"You own this. Tell me if you need me."	Experienced people who have earned trust	Drift and confusion with newer staff
Servant	"What do you need from me to do your job?"	Removing obstacles for a capable team	You become everyone's assistant and lose direction

Match the style to the person

Paul Hersey and Ken Blanchard's situational leadership model starts from a simple idea: how you manage someone should depend on how skilled and how committed they are at that particular task. The same employee can need close direction on a new task and full independence on one they've done for years.

- **New and eager:** tell them clearly what to do and how. They lack skill, not motivation.
- **Learning and discouraged:** keep giving direction, and add encouragement. This is where many people quit.
- **Capable but unsure:** step back on instructions and support their confidence. Ask what they would do.
- **Capable and confident:** delegate the task and the decisions. Check results, not steps.

The core habits of managing well

- **Set clear expectations.** People can't hit a target they can't see. Say what done looks like, by when, and how you'll judge it.
- **Hold regular one-on-ones.** A short weekly or biweekly meeting that belongs to the employee. Ask what's working, what's stuck and what they need from you.
- **Delegate outcomes, not tasks.** "Get our invoices out by the 5th every month" builds ownership. "Click send on these" doesn't.
- **Give feedback early and specifically.** Describe what happened, the effect it had, and what you'd like next time. Small, frequent feedback beats a big annual review.

- **Hold people accountable fairly.** Apply the same standard to everyone, including people you like. Inconsistency destroys trust faster than strictness does.
- **Praise in public, correct in private.** Recognition in front of others motivates. Criticism in front of others humiliates.

Who makes which decisions

Use the [case classes](#) to delegate. Let experienced people make Class I calls on their own. Ask them to bring Class II calls with a short dossier: the options, the evidence and a recommendation. Keep Class III calls for yourself, but ask your team to help interrogate them. This trains people to think like owners and keeps you out of small decisions.

Manage like a detective

When someone underperforms, don't jump to "they're lazy." That's the first suspect, and often the wrong one. Run the what-ifs: maybe they don't know what's expected, lack the skill, lack the tools, or something outside work is going on. Each cause needs a different fix. Ask before you conclude.

Communication is half of managing

Every habit on this page depends on how you talk to people: how you give feedback, run a meeting, explain a decision or ask for buy-in. For the communication side, including keeping attention, choosing the right words and getting people to say yes, see the companion site [Clear at Work](#).

ONE-ON-ONE STARTER

1. What's going well?
2. What's getting in your way?
3. What do you need from me?
4. Anything you want to talk about?

FEEDBACK FORMULA

What happened · The effect · What next time

COMPANION SITE

[clearatworkcommunication.com](#) covers how to say it.



SAY IT WELL · FROM CLEAR AT WORK

"A single word can change whether people agree, how smart they think you are, and what they remember."

Feedback, instructions and expectations only work if they're understood. Clear at Work's word-choice guide shows which words help and which backfire.

[Read Word choice on Clear at Work →](#)

Case files: management situations

CASE 05 - A

COACHING

Your best worker keeps missing deadlines

FIRST SUSPECT

They've stopped caring.

OTHER SUSPECTS

Too much on their plate, unclear priorities, or they're bored and need a bigger challenge.

MOVE

Ask in a one-on-one what changed. Agree on priorities together before assigning more.

CASE 05 - B

DIRECTIVE

A client is furious and threatening to leave today

STYLE

Directive for now. There's no time for a group discussion.

MOVE

Assign who calls the client, what gets fixed and by when.

AFTER

Switch to democratic: hold a review and ask the team how to prevent it next time.

CHAPTER 22 REVIEW

Key points

1. Good managers use several styles and match them to the situation.
2. Match your style to each person's skill and commitment for each task.
3. Clear expectations, regular one-on-ones and early, specific feedback are the core habits.

Try it this week

Schedule a one-on-one with each person who reports to you, using the four starter questions.

Hiring like a detective

A hire is one of the most expensive decisions a small business makes, and one of the hardest to undo. Most bad hires come from the same mistake: deciding on gut feel in the first ten minutes, then spending the rest of the interview confirming it. The fix is simple, and anyone can learn it.

IN THIS CHAPTER

- Who first
- Start with the outcomes, not the job ad
- Structure beats gut feel
- The hiring process

Who first

Jim Collins's *Good to Great* found that the companies he studied got the right people in place before deciding exactly where to go. For a small business, one great hire can change everything, and one wrong hire can drain months of time, money and morale.

Start with the outcomes, not the job ad

Geoff Smart and Randy Street's *Who* recommends starting every hire with a scorecard: what this person must achieve, not just what tasks they'll do. "Keep the books" is a task. "Close every client's books by the 10th with zero errors found in review" is an outcome. Outcomes tell you exactly what to look for and how to judge the person later.

Structure beats gut feel

A large 2022 review of hiring research by Paul Sackett and colleagues found that structured interviews, where every candidate is asked the same job-related questions and scored the same way, were the strongest single predictor of job performance among the methods they studied. Job knowledge tests and work samples also did well. Casual, unplanned conversations are much less reliable.

HIRING RULE

Decide what great looks like before you meet anyone.

DOSSIER LINK

A hire is a Class III decision. Run the [dossier](#), including a second opinion.



SAY IT WELL · FROM CLEAR AT WORK

Interviewing is a two-way conversation. Clear at Work's interviews section covers job interviews from the candidate's side, and seeing that side helps you run a better one.

[Read Interviews on Clear at Work →](#)

■ IN ORDER

The hiring process

1

Write the scorecard

The mission of the role in one sentence, three to five measurable outcomes for the first year, and the skills and traits needed to achieve them. Use the website tool.

2

Find candidates

Referrals from people you trust are often the best source. Keep a running list of good people you meet, even when you're not hiring.

3

Screen quickly

A short phone call with the same few questions for everyone: what they want next, what they're good at, what they're not, and what they expect to earn. Rule out bad fits early.

4

Run a structured interview

Same questions, same order, for every candidate. Ask about past behavior: "Tell me about a time you..." Follow up like a detective: "What did you do next? What happened? What would your manager say about it?" Score each answer right after, before talking to anyone else.

5

Test with a work sample

A small, realistic task from the actual job. Pay for it if it takes more than an hour. It shows what they can do, not just what they say.

6

Check references properly

Ask the candidate to arrange calls with former managers. Ask specific questions: "What were they best at? What could they improve? Would you hire them again?" Listen for hesitation.

7

Decide, then onboard

Compare scores against the scorecard, not against each other's personality. Then plan the first 90 days: who trains them, what they'll learn each week, and what the first win will be.

■ TOOL

Role scorecard builder

Build the scorecard before you post a job. Use it to write the ad, the interview questions and the 90-day review.

ON THE WEBSITE

Role scorecard builder is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

THE BBG TAKE

Investigate the candidate, not your first impression

DETECTIVE

Your first impression is a suspect, not a verdict. Look for evidence that contradicts it: work samples, references, specific past examples.

SORT THE EVIDENCE

"Seemed confident" is an impression. "Found all three errors in the sample" is evidence. Score evidence.

NO YES MAN

Have a second person interview and score separately before you compare notes, so neither of you just agrees with the other.

TRIPWIRE

Set it at the start: "If the first-win target isn't met by day 90, we have a direct conversation about fit."

General education only. Hiring laws cover what you can ask, how you advertise and how you treat candidates. Keep questions job-related and check the rules where you operate.

