The Limiting Factor Leverage Tool

Your business's Limiting Factor is the single biggest constraint currently limiting your growth. It's the one ingredient that, if only you had more of, would allow your business to grow instantly.

While every business has multiple limiting factors, each has one Limiting Factor (capital L; capital F) that does the most to limit its growth in the here and now. Pushing back your biggest Limiting Factor is a major leverage point to grow your company. One key way to grow your business is to identify and push back your current Limiting Factor quarter-by-quarter.

Use this tool to help you identify your company's current Limiting Factor and then to find your "Sweet Spot" solutions to push it back this quarter.

Identifying Our Limiting Factor

Use the following list to help you uncover your company's Limiting Factor -- the one ingredient in your company that the lack or shortage of does the most to constrain or limit the growth of your business over the next 90-180 days.

Remember, the more precisely you can identify your Limiting Factor, the easier it is to effectively push it back. For example, if you say your Limiting Factor is "lack of sales," you might come up with a dozen ideas to increase sales.

But before you solve this, dig deeper and see if you can pin your Limiting Factor down more precisely. Is it the need for more leads on the front end? Perhaps your business has enough leads but instead lacks the sales capacity to effectively follow up on all the leads you are already generating? Or is it that you have plenty of sales staff, but lack a proven sales process so your sales team's conversion is too low? As you can imagine, depending on your answer here, you'll need to take an entirely different approach to solve that Limiting Factor. That's why it is so critical that you narrow down your Limiting Factor to the most accurate root factor you can.

Lead Generation Limitations

❑ **You don't have enough leads to sell to.** Or your lead generation is erratic and you don't have a consistent lead stream you can count on.

❑ **You don't have a system to organize and manage your leads.** As a result you don't consistently follow up with leads in a timely way and many of your sales opportunities slip between the cracks.

❑ **You don't have a structured lead scoring system.** You waste your sales efforts by squandering your best sales resources on variable leads rather than being able to quickly and easily sort your lead pool to separate out your highest-quality leads for follow-up first.

❑ **You don't systematically track your lead generation efforts.** Without hard data you have no way of determining which of your lead-generation tactics are producing and which aren't. Raw intuition or anecdotal observations are not enough.

❑ **You don't have a system to generate leads.** You or a key staff member have all the "know-how" of how to implement a marketing tactic in your heads versus a concrete business system. Your company is vulnerable should the key person not be available to do the marketing.

❑ **Your current lead-generation processes aren't scalable.** Either the prospect pool you work with is too small or the system itself is limited, and as such you can't scale the basic lead generation system(s) that you have.

❑ **Your current cost per lead is too high.** The leads you generate are just too expensive to make sense considering your current conversion rates and average unit of sale. You need less expensive ways to generate leads or better conversion systems to get more from each lead you do generate.

❑ **Your lead quality is just too poor.** It's like looking for a needle in a haystack of junk leads who either aren't qualified or motivated to buy your product or service.

❑ **You have a ton of lead generation ideas but you just don't seem to be able to effectively implement them.** You have half-done many different marketing ideas, but never seem to finish implementing the majority of them so that they actually produce leads for your business.

❑ **Your marketing is too reliant on you, and as such you "start /stop" it as other demands in the business pull you away.** As a result, you regularly go through cycles of feast or famine where you alternate between focusing totally on producing your product or service offering with no time to market, and likely no real capacity to take on more work, followed by periods of panic where you see your funnel running low and you scramble to start up your marketing again to quickly bring in more business. Not only does this constant cycling back and forth between the two exhaust you, but you never seem to build enough momentum to break out of this trap.

Lead Conversion Issues

❑ **You don't have a focused understanding of your product or service that you can powerfully communicate to your prospective customers.** Or if you do have a clear understanding, your prospects just don't find the way you communicate it to them compelling or enticing.

❑ **You don't have a defined sales process to lead prospects through clear stages to close the sale.** You've never strategically laid out all the steps in your sales process in a visual way so that you could formalize your sales process and work to optimize it.

❑ **You, the owner, are the only salesperson for your business.** All the essential sales know-how is locked in your head (or in the head of a single key employee). If you (or your single key employee) aren't there, no one else would be able to close business.

❑ **You lack the sales capacity to actually process and sell to all the leads you already have.** As a result, many leads spoil for lack of someone to follow up with them.

❑ **You have no reliable control in place to accurately track, measure, and refine your sales system over time.** You don't know what your key conversion rates are at each critical step in your sales process, and as a result you're flying blind, not really knowing if a change you make is working as intended or not.

❑ **You lack sales management.** Either you don't have the right person to manage your sales team or lack a solid process to do it. As a result your sales team is undermanaged.

