

# Breakpoints

How to Shift Your  
Business to the Next Level



**Dr Mike Ashby**

**WILEY**

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First published in 2016 by John Wiley & Sons Australia, Ltd  
42 McDougall St, Milton Qld 4064  
Office also in Melbourne

Typeset in 11.5/13.5 pt ITC Garamond Std by Aptara, India

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National Library of Australia Cataloguing-in-Publication data:

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Creator:	Ashby, Mike, author.
Title:	Breakpoints: How to shift your business to the next level/Mike Ashby.
ISBN:	9780730326625 (pbk.) 9780730326632 (ebook)
Notes:	Includes index.
Subjects:	Success in business. Business enterprises. Business planning.
Dewey Number:	650.1

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Cover design by Wiley

Printed in Singapore by C.O.S. Printers Pte Ltd

10 9 8 7 6 5 4 3 2 1

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*To Francesca, for everything*

## FOREWORD BY JUSTINE ROSS

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I'm not sure exactly what a businessperson is but I am most definitely not one. I guess I'm a business groupie. I hang around businesses and businesspeople and I consume information on business. Then, like all good groupies I form an opinion and scream about it. On the other hand, my husband and business partner Geoff is a business builder, a visionary and a change maker.

Together we run fairly critical eyes and ears over business 'how to' manuals and their authors, and usually we wind up thinking it's total 'blow' covering simple stuff. Everyone wants the next secret to success or to be the next 42 Below (ideally a heap bigger) and everyone hopes that someone (anyone) can tell them how. *Breakpoints* comes close to this answer because ultimately it tells you to 'Get On With It'. If we had one regret over 42 Below it would be not to have gone 'harder, faster, sooner'. We almost missed the

1990s crest of a growth curve in global super premium liquor, and then we clung to our day jobs and worried about 'security' and 'risk' for too long.

We find lack of 'field experience' a tough pill to swallow in a business adviser but the ideas shared in this book come from a very good place. Not only is Dr Mike Ashby educated to the very highest level in his field but he's also been a very successful business leader. He is the full package and he has challenged himself and others to keep evolving critical thinking as times and markets have moved on. This book is like a continuation of Dr Mike's ebooks, blogs, programs and learnings over many years of business coaching and personal experience, systemised and synthesised for the benefit of anyone anywhere. This is a man passionate about his messaging and generous enough to ensure everyone has access to success.

Dr Mike seems to have a slightly different spin on all our favourite sayings. We say, 'If what you are doing isn't working, change what you're doing'; he says, 'Doing the same thing and expecting the same results is dangerously delusional today'. Ha! We like his version better.

In business you hear about moments where there is a departure from the past after which life becomes different. Thanks to Mike these now have this cool name—'Breakpoints'. But of course the inverse of the word Breakpoint is point break, a surfing term that is also apt for business—you surf the curve until each breakpoint. With our businesses there have been more do or die moments than we care to recall. Much work has been needed to support people at these times because too many superb businesses don't make it.

In a way few business books do, this one addresses our emotional energy, mental wealth and even our 'breathing' but not in a weird way. Mike understands that our well-being is as essential to business success as supply chain

management and he is rooting for you to have some balance—and Arianna Huffington and a ground swell of new research on productivity concur. With 42 Below, we didn't have any balance at all, but with our new businesses we are trying to work smarter and this book tells us how.

*Breakpoints* offers a brilliantly straightforward marketing framework; a people plan; and the seven mistakes made by businesses, which on their own make the book worth owning, if only to read them once a month. Mike also addresses the question of 'mastery', or what happens after you reach a certain level of success. This is walking the talk, and he expects you to need this bit.

This book is destined to be around for some time because it has unusually wide audience appeal. The knowledge shared isn't just for one stage of business or personal growth—its wisdom will benefit a rookie startup as much as an experienced and successful entrepreneur. When people ask us about the 42 Below story we can just hand them our book, *Every Bastard Said No*. When people ask us to tell them our thoughts on business, the best thing we can do for them now is hand them *Breakpoints*.

