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12 things high-profit companies do

Don't we all want to be high-profit companies?

Bad habits are obstacles to growth for good companies and good people. Changing behaviors in both is one of the toughest things for a CEO to do. In working across the country with landscape companies of every size, I've noticed that the behaviors and traits of highly successful companies, and their people, look alike.

What they have in common is also what makes them innovative, sustainable and consistently profitable: Their CEOs have mastered the art of change. They're able to move forward and make money despite fluctuations in the market or in their company's life cycle. Here's how:

1. They have clarity about their mission, have a well-defined business model and execute it according to plan. They are disciplined in their daily operations and focused on their type of customer, type of service and method of delivery. More importantly, they build a team of people who are all on the same page.

2. They run companies with interlocking disciplines; sales and marketing goals are linked to operations goals, and everything is driven by strategy. They target customer segments and have defined service models and their operations are built to support the type and level of service that's being sold. Operations at all levels are trained to deliver on the sales promise and reinforce it when given the opportunity.

3. They run lean. They identify sources of value and eliminate sources of waste. They have well-thought-out processes that employees are expected to follow (and they're held accountable if they don't follow them).

4. They encourage innovation. They try new things, unlike many companies in the industry who wait to see if something is going to be successful before jumping on board. This gives them competitive advantages that more cautious companies lack.

5. They recruit and hire carefully to ensure value alignment. Effort is made to avoid potentially sub-standard employees upfront. Decisions on whether to keep underperforming employees are made quickly, terminating those who don't fit within the first 30 days.

6. They have a great impact on their employees' performance. These CEOs are visible, involved and the biggest cheerleaders for their company. They regularly offer recognition for high performance and company successes. Profitable companies have employees who feel appreciated and are involved in decisions affecting their work.

7. Both family-run and corporate-structure CEOs share a commitment to team-driven cultures that demand high performance and are free of blame. Employees can see how their actions contribute to the greater good and direct their energy toward the tasks and outcomes that matter most.

8. They target density as a strategic objective (a rare discipline often lost in the process of growing). At many stages of growth, there's a need to grow sales. Referrals are great but can be counter to the density model. High-profit companies know when to say "no."

9. They emphasize continuous learning and help their employees with career development, encouraging employees to become certified, improve skills and participate in internal training programs.

10. They measure everything: productivity in the field, sales activity, close ratios and unbillable time. Employees have measurable performance targets and receive regular feedback.

11. They plan, budget and hold themselves accountable to their projections for growth and profitability.

12. They precisely manage overhead and make sure it doesn't grow as fast as sales. In less profitable companies, overheads are allowed to drift upward, often growing as fast or faster than sales.

Not all high-profit companies do all of these things, but they do more of these things than less profitable companies do. Less profitable companies either don't do these things or they do the opposite of them—both destructive habits whose results are difficult to reverse. Bad habits, such as complacency and denial, can circumvent important decision making, cost your company money and limit its effectiveness.