

THE MILLION DOLLAR COACH

*10 Secrets All Business
Owners Must Know to Create
Financial Freedom*



Mark Lenthall
Business Sales & Marketing Coach

My book demonstrates how to stop winging it and start maximising your returns with proven systems, strategies and processes.

This book offers a revolutionary and sustainable plan for business success and innovation, one improvement at a time. No matter what challenges exist in your business, it is possible to transform your business by making small consistent changes. My book shows you how, the ultimate guide to turning your business goals into reality.

Success in business doesn't have to happen with a big new idea. Mark Lenthall has tapped into the wisdom and insight of the world's leading sales and marketing experts to show the surprising truth of what it really takes to build a prosperous business. Mark has an in depth understanding of the business needs of small to medium enterprises in today's challenging environment.

The great news is that you now have everything you need to right in your hands and allow you to do deliver consistently and sustainably outstanding results for your company. Packed with powerful practical ideas and strategies this book shows you how to create a high-performance culture and drive out the fears that hold your people back and unlock the hidden potential of each person and your business.

Execution of great marketing strategies is a balance of many variables. Without adequate planning and long-term strategies, agile marketing efforts can derail a brand. Slow and highly critical marketing efforts can stymie one. Somewhere in the middle is success, requiring continued focus on the long-term goals of the organization, but having resources that can shift direction and strategy in real-time as results take shape.

This is the book for businesses that know what they want to achieve, but not sure on how to get there. Containing rapid, innovative and proven tactics, it sets out an actionable blueprint for real growth and success in your business. It will help you build a legacy far more valuable than wealth alone. This book uncovers 10 essential strategies to successfully transform your business. My book will aid you to make informed decisions around what strategies, systems and processes are best for your businesses growth potential and increase your returns. It simply eliminates the confusion so you have a clear and concise pathway to success.

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**10 Secrets All Business Owners Must
Know To Create Financial Freedom**

by Mark Lenthall

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DEDICATION

To the fundamentally influential people in my life that have enabled me to achieve my goals in business and realise the value of fulfilment in life as a whole.

My family, my successful, inspirational parents whose core principles have instilled in me we are all equal as people and no one more deserving than the next. My wonderful children who have empowered me to understand, that giving is far more rewarding than receiving.

My business relationships with exceptionally talented and highly successful people who validate that success does not come at the cost of credibility and integrity.

To my clients who have trusted me to assist them in building their very successful businesses. Your drive, perseverance and desire to succeed will forever be a never ending supply of inspiration and satisfaction.

This book would not be possible without these exceptional people. I give my profound gratitude to those I have been lucky enough to contribute to and learn from.

To Your Success,

Mark Lenthall

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INTRODUCTION

This is the first page, but by opening this book you have already taken an important step towards increasing the success of your business. Congratulations in your quest to enhance your business and marketing skills.

Even though I truly believe we are all 1 or 2 great marketing ideas away from more sales opportunities than we can fully imagine, I believe the first two chapters are as important as the following eight. The strategies in this book - when implemented with strategy and care - are guaranteed to make you more money with less effort. These are strategies that have helped businesses just like yours make hundreds of thousands of dollars - including your competitors.

This is the reason I have dedicated my life to Business Consulting. Since starting my company to provide direction for small business operators, I have been literally overwhelmed with the demand for marketing, structure, accountability and for the need to have small business operators surrounding themselves with someone that cares and to provide a proper and profitable third party perspective.

As you follow the book and read the principles to follow, remember it does not matter what industry nor type of business you operate (I've been part of many). What matters is that you grasp the heart of the principles, the underlying lessons and strategies, that can help grow any operation in any category of business imaginable.

The best time to start is NOW, not tomorrow, not next week or next year.

Yours in success,

Mark Lenthall

PS. If you would like to arrange a meeting to get a profitable third party perspective on your business, please send an email to mark@predictablesuccess.com.au and we will gladly point you in the right direction.

1

Systemizing Your Business and Developing Effective Processes

One of the biggest mistakes a business owner can make is to create a company that is dependent on the owner's involvement for the success of its daily operations. This is called working "in" your business. You're writing basic sales letters, licking stamps, and guiding staff step-by-step through each task.