Thanks Mike for delivering such a superb tool. The world sure needs brave entrepreneurs creating smart, strong businesses in a mindful and healthy way and *Breakpoints* teaches us all how. Mike doesn't shy away from offering implementation approaches—he cares about the how.

So, get on with it. Sort out your vision, your purpose, and your values. Then, when you burn your boat, cross your chasm... take this book with you and BREATHE.

**Justine Ross**  
**Co-founder of 42 Below and author of**  
***Every Bastard Said No***

# ACKNOWLEDGEMENTS

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The best Oscar acceptance speeches are short, funny and memorable, but I don't watch the Oscars so my acknowledgements won't be like that.

I've really enjoyed writing this book; it's been one of the most challenging and fulfilling things I've done in my life so far. There are some people I want to thank in that context:

- Matt Church insisted that I had to write it and took away all my objections and obfuscations, damn him.
- Bob Weston, Marguerite Delbet and Rose Fann made some really helpful comments on the draft.
- Ryan Castle, my business partner and friend, supported me all the way, as did The Breakthrough team who didn't see a lot of me when I was in my writer's garret.
- Wendy Taylor, my good friend and colleague for the last seven years, who contributed so much to the



business and who, even more importantly, can always make me laugh.

- My clients over the years who gave freely of themselves, which enabled me to develop a lot of the insights and examples contained in this book. It's been a privilege to work with you.
- Lucy, Harry and Dominic for providing motivation.

And my greatest thanks go to my wife, Franceska Banga, who always said, 'Wonderful though you are, you're capable of so much more'. Frank, you're number one on my list of reasons to be grateful.

# INTRODUCTION

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## Read this bit!

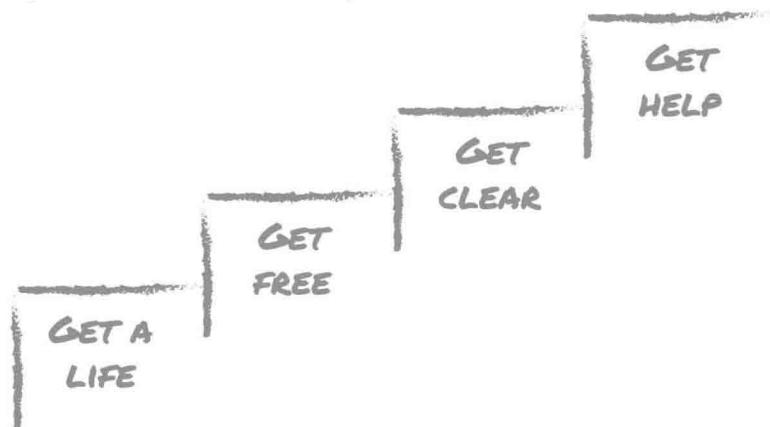
Exactly 12 minutes before I was due to give my standard 'business success' presentation to 200 business owners a couple of years ago, the convenor of the conference was rushing around yipping and yahooing to the speakers as we gathered for the pre-event briefing. As he raced past me he asked me what I was going to talk about, and then said to me 'Great, great Mike, fabulous. Go out there and tell them the four things they've got to do to grow the business'.

That wasn't what I was going to talk about, but I preferred his idea to mine. I went into the seminar room, grabbed a piece of paper and a pen, and while people were drifting into the room I scribbled down the four things that business owners have to do.

I like to wing it because I find the pressure makes me more creative. Figure A (overleaf) shows the framework

I sketched out for myself that day, and which I am using (with some modifications) as the structure for this book.

**Figure A:** the Business Breakpoints



There are thousands of books about how to grow small businesses. I've got a couple of hundred on my shelves or in the cloud. I have read no more than five of them from cover to cover. The odds are that I wouldn't finish reading this book either.

So my objective here is simple: I want to beat the odds and have 80 per cent of the people who buy this book read at least 80 per cent of it. Achieving my objective requires me to keep the book short, relevant and readable. So this is not an academic book; it's written from real life for real life. It does have a framework, but there aren't many acronyms and data tables. (By the way the ending is really good, but it only makes sense in the context of the rest of the book.)

