



MOVERS & HEAD SHAKERS:

A STUDY ON BUSINESS OWNERS
OF GROWING & STRUGGLING COMPANIES





MOVERS & HEADSHAKERS:

EXECUTIVE SUMMARY

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The business environment has been difficult over the last three years. We've heard business owners tell us that "flat is the new up." But a fair number of businesses have bucked the trend and found a way to show strong growth in sales and profits throughout that period.

What is the difference between a Mover (owner of growing business) and a Head Shaker (owners of a stagnant business)? We set out to find the answer.

In July and August of 2011, Anchor Advisors, Ltd. surveyed a group of business owners. We reached these business owners through Anchor Advisors' mailing and referral lists, and by posting links to the survey on websites that reach business-owner audiences. We received 132 responses.

We found some surprising differences between the actions and results of the Movers (those that showed growth over the past three years) with those of the Head Shakers (who did not).

- ✓ Movers worked hard and played hard. They worked more hours and took more vacation than the Head Shakers.
- ✓ Movers spent more time in front of customers, as well as more time reviewing their company performance and planning for the future. They spent less time in meetings, and resolving employee issues.
- ✓ Movers made more money – a lot more money – than the Head Shakers.
- ✓ Movers more frequently read business and personal-growth books.



MOVERS & HEADSHAKERS:

STUDY FINDINGS

FINDINGS

In July and August of 2011, Anchor Advisors, Ltd. surveyed a group of business owners. We reached these business owners through Anchor Advisors' mailing and referral lists, and by posting links to the survey on websites that reach business-owner audiences. We received 132 responses.

The businesses represented in this survey tended to be small (63% had less than \$1M in sales), but we saw solid representation up to \$10M+ (11.5% of respondents). 65% of companies had fewer than 10 employees. 61% have been in business for 5 or more years. The vast majority (75%) of the respondents were led by the founders.

The owners were surveyed about a wide range of issues, from their work and reading habits to how they pay themselves and their staff. But first, we divided the respondents into two groups: owners of businesses that grew more than 5% since 2008 [Movers], and owners of businesses that experienced less than 5% growth or that declined since 2008 [Head Shakers]. Both groups were roughly equal in size:

We asked:

Compared to 2008, your business's sales growth is:

Down	Flat	0% - 5% Growth	5% to 10% Growth	10% to 25% Growth	More than 25% Growth
20.8%	11.3%	15.1%	6.6%	17.9%	28.3%

Total Over 5% = 53% of all respondents [Movers]

Total Under 5% = 47% of all respondents [Head Shakers]

Throughout the report, we will compare the behaviors and trends of the Movers with those of the Head Shakers.

COMPANY PERFORMANCE

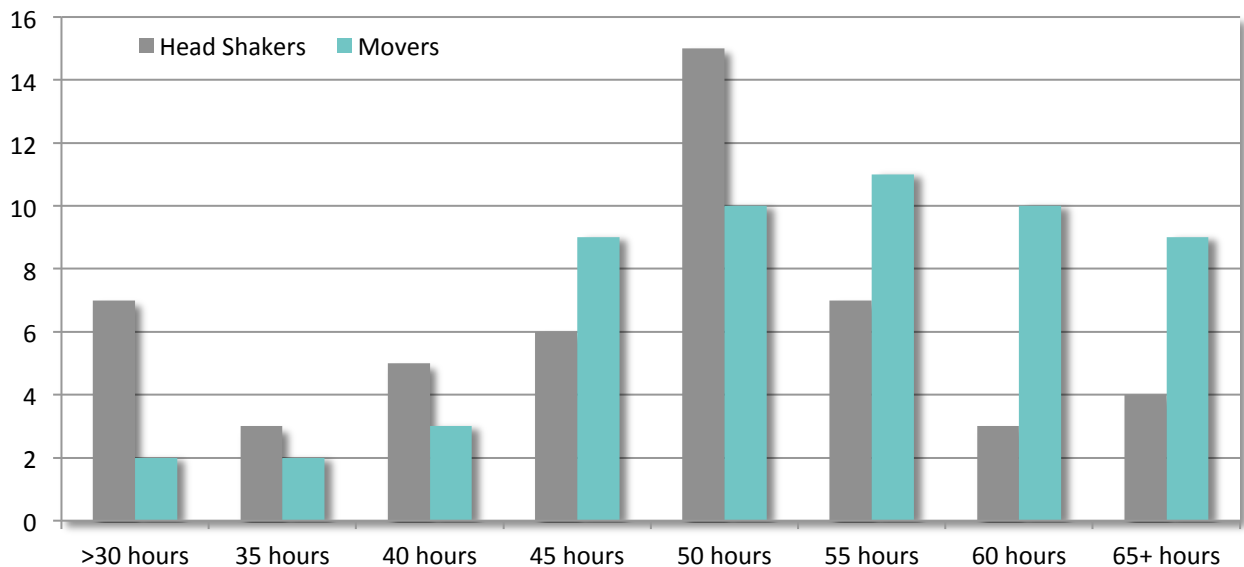
The Head Shakers who showed minimal or no growth since 2008 also had minimal or no profits, with 59% of them reporting that their profits were flat or down in that time period. 70% of the Movers had profits that grew by more than 10% in that same time period.

