



Business Cycles

There are numerous cycles of activity that occur repeatedly in your business and most people pay little attention to them but they can have a major impact on how well the business performs. The reason for this is that they are interconnected. One cycle of activities triggers another and so on causing a chain reaction to take place.

At PAGE, we know all about business cycles. We can often diagnose the health of a business by examining them. We can more easily spot where we can make significant performance improvements in a business by making a few adjustments to get the chain reaction working properly, and so can you.

Customer Facing Side of the Business

Typically there are three main business cycles in the customer facing side of the business, they are:

- Prospecting Cycle
- Conversion Cycle
- Fulfilment Cycle

You may want to visualise these cycles as behaving like a funnel. The cycles work like this:

Prospecting Cycle. This sits at the top of the funnel and is facing the open market. The activities undertaken within the cycle are all focused on researching the market and repeatedly interacting with existing and potential new customers in ways that promote the existence of the business, its value proposition (what it offers) and engages with these customers with the aim of generating opportunities and/or genuine enquiries. Its performance can be measured by the number and quality of opportunities / enquiries it generates each week / month compared with the costs that it incurs to achieve them.

The performance of the prospecting cycle is vital to the business and it is the part of the operation that feeds the sales pipeline with opportunities. This is relevant to opportunities that arise from informal procurement networks as well as more formal ones where opportunities are posted on official tender sites and require a rigorous and procedural bid response to be made.

Conversion Cycle. This is the next stage of the business process, it is the second stage of the sales pipeline and sits in the middle of the funnel. Activity is triggered on receipt of an opportunity or enquiry. It typically involves an assessment of the opportunity (although many businesses never say no to anything that comes in). For those opportunities that the business decides to respond to, the necessary steps can be taken to create a quotation or formal bid response as may be needed to be done to win the job / contract. Again, the performance of this business cycle can be measured by the number of enquiries / opportunities responded to and the success in converting them into contract awards for the costs incurred by the cycle. Valuable information can be gained from looking at all the

opportunities NOT converted and the reasons why. This can be a painful exercise but facing these brutal truths can help to identify key business improvements or adjustments to your value proposition and/or business cycle performance.

Fulfilment Cycle. This is the final cycle and it is represented by the thin narrow neck at the bottom of the funnel. This cycle is triggered by the award of a contract and is where the business gets to fulfil the commitment it has to undertake to satisfy what it has agreed to do for the job it has won. This will be different for each business and potentially for each type of contract won. The outcome from this cycle is delighted / satisfied customers and profit. The delighted / satisfied customers are key to a growing business as it is vital that a business does all it can to give them a purchasing experience that they would be glad to repeat and also that they would be happy to refer others to experience also.

It should be clear to see that the performance of the business relies heavily of keeping all the cycles actively in motion and using the cycles to work on those things that will ultimately produce the end result of delighted customers and money (profit) so that the business can bit by bit grow and grow.

So ask yourself, how well your business cycles are working, do you have a bottleneck in any one of them and how evenly is the work flowing through the business. If you have severe peaks and troughs that are damaging, why is this happening ?

For more information about business cycles and to discover what other cycles exist in your business, please contact PAGE Consulting Ltd on 01430 440079 or send us an e-mail at enquiries@pageconsulting.ltd.uk Follow us on Twitter, Facebook or LinkedIn for further growth hacks