## The framework for this book

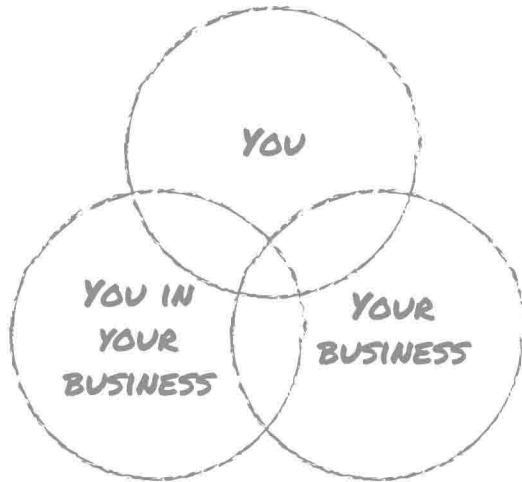
'Breakpoints' refer to those moments of departure from the past, after which life is different. It comes from the software

world (something I didn't realise until someone asked me why I was using the term). A breakpoint is used to interrupt a running program immediately before the execution of an instruction.

In this book I'm using it as an analogy: when we recognise and implement these particular departure points, we take our business to the next level. Whatever else happens after this, we won't be going back to where we've been. Each of the breakpoints we describe has a before and after: once you've gone past it, your business will be operating at a higher level of performance—even though some of the breakpoints do not relate directly to the business.

The fundamental framework is very much about you. I've worked a lot with The Icehouse, a world-class business-growth centre. Their approach is that the owner, the business and the role of the owner are all equally important, as shown in figure B.

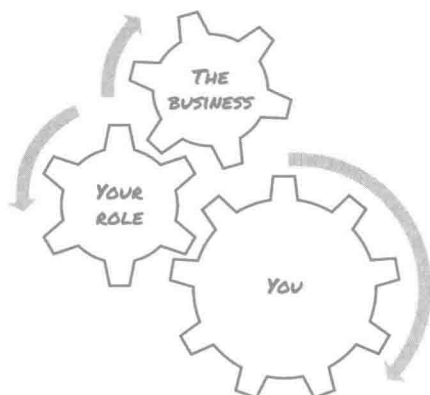
**Figure B:** The Icehouse's Three Circles



It's a good way to think about the owner-managed business, especially the idea of 'you in your business' as being separate from both the business and you as a person.

However, I draw a slightly different picture that reflects both what I've learned and how I operate, shown in figure C.

**Figure C:** the Breakthrough Model



I prefer this for several reasons. The first is that I can draw it using SmartArt, which is much quicker. The second is that I believe that the business only changes if the owner changes. I suppose you could argue that the business changes you—the whole experience of being in business shapes your outlook and behaviours. But if you want to grow the business, you've first got to grow yourself. As one of our clients said at his graduation from our program, 'the business has doubled since I started the program but the thing that has changed the most is me'. He explained that his joinery business only grew because he changed his role and changed the way he thought about how he added (and subtracted) value in the business. To my mind, the focus on the owner has to be first among equals.

The third reason flows from the second. I'm not an engineer but I'm pretty sure that if you can get the big wheel going, the little wheels will turn even faster. In other words, getting yourself moving at a higher speed will make your business move even faster. And I have seen this often enough in my business and with my members to be convinced that it's true.

## A bit about me

So where do I get the evidence for the propositions in this book? Since 2003 my development programs have helped small-business owners. These programs have had various names over the years, and right now they come under the Breakthrough brand (in homage to Keith McFarland, who wrote *The Breakthrough Company: How everyday companies become extraordinary performers*, which I still consider to be the best book for owners of small to medium businesses—it's one of the five I've finished and the only one I've re-read).

A word about our programs: we have people from all industries but we don't do startups and we don't do rehab. The members are 75 per cent male, and probably most are in the 35 to 45 age range. They attend workshops with anywhere between 8 and 70 other members of the program, where they learn some of the material in this book. They also meet every two weeks in Breakthrough Action Groups of six or seven of their peers where they go through what they said they'd do, what they've done and what they're going to do. Finally, they have a 1:1 meeting with one of our advisers, monthly or quarterly depending on the program. They pay a monthly membership fee to be part of the program. For more information go to [www.thebreakthrough.co](http://www.thebreakthrough.co).