Further, the lower the margins, the less likely they were to have seen growth. 40% of the Head Shakers reported margins of 10% or less, compared to only 30% of the Movers.

WORK, PLAY HABITS

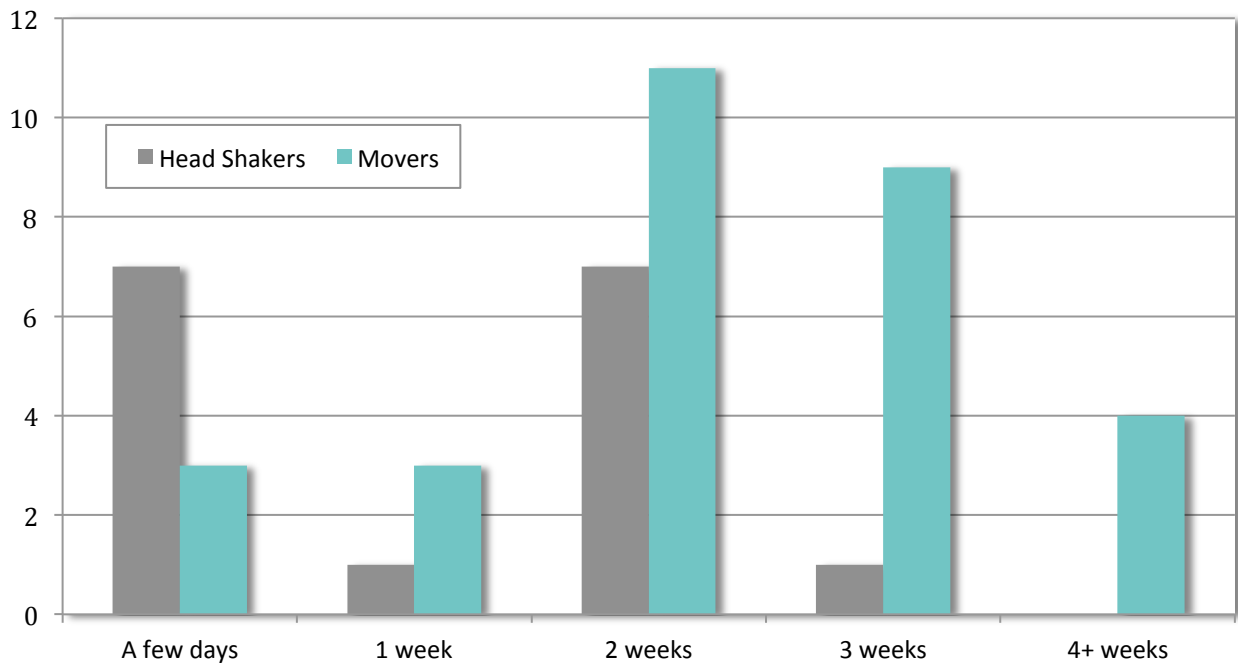
We found that while all business owners work a lot of hours – 50 - 55 hours was the most frequent response – the Movers worked MORE. Only 28% of the Movers worked fewer than 45 hours per week, while 42% of the Head Shakers worked fewer than 45 hours per week. 33% of Movers worked more than 55 hours per week, while only 14% of Head Shakers did the same.