CHAPTER 23 REVIEW

Key points

1. A hire is a Class III decision. Decide what great looks like before you meet anyone.
2. Start with a scorecard of outcomes, then use structured interviews and work samples.
3. Treat your first impression as a suspect, and check references with specific questions.

Try it this week

Write a role scorecard for the next position you expect to fill, even if you aren't hiring yet.

Team, trust and culture

Culture isn't the values on the wall. It's what people actually do when the owner isn't watching: whether they speak up, admit mistakes, keep promises and hold each other to the standard. That's built, or broken, by the owner every day. The upside: it means you can start shaping it today.

IN THIS CHAPTER

- Safe to speak up
- Five problems that build on each other
- Care personally, challenge directly
- Values that actually mean something

Safe to speak up

Harvard professor Amy Edmondson defined team **psychological safety** as a shared belief that the team is safe for interpersonal risk taking: asking questions, admitting mistakes, disagreeing. In her study of 51 work teams, psychological safety was linked to the learning behavior that drove team performance.

Google's Project Aristotle, a study of what made its teams effective, reached a similar conclusion. Who was on a team mattered less than how the team worked together, and psychological safety was the most important of the five factors it identified. The others were dependability, structure and clarity, meaning, and impact.

For a small business this matters in a very practical way. If people are afraid to tell the owner bad news, the owner finds out late. That's how small problems become a [crisis](#).

CULTURE RULE

How you react to bad news decides whether you'll ever hear it again.

RELATED

[No Yes Man](#): speak last, thank the person who disagrees.

■ HOW TEAMS BREAK DOWN

Five problems that build on each other

Patrick Lencioni's *The Five Dysfunctions of a Team* describes problems that stack, each one making the next more likely. In plain terms:

PROBLEM	WHAT IT LOOKS LIKE	WHAT THE OWNER CAN DO
1. No trust	People hide mistakes and weaknesses	Admit your own mistakes first, openly
2. Fear of conflict	Polite meetings, real arguments in private	Ask for disagreement. Debate ideas, never people
3. No real commitment	People nod, then don't follow through	End every decision with who does what by when
4. Avoiding accountability	Nobody calls out missed standards	Make standards visible: scorecards, checklists
5. Ignoring results	Personal comfort matters more than team results	Keep the team's results on the table every week

Care personally, challenge directly

Kim Scott's *Radical Candor* describes good feedback as two things at once: caring about the person and being willing to tell them the truth. Care without challenge becomes being too nice to help. Challenge without care becomes harshness. Neither builds a strong team. This is the same balance as [running a tight ship](#): firm on the standard, decent to the person.

Values that actually mean something

Most company values are words nobody can argue with, like "integrity" or "excellence." Useful values describe behavior and help make decisions. "We tell clients about mistakes before they find them" is a value you can hire, train and hold people to. Write three to five like that, and use them in [hiring](#) and [reviews](#).

VALUE TEST

Would you fire someone for breaking it, or turn down business to keep it? If not, it's a slogan, not a value.



SAY IT WELL · FROM CLEAR AT WORK

"Active voice names who did what. It's clearer, and in apologies it shows ownership."

Trust grows when leaders own their mistakes clearly. Clear at Work's writing guide shows how wording signals ownership.

[Read Business writing on Clear at Work →](#)

ON THE WEBSITE

How healthy is your team? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

THE BBG TAKE

A team of detectives, not a team of yes men

NO YES MAN

The goal is a team that will tell you your plan has a hole in it. That only happens if you've rewarded it before.

TIGHT SHIP

Clear standards make accountability fair. When the standard is written down, holding someone to it isn't personal.

DOSSIER

Invite the team to interrogate Class II and III decisions. They see problems you can't, and they commit to plans they helped test.

COMMUNICATION

Most team problems are conversations nobody had. Clear at Work covers how to have them.

CHAPTER 24 REVIEW

Key points

1. How a team works together matters more than who is on it.
2. Psychological safety, the belief that it's safe to speak up, is the foundation.
3. Write values that describe behavior, and care personally while challenging directly.

Try it this week

Take the team health check, and in your next meeting, admit a mistake of your own first.

Meetings and reviews that actually help

Bad meetings waste hours. No meetings means problems surface too late. A small business needs a few meetings, each with a clear job, a set agenda and a fixed length, and nothing more. Get the rhythm right and meetings start saving you time.

IN THIS CHAPTER

- Meetings are where the plan meets reality
- The meeting rhythm
- Agendas you can use this week
- Make reviews short, frequent and fair
- Feedback that lands

Meetings are where the plan meets reality

Andy Grove, who ran Intel, wrote in *High Output Management* that a manager's output is the output of their team, and that meetings are one of the main tools managers have to influence it. Good meetings exchange information, make decisions and solve problems. Bad ones just fill the calendar.

The meeting rhythm

MEETING RULE

Every meeting ends with decisions, owners and dates written down. If nothing was decided, it shouldn't have been a meeting.



SAY IT WELL • FROM CLEAR AT WORK

"Meetings feel free, but every attendee's time costs money."

This page covers which meetings to hold. Clear at Work covers how to run them so people stay engaged and leave with decisions.

[Read Running meetings on Clear at Work →](#)

MEETING	HOW OFTEN	LENGTH	ITS JOB
Daily check-in (optional)	Daily	10 min	What's today's priority? What's blocking you?
Weekly team meeting	Weekly, same time	60–90 min	Scorecard, priorities, solve the top issues
One-on-ones	Weekly or every two weeks	30 min	The employee's agenda: progress, problems, growth
Quarterly planning	Every 90 days	Half day	Grade the quarter, set the next priorities
Performance review	Quarterly, short	30–45 min	Outcomes against the scorecard, values, goals

■ COPY-READY AGENDAS

Agendas you can use this week

WEEKLY • 60–90 MIN

Weekly team meeting

WEEKLY TEAM MEETING

1. Good news, personal and business (5 min)
2. Scorecard: each number on or off target? (5 min)
No discussion yet. Off-target numbers go to the issues list.
3. Quarterly priorities: on track or off track? (5 min)
4. Client and team headlines (5 min)
5. Last week's to-dos: done or not done? (5 min)
6. Issues: pick the top three and solve them (30–60 min)
For each: what's really going on?
What are the options?
Decide. Who does what, by when?
7. Recap new to-dos and owners (5 min)

WEEKLY OR BIWEEKLY • 30 MIN

One-on-one

ONE-ON-ONE (the employee's meeting)

1. What's going well since we last met?
2. What's getting in your way?
3. Progress on your outcomes and priorities
4. What do you need from me?
5. Feedback, both directions:
What should I start, stop or keep doing?
6. Anything else on your mind?
7. Agreed next steps, with dates

QUARTERLY · HALF DAY

Quarterly planning

QUARTERLY PLANNING

1. Review last quarter's scorecard trends
2. Grade each priority: done or not done? Why?
3. Lessons: what did we learn? (run it like a dossier review)
4. Check the one-page plan: still the right direction?
5. Choose 3 to 5 priorities for the next 90 days
Each one: one owner, due date, what "done" means
6. Update the scorecard targets
7. Everything else goes on the "not now" list

QUARTERLY · 30–45 MIN

Performance review

QUARTERLY PERFORMANCE REVIEW

1. Outcomes: each one from the role scorecard,
met / partly met / not met, with evidence
2. Values: where did they show our values?
Where didn't they? Specific examples only.
3. What went well this quarter (their view first)
4. What to improve (their view first, then mine)
5. Goals for next quarter
6. Support: training, tools or help they need
7. Anything that should change in the role

Make reviews short, frequent and fair

A once-a-year review asks everyone to remember twelve months of work, which nobody can do fairly. Short quarterly reviews against the [role scorecard](#) keep feedback fresh and remove surprises. Nothing in a review should be news. If it is, the one-on-ones weren't doing their job.

