

# Grow your BUSINESS

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## Responding To The Challenge Of Change

How do you see change? Is it a threat or an opportunity?

If you see change as a threat, you're taking a 'glass-half empty' perspective. You may say, 'I can't keep up with this constant technological innovation. There's something new to learn every week. It's like I never left high school!' You'll be annoyed whenever there's a new trend in management. You'll wince whenever you hear of competitors introducing new business processes. You'll see change as the slings and arrows of business misfortune.

On the other hand, if you see change as an opportunity, you're taking a 'glass-half full' perspective. You may think, 'Every time there's a change, new niches open up.' You know that some of your competitors will be slow to adapt and you'll be the first to step in and relieve them of a few customers. You'll say to yourself, 'I'm a small business. I have a small, flexible and effective team. Adaptability is my middle name. We're the can-do people!'

While your larger competitors need to look ahead a year or more, you'll change focus much more quickly. If you're a manufacturer, you have smaller production runs, so you can customize to suit the needs of particular customers. Customers can reach you much more easily than they can a CEO of a large corporation - you're responsive.

You look ahead with anticipation, not with anxiety. You think, 'Well, some of my products are nearing the end of their life cycle. What's the next big thing? How can I surprise and delight my loyal customers with something that they don't even realize they want?'

If you take this attitude, business will become more of a game than a chore. You'll feel freer to think creatively. And you'll try to communicate this attitude to your team. You'll do so with a frank and open management style, because honesty is the best way of helping people manage change. Fear of the unknown is one of the greatest impediments to change in the workplace.

You can also get people to feel positive about change by empowering your workforce. Reward people who have good and

innovative ideas and let them have a say in implementing them. Offer both praise and monetary rewards for innovation.

Reassure people that change does not necessarily threaten jobs. If you run a small multi-skilled team, make clear that you value their adaptability and capacity to improvise, show initiative and get the job done. You won't be firing them to hire a team of narrow, pre-programmed specialists.

As Dr. Spencer Johnson advises in his #1 bestseller, *Who Moved My Cheese?* "Change means growth. We have the option in life to embrace change, to welcome it, to see it as an opportunity to learn, grow and improve our lot in life. The seasons change, the tides change, we change. Change is natural and good. It's all in the way you see it!"

So, stay alert and stay well-informed. Look out for the winds of change. Seek advice. Stay in touch with your RAN ONE accountant who deals with clients from all over the industry spectrum. If something new is on the horizon, they're likely to pick up on it and

are always happy to pass it on to you. A *Business Diagnostic and Performance Review* with your RAN ONE accountant will help to scan the external environment specifically for your industry, as well as analyze the internal strengths and weaknesses of your business as part of the process. Yes, it may mean major change for your business, but the way to look at that change is to see it as the opportunity for growth and improvement.

### Nurture Your Nature: Key Skills For Entrepreneurs

What is it that makes the successful entrepreneur? What is it that drives sales and builds a business? If you think you know the answer, consider Bill Gates, arguably the world's most famous and successful entrepreneur. If you had been in his high school class, would you have thought, 'Well, obviously, this man bears the stamp of future greatness'? Probably not.

Entrepreneurs do seem to have some common traits, though, including:

- physical and mental stamina
- a drive to take control of their own destiny
- a competitive instinct
- resilience in the face of defeat
- good judgment
- decisiveness
- the ability to inspire others
- an unflinching positive attitude
- great communications skills

This could be quite a daunting list, if you take the perspective that entrepreneurs are born, not made. Fortunately, it's clear that nobody is born with good judgment, and good communication skills need to be nurtured, even if you are gifted in that area.

So some of the key entrepreneurial traits can be acquired or enhanced. They often need to be, as not all entrepreneurs are natural marketers when they start out. Some work hard to expand their skills. Others work in partnerships, where the partners pool their skills and parcel out the work accordingly.

In many ways, entrepreneurs are as diverse as they are similar. Race, gender or age seem to be no bar to a successful entrepreneurial career. But there's one entrepreneurial trait that is not so often mentioned, but which may actually be one of the most crucial: anxiety. Not a pathological anxiety, of course, but merely the level of anxiety that won't let you be satisfied until you have a deep understanding of all parts of your business and your business environment.

Successful entrepreneurs are constantly asking themselves questions. Is this product

what the customers wants? Is there a way to improve it? What are competitors doing in this area? Are they posing any new risks?