There are a number of problems with this approach. One is redundancy. You're paying your staff to carry out tasks that you eventually complete. The second is poor time management. You're spending your day – at your high hourly rate – on tasks as they arise, leaving little room for the tasks you need to be focused on.

However, the biggest issue I have with this approach is that countless intelligent business owners are spending the majority of their time operating their business, instead of *growing* it.

A good test of this is to ask yourself, what would happen if you took off to a hot sunny destination for three weeks and left your cell phone, PDA and laptop at home. Would your business be able to continue operating?

If you said no, then this chapter is for you.

Systemizing your business is about putting policies and procedures in place to make your business operations run smoother – and more importantly – without your constant involvement. With your newfound free time, **you will be able to focus your efforts on the bigger picture: strategically growing your business.**

Why Systemize?

For most small business owners, systems simply mean freedom from the day-to-day functioning of their organization. The company runs smoothly, makes a profit, and provides a high level of service – regardless of the owner's involvement.

Systemizing your business is also a healthy way to plan for the future. You're not going to be working forever – what happens when you retire? How will you transition your business to new ownership or management? How will you take that vacation you've been dreaming of?

Businesses that function without their ownership are also highly valuable to investors. Systemizing your business can position it in a favorable light for purchase, and merit a high price tag.

A system is any process, policy, or procedure that consistently achieves the same result, regardless of who is completing the task.

Any task that is performed in your business more than once can be systemized. Ideally, the tasks that are completed on a cyclical basis – daily, weekly, monthly, and quarterly – should be systemized so much so that anyone can perform them.

Systems can take many forms – from manuals and instruction sheets, to signs, banners, and audio or video recordings. They don't have to be elaborate or extensive, just provide enough information in step-by-step form to guide the person performing the task.

Benefits of Business Systems

There are unlimited benefits available to you and your business through systemization. The more systems you can successfully implement, the more benefits you'll see.

- Better cost management
- Improved time management
- Clearer expectations of staff
- More effective staff training and orientation
- Increased productivity (and potentially profits)
- Happier customers (consistent service)
- Maximized conversion rates
- Increased staff respect for your time
- Increased level of individual initiative
- Greater focus on long-term business growth

Taking Stock of Your Existing Systems

The first step in systemizing your business is taking a long look at the existing systems (if any) in your business. At this point, you can look for any systems that have simply emerged as “the way we do things here.”

How do your staff answer the phone? What is the process customers go through when dealing with your business? How are employees hired? Trained? How is performance Reviewed and rewarded?

Some of your systems may be highly effective, and not require any changes. Others may be ineffective and require some reworking. If you have previously established some systems, now is a good time to check-in and evaluate how well they are functioning.

Use the following chart to record what systems currently exist in your business.

Existing Systems	
Administration	
Financials	
Communication	
Customer Relations	
Employees	
Marketing	
Data	

Seven Areas to Systemize

There is no doubt that system creation – especially when none exist to begin with – is a daunting and time-consuming task. For many businesses, it can be difficult to determine where to start to make the best use of their time from the onset.

Here are seven main areas of your business you can to systemize. Begin with one area, and move to the other areas as you are ready. Alternately, start with one or two systems within each area, and evaluate how those new systems affect your business. Each business will require its own unique set of systems.

1. Administration

This is an important area of your business to systemize because administrative roles tend to see a high turnover. A series of systems will reduce training time, and keep you from explaining how the phones are to be answered each time a new receptionist joins your team.

Administrative Systems	
Opening and closing procedures	Filing and paper management
Phone greeting	Workflow
Mail processing	Document production
Sending couriers	Inventory management
Office maintenance (watering plants, emptying recycle bins, etc.)	Order processing
	Making orders

2. Financials

This is one area of systems that you will need to keep a close eye on – but that doesn’t mean you have to do the work yourself. Financial management systems are everything from tracking credit card purchases to invoicing clients and following up on overdue accounts.

These systems will help to prevent employee theft, and allow you to always have a clear picture of your numbers. It will allow you to control purchasing, and ensure that each decision is signed-off on.