Feedback that lands

Describe what happened, the effect it had, and what you'd like next time. Keep it specific and about the work. Ask for their view first. For the wording, see [Clear at Work](#).

RELATED

[Managing People](#) covers management styles and one-on-ones.

[The One-Page Plan](#) sets the priorities and scorecard these meetings review.

Meetings are the tight ship's weekly inspection

TIGHT SHIP

The weekly meeting is where drift gets caught: a number off target, a priority slipping, a to-do not done. Same time, every week, no exceptions.

DETECTIVE

In the issues section, find the real problem before solving. The issue people name is often a symptom.

NO YES MAN

As owner, speak last when solving issues. Ask "what am I missing?" before deciding.

DOSSIER

Big issues don't get solved in 10 minutes. Make them a Class II or III case and open a dossier.

CHAPTER 25 REVIEW

Key points

1. Every meeting has a job, an agenda and a fixed length, and ends with owners and dates.
2. The weekly meeting reviews the scorecard and priorities, then solves the top issues.
3. Short quarterly reviews against the role scorecard beat one annual review.

Try it this week

Run next week's team meeting using the weekly agenda, and end it with written owners and dates.

Negotiation: prepare like a detective, listen like one too

Owners negotiate all the time: prices with clients, terms with vendors, leases, pay, partnerships. Most of the result is decided before the conversation starts, by how well you prepared. That's a skill anyone can build, and it starts here.

IN THIS CHAPTER

- Know your walk-away before you sit down
- Listen to understand the other side
- Interests, not positions
- During the conversation

Know your walk-away before you sit down

Roger Fisher and William Ury's *Getting to Yes* introduced the idea of your BATNA: your best alternative to a negotiated agreement. In plain terms, what will you do if this deal doesn't happen? Your walk-away point comes from that answer. The stronger your alternative, the more confidently you can negotiate. If you don't know it, you'll accept a bad deal because you're afraid of no deal.

Interests, not positions

The same book separates positions (what someone says they want) from interests (why they want it). A client who demands a lower price might really be worried about cash flow this quarter. Payment terms could solve that without cutting your price. Ask why until you find the interest.

Listen to understand the other side

Chris Voss, a former FBI hostage negotiator, argues in *Never Split the Difference* that people agree more readily when they feel understood. Two of his techniques are simple to use:

- **Label what you hear:** "It sounds like timing is the real concern." It shows you're listening and invites them to say more.
- **Ask "how" and "what" questions:** "How would that work on your side?" "What would make this work for you?" They get the other person solving the problem with you.

NEGOTIATION RULE

Never negotiate without knowing your walk-away point. Write it down before the meeting.

HOW TO SAY IT

[Clear at Work](#) covers word choice and getting to yes.



SAY IT WELL · FROM CLEAR AT WORK

"Interest-based negotiation works better because most deals contain things one side values more than the other."

Clear at Work goes deeper on the conversation itself: phrasing, interests and keeping the relationship intact.

[Read Negotiation on Clear at Work →](#)

■ TOOL

Negotiation prep sheet

Fill it in before any negotiation that matters. Most of the value is in being forced to answer the questions.

ON THE WEBSITE

Negotiation prep sheet is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

During the conversation

- **Let them talk first and longest.** Every minute they talk, you learn something.
- **Trade, don't give.** If you give something, ask for something back: a longer commitment, faster payment, a referral.
- **Silence is fine.** After you state your price, stop talking.
- **Don't negotiate against yourself.** If they say "that's too high," ask what they had in mind before lowering anything.
- **Put the agreement in writing** the same day, in a short follow-up email.

ETHICS LINE

Hard bargaining is fine. Lying isn't. Your reputation is worth more than any single deal.

Every negotiation is a small case file

DETECTIVE

Investigate the other side before you meet. What pressures are they under? What happens to them if there's no deal? That's your real leverage.

WHAT-IFS

Play out their likely moves and your responses in advance. Surprises are where people give away too much.

THIRD PERSON

Picture advising a friend in your exact situation. You'd tell them to walk away from a bad deal much faster than you'd tell yourself.

REALITY CHECK

Run any concession through the Dollar Test. A 10% discount on a client with a 20% margin cuts their profit in half.

CHAPTER 26 REVIEW

Key points

1. Know your walk-away point and your best alternative before you sit down.
2. Look for the interests behind positions.
3. Listen to understand: label what you hear and ask "how" and "what" questions.

Try it this week

Fill in the prep sheet for your next negotiation, including their likely alternative to a deal.

Protect the owner: a tight ship needs a captain who lasts

The business depends on you, which makes you its biggest risk. An owner who is exhausted, overloaded or the only one who knows how things work puts everything else in danger. Taking care of yourself isn't a luxury. It's part of the job.

IN THIS CHAPTER

- Are you the bottleneck?
- Delegate by case class
- Burnout is a business risk
- Habits that keep the captain steady
- Run your own life like a tight ship too

Are you the bottleneck?

A bottleneck is the narrowest point that everything has to pass through. In many small businesses, that's the owner. Every approval, every question and every hard task waits for you. That feels like control, but it caps how much the business can grow and means nothing works when you're sick or away.

The goal isn't to stop caring about details. It's to build a business that runs on systems and trusted people, so your attention goes to the decisions only you can make.

Delegate by case class

Use the [case classes](#). Class I decisions should rarely reach you. Your team makes them and you check results. Class II decisions come to you with a short dossier and a recommendation. Your energy goes to Class III. If you're spending your days on Class I calls, that's the bottleneck.

THE VACATION TEST

Could you take two weeks off with no phone and come back to a business that ran fine? If not, the list of reasons is your to-do list.

ON THE WEBSITE

Could the business run without you for two weeks? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Burnout is a business risk

The World Health Organization describes burnout as a result of long-term workplace stress that hasn't been managed. It lists three signs: exhaustion, feeling distant or cynical about your work, and feeling less effective. Owners are especially exposed because the work never really stops and nobody tells them to go home.

A burned-out owner makes worse decisions, snaps at people, and misses the warning signs a tight ship depends on. Protecting your energy isn't selfish. It's part of protecting the business.

Habits that keep the captain steady

- **Set working hours and mostly keep them.** Emergencies happen, but if every week is an emergency, the system is broken.
- **Batch small decisions.** Handle routine approvals at set times instead of all day. Constant interruptions drain focus.
- **Protect one hour a week to work on the business.** Not in it. Review your numbers, your dossiers and your systems. This is where the [weekly checklist](#) lives.
- **Pay yourself on purpose.** An owner who never takes pay hides the true cost of the business and builds resentment. Put your pay in the budget.
- **Get a sounding board.** A mentor, a peer group or another owner you trust. Someone who will interrogate your plans, not just agree. See [No Yes Man](#).
- **Look after the basics.** Sleep, food and movement affect judgment. Skipping them to work more usually means working worse.

Run your own life like a tight ship too

The same principles apply: notice small slips before they become normal, set tripwires for yourself, and review honestly. "If I work past 9 p.m. three nights in one week, something gets delegated or dropped." That's a tripwire.

