



STERLING LIGHTING

Volume 2

Understanding the Phases of a Business

Every business goes through different phases as it grows. At Sterling Lighting, we know and understand the phases because we've already been through them. So here are the five phases of a business, along with the tools and advice you will need to make it through each one.

Phase One: 0 to 100K

The first phase of your business is the Start-Up Phase. This is the phase where you are the business. As the sole proprietor, you do everything. Not only do you perform the service or deliver the goods, you also manage the accounting, the marketing, the advertising, etc. There's no hat you don't wear.

At this point, the key ingredient to get your business to \$100K is time. You have to prioritize your new business, sacrifice time spent doing other things--including spending time with your family--and force yourself to move forward, even when the going gets tough. But when you put in the time, you'll make it to that \$100K mark.

Phase Two: 100K to 300K

To grow your business from \$100K to \$300K, you have to start expanding. You need to hire one or two employees to help spread out the workload since you can't manage everything by yourself anymore.

However, while this will free you up to focus on sales, it also adds its own problems. Adding more people to the team increases the complexity of communication. You have to learn how to effectively communicate with your employees. You have to learn how to make sure things don't get missed or overlooked. In order to keep the business growing, you must put systems

into place that allow you to face the challenges of a three-or-four person business. Now as the new employees invest time into the business, you can learn how to make the sales that will keep the company growing.

Phase Three: 300K to 1 Mil

However, focusing on sales won't get you to \$1 million. Therefore, some of your employees must take over sales so your priority can shift to marketing. Marketing is where leads are generated that will feed a company.

Some companies find themselves stuck for far too long between \$500K to \$700K. While the workload increases, there is still not enough work to go around for more people to be hired full-time. On top of that, additional hires are an unaffordable expense at this point. This is the time when you have to buckle down, perfect your marketing technique, and put in the extra work. It's easy at this point to get sucked back into operations, but if you do, you'll find yourself unable to escape from this sales range.



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Phase Four: 1 Mil to 3 Mil

When your business is around \$1 million in sales and has ten or so employees, the need for effective communication increases and the marketing strategies that were once propelling your business growth begin to break down. The people, system, and processes vibrate and shake like they're about to collapse. This is when you have to learn how to adapt in order to overcome these challenges.

At this stage, you must go from working in the business to working on the business. This means that, again, you must shift your focus. Instead of marketing, you now need to really look at your people and systems. Are the right people in the right seats? Are systems becoming less efficient as you continue to grow? To make it to \$3 million, turn your focus toward perfecting the systems. This is the point where you have to make hard decisions about who will stay in your company and who needs to be let go.

STAGE*	1	2	3	4	5	
	SOLOPRENEUR SIDE JOB	SELF-EMPLOYED	NEW EMPLOYER	STEADY OPERATION	7-FIGURE BUSINESS	GROWTH COMPANY
EMPLOYEES	1	1	2-3	4-10	11-25	26-100
SALES	\$0-4K monthly	\$4-10K monthly	\$100-300K annual	\$300-1M	\$1-3M	\$3-10M
# IN U.S.	16M	6M	1.7M	1.9M	700K	300K
TEAM	OWNER	OWNER + CONTRACTOR(S)	PARTNER OR ASSISTANT	ONE TEAM	MULTIPLE TEAMS & LEADERS	MANAGEMENT TEAM
BIGGEST HURDLE	TIME	LEADS	SALES	MARKETING & SERVICE	PEOPLE & SYSTEMS	LEADERSHIP & CULTURE
	START 1 \$0-100K		RUN 2-10 \$100K-1M		SCALE 11-100 \$1-10M	

The stages of small business - Clate Mask CEO of Infusionsoft
To get a copy of this infographic and to hear Clate Mask describe each stage, text 'Stages' to 72000

Phase Five: 3 Mil to 10 Mil

To reach \$10 million, you need to focus on vision and company culture. This marks your transition from manager to CEO. Now your efforts are directed towards finding and ensuring the right people are in the company. Reflect on your core values. These are the values everyone in your company should ascribe to.

In the middle of this phase, between \$5 million to \$10 million, systems, communication, and processes will show where the company is weak. As a leader, you must address these changes and work to adapt and strengthen the areas of your company that are breaking down.