Financial Systems	
Purchasing	Profit / loss statements
Credit card purchase tracking	Invoicing
Accounts payable	Daily cash out
Accounts receivable	Petty cash
Bank deposits	Employee expenses
Cutting checks	Payroll
Tax payments	Commission payments

3. Communications

The area of communication is essential and time consuming for any business. Fax cover letters, sales letters, internal memos, reports, and newsletters are items that need to be created regularly by different people in your organization.

Most of the time, these communications aren't much different from one to the next, yet each are created from scratch by a different person. There is a huge opportunity for systemization in this area of your business. Systemized communication ensures consistency and company differentiation.

Communication Systems	
Internal memo template	Newsletter template
Fax cover template	Sales letter template(s)
Letterhead template	Meeting minutes template
Team meeting agenda	Report template
Sending faxes	Internal meetings
Internal emails	Scheduling

4. Customer Relations

Another important area for systemization is customer relations. This includes everything the customer sees or touches in your company, as well as any interaction they might have with you or your staff members.

Establishing a customer relations system will also ensure that new staff members understand how customers are handled in *your* business. It will allow you to maintain a high level of customer service, without constantly reminding staff of your policies. It will also ensure that the success of your customer relations and retention does not hinge on you or any other individual salesperson.

Customer Relations Systems	
Incoming phone call script	Sales process
Outgoing phone call script	Sales script
Customer service standards	Newsletter templates
Customer retention strategy	Ongoing customer communication strategy
Customer communications templates	Customer liaison policy

5. Employees

Create systems in your business for hiring, training, and developing your employees. This will establish clear expectations for the employee, and streamline time consuming activities like recruitment.

Employees with clear expectations who work within clear structures are happier and more productive. They are motivated to achieve ‘A’ when they know they will receive ‘B’ if they do. Establishing a clear training manual will also save you and your staff the time and hassle of training each new staff member on the fly.

Employee Systems	
Employee recruitment	Staff uniforms or dress code
Employee retention	Employee training
Incentive and rewards program	Ongoing training and professional development
Regular employee reviews	Job descriptions and role profiles
Employee feedback structure	

6. Marketing

This is likely an area in which you spend a large part of your time. You focus on generating new leads and getting more people to call you or walk through your doors. These efforts can be systemized and delegated to other staff members.

Use the information in this program to create simple systems for your basic promotional efforts. Any one of your staff should be able to pick up a marketing manual and implement a successful direct mail campaign or place a purposeful advertisement.

Marketing Systems	
Referral program	Regular advertisements
Customer retention program	Advertisement creation system
Regular promotions	Direct mail system
Marketing calendar	Sales procedures
Enquiries management	Lead management

7. Data

While we like to think we operate a paperless office, often the opposite is true. Your business needs to have clear systems for managing paper and electronic information to ensure that information is protected, easily accessed, and only kept when necessary.

Data management systems help you keep your office organized. Everyone knows where information is to be stored, and how it is to be handled, which prevents big stacks of paper with no place to go.

Ensure that within your data management systems you include a data backup system. That way, if anything happens to your server or computer software, your data – and potentially your business – is protected.

Data Management Systems	
IT Management	Client file system
Data backup	Project file system
Computer repairs	Point of sale system
Electronic information storage	Financial data management

Implementing New Systems

If you completed the exercise earlier in this chapter, you will have a good idea of the systems that are currently in place in your business. The next step is to determine what systems you need to create in your business.

To do this you will need to get a better understanding of the tasks that you and your employees complete on a daily and weekly basis. If you operate a timesheet program, this can be a good source of information. Alternately, ask staff to keep a daily log for a week of all the tasks they contribute to or complete. Doing so will not only give you valuable insight into their how they spend their time on a daily basis, but also involve them in the systemizing process.

Review all task logs or timesheet records at the end of the week, remove duplicates, and group like tasks together. From here you can categorize the tasks into business areas like the seven listed above, or create your own categories.

Then, you will need to prioritize and plan your system creation and implementation efforts. Choose one from each category, or one category to focus on at a time. The amount you can take on will depend on your business needs, and the staff resources you have available to you for this process.