From 2003 to 2008 it was a well-leveraged business because people joined the program, I ran a quarterly workshop and spent the rest of the time getting members. I worked with (or at least got to know at a relatively superficial level) maybe 400 businesses. I learned a lot about running my own business, and, perhaps more importantly, about running myself.

The market was changing, so in 2008 I introduced 1:1 advice (it's not really coaching in the normal sense of the word) as part of the model. It was through getting deep into the issues and challenges of business owners that I saw the patterns and solutions that underpin this book.

That has been a theme in my life—teach first, then learn. Between 1997 and 2001 I was a partner at Ernst & Young Consulting, leading a strategy and transformation team. I could tell you and sell you the latest concepts in organisational strategy, management practices, business transformation—you name it, I'd be half a page ahead. And then I got a job as Chief Operating Officer at a large health insurance company with 450 staff members and even more problems. This is where my education began.

As it happens, I love to learn and I like to share what I know, so it works out okay in the whole 'do what you love and the profits will follow' cliché way. I have a PhD simply because I wanted to learn all I could about a particular area, and then I wanted to share it; it was not because my mother always wanted a doctor in the family.

What I've learned from working directly with about 150 clients over the last few years—and indirectly with another 300—is the stuff of this book.

But probably the person I've learned the most from is the owner of *The Breakthrough*. The experience of running my own business, albeit a very small one with just a few staff, means that I relate to the business owners I work with. In my mind their issues and problems are not just theoretical;

they look like the issue or problem in my business that I was thinking about when I was driving to the office, or are similar to problems I used to face in one of my other roles. I probably solve their problems better than I solve my own, but the solution starts with empathy and understanding the problems. My experience as a business owner has given me plenty of that.

MY PERSPECTIVE IS THAT OF A *player-coach* — AND AMONG THE PLAYERS I'M *advising* IS MYSELF.

## Talking about you

'Repetition without progress.' With this phrase Steven Pressfield, author of *Turning Pro*, captured my attention with a mental slap. You know what today holds for you and your business because it's going to be substantially the same as yesterday, the day before that and last week. Tomorrow is unlikely to be any different. People who write about habit often mention that 80 per cent of what we do is habitual.

Sometimes, in moments of reflection, it can feel like the time has flown by one day at a time, and that each today resembles nothing so much as yesterday. Our businesses don't change until someone or something changes them. I call it the Come Monday problem. We run our workshops on Fridays, and people leave the sessions inspired and ready to make things happen. But come Monday, the business they return to is the same as it was when they left it.

Now if you're one of those people who likes that kind of infinite certainty, that tomorrow will look like today and today resembles nothing so much as yesterday, then you can stop reading this book. Certainty is exactly what



you like, and you know the definition of insanity is to keep doing the same thing and expect a different outcome. So you're going to keep doing the same thing and expect the same result. In a world where the rate of change continues to increase, that is the new definition of insanity. Your market will simply leave you behind.

## DOING THE *same thing* AND EXPECTING THE *same result* IS DANGEROUSLY DELUSIONAL TODAY.

If you're someone who shudders at the thought of infinite certainty, this book is for you. Perhaps the shudder is born of today's poor business performance making the prospect of repetition without progress a nightmare. Perhaps the shudder is born of the good performance of today's business but a strong sense that it could do better. It doesn't matter. What matters is an awareness that your business is not operating at the level it could or should be. And you're right, it's not. Your business, like you, is always capable of better.

Businesses encounter one of three problems. The first problem is trying to answer the question of whether there is a market for what you're selling, and whether it's scalable and profitable. This is not just an 'early stage of growth' problem. Many small businesses address that question every day for years until they realise either that they've got a job or that they have to up the ante. In my own business, scale has always been the issue. But there are ways around the scalability problem, so long as you are prepared to think differently about your business.