



# Key Ingredients Often Overlooked that Build a Better Business Model

By: Lisa Mininni

There are a number of elements to consider when setting up a business, but entrepreneurs seem to struggle with the very thing that describes how their business will create, deliver and capture value: their business model. According to Wikipedia, “[t]he term business model is...used for a broad range of informal and formal descriptions to represent core aspects of a business, including purpose, offerings, strategies, infrastructure, organizational structures, trading practices, and operational processes and policies.”

While there are many factors in setting up a business model, there are three key ingredients often overlooked by entrepreneurs that should be considered when building a business model **that works**:

## Create a Model Congruent with Your Inner Entrepreneur

Entrepreneurs often try to execute a business model that worked for someone else and are confused after hours of trying to execute that model why their results aren’t the same. This dynamic is often the result of the entrepreneur not considering how they are naturally hardwired and how their hardwiring impacts the execution of that model.

One entrepreneur with dominant hardwiring naturally liked to go after the next best idea that he created. He was wired to “hunt and conquer” the next business deal. Unfortunately, his business model was structured with a lot of detail and routine follow up. He had a hard time staying focused and therefore, his results suffered. He was trying to execute a business model that was not congruent with his hard wiring (part of his Inner Entrepreneur.) The execution of his business model was boring to him yielding less-than-favorable financial results.

Once he created awareness of *how* his natural hardwiring influenced his execution of that model, he made a few modifications. He shifted the way he worked, utilized his innate strengths and built a compatible business model that worked for him and better served his clients.

## Target The Audience You Will Serve

One of the other mistakes entrepreneurs make is casting a wide net hoping to catch something. What they find is that they are trying to serve too wide of an audience and end up confusing their clientele. This wide-net approach is actually scarcity thinking. Entrepreneurs who aren't getting financial results will say to themselves (in thought or by action): "Maybe if I cast a wide enough net, I'll catch something." They are scared, their actions follow, and results reflect their lack of focus.

In targeting a market, however, you can serve others more efficiently and produce ideal business revenue. There are many ways to target your market. Some of those ways may include:

- Researching trends
- Identifying specific demographics of people you want to work with
- Serving a specific geographic region
- Identifying common experiences
- Identifying similar backgrounds

When you begin to focus on your target market or niche, your business model can be built in alignment with that target market and your actions become more efficient, prosperous and focused.

Additionally, when your business model is clear, your partner networks and business alliances can be better leveraged. Your referrals will be abundant because when you're clear and your model is clear, your clients are drawn to you and your referral partners send you the precisely-matched referrals.

## Consider Multiple Revenue Flows and Cost Structure Ranges

If you want to improve your income to record levels even in a down economy as well as attract more preferred clients to consistently fill your business, you must follow a different model. If you grew up in the Industrial Age, then you developed models based on that industrial-age mindset.

For example, if you're trading your hours-for-dollars (aka hours-for-dollars model) you're probably working really hard at landing new contracts but may not have other income streams (passive or leveraged income streams). There is only so much money and time selling your hours for dollars. To jump start your business, however, adding passive and leveraged income to your existing business can generate more revenue in the next six months than you have in the last six years.

Depending on your business, you may be able to make small changes to your service delivery, such as working with groups rather than one on one or creating a proprietary system, to leverage your time and services. For others, you may need to offer a broader range of service offerings or cost structures to bring in multiple income streams. Either way, it is important to objectively look at your business model to make sure it is keeping up with the times and utilizing and leveraging the information you know that will help serve your market.

When you begin to take a systems approach to profitability (looking at the entire business), you begin to instantly unplug the blockages that are holding back achieving preferred outcomes and serving your ideal customer/client consistently.

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