On average, how many hours do you work each week?



The Movers took more vacations – 39% taking 3 weeks or more, compared to 28% of the Head Shakers. But the vast majority of Movers (over 90%) take their computers on vacation and spend some time working, compared to 71% of the Head Shakers who do the same.

What is the total vacation time you take each year?



Despite working on their vacations, the Movers report having less stress.

BUSINESS OWNERS VS. WORKING AMERICANS

Business owners not only work more than their employees, they also work more on their vacation as well. According to a July 2011 Adweek/Harris Poll, 46% of surveyed American workers planned to or had worked on their vacation, while over 80% of business owners reported they do work on vacation.

TASK MASTERS

We asked respondents to rank 7 tasks in order of how much time they spend on each. There were some similarities. Both Movers and Head Shakers spend a lot of time responding to messages (email, VM, Phone), and delivering services to clients. But Movers spent a lot more time meeting direct reports, reviewing their company performance and planning for the future.

TASK (RANKED TOP 3)	MOVERS	HEAD SHAKERS
Email, VM, Phone	74%	76%
Meeting Direct Reports	38%	24%
Thinking, Reading, Writing	21%	30%
Talking to or visiting clients and prospects	74%	65%
Delivering Services to Clients	77%	76%
Reviewing Company Performance	28%	19%
Planning for the Future	33%	22%

I know from working with my clients that when business is going poorly, there is a tendency not to look too closely at their numbers. Poor performance also creates uncertainty about the future. So these may be effects and not causes.

But Movers spend less time in meetings (82% spend 25% of their time or less), while only 72% of Head Shakers spend a comparable amount of time.

Another dramatic difference is the time they spend sorting out employee issues. Only 4% of owners of growing businesses answered that they were sorting out employee issues “Often” or “All the Time” while 22% of stagnant businesses chose these same answers. Do growing businesses hire better, or are there just fewer issues when things are good? We’re not sure, but either way it’s a big tax on owner’s time when it’s not right.

READING

We asked, “How often do you read?” It turns out that the axiom “Leaders are Readers” holds true. But what are they reading?