If stress or low mood keeps hanging on, talk to a doctor or a mental health professional. Reaching out early is the same smart move you'd make with any other business risk.

WARNING SIGNS

Dreading work you used to like.
Snapping at people over small things.
Making decisions just to get them over with.
Not remembering your last day off.

OWNER TRIPWIRE

Pick one personal limit and write it down today.

CHAPTER 27 REVIEW

Key points

1. If the business depends on you for everything, you're its biggest risk.
2. Delegate by case class: Class I decisions shouldn't reach you.
3. Burnout is a business risk. Set personal tripwires and keep a sounding board.

Try it this week

Take the two-week vacation test, and write down one personal tripwire.



PART VII

Hard Times

When things go wrong, and how to be ready before they do.

1. Crisis mode: what to do when things go wrong
2. Pivot to survive: keep moving or go under
3. Risk, contracts and protection

Crisis mode: what to do when things go wrong

Every business hits a crisis eventually: a big client leaves, cash runs short, a mistake reaches a customer. You can't always prevent it. You can decide in advance how you'll respond. You won't be the first owner to face it, and with a plan, you won't face it unprepared.

IN THIS CHAPTER

- Crisis changes the rules for a short time
- Playbooks for common crises
- The first 24 hours
- After the crisis: review it like a dossier

Crisis changes the rules for a short time

In normal times, good owners ask for input and decide carefully. In a crisis, slow group discussion can make things worse. This is when the [directive management style](#) fits: clear assignments, short timelines, one person in charge. Once the danger passes, switch back and ask the team what to learn from it.

The owner's job is to be the calm one. Panic spreads fast. So does steadiness.

CRISIS RULE

Act fast on what you know. Don't guess about what you don't. Say "we're finding out" instead of making something up.

■ IN ORDER

The first 24 hours

1 Stop the damage

Do whatever keeps the problem from getting bigger right now, even if it's temporary.

2 Get the facts

What happened, who's affected, how bad. Separate facts from rumors, just like the S step.

3 Tell people early

Affected clients and staff should hear it from you first, even before you have every answer.

4 Decide and assign

Who does what by when. One owner per task. Write it down.

5 Keep a record

Note decisions and times as you go. You'll need it for the review.

Playbooks for common crises

PLAYBOOK A

CASH

Cash is running short

TODAY

Call every client who owes you money. Offer a small discount for paying now if needed.

THIS WEEK

Talk to vendors and lenders before you miss a payment. Most will work with you if you call first.

CUT

Pause anything that fails the [Dollar Test](#). Protect payroll and taxes first.

PLAYBOOK B

REVENUE

A big client just left

TODAY

Ask them why, calmly. The answer is evidence. Update your cash forecast.

THIS WEEK

Reach out to past clients and warm leads. Tell your team what's happening and what isn't changing.

AFTER

Fix concentration risk so no single client can do this again. See [Clients & Pricing](#).

A mistake reached a client

TODAY

Tell them before they find it. Own it without excuses, explain the fix and the timeline.

THIS WEEK

Fix it fully, then check other clients for the same mistake.

AFTER

Find which step in your process let it through, and add a check. How you say sorry matters; see [Clear at Work](#).

A key employee quits

TODAY

Thank them, agree on a last day, and list everything only they know how to do.

THIS WEEK

Have them write down their processes and introduce whoever will take over to key clients.

AFTER

Cross-train so no single person is the only one who knows a critical task.



SAY IT WELL · FROM CLEAR AT WORK

"Avoiding a hard talk usually makes it harder later. Prepare, stay on facts, and separate the problem from the person."

Every crisis comes with hard conversations: with clients, staff and lenders. Clear at Work has a guide to hard talks, saying no and upset clients.

[Read Hard conversations on Clear at Work →](#)

ON THE WEBSITE

Crisis readiness check is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

After the crisis: review it like a dossier

Once things are stable, run the review while memories are fresh. What happened? What warning signs did we miss? Which response worked, and which didn't? What will we change so it doesn't happen again? Treat it as the R step of the [Dossier Method](#), and focus on the system, not on blame.

Many crises turn out to be the end of a long drift, the kind described on the [Tight Ship](#) page. The best crisis plan is a business that catches small problems early.

REVIEW QUESTIONS

What were the early signs?

When could we have caught it?

What tripwire would have warned us?

What do we change now?

CHAPTER 28 REVIEW

Key points

1. In a crisis, stop the damage, get the facts, tell people early, decide and assign, and keep a record.
2. Use a directive style during the crisis, then switch back and review.
3. The best crisis plan is a business that catches small problems early.

Try it this week

Take the crisis readiness check and fix the first unchecked item this month.

Pivot to survive: keep moving or go under

Sometimes the way you've been doing business stops working. Clients change, costs rise, or new technology makes your old process too slow. When that happens, the business has to change shape to stay alive, and it has to keep moving while it does. It's hard, and it's survivable. This page walks you through it step by step.

IN THIS CHAPTER

- Why you can't stop
- Signs it's time to pivot
- Decide for the business. Deliver it like a human.
- The pivot guide
- The 30 / 60 / 90-day timeline

Why you can't stop

A business that freezes during a pivot loses on every side at once. Cash keeps going out while revenue drops. Clients drift to competitors. Your best people start job hunting because nobody is telling them what's next. Restarting from a full stop is much harder than changing direction while still moving, because you have to rebuild momentum, trust and cash flow all at the same time.

Keep moving doesn't mean rush. It means always having a next step and a date for it, even while the big picture is still being worked out.

Signs it's time to pivot

- Revenue has dropped for several months in a row and the cause isn't seasonal.
- Your best clients are asking for something you don't offer.
- Competitors deliver the same result faster or cheaper, often because of technology.
- Your margins keep shrinking even when you're busy.
- Your runway is getting shorter every month. See [Cash Flow](#).

PIVOT RULE

Every week of the pivot has a next step, an owner and a date. No open-ended "we'll figure it out."

DOSSIER LINK

A pivot is a Class III decision. Open a [dossier](#) before you commit.

■ THE HARD PART

Decide for the business. Deliver it like a human.

When survival is on the line, the deciding question is what the business needs to stay alive, not who you like or who has been there longest. If keeping everyone means the company fails, then everyone loses their job, including the people you were trying to protect. Making the cut is the responsible choice.

But the decision and the delivery are two separate things. Be firm about the first and decent about the second. That's not only ethical. It's practical: the people who stay are watching how you treat the people who leave, and their trust is what gets the new plan off the ground.

THE DECISION: BE FIRM	THE DELIVERY: BE DECENT
Based on what the new plan needs, not loyalty or guilt	Told in person, privately, by you or their direct manager
Roles reviewed first, then people	Clear reason, no blame when it's a business decision
Made once and done in one round where possible	Final pay, benefits information and next steps in writing
Checked against employment law before it happens	A reference or help finding work, if you can offer it

■ STEP BY STEP

The pivot guide

Eight steps, in order. Each one has a time frame so the business keeps moving. For estimated hours, see [the 30 / 60 / 90-day timeline](#).

1

Face the numbers DAYS 1–3

Get out of fantasy land first. How many months of cash do you have? Which services and clients still make money? Which ones lose it? Use the [runway check](#) and the [Dollar Test](#). You can't plan a pivot on hopeful numbers.

2

Stop the bleeding WEEK 1

Cut spending that doesn't help you survive the next 90 days: unused subscriptions, nonessential projects, marketing that isn't bringing in work. Collect every dollar owed to you. Talk to vendors and lenders before payments are missed. This buys you time to think.