They want to keep an eye on all aspects of the business. Are there problems with operations or marketing? What are the profit projections for the next three months? Is everything adequately financed?

Basically, successful entrepreneurs have trouble sleeping unless they have a good sense of what is happening in all areas of their business. And they need to be confident that all areas of their business are working well together.

They need to understand every aspect of their business so that they build a 'feel' for it. This means developing a business 'vision' that is based on a lot of hard facts. They're in touch, so they can spot problems on the horizon. Or if there is a need for a snap decision, they can trust their intuition, because their intuition is built on solid foundations.

If you're one of these 'driven' entrepreneurs, and you feel the need to understand your business at all levels, that's great. And if the task seems a big one, we're here to help. Your RAN ONE accountant has the skills, knowledge and tools to help you analyze all aspects of your business. The great entrepreneur can rely on great help. Using the *Targeting Business Results Plus* software program, you can set up benchmarks and Key Performance Indicators for your business, monitoring them on a regular basis to make sure you're moving in the right direction. Another great place to start would be a *Business Diagnostic and Performance Review*, where you'll get a holistic analysis of your strategic and operational position and an Action Plan to get you back in control of your business...so that you can sleep easier at night.

### Find Your Top Performers

Say you have a bad feeling about one of your sales reps - you don't like the kind of tie he wears. The era of the novelty tie is long gone, you tell yourself. What planet is he on? You don't like the way he sometimes sits at his desk and looks spaced out. 'Is he thinking or is he dreaming?' you ask yourself. You don't like the long telephone conversations he has, the way he sometimes breaks into inane chortles when he has discussions with customers. You don't like the way he dithers into meetings fifteen minutes after everybody else.

So you ask yourself, 'Why am I employing this person? Is he more liability than asset?' Well, he may be, or he may not. You never know. You have to look at the numbers. If you find a way to shunt him out the front door, and



you haven't looked at the numbers, you could conceivably have fired your top performer.

The crude performance indicators for a sales rep include:

- sales volume in dollars;
- number of calls made on customers;
- number of new accounts developed; and
- the amount of money used on entertaining customers.

These numbers are 'crude' because they require closer investigation to be useful. A high dollar figure for sales may look great but it may actually mask a net loss for your business—for example, their expenses may be very high or they have been landing deals based on steep discounts.

So the real indicator needs to be based on both the profit margin and the sales volume. A narrow margin may be fine, provided that the rep sells a high volume. A lower volume at a big margin may be fine too.

The number of customer calls can be an indicator, though it is less cut-and-dried than the dollar figures for sales. Some reps can sell effectively with fewer calls. They may work effectively on the phone and this may actually entail lower expenses for you.

The number of new accounts offers you a 'hard' indicator for sales performance, though

you have to make some assessment of the quality of the accounts. Who are the accounts with, how much are they earning and what is their estimated earning potential in the future?

Your rep's customer entertainment budget will also offer a 'hard' indicator for sales performance. Though once again, you need to be confident that the dollar figure represents real performance. That is, that the money translates into sales.

Once you have the numbers, you can use them as a performance management tool. You can use them to set realistic targets. For example, you might start by analyzing a rep's overall dollar profit (the sales volume in dollars, minus all their controllable costs and expenses).

You can further break that down into profit figures for specific industry sectors, geographic areas or account groups. You can then set targets for increasing that profit and assess progress on a quarterly basis (quarters being just long enough for you to get a sense of emerging trends). You can also keep track of costs. Try to set targets for controlling or reducing costs such as entertainment or travel expenses, while maintaining sales volume.

The bottom line is that the numbers are the most important things. If your sales rep has a penchant for tasteless novelty ties, but somehow seems to sell the highest dollar volume at the lowest expenses, think seriously before you meddle with him.

And if you'd like advice on calculating the real value that your sales reps provide, call your RAN ONE accountant. Ask us about an Activity Based Costing review to help you better understand what costs are driven by whom...and the impact on your bottom line.

### **Discover The Potential Of The Online Market**

Everybody has heard of the dotcom crash, but reports of the death of the online market are

## **How To Make The Most Of Your Newsletter**

Be sure to read each article with the mindset "How could this apply to our business?" Thinking of it that way will guarantee that you get value.

Better yet, take notes as you read and commit to having the ideas implemented by the time the next edition arrives. Also, make copies for each team member.

To really make sure something positive happens, work with your business development specialist to talk your team through the ideas and how to set a schedule for getting them implemented. We're here to help you get started.

