



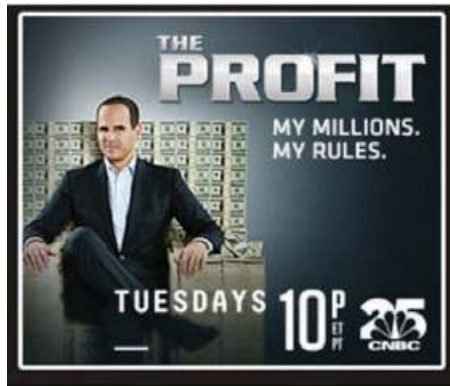
People, Product, Process – “The Profit” Formula for Success

“The Profit” is a TV reality show that is now in its third season and features Marcus Lemonis offering struggling small businesses money and his expertise in exchange for some percentage ownership in their business.

Lemonis puts his own money into these businesses and doesn't get paid by the production company. Ratings from the first season to the second went up 115% and the third season began in May, 2015.

So why should a business executive care about what happens on a reality show?

The big takeaway is the formula Lemonis uses to evaluate the companies on the show. In a recent *Business Insider* interview he said that he judges every business by what he calls the people, product, process formula, meaning a company needs great people,



an excellent and relevant product and the best possible process for creating, delivering and selling the product.

In the interview, Lemonis said, “What I know now is that running

“Everything should be made as simple as possible, but no simpler.”

- Albert Einstein



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a small business is as hard as running a big business. It also reaffirmed my belief that people are the ones that make the difference. My greatest takeaway is how important or unimportant people can be – how effective or destructive they can be if they're not the right people.”

Lemonis made his billions by buying small Recreational Vehicle dealerships around the country and rolling them up into one large company that now has 25% of the U.S. RV market. When CNBC approached him about “The Profit,” he thought it was an extension of what he had been doing in his business and knew it would have a shot at success.

Here’s how the formula works:

People are the core of every business. Without good people you don’t have a chance for success. Business is built on

relationships and people are essential to the relationships. The key is to find really good people and get them engaged in their work. A Harris Poll showed that only 15% of employees felt they were able to contribute as much as they could and wanted to for the organization.

One tool you can use to measure how engaged your people are is the Q12, a set of 12 questions that Gallup found would reveal the truth about employee engagement.

The twelve questions that comprise the Gallup Q12 are:

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?

JEFF BLEACHER

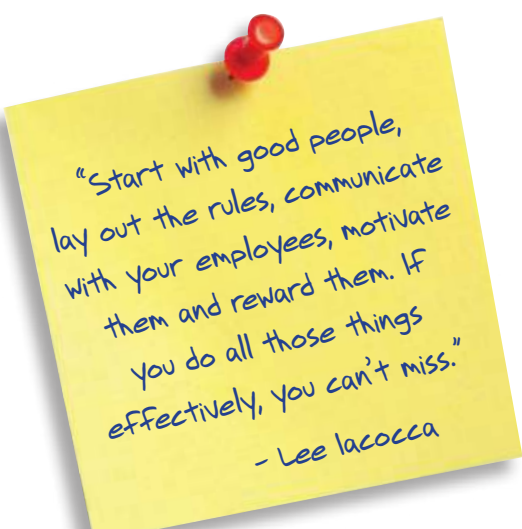


“Marcus Lemonis has a lot to teach us on the TV reality show, “The Profit.” His ability to take a laser sharp view of a small business through the lens of People. Product. Process gives all business owners a simple formula to evaluate their businesses.”

KEN FALK (on the right)



“Whenever you have skin in the game, you’re going to be much more careful about People, Product and Process. We see that on the show and it’s understandable that business owners are too close to their businesses to see what Lemonis can see immediately. It’s a good lesson for every business owner to have “outside eyes” for their business.”





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8. Does the mission/purpose of your company make you feel your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last six months, has someone at work talked to you about your progress?
12. In the last year, have you had opportunities to learn and grow?

Product considerations are driven by supply and demand.

A successful company has to have a product that is needed and relevant and have the value the customer is looking for in order to hand over their hard-earned dollars. Quality and price are also considerations when evaluating products, and assessing the demand for your product should be essential in your strategic planning sessions.

Processes include all activities that have to do with getting your product out the door and to the customer. While it’s imperative that processes are documented and ingrained into the culture, it’s also important to allow for great people to innovate and develop more efficient processes.

Lemonis says that successful companies need all three aspects to be successful. It’s worked for him and the companies he’s invested in are very grateful for his success formula.

JEFF GROFF



“People, Product and Process are the three legs of the business stool that every business owner would do well to study. The business owners that get money from Lemonis, in exchange for a piece of ownership, are going to go through a huge learning curve as they interact with Lemonis and begin to understand how business works.”

PATRICK GENDRUE (on the left)



“I think Jim Collins, author of Good to Great, gave us the best understanding of how important the People component of Lemonis’ formula is for success. Without the ‘right people in the right seats’ the business will not be aligned and moving in the right direction.”

*“Almost all quality improvement comes via simplification of design, manufacturing... layout, processes, and procedures.”
- Tom Peters*

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