3

Define the new direction WEEKS 1–2

Decide what the business will become. Start from what still works: your profitable clients, your strongest skills and what customers are asking for. Run it through the [Dossier Method](#), with special attention to the what-ifs and the worst case. Write the new plan on one page.

4

Map the work the new plan needs WEEK 2

List every task the new version of the business has to do. For each one, decide who or what should do it: a person, software, or AI working with a person. Use the [Role Review](#) below. This is where you design the team around the plan, instead of fitting the plan around the team you have.

5

Make the people decisions WEEKS 2–3

Compare the roles the new plan needs with the roles you have. Some people move into new roles. Some need training. Some roles go away. Decide in one round if you can, because repeated rounds of cuts destroy the trust of everyone who's left. Before acting, check the rules where you operate with an employment attorney or HR professional. Larger layoffs can trigger notice requirements, such as the federal WARN Act in the U.S.

6

Tell people, in the right order SAME DAY

First, the people affected by layoffs, privately. Then, the rest of the team, the same day, so rumors don't fill the gap. Then clients, focusing on what improves for them. Be honest about why, clear about what's next, and steady. For the wording, see [Clear at Work](#).

7

Roll out in phases WEEKS 3–12

Don't switch everything at once. Start with one service, one client group or one process. Prove it works, fix what breaks, then expand. Keep the old way running until the new one is reliable. Give every phase a tripwire: "If the new service hasn't covered its costs by week 8, we adjust."

8

Review and keep adjusting EVERY 30 DAYS

Check the numbers monthly. Is revenue recovering? Is the runway getting longer? Are the new tools actually saving time? A pivot is rarely right on the first try. Use the R step of the Dossier Method to grade it honestly and adjust.



SAY IT WELL • FROM CLEAR AT WORK

"Avoiding a hard talk usually makes it harder later. Prepare, stay on facts, and separate the problem from the person."

How you deliver hard news decides how well the pivot lands. Clear at Work covers preparing for difficult conversations step by step.

[Read Hard conversations on Clear at Work →](#)

■ HOW LONG WILL IT TAKE?

The 30 / 60 / 90-day timeline

Most small-business pivots can be planned in three 30-day phases. The first gets you stable and decided, the second proves the new way works on a small scale, and the third makes it the normal way of working. Use the hours estimator on the website to estimate the owner hours for your business.

DAYS 1–30 Stabilize and decide Steps 1–6 • Know your runway • Cut nonessential spending • Write the one-page plan • Role Review and people decisions • Tell people OWNER HOURS —	DAYS 31–60 Pilot the new way Step 7, phase one • Set up the first tools or AI tasks (how) • Run one service or client group the new way • Train the team • First monthly review OWNER HOURS —	DAYS 61–90 Expand and lock it in Step 7, phase two • Roll out the remaining tasks • Retire the old way once the new one is reliable • Write the new procedures down • Second monthly review, then every 30 days OWNER HOURS —
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ON THE WEBSITE

Estimate your pivot hours is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

STEP	PHASE	WHAT THE HOURS COVER	ESTIMATE
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Estimates are for the owner's own time unless marked as team time. They're planning assumptions for a small service business, not measured results, so use them to plan and replace them with your real numbers as you go.

THE RESEARCH BEHIND THE TIMELINE

What the evidence says

No study measures exactly how many hours a small-business pivot takes, so the hours above are planning estimates. The shape of the timeline is based on these findings. For research on how much AI actually speeds up work, see [Technology & AI](#).

Plans run long

Students asked to predict how long their thesis would take guessed about 34 days on average. It took about 56, and only about 30% finished by their own estimate. Even their worst-case guess was too short. That gap is where the +60% buffer comes from.

Buehler, Griffin & Ross, 1994, *Journal of Personality and Social Psychology*

New habits take about two months

In a University College London study, it took an average of 66 days for a new daily behavior to become automatic, with wide variation between people. Missing one day didn't matter much, but inconsistency did. That's why days 61–90 are about locking in the new way, not just launching it.

Lally et al., 2010, *European Journal of Social Psychology*

Layoff notice can set the calendar

Federal WARN rules generally cover employers with 100 or more workers and require 60 days' notice before a mass layoff or plant closing. New York's version covers employers with 50 or more full-time employees in the state and requires 90 days. If either applies, your people timeline can't fit inside the first 30 days.

U.S. Department of Labor; New York State Department of Labor

How to use these: research results come from specific settings and won't transfer exactly to your business. Treat them as a reason to expect gains on routine work, and measure your own results during the pilot.

Sources

■ TOOL • STEP 4 AND 5

Role Review

Add each role the business has now, then decide what it needs to become under the new plan. Review the *role* first. Then ask who is the best fit for the roles you're keeping.

ON THE WEBSITE

Role Review is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Use technology to carry the load

A pivot is the best moment to rebuild how work gets done. Roles marked Automate or Redesign above are where software and AI can take over repetitive work, with people checking it. The [Technology & AI](#) page covers what to hand off, how to set up an AI tool on your own process, what the research shows, and why you still need people.

Train the people you keep

The people who stay need to be good with the new tools, so budget for training as part of the pivot, not as an extra. A team that knows how to direct and check technology can do the work of a much larger team. That's how a smaller business after a pivot can come out stronger than the bigger one before it.

SEE ALSO

[Technology & AI](#) for setting up tools

[Crisis Mode](#) for the first 24 hours

[Managing People](#) for leading the team through change

[Protect the Owner](#), because pivots are exhausting

General education only. Layoffs, final pay and notice rules vary by location. Get advice from an employment attorney or HR professional before making staffing changes.

CHAPTER 29 REVIEW

Key points

1. Keep moving during a pivot. Restarting from a stop is harder than changing direction.
2. Decide for the business, and carry out people decisions fairly and humanely.
3. Plan the pivot in 30/60/90-day phases with a realistic buffer, and review roles before people.

Try it this week

Run the Role Review on your current roles and estimate the hours a pivot would take you.

Risk, contracts and protection

Most crises are cheaper to prevent than to survive. A few basic protections, like written agreements, the right insurance, backups and separated finances, cost little now and can save the business later. A few hours of preparation buys real peace of mind.

IN THIS CHAPTER

- Think about risk like a detective
- Get it in writing

Think about risk like a detective

For each risk, ask two questions: how likely is it, and how bad would it be? Something unlikely but devastating, like a data breach or a lawsuit, deserves protection even if it feels remote. Something likely but small, like an occasional late payment, needs a routine, not insurance.

Get it in writing

Handshake agreements feel friendly until there's a disagreement. A short written agreement protects both sides because it makes expectations clear before work starts. For client work, it usually covers:

- What's included, and what isn't. See scope creep on [Clients & Pricing](#).
- Price, payment terms and what happens if payment is late.
- Timelines and what each side needs to provide.
- How either side can end the agreement, and with how much notice.
- Who owns the work, and how confidential information is handled.
- Limits on liability, where appropriate.

Have an attorney review your standard agreement once, then reuse it.

RISK RULE

Protect against what could end the business, even if it's unlikely.

RELATED

[Crisis Mode](#) covers what to do if something goes wrong anyway.