Damien Sanchez - Co-Owner

What Sets Our Lights Apart

At Sterling Lighting, we are committed to providing our customers with high-quality fixtures at an affordable price. All of our fixtures are designed by lighting professionals and engineers with durability, attractiveness, and ease-of-service in mind. And because we believe in our product, all our light fixtures come with a lifetime warranty. These, however, are only a few qualities that set us apart. Here are some other ones:

Cast with Care

Our light fixtures are cast from virgin, marine-grade brass. While recycled brass contains many impurities, our brass is never recycled and is the highest grade available. We finish the brass with an antique, bronze finish and then apply UV coating to the fixture to keep it beautiful for years to come.



Just as Beautiful on the Inside

We don't just care about how our lights look. We care even more about how they work, which is why we use high-quality CREE LED chips in our lights. LED lights are longer-lasting, safer, and more efficient than other light bulb options out there, and CREE is the leading LED source provider in the world.

Always Innovating

Sterling Lighting is never content to settle. Every day, we're striving to make our light fixtures even better. We promise to continue our pursuit toward perfection through constant research and development so that we can offer you some of the best light fixtures available on the market.

Lumens, Luxes, and Footcandles

A Simple Guide



With all the different light measurements out there, it's easy to mix them up or be confused about exactly what they measure. This short guide will help you to differentiate the many ways light can be measured.

Lumens

In short, lumens are a measurement of how bright a light is. A lumen may also be referred to by its more scientific name: "luminous flux." One lumen is about equal to the amount of light a candle gives off. Lumens have quickly overtaken watts as the measurement used to determine which bulbs the

average consumer should buy. Whereas a watt measures the energy output of a bulb, a lumen will actually tell you how bright that light will be. More watts don't necessarily equal a brighter bulb; more lumens do.

Luxes

A lux, like a lumen, is also a measurement of how bright a light is. However, a lux takes into account the area over which a light shines. In scientific terms, $1 \text{ lux} = 1 \text{ lumen/meter}^2$. A lux is an important measurement because it takes into account the intensity of a light. After all, a light shining on a small area will appear brighter than a light that shines over a large area.

Footcandles

The footcandle is the American version of the lux. In other words, a footcandle is exactly the same as a lux, only it uses feet instead of meters. $1 \text{ footcandle} = 1 \text{ lumen/feet}^2$.

Business Support

Small Business Mentorship



SCORE (Service Corps of Retired Executives) is a nonprofit organization that seeks to help small businesses thrive through mentorship. Its headquarters is located close to Sterling Lighting in Herndon, Virginia. For over fifty years, SCORE has been providing mentoring services to small business owners through its network of over 11,000 volunteers, all of whom have

experience in the business world. SCORE also offers free resources online as well as business workshops that take place locally and through online webinars. The organization is supported by the Small Business Administration and has 320+ chapters all over the United States.



Grow your business with score.org

Whether you're just starting out as a small business owner or have been an entrepreneur for decades, SCORE is a great resource to gain support, encouragement, and knowledge. You'll also be able to gain connections with men and women who know the challenges you're facing. Mentoring is confidential, so there's no need to worry about your privacy.

If you are interested in finding a mentor or in volunteering, check out their website at score.org.



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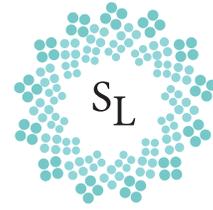
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5 Dysfunctions of a Team



Patrick Lencioni's **THE FIVE DYSFUNCTIONS OF A TEAM** is a two-part management book about how to overcome common issues that arise within a team. The first section focuses on Kathryn Petersen, CEO of Decision Tech. In this compelling fable,

Petersen is faced with a dilemma after she puts together such a chaotic team of people that they jeopardize the entire company. This story serves as an example of the different ways a team can fall apart and as a manual on how proper leadership can help restore teamwork within a company.



In the second part of Lencioni's book, he offers concrete steps on how to overcome the five dysfunctions of a team: absence of trust, fear of conflict, lack of commitment, avoidance of accountability, and inattention to results. Lencioni also offers insight on how to recognize the specific team members that are causing disruption within a team. A New York Times bestselling author, Lencioni is also the author of **THE FIVE TEMPTATIONS OF A CEO** and **THE FOUR OBSESSIONS OF AN EXTRAORDINARY EXECUTIVE**.