Remember that system creation is a long-term process – not something that will transform your business overnight. Be patient, and focus on the items that hold the highest priority.

Creating Your Systems

There is a big variety of ways you can create systems for your business – depending on the type of system you need and the type of business you operate. Some systems will be short and simple – i.e., a laminated sign in the kitchen that outlines step-by-step how to make the coffee – while others will be more complex – i.e., your sales scripts or letter templates.

One thing all of your systems have in common is steps. There is a linear process involved from start to finish. Begin by writing out each of the steps involved in completing the task, and provide as much detail as you can.

Then, review your step-by-step guide with the employee(s) who regularly complete the task and gather their feedback. Once you have incorporated their input, decide what format the system needs to be in: manual, laminated instruction sheet, sign, office memo, etc.

Testing Your Systems

Now that you have created a system, you will need to make sure that it works. More specifically, you need to make sure that it works without your involvement.

Implement the new system for an appropriate period of time – a week or month – then ask for input from staff, suppliers and vendors, and customers. Evaluate if it is informative enough for your staff, seamless enough for your suppliers, and whether or not it meets or exceeds your customer's needs.

Take that feedback and revise the system accordingly. You will rarely get the system right the first time – so be patient.

Systems will also need to be evaluated and revised on a regular basis to ensure your business processes are kept up to date. Structure an annual or bi-annual review of systems, and stick to it.

Employee Buy-In

It will be nearly impossible for you to develop effective systems without the involvement and input of your employees. These are the people who will be using the systems, and who are completing the tasks on a regular basis without systems. They have a wealth of knowledge to assist you in this process.

Employees can also draft the systems for you to review and finalize. This will make the systemization process a much faster and more efficient one.

It is also important to note that when you introduce new systems into your company, there may be a natural resistance to the change. People – including your employees – are habitual people who can become set in the way they are used to doing things.

Delegation

The final step to systemizing your business is delegation. What is the point of creating systems unless someone other than you can use them to perform tasks?

This doesn't have to mean completely removing your involvement from the process, but it does mean giving your employees enough freedom to complete the task within the structure of the systems you have spent time and considerable thought creating.

After that, allow yourself the freedom of focusing on the tasks that you most enjoy, and most deserve your time – like creating big picture strategies to grow your business and increase your profits.

2

Profits Through Building a TEAM (Together Everyone Achieves More)

The people you employ contribute – directly or indirectly – on a daily basis to the strength and vitality of your business. You can't run your business alone, so you rely on their skills and support.

In simpler words, your employees help you to make money.

But your employees are not just the people who arrive at your office every day and exchange effort for a paycheck. Their role is not just to build capacity and sell more or serve more.

Your employees are part of a potentially powerful group of people that you can leverage to put your business on the fast track to success. Your staff is more than the people who work for you. They are actually members of your team – the group of people who are collectively working to achieve the same objective, or reach the same vision.

I say they are more than just employees because their collective, cohesive value is actually much higher than their individual worth.

We all know that more people working on the same task will ensure the task is completed faster. In business, when you have more people working together on the same task, you save time, increase brainpower, and ultimately, **make more money**.

Corporate Culture

Corporate Culture has become a common buzzword when it comes to building a successful business, and rightly so.

Your corporate culture is the environment in which you run your business, and the environment in which your team members work. It is rooted in the vision, mission and beliefs of the organization, and dictates the “kind of office” and “kind of people” that work in that office.

Corporate culture is something that typically develops organically. The business owner and senior employees create a positive or negative environment based solely on who they are as people and how they behave as leaders. You simply can’t avoid creating some type of corporate culture when you run a business.

You can, however, avoid creating a negative or unproductive corporate culture. Whether you are just starting out, or seeking to improve your workplace, you do have control over the type of environment in which you run your business.

Like most things in business, this won't happen overnight. However, with a clear idea of where you want to go, and what you want to create, you'll be well on your way to getting there.

Vision

Your company's vision statement should be a bold, clear, short sentence that every single one of your employees knows and understands. It is a roadmap to your idea of success; if you don't know what that looks like, how will you know when you achieve it?

