

# **\$20K** TO **\$2 Million** IN **2** YEARS



**WHAT YOUR BUSINESS NEEDS TO  
KNOW TO GROW**

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**RAYMOND HUAN**

**\$20K to \$2 Million in 2 Years**  
by Raymond Huan

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Everyone wants a good business, but a great business is often something we can only dream about. In this gem of a book, Raymond Huan, point by point and in clear layman's terms, tackles everything from the obvious to the obscure that we need to know to achieve hyper-success, and make that great business happen.

**Michael Collins**

Author



I found this book immensely valuable! It taught many fundamental principles and was easy to read. The case-studies were applicable and relevant. I took a number of the principles home for application to my business! I strongly recommend this read for people starting their business who want to build their business on a sound footing for future growth.

**Philip Huan**

Managing Director  
Churchlife Resources



Loved reading your book. It is engaging and educational, especially for growing businesses. The questions posed throughout the book do stimulate thinking instead of just reading. If you are serious about your business, I encourage you to buy this book and take what Raymond has to say on what makes a good business great!

**William Tan**

Director  
Sieverts Radiation Consulting

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# WHY THIS BOOK?

**D**uring my years as a business advisor, I've worked with many different companies. Almost all of them continued to experience growth, in spite of the great financial crisis. Curious to find out the secret of their success, I wanted to discover whether there were common traits that could be identified among them. How did they manage to prosper, in spite of the tough economic times?

One business multiplied from just a few tens of thousands in valuation to millions – within a span of just a few short years. Other companies I advised not only maintained profitability during the recession, but also increased their market share and presence, despite adverse trading conditions. Keen to learn more, I decided to put the various case studies together to highlight the common denominators linking growing businesses, in both good times and bad.

I've filtered many examples I've witnessed first-hand and used them in this book, with the intention of providing you with valuable insight into how to expand and cultivate a successful business. This book is not designed as a 'How To' guide for building companies. Instead, it focuses on



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the psychological aspects of a prosperous company, and the common factors I have observed during my years as a business advisor. In certain sections of the book, questions are posed in the form of exercises. These are designed to assist you with putting what you have read into practice. Your answers will act as a foundation, helping you to shift your business onto a path that may bring exponential growth.

My hope is that you'll find this book easy-to-read, down-to-earth, and above all else, helpful. Through my observations of successful SMEs that have flourished regardless of the economic situation, I hope you'll find the path to your own business success. I trust that you will be able to practically apply some of these tips to your business and planning processes, and go on to achieve great things.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond Huan", written over a horizontal line.

**Raymond Huan**

# THE DIFFERENCE BETWEEN A GOOD AND A GREAT BUSINESS

**W**hat makes a good business? What makes a great business? And most importantly, how can you tell the difference?

Both are profitable. Both will provide a good source of income. However, there's a key difference. The former innovates to improve the effectiveness of services provided to clients. In contrast, the latter will innovate to improve the benefits their services provide to clients. The initial short-term outcome of product and service innovations may be similar, but in the long run, the differences in the product offerings can be very different.

## *Going from good to great – a case study*

Here's an example to illustrate the point. In the past, I worked with a business which had to certify specialist



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equipment in the medical industry. This represented a fraction of the overall operational costs of the company. There were actually only a few competitors providing the same service, and the general trend was to do as many certifications per technician as possible – this meant the cost per certification went down, while profits went up. Most, if not all, companies specialising in this field are profitable and the cheapest quote usually wins the deal.

If you chose to follow the competition, you would probably get the same results as them, i.e. profitability at a cost. When I say ‘at a cost’, I mean that in time, the efficiencies of doing more for less will reach a point where the level of service suffers.

Instead of this approach, I guided the business owner down a different route. I asked him to identify the benefits that the service provided his clients. We discovered that in many instances there were two types of customers – the owners, who were not operating the machines, and the managers who were hired to maintain and use them. While the owners were primarily concerned with cost, the managers were more interested in getting the job done and certification compliance.

### *Moving forward and boosting benefits to customers*

Based on this knowledge, we devised a process which involved both the owners and the managers, and kept them informed on the inspection and results. At all times, both parties had peace of mind through an account manager who was knowledgeable in the field and would be familiar with their account.