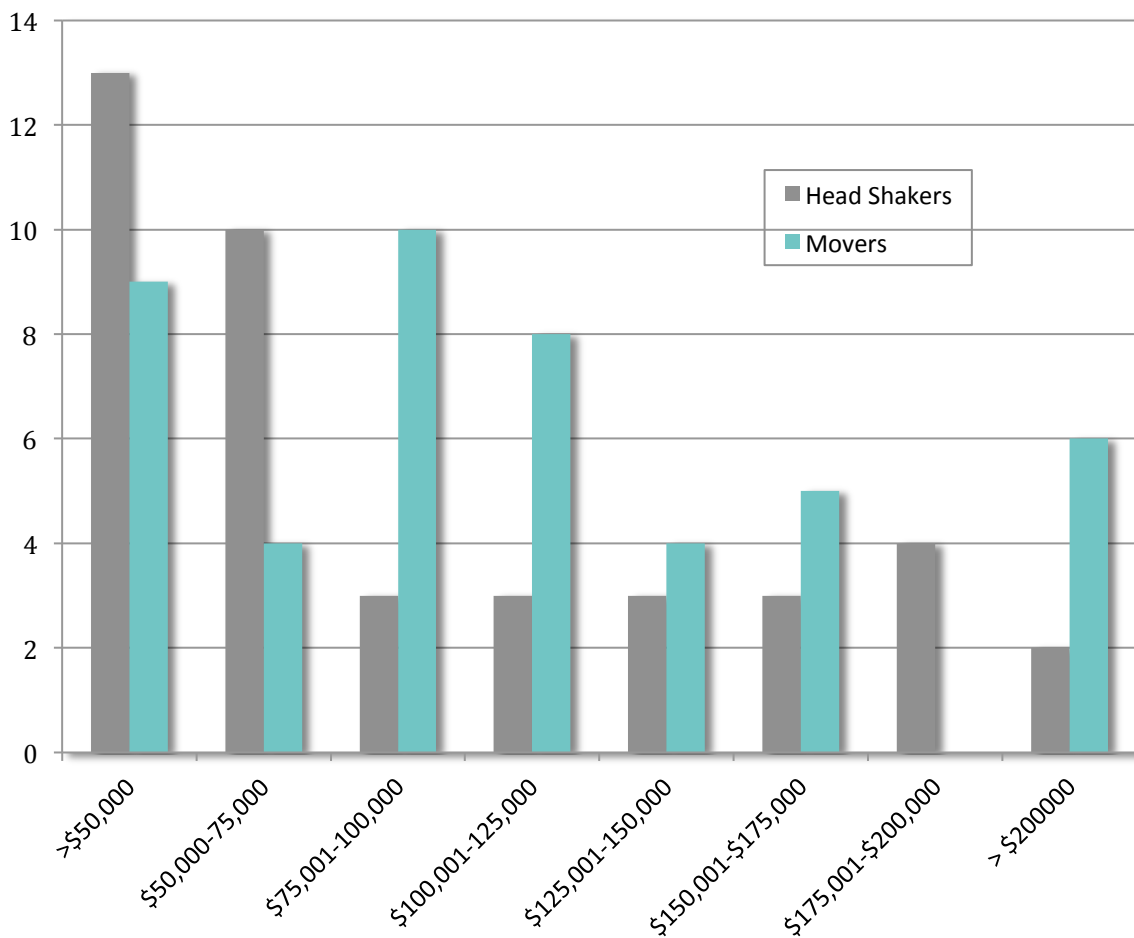
READING MATERIAL (% THAT ANSWERED AT LEAST “MONTHLY”)	HEAD SHAKERS	MOVERS
Industry Publications & Websites	95%	100%
General Business Books	48%	64%
Personal Growth Books	41%	52%
Novels, biographies, & fun reading	64%	68%

Everyone is keeping up on his or her industry, but Movers are reading more business and personal growth books. Does this effort to improve result in actual improvement?

WHAT THEY MAKE

Movers pay themselves a higher salary on average (\$100,000 average) than Head Shakers (less than \$75,000 average). Their profit distributions are also higher. 54% of Movers took greater than 50% of base salary in distributions while only 46% of Head Shakers matched that percentage.

What's your salary (not including profit distributions)?



AREAS WITH NO TREND

There were a number of factors that showed no trend that corresponded to growth;

- Company Size
- Age of Business
- Hours that employees work on average
- Type of technology you use (mac vs. PC)
- Dress code
- Owner's Years of Experience
- Formal Business Training

CONCLUSION

Movers and Head Shakers have many differences in their actions and the way they run their businesses.

Movers made more money, had less stress, spent more time reading business and personal growth books, and took more vacation time. Movers are more of the visionary type; they spent more time reviewing company performance and planning for the future than working in the “now” and daily grind.

Shakers had more stress, took less vacation, and spent more time resolving employee issues. They had smaller paychecks, worked less hours and their business was not growing.

These findings are meant to serve as reading material for small business owners to evaluate their actions and how they run their business. Are you a Mover or Head Shaker?

ANCHOR ADVISORS

Anchor Advisors, Ltd. is a Chicago-based business consulting firm that empowers business owners to take control of their business, before their business starts to control them. We work with businesses with 10 to 100 employees to help them grow their business, move with confidence and make quicker decisions.

Our business advisors identify the trouble spots of a business – from sales and accounting, to leadership and temp development – and devise an action plan to strengthen those areas. When implemented, our business advice can help drive revenue, increase sales, improve company morale and most of all, build the business owner’s confidence.



For more information, visit www.anchoradvisors.com or call 773.282-7677.

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