RISK AREA	BASIC PROTECTION	WHO TO ASK
Lawsuits from mistakes	Professional liability insurance for service businesses, plus clear written agreements	Insurance agent, attorney
Accidents and property	General liability and property insurance	Insurance agent
Employee injuries	Workers' compensation, which most states require for employers	Insurance agent, state rules
Data loss or breach	Backups, strong passwords, two-factor login, cyber insurance	IT help, insurance agent
Personal liability	The right business structure, and business and personal finances kept separate	Attorney, accountant
Losing a key person	Documented procedures and cross-training	Your systems
Tax and compliance	Money set aside for taxes, deadlines on a calendar, a professional to check	Accountant, enrolled agent

ON THE WEBSITE

How protected is your business? is a free interactive tool at bbgownersmanual.com. Use it online to enter your own numbers and get an instant result.

Run the worst case before it runs you

WHAT-IFS

Once a year, run a premortem on the whole business: "It's a year from now and the business failed. Why?" The answers are your risk list.

TIGHT SHIP

Backups, renewals and filing deadlines are the boring routines that quietly protect everything else. Put them on a calendar.

REALITY CHECK

Insurance and legal review cost money. Compare that with what one uncovered lawsuit or lost client file would cost.

KNOW YOUR LIMITS

This is where self-consulting stops. Contracts, insurance and business structure need a qualified professional.

General education only, not legal or insurance advice. Requirements vary by state and industry. Talk to an attorney, insurance professional and accountant about your business.

CHAPTER 30 REVIEW

Key points

1. Protect against what could end the business, even if it's unlikely.
2. Get client agreements in writing and have an attorney review your standard agreement once.
3. Review insurance, backups, account access and deadlines at least once a year.

Try it this week

Take the protection check and book any professional reviews you need for the unchecked items.

AI prompts for each Dossier step

D · DEFINE

Widen the question

I'm framing a business decision as: [your question]. Rewrite it in three better ways that leave room for more options. Then list at least four options I haven't mentioned, including doing nothing and a smaller test version.

O · OUTSIDE VIEW

The new owner

Pretend you just bought my company and have no attachment to anything I built. Here is my situation. What would you change first, what would you stop doing, and what would you keep? Also tell me how decisions like this usually turn out for small businesses in general.

My situation: [describe it]

S · S · EVIDENCE AND SCENARIOS

The premortem

It is one year from now and this decision failed badly. Write a short report explaining why it failed, with the five most likely causes ranked by how likely they are. For each cause, suggest one thing I could do today to prevent it, and tell me which of my assumptions is shakiest.

The decision: [describe it]

I · INTERROGATE

The skeptical detective

Act as a skeptical detective reviewing a business decision I'm about to make. Do not agree with me to be nice. Make the strongest possible case against my plan, as if you believed it. List what would have to be true for my plan to work, and ask me the two questions I'm most likely avoiding.

My plan: [describe it]

E · EXECUTE

Set the tripwires

I've decided to [your decision].
Suggest three specific, measurable tripwires: signals with a number and a date that would tell me to stop or rethink. Then help me write a short, clear message explaining the decision to the people it affects.

R · REVIEW

Grade the decision

Here is a decision I made, what I expected, and what actually happened. Help me separate the quality of my reasoning from luck. Place it in one square: Earned (good reasoning, good outcome), Bad luck (good reasoning, bad outcome), Dumb luck (weak reasoning, good outcome), or Lesson (weak reasoning, bad outcome). Explain why, and give me one lesson.

Decision and reasoning: [paste]
Expected: [paste]
What happened: [paste]

Further reading

The books behind the ideas in this manual. Each one has a one-line takeaway in our own words and the chapter where we put it to work.

These are summaries of ideas, not substitutes for the books. If one of these takeaways helps, read the original. The authors explain their ideas far better and in far more depth than a one-line summary can.

30 BOOKS • 7 TOPICS

Decisions and thinking

Thinking, Fast and Slow

Daniel Kahneman

Your quick, intuitive judgments are often wrong in predictable ways. Slow down for decisions that matter, and check the outside view.

Applied in: The Dossier Method →

Decisive

Chip Heath & Dan Heath

Widen your options, test your assumptions, get distance before deciding, and prepare to be wrong with tripwires.

Applied in: Tough Calls →

Thinking in Bets

Annie Duke

A good decision can have a bad outcome. Judge your reasoning, not just your results.

Applied in: The Decision Quality Grid →

The Checklist Manifesto

Atul Gawande

Experts still skip steps under pressure. Simple checklists prevent the most common failures.

Applied in: Tight Ship →

Strategy and growth

Traction

Gino Wickman

Run a small company on a simple system: a clear vision, a few quarterly priorities, a weekly scorecard and a weekly meeting.

[Applied in: The One-Page Plan →](#)

Good to Great

Jim Collins

Get the right people first, face the hard facts honestly, and focus on what you can be best at and what pays.

[Applied in: Where You Compete →](#)

Scaling Up

Verne Harnish

Growth needs the right people, a clear strategy, disciplined execution and enough cash, all at once.

[Applied in: Grow Without Breaking →](#)

Blue Ocean Strategy

W. Chan Kim & Renée Mauborgne

Instead of beating competitors at the same game, change what customers compare by eliminating, reducing, raising and creating.

[Applied in: Where You Compete →](#)

Positioning

Al Ries & Jack Trout

The battle happens in the customer's mind. A clear, simple, specific position beats a broad one.

[Applied in: Where You Compete →](#)

Built to Sell

John Warrillow

A business that runs without its owner, sells a standard product and has recurring revenue is worth far more.

[Applied in: Worth Selling →](#)

Customers and sales

\$100M Offers

Alex Hormozi

Make offers more valuable by raising the result and the customer's confidence, and cutting the time and effort it takes.

[Applied in: Your Offer →](#)

Building a StoryBrand

Donald Miller

The customer is the hero of the story. Your business is the guide with a plan.

[Applied in: Your Offer →](#)

SPIN Selling

Neil Rackham

In larger sales, asking about the buyer's problems and their cost beats pitching your product.

[Applied in: A Simple Sales Process →](#)

The Mom Test

Rob Fitzpatrick

People will be polite about your idea. Ask about what they actually did in the past, not what they think they'd do.

[Applied in: A Simple Sales Process →](#)

Setting the Table

Danny Meyer

Service is doing the work right. Hospitality is how people feel while you do it. Clients stay for the second.

[Applied in: Keep Your Clients →](#)

Money

Profit First

Mike Michalowicz

Take profit first and run the business on what's left, using separate accounts so the money is protected.

[Applied in: Profit First →](#)

Financial Intelligence for Entrepreneurs

Karen Berman & Joe Knight

Owners don't need to be accountants, but they need to understand what the three statements say and where the numbers come from.

[Applied in: Cash Flow →](#)

Operations

The E-Myth Revisited

Michael Gerber

Work on your business, not just in it. Build it as if you'd copy it, with every important task documented.

[Applied in: Systems & Procedures →](#)

The Goal

Eliyahu Goldratt

A process is only as fast as its slowest step. Find the bottleneck and fix it before anything else.

[Applied in: Systems & Procedures →](#)

The Effective Executive

Peter Drucker

Know where your time goes, focus on your contribution, and do first things first.

[Applied in: The Owner's Time →](#)

Extreme Ownership

Jocko Willink & Leif Babin

The leader owns everything in their world, including the failures. No excuses, no blaming.

[Applied in: Tight Ship →](#)

People and leadership

High Output Management

Andy Grove

A manager's output is the output of their team. One-on-ones, meetings and training are the manager's main tools.