## *The Difference Between A Good And A Great Business*

Of course, this “peace of mind” inevitably had an impact on prices offered. However, the company gained a reputation for reliability and credibility; a powerful thing in an increasingly competitive market. The level of service offered enabled them to keep their prices higher than their competitors as the benefit (peace of mind) was something for which the owners were willing to pay.

### **Short-term vs long-term gain**

A “good” business, in this scenario, would focus on making operations more effective to reduce costs and increase productivity. A “great” business would look at providing a benefit to the client instead. By focusing on that, the business may choose to maintain or increase operating expenses to improve the level of service provided. In this case, it translated to higher prices and profitability.

### **Planning for Growth**

To give you a better idea of the strategic approaches of the two types of enterprises, I wish to explore the difference in growth plans between a good and a great business.

A good business plans for contingencies and caters for growth with capacity to spare. It makes plans to continue growing; innovating and improving the offering to stay ahead of the game, to become more efficient, and to provide great customer service.

A great business goes a little further. It recognises the benefits provided to clients, and how its products or services impact them, in relation to their jobs or lives. Armed with this knowledge, the great business will plan to grow and innovate their products and services in a way that

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positively increases the impact on their clients. This may be through improving the effectiveness of delivering the product (which a good business might do), but with the overall goal of increasing benefit to the client, so that they would encompass other services or products, engaging and growing their custom.

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**A good business plans for contingencies and caters for growth with capacity to spare.**

**A great business will plan to grow and innovate their products in a way that positively increases the impact on their clients.**

.....

### **Different end-goals**

The pathways and actions taken by both businesses are similar, and yet also quite different. Both aim for growth. Both have their clients' interests at heart. Both are committed to providing the best level of service to their clients. But the good business is focused on just that, the provision of the service to the customer, while the great business goes the extra mile to innovate and improve the benefits offered.

### *A great business in action*

An example of a great business that also provides excellent service is Gillette. The brand is known for its quality products, and it provides a consistently high level of service in its sales. The close shave that their razors offer gives

## *The Difference Between A Good And A Great Business*

customers the benefit of looking good, provided of course they don't cut themselves with the blade (they are pretty sharp!). The question is – how has Gillette shown that it is not just a good company, but a great one?

Firstly, they have invested huge resources into innovating and improving the shaving experience, by introducing better products. They understand that what they provide is not just a superior shaving system, but an experience that an individual feels when they shave with a Gillette product. They know that they can enhance the shaving experience (or benefit to the customer) by formulating a range of pre and post shave items that maximise the quality of the experience. By doing so, they benefit from the following:

1. Leveraging existing goodwill from the market by selling to a receptive client base, so it becomes less expensive to introduce a new product line.
2. The new lines are complementary to their core shaving product, so they open up the market to sell more products, thus increasing revenue.
3. Enhancing the existing benefit to the customer opens new opportunities to sell even more products to that client base.

### **Understanding the customer, not just the product**

Gillette's understanding of the service, not just the product that they provide, allows them to innovate to enhance the experience. By focusing on development and design, they are able to create products that complement rather than

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compete with each other, providing multiple income points from each customer.

A good business would focus on producing the best possible shaver and blade system, and getting that to the market in the most effective, cheapest manner. While that may be beneficial in the short-to-medium term, the great business will survive the competition and be profitable long term.

You can tell the difference between a good business and a great business, especially if they share common ground, because they end up with different ideas and services offered to the market. If you want your business to be a great business, not just a good one, start the process of working on the fundamentals to maximise the chances of profitability and success.



The difference between a good and great business.

## *The Difference Between A Good And A Great Business*

### **Exercise**

The following questions will help you identify what your business is really all about. By answering them with some thought, rather than just instinctively, you may be surprised at what you come up with. Ask your team members to contribute as well – the variations you get may open up a new avenue of potential growth.

1. What does your business do for the customer?
2. Now, what does your business REALLY do for the customer?

Take some time to identify this and you will see the opportunities that lie ahead.