BUSINESS & STRATEGY

Ready, Fire, Aim

by Michael Masterson

Grow a business through four clear stages - and at every stage, sell first and fix later.

BEST POINTS FROM THE BOOK

01 **Ready, fire, aim: get it ready enough, sell it, then make it better.**

Masterson's stage-one sequence, in that order. You cannot know whether an idea works until the market tests it, so perfection comes after the first sales, not before.

02 **Every business sits in one of four stages - and each stage has a known problem, challenge, and opportunity.**

Infancy runs $0 to $1 million, childhood $1 to $10 million, adolescence $10 to $50 million, adulthood $50 million and beyond. Name your stage and you know what to work on next.

03 **Stage one: put about 80% of your time, money, and creativity into selling.**

Your main problem is that you don't really know what you are doing yet, and your main challenge is making the first profitable sale. Branding, systems, and nice offices all wait until sales exist.

04 **Find your Optimum Selling Strategy by answering four questions.**

Where will you find your customers? What product will you sell them first? How much will you charge? How will you convince them to buy? At the start, do what the competition is doing - and never decide alone what to sell; let the market decide.

05 **You are in the want business, not the needs business.**

Masterson says more than 90% of buying runs on wants, not needs. Sell one clear unique selling proposition - a big idea, a big promise, specific claims, and proof - aimed at what customers want.

06 **Stage two: growth means a fast stream of new, profitable products.**

From $1 to $10 million, the problem flips: you are only breaking even, or losing money. The fix is creating many additional products quickly - 'tipping-point' products that catch a rising trend early, staying one step removed from what you already know how to do.

07 **The front-end sale wins the customer. The back-end sale makes the profit.**

The first purchase exists to acquire a customer; most profits come from selling more to people who already bought. Build a line of back-end products for them, starting with a higher-level version of what they already own.

08 **Speed beats polish: test ideas fast and make failure cheap.**

Masterson preaches 'accelerated failure' next to ready, fire, aim - money loves speed. When you size up an idea, double the expected cost and halve the expected sales, then fire anyway if it still works.

09 **Stage three: turn chaos into order - and change yourself first.**

From $10 to $50 million, your strained systems start hurting customers. Build useful protocols, run the business on three or four simple management reports, and learn new skills: managing managers, hiring stars, and killing bottlenecks, bureaucracy, and politics.

10 **Stage four: when sales stall, become entrepreneurial again.**

Past $50 million the danger is comfort, not chaos. The goal is a business that runs itself while the founder steps back and acts as its main investor - funding fresh entrepreneurial bets instead of running daily operations.

11 **Every business needs four personalities at the helm: a seller, an improver, an organizer, and a pusher.**

One person rarely has all four. Know which ones you are and cover the rest; in the early stages the priority order is selling, pushing, improving, then organizing.

THE BOOK, IN SHORT

Michael Masterson (the pen name of direct marketer Mark Ford) argues that almost every business grows through the same four stages, set by yearly sales: infancy ($0 to $1 million), childhood ($1 to $10 million), adolescence ($10 to $50 million), and adulthood ($50 million and beyond). Each stage has a different main problem, main challenge, and main opportunity, plus a new skill the owner must master. Most struggling businesses, he says, are simply doing the wrong job for their stage - and he writes from experience, having been a partner in two businesses that grew past $100 million, two more past $50 million, and at least a dozen past $10 million.

Stage one, infancy: your main problem is that you don't really know what you are doing, and your main challenge is making the first profitable sale. Selling is nearly the whole job - roughly 80% of your time, money, and creativity should go to it. The tool is the Optimum Selling Strategy: answer four questions (where will you find customers, what will you sell them first, how much will you charge, how will you convince them), borrow the answers from competitors at first, and follow the title sequence - get the product ready enough, sell it, then make it better. The two skills needed are getting things done and selling.

Stage two, childhood: sales work, but you are only breaking even or losing money. Growth now depends on the primary factor of this stage - developing and marketing new products, fast. Masterson calls the winners 'tipping-point' products: twists on hot products in rising markets, kept one step removed from what you already know how to do. The economics split in two: front-end

sales acquire customers, while back-end sales to those same customers produce most of the profit. His twin sermons for this stage are 'accelerated failure' and ready, fire, aim.

Stage three, adolescence: your systems are strained and customers are noticing. The challenge is turning chaos into order - establishing useful protocols and running the business with just three or four simple management reports. This demands a personal transformation: the founder must learn skills the early stages never required, like controlling operations, managing managers, communicating vision, negotiating deals, and hiring stars and superstars - while stamping out the bottlenecks, bureaucracy, and politics that creep in.

Stage four, adulthood: sales slow down and may stall. The challenge is becoming entrepreneurial again inside a company built for order, and the opportunity is a business that runs itself. The founder's final role change is to act as the company's main investor rather than its operator. The title ties every stage together: at each size, Masterson favors tested motion over perfect planning - launch, watch the real numbers, then adjust your aim.

DO THIS WEEK

Find your stage by your yearly sales (pre-revenue means stage one). Write that stage's main problem and main challenge at the top of your list, then spend this week on that stage's main job and delay the rest. Stage one: answer the four Optimum Selling Strategy questions and put most of your working hours into selling. Stage two: ship one new back-end product to existing customers. Stage three: write down the three or four reports that would tell you the business is healthy, and start producing one of them weekly.

By Michael Masterson (pen name of Mark Ford), first published by Wiley in 2008; full title: Ready, Fire, Aim: Zero to $100 Million in No Time Flat. Masterson was a partner in two businesses that grew beyond $100 million and at least a dozen that passed $10 million. Read it if you own or plan to start a business - it tells you what to focus on at your exact size, and what to ignore.