[Applied in: Meetings & Reviews →](#)

Who

Geoff Smart & Randy Street

Start every hire with a scorecard of outcomes, then use structured interviews and real reference checks.

[Applied in: Hiring Like a Detective →](#)

The Five Dysfunctions of a Team

Patrick Lencioni

Teams fail in layers: no trust, fear of conflict, weak commitment, avoided accountability, ignored results.

[Applied in: Team, Trust & Culture →](#)

Radical Candor

Kim Scott

Good feedback means caring personally and challenging directly, at the same time.

[Applied in: Team, Trust & Culture →](#)

The Fearless Organization

Amy Edmondson

Teams learn and perform better when people feel safe to speak up, ask questions and admit mistakes.

[Applied in: Team, Trust & Culture →](#)

Getting to Yes

Roger Fisher & William Ury

Focus on interests, not positions, and know your best alternative before you negotiate.

[Applied in: Negotiation →](#)

Never Split the Difference

Chris Voss

People agree more readily when they feel understood. Label emotions and ask calibrated questions.

[Applied in: Negotiation →](#)

Hard times

The Hard Thing About Hard Things

Ben Horowitz

There's no recipe for the hardest moments. Face them directly, tell people the truth and keep moving.

[Applied in: Crisis Mode →](#)

The Lean Startup

Eric Ries

Test ideas small, measure what happens and be ready to pivot when the evidence says so.

[Applied in: Pivot to Survive →](#)

How to read a business book like an owner

- **Read for one idea, not every idea.** Finish each book with the single change you'll actually make.
- **Test it before you adopt it.** Every author's advice comes from their own context. Treat it as a theory and try it small.
- **Write it as a commitment.** Turn the idea into "I will... by..." in your next [consulting engagement](#).

OUR APPROACH

The ideas here are explained in our own words and credited to their authors. Book titles and author names belong to their owners.

Disclaimer

The short version: this manual is general education. It isn't professional advice for your situation, it doesn't promise any result, and important decisions deserve a qualified professional who knows your business.

Last reviewed October 2026.

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Worksheets

The pages that follow are printable worksheets. Print them and fill them in by hand, or download the fillable versions from bbgownersmanual.com to type into them on screen.

1. **The Dossier** (4 pages): the full seven-step decision file. See Chapter 1.
2. **The Consulting Engagement** (2 pages): the consultant's memo and the owner's response. See Chapter 6.
3. **The Dollar Test** (1 page): does it pay? See Chapter 15.
4. **The Owner's Weekly Checklist** (1 page): four weeks of the tight-ship routine. See Chapter 18.
5. **The Pivot Playbook** (4 pages): 90-day plan, role review, people changes and technology rollout. See Chapter 29.

The Dossier

CASE FILE

Every decision is a case. Investigate it before you close it.

HOW TO USE THIS FILE

Use one dossier for each important business decision. Fill it in on screen (this PDF is fillable) or print it and write by hand. First pick the case class, then work the steps in order. Keep every finished dossier. Over time they become a record of how you think, and the best way to get better at deciding.

STEP 0 · PICK THE CASE CLASS

Class I · Routine

Two-way door, low cost. Easy to undo.

TIME: MINUTES

STEPS D, E, R

Class II · Significant

Costly but reversible. Mistakes can be fixed.

TIME: AN HOUR OR TWO

ALL BUT I

Class III · Critical

One-way door. Hard or impossible to undo.

TIME: DAYS + A SECOND OPINION

ALL SEVEN STEPS

THE SEVEN STEPS

D	Define	Write the real question, your options, a deadline and what success looks like.
O	Outside view	Describe it in the third person. Check how cases like it usually turn out.
S	Sort evidence	Split facts from assumptions. Test the shakiest assumption cheaply.
S	Scenarios	Best, worst and likely. Ask "and then what?" Run a premortem.
I	Interrogate	Write the strongest case against your plan. Get someone to attack it.
E	Execute	Make the call, set tripwires, and tell the people affected.
R	Review	On a set date, grade your reasoning separately from the outcome.

RULES OF THE METHOD

- Every Class III decision gets a full dossier.
- No dossier is closed without a review date.
- Set tripwires when you decide, not after things go wrong.
- Grade the reasoning first, then the outcome.

Case file

CASE CLASS

☐ Class I · Routine☐ Class II · Significant☐ Class III · Critical

Define the question

What problem am I really solving? Leave room for more than yes or no.

THE REAL QUESTION

OPTIONS, INCLUDING DOING NOTHING

DECIDE BY

SUCCESS LOOKS LIKE



Outside view

What would a new owner do? How do cases like this usually go?

IN THE THIRD PERSON (USE YOUR NAME)

BASE RATE: HOW THIS USUALLY GOES FOR OTHER BUSINESSES



Sort the evidence

What can I prove? What am I only assuming?

FACTS

ASSUMPTIONS

SHAKIEST ASSUMPTION, AND HOW I'LL TEST IT



Run the scenarios

Can I survive the worst case? And then what?

BEST CASE

WORST CASE

MOST LIKELY

AND THEN WHAT?

PREMORTEM: IT'S A YEAR FROM NOW AND THIS FAILED. WHY?



Interrogate

What's the strongest argument against my plan?

THE STRONGEST CASE AGAINST

FOR THIS TO WORK, WHAT HAS TO BE TRUE?

WHO ATTACKED THE PLAN (REQUIRED FOR CLASS III)



Execute

What's my call, and what would make me rethink it?

MY CALL

TRIPWIRES: IF ____ BY ____, WE RETHINK.

WHO NEEDS TO KNOW, AND HOW



Review

Was my reasoning sound with what I knew then?

REVIEW ON

REVIEWED ON

WHAT I EXPECTED

WHAT ACTUALLY HAPPENED

DID A TRIPWIRE GO OFF? WHAT DID I DO?

DECISION QUALITY GRID · CHECK ONE SQUARE

GOOD OUTCOME

BAD OUTCOME

SOUND REASONING

☐**Earned**

Do it again. Note what made it work.

☐**Bad luck**

Keep the process. Could a tripwire have caught it?

WEAK REASONING

☐**Dumb luck**

Most dangerous square. Fix the process now.

☐**Lesson**

Find the step you skipped. Write it down.

THE ONE LESSON I'M KEEPING

Case closed. File this dossier with the others, including the embarrassing ones. They teach the most.

The Consultant's Memo

Write in the third person. Use your name, never "I."

CLIENT (YOUR NAME)

ENGAGEMENT DATE

NEXT ENGAGEMENT

REPORT BACK: WHAT DID THE OWNER DO SINCE LAST TIME?

THE BRIEF

Describe the business and situation the way you'd brief a new consultant.

WHAT DO THE NUMBERS SAY?

WHAT IS THE OWNER AVOIDING?

WHAT WOULD A NEW OWNER CHANGE FIRST?

WHAT IS THE OWNER TELLING THEMSELVES THAT ISN'T TRUE?

RECOMMENDATIONS · NO MORE THAN THREE

1

RECOMMEND

WHY

COST AND RISK

FIRST STEP

2

RECOMMEND

WHY

COST AND RISK

FIRST STEP

3

RECOMMEND

WHY

COST AND RISK

FIRST STEP

The Owner's Response

Switch roles. Answer every recommendation in the first person.

1

Recommendation 1

☐ Accept

☐ Change

☐ Reject

REASON

I WILL...

BY

IF-THEN PLAN: IF IT'S ____, THEN I ____.

TRIPWIRE: IF ____, BY ____, I RETHINK.