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### **Memorable Quotation**

"Most of what we call management consists of making it difficult for people to get their work done."

— Peter F. Drucker

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### **An Important Message**

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

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premature. It's true that consumers have been somewhat reluctant to do business over the Internet. But businesses continue to invest in e-commerce and e-marketing because there are clear advantages in doing so.

One bonus is the lower cost of materials. E-marketing materials come free of postage and handling costs. You can double, triple or quadruple your number of e-mails, e-newsletters or e-zines and your costs will rise only marginally. If you want to increase a print run of paper-based products you can be faced with much higher costs and you need to schedule in printing delays.

Working online also offers flexibility. You can post updates immediately on your website, or email clients and know they've got the message as soon as you click 'send'. The web is also interactive, so customers can communicate with you, lodging orders that you'll receive and process straight away. A website can also offer real-time updates on the delivery of goods or services, eliminating customer uncertainty and reducing the need for you to take phone calls.

The Web allows for much closer B2B relationships and may also cut labor costs, as you do away with a layer of document handlers. These people can be employed elsewhere in jobs that add real value.

Your site can help cement ties with your industry partners. You can swap links with other sites. And you can run advertisements on other sites as a way of joining a larger online network of businesses and customers. You will find that online advertising is not only cheaper but also more highly targeted than many other forms of advertising.

So the Web surges ahead as a way to cement business relationships. And it also moves forward as a way to deal directly with the public—though at a slower pace. For example, Internet retail typically works best when linked with a bricks-and-mortar outlet. That is, it provides a whole new dimension of browsing possibilities for customers, who will commonly go online to research goods before they come in and actually hand the money over the counter.

In this context, the Web acts like a good shop window. It shows off your advantages and invites people into your store.

It can also help with your marketing in a variety of new ways. You can run contests on your website, for example. Customers will register, and you can gain some incidental market research in the registration process. You can get online feedback about your products. And you can also gather indirect information by monitoring and analyzing web traffic in response to your sales campaigns. You can track not only the total volume of traffic but also the areas of your site that generated the most interest.

And you can use your site as a kind of hub - all your other marketing materials can point to it so that you use it as a way to provide detailed information. If you're thinking about expanding onto the web, talk with your RAN ONE accountant about *myBiz-online*, a low cost, easy to set-up and manage website solution package available only through RAN ONE. With *myBiz-online*, you can be up and running on the Web in as little as two days.

## Watch Your 'Netiquette'

Friday, 4.45pm: time for one last check of your email inbox before taking off for the weekend. It's been a long, frustrating day ... your headache is getting progressively worse and you can't wait to get home, put your feet up, have a drink and watch some TV.

There's a message - a complaint - something about your company's product (or service, or receptionist, or fees). You immediately feel a shiver down your spine, a knot forms in your stomach, and the hairs on the back of your neck stand on end.

"WELL EXCUUUUUUUUSE ME!" you fire back, just seconds later. "IF YOU'RE SO UNHAPPY, WHY DON'T YOU GO AND FIND ANOTHER COMPANY TO BOTHER THEN!"

In a matter of moments - you realize afterwards - you've managed to not only offend (and probably lose) a customer, but also potentially damage your company's reputation with other customers and rival businesses, as well as the general public.

This is because, unlike a phone call or face-to-face meeting, an offensive email can be forwarded (again and again and again) to other recipients, literally at the touch of a button, who can just as easily forward it again, and again, and again...

Brad Bond, a director at IT support company Invizage Technology, says situations like this are becoming increasingly commonplace because "the ease and speed at which we can now communicate via email has become one of its greatest downfalls. This can often lead to people making careless mistakes, sometimes with disastrous consequences - such as information being communicated in writing that could be construed as representing the company's viewpoint, or binding the company into an agreement."

As a result, a number of unwritten laws associated with the writing and sending of online messages - a concept loosely defined as 'netiquette' - have emerged.

"The content of a formal message should be structured in much the same manner as you would a letter, beginning at the 'Dear X' line," says Bond. "There is no need to include the date or other address information that you would normally include. Signoff should be as per a letter."

As such, details such as company name, sender's name, sender's job, contact details and even signatures can easily be added to the bottom of every outgoing email. In fact, an email signature automatically added to the bottom of every outgoing message can actually become a powerful advertising tool, especially when someone forwards it many times.

For more guidance on how to provide outstanding customer service, talk to your RAN ONE accountant about the *Towards Awesome Service* training program for your team.