❑ **Your sales system simply isn't scalable as it exists at present.** It works at your current business volume but it won't scale as you grow.

❑ **You don't have effective standardized sales tools** (e.g., testimonials, sales collateral, scripting, sales contracts, etc.). As a result, you waste valuable time creating improvised sales tools as you go that never seem to turn into the refined sales tools you know you eventually need.

❑ **You lack an organized follow-up system to coherently nurture leads that need more time to close.** You attempt to sell once and if they don't buy, you move on to your next prospect.

❑ **You don't have a back-end offering to up-sell/cross-sell your customers on.** Once your customers buy from you, you have no real next-step offering for them to keep buying.

❑ **Your sales scripting is weak and/or your sales team is poorly trained.** You sell based on price with no real scripted process to develop your prospect's need, pain, and aspirations. You don't systematically help your prospect quantify the cost (emotional and financial) of their status quo, and the real value of a solution.

Production of Fulfillment Capacity
❑ **You lack key "producer" team members.** Either you need new "producers" to add to your team, or you need to leverage the time of your current producers much better than at present. Currently it would be difficult or impossible for you to take on more business.
❑ **You lack enough production space, machinery, or infrastructure.**
❑ **You don't have a clear and efficient production system.** You may have too manual steps, or manual steps, in your production process. Or you've never streamlined the process to increase its efficiency (at least not in a long time.)

Admin Chaos
❑ **You lack a skilled team member(s) to handle the key administrative functions.** The details that are getting dropped are causing multiple fires, not to mention the havoc this is causing in the business, pulling in your more expensive team members.
❑ **You lack admin systems and controls.** You do have the staff, but they are operating with little or no structure to perform these functions.
❑ **The admin systems and controls you do have are out of date or poorly conceived.**
❑ **The admin function in your business is poorly linked to the rest of your company.** You lack the intentionally crafted "linkages" that connect this function to the other pillars of your company.

Team Holes
❑ **You lack certain key skills or team members.** For example, you may need a key hire in one area of your business. Or to better train a team member to more ably handle another.
❑ **You struggle to recruit quality team members due to a poor talent pool from which to hire.** If so, which specific job functions are most limiting your company at present because you are unable to recruit for them?
❑ **You struggle to recruit quality team members due to poor hiring and recruiting systems and skills.**
❑ **You don't retain the talent you hire.** You find great people, but they leave you, increasing your costs to find and train their replacements.
❑ **You lack onboarding and orientation systems.** As a result it takes too much time and energy to bring a new team member up to speed. This slows down your hiring timelines, and even at time causes you to lose or ruin a new hire because of how you on-boarded and oriented them.
❑ **You lack the management time to hire and onboard right.** You know how to hire and onboard, but your managers are so busy that many open positions go empty for lack of time to interview, hirer, and onboard.

Financial Constraints
❑ **You have poor collection systems.** This causes your collections cycle to stretch longer as you wait on your receivables, which in turn can cause cash flow challenges.
❑ **You lack the trained staff to follow and use the collection systems you have.**
❑ **You lack timely and accurate financial reporting.** This means you're making key decisions in the dark.
❑ **You have timely and accurate financials, but no one consistently reviews them to gain insights about better operating the company.** This can be caused by management's lack of literacy or comfort reading the financials, or by a lack of time on the part of key management.
❑ **You have poor cash flow management systems which leave you ill prepared or anxious.**
❑ **Your lack of financial controls makes it impossible or inadvisable for the owner to get help in this area.** The owner is the one who handles all payables, and manages most of the financial pillar's functioning.

Leadership Challenges
❑ **You lack a clear vision and big picture strategy for your company.** You have no concrete business goals, and there is no clear pathway to reach those goals even if you did have them.
❑ **Your team doesn't understand your vision or strategy.** You may have them, but they haven't been clearly and effectively communicated to your entire team. This causes a lack of coherence and inefficiencies in your business as people and departments work out of phase.
❑ **You suffer from "bright shiny object syndrome".** You constantly start projects and allow your resources to be dissipated across too many projects and initiatives, many of which never seem to get completed to the point that they are producing for your business.
❑ **You lack a key leader(s) to run one or more areas of your business.** If so, which area of the business are you most in need of having a talented leader to "own"?
❑ **Your leadership team lacks the management and leadership skills to effectively lead.**

Pick the ONE Limiting Factor that more than anything else over the next 90-180 days is your company's greatest constraint to growth.

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Now use the Sweet Spot Analysis Tool on the next page to pick the highest leverage tactics to push this Limiting Factor back.