2

Recommendation 2

☐ Accept

☐ Change

☐ Reject

REASON

I WILL...

BY

IF-THEN PLAN: IF IT'S ____, THEN I ____.

TRIPWIRE: IF ____, BY ____, I RETHINK.

3

Recommendation 3

☐ Accept

☐ Change

☐ Reject

REASON

I WILL...

BY

IF-THEN PLAN: IF IT'S ____, THEN I ____.

TRIPWIRE: IF ____, BY ____, I RETHINK.

RULES OF THE ENGAGEMENT

- Every recommendation gets accept, change or reject, with a reason. Ignoring isn't an option.
- Every accepted or changed recommendation becomes "I will... by..." with an if-then plan.
- Next month starts with the report back. Unfinished commitments get a new date or an honest reject.

The Dollar Test

Everything goes back to a dollar. If it doesn't help your bottom line, it's not for you.

WHAT ARE YOU TESTING?

1

How does this make or save money?

Directly (new sales, lower costs) or indirectly (keeps clients, keeps staff, avoids a fine).

2

How much, and by when?

A real number and a real date. "Eventually" is not a date.

3

What does it really cost?

The price, plus the time it takes, plus what it costs to maintain.

4

How will I know if it worked?

Pick the measure now. If you can't measure it, set a tripwire to drop it.

RUN THE NUMBERS · MONTHLY

A	Money gained or saved per month	\$	
B	Your hours saved per month (negative if it costs time)	HRS	
C	What your hour is worth	\$	
D	Value of your time (B × C)	\$	
E	Monthly cost	\$	
F	Net value per month (A + D - E)	\$	
G	Upfront cost	\$	
H	Months to pay back (G / F)	MO	

VERDICT

☐ Doesn't pay. Not for me unless an indirect reason is strong.

☐ Pays in over 12 months. Open a Class III dossier first.

☐ Pays within a year. Check it still works with half the benefit.

☐ Pays within 3 months. Do it, and set a tripwire to confirm.

Not sure? Ask the flip question: what does it cost me if I stop? If the answer is nothing, stop.

The Owner's Weekly Checklist

Thirty minutes, same day every week. If it matters, it's written down, scheduled and checked.

MONTH

MY CHECKLIST DAY

	Week 1	Week 2	Week 3	Week 4
01 Checked cash on hand and months of runway	☐	☐	☐	☐
02 Followed up on anyone owing us money past 30 days	☐	☐	☐	☐
03 Looked at bills due in the next 30 days	☐	☐	☐	☐
04 All invoices for finished work have been sent	☐	☐	☐	☐
05 Reviewed every client deadline for the next two weeks	☐	☐	☐	☐
06 Checked the sales pipeline and new leads	☐	☐	☐	☐
07 Every client message from this week has a reply	☐	☐	☐	☐
08 Checked open dossiers for tripwires and review dates	☐	☐	☐	☐
09 Had a check-in with each team member	☐	☐	☐	☐
10 Wrote down one thing that slipped and how to prevent it	☐	☐	☐	☐

BOTTOM-LINE NUMBERS · WRITE THEM DOWN WEEKLY

	Week 1	Week 2	Week 3	Week 4
Cash on hand				
Owed to us				
Bills due (30 days)				
New leads / signed				
Open commitments				

THINGS THAT SLIPPED, AND THE FIX

Small slips become normal when nobody watches them. This page is how you watch.

The Pivot Playbook

Keep moving. Every step gets an owner and a date. No open-ended "we'll figure it out."

PART 1 · THE 90-DAY PIVOT PLAN

CASH TODAY

MONTHLY EXPENSES

MONTHS OF RUNWAY

PLAN START DATE

THE NEW DIRECTION IN ONE SENTENCE

WHAT STILL WORKS AND WE'RE KEEPING

WHAT STOPS NOW

Step	Timing	Next action	Owner	Due	Done
1 Face the numbers	DAYS 1-3				☐
2 Stop the bleeding	WEEK 1				☐
3 Define the new direction	WEEKS 1-2				☐
4 Map the work the plan needs	WEEK 2				☐
5 Make the people decisions	WEEKS 2-3				☐
6 Tell people, in the right order	SAME DAY				☐
7 Roll out in phases	WEEKS 3-12				☐
8 Review and adjust	EVERY 30 DAYS				☐

TRIPWIRES FOR THE PIVOT

If by then

If by then

If by then

Role Review

Design the team around the new plan. Review the role first, then the person.

For each role or task area, decide whether the new plan needs it, how much is repetitive, and how much needs human judgment. Then choose the outcome. Keep = core work done by people. Redesign = hand the repetitive part to technology and refocus the role. Cut = the new plan doesn't need it.

Role or task area	Monthly cost	Needed? yes / some / no	Repetitive? most / some / little	Judgment? a lot / some / little	Outcome keep / redesign / cut	Who fits / notes
TOTALS	Keep	Redesign	Cut	Est. monthly savings		

Decide in one round if you can. Repeated rounds of cuts destroy the trust of everyone who stays.

People Changes Checklist

Decide for the business. Deliver it like a human.

BEFORE YOU DECIDE

- ☐ The decision is based on what the new plan needs, not loyalty, seniority or guilt.
- ☐ Roles were reviewed first, then people were matched to the roles being kept.
- ☐ Checked whether anyone affected could move into a role we're keeping, with training.
- ☐ Talked to an employment attorney or HR professional about notice rules, final pay and benefits where we operate (larger layoffs can trigger rules like the U.S. WARN Act).
- ☐ The criteria are written down and applied the same way to everyone.

PREPARE THE CONVERSATION

- ☐ Each person will hear it privately, in person if possible, from me or their direct manager.
- ☐ Final pay, benefits information, return of equipment and last day are ready in writing.
- ☐ Access to systems will be changed at the right time, handled respectfully.
- ☐ Decided what support we can offer: reference, introductions, help finding work.

TELL PEOPLE, IN THIS ORDER, ON THE SAME DAY

- ☐ 1. People affected by the layoff, privately.
- ☐ 2. The rest of the team: why, what's changing, what isn't, and what happens next.
- ☐ 3. Clients: what improves for them and who their contact is now.
- ☐ Prepared answers for the questions people will ask. No guessing, no promises we can't keep.

NOTES FOR THE TEAM ANNOUNCEMENT

General education only. Rules vary by location. Get professional advice before making staffing changes.

Technology and AI Rollout

Hand repetitive work to tools. Keep people on judgment, trust and relationships.

Task to hand off	Tool or AI	Who checks it	Hrs saved/mo	Monthly cost	Tripwire: drop it if...

SETTING UP AN AI TOOL FOR A TASK

- ☐ Write the process down step by step.
- ☐ Collect 3–5 examples of good finished work.
- ☐ Write clear instructions: what to do, what to avoid, the format.
- ☐ Test it on real work. Compare with a person's result.
- ☐ Fix the instructions and test again.

BEFORE GOING LIVE

- ☐ A person reviews anything going to a client.
- ☐ Anything involving money is double-checked.
- ☐ Checked what the tool does with private data.
- ☐ Staff are trained to use and check the tool.
- ☐ A tripwire and a review date are set.

A computer is only as good as the person using it.

Technology follows instructions, and AI can give confident answers that are wrong. Someone has to set it up, check it and own the result. Use tools to free your people for the work machines can't do: judgment, trust, hard conversations and relationships.

TRAINING PLAN FOR THE TEAM