If your goal is to create a highly profitable company – what does highly profitable mean? \$1 million in annual sales? \$3 million in annual profit?

Do you seek to become the industry leader in sprocket production? How will this be measured? How many sprockets will you have to produce to reach this goal?

The vision statement is a short summary of the long-term objective of the company. What the company will look like, produce, achieve; it is how you know the company is “successful.”

Many companies either do not have a vision statement or they keep it a secret from their employees. It is only discussed in board meetings or management meetings. For a team to collectively work toward a goal, they need to know what the big picture objective is. They need to have buy-in in the company’s direction, and be communicated with on a regular basis.

Be proud of your vision. Keep it visible for staff – post it on the wall, include it in internal communications, and connect day to day activities too it as often as possible.

Sample Vision Statements

Here are some real examples of corporate vision statements:

“At Microsoft, our mission and values are to help people and businesses through the world realize their potential.” – Microsoft

“Give every customer a reason to believe...STAPLES Business Depot—That was easy!” – Staples Canada

"To build the largest and most complete Amateur Radio community site on the Internet." – eHam.net

Creating a Vision Statement

The process of creating a vision statement is something that you can work through alone, or in collaboration with your team. It is highly recommended to review the draft vision statement with your employees to ensure they understand and support the goals and objectives of the company.

Keep the following points in mind when crafting your vision statement:

- **Think big** – Why did you start or buy this business? What was your dream or purpose in doing so?
- **Think long-term** – Vision statements should last five to 10 or even 25 years
- **Be specific** – Use numbers, dates, ratings systems and other ways of measuring success
- **Be succinct** – Use clear, short, simple sentences that are easy to repeat and remember

Mission

Your mission statement is a general description of how you are going to achieve your vision. This is a longer and more detailed statement that should include what your business is, who

your customers are, and how you are different from (better than!) the competition.

Sample Mission Statements

“The Mission of McGill University is the advancement of learning through teaching, scholarship and service to society: by offering to outstanding undergraduate and graduate students the best education available; by carrying out scholarly activities judged to be excellent when measured against the highest international standards; and by providing service to society in those ways for which we are well-suited by virtue of our academic strengths.” – McGill University, Montreal, Canada

“Starbucks purchases and roasts high-quality whole bean coffees and sells them along with fresh, rich-brewed, Italian style espresso beverages, a variety of pastries and confections, and coffee-related accessories and equipment -- primarily through its company-operated retail stores. In addition to sales through our company-operated retail stores, Starbucks sells whole bean coffees through a specialty sales group and supermarkets. Additionally, Starbucks produces and sells bottled Frappuccino® coffee drink and a line of premium ice creams through its joint venture partnerships and offers a line of innovative premium teas produced by its wholly owned subsidiary, Tazo Tea Company. The Company's objective is to establish Starbucks as the most recognized and respected brand in the world.” – Starbucks

Creating Your Mission Statement:

Here is a recommended process for completing your mission statement:

Step One: List your company's core strengths and weaknesses; what do you do well? What do you need to work on, or avoid doing?

Step Two: Who are your primary customers? Describe the types of customers you serve – both internal and external.

Step Three: What do your customers think of your strengths? What strengths are most important to them? Go ahead and ask them if you need to.

Step Four: Connect the strength that each customer values with its customer type. Write it in a sentence. Combine any redundancies.

Step Five: Organize your sentences in order of importance

Step Six: Combine your sentences into a paragraph or two. Elaborate on points as needed. This is your draft mission statement.

Step Seven: Consult with your staff and customers, and ask for their feedback. Do employees support the statement? Can they act on it? Do customers want to do business with a company with this mission statement? Does it make sense?

Step Eight: Incorporate the feedback received, and refine the statement until you are happy with it. Then publish it – everywhere.

Culture or Values Statements

Your culture or values statement is the next step in the process. It describes how you and your staff will go about taking action (your mission statement) to achieve your objective (your vision statement).

Much like every family has their own belief system and way of doing things – from cooking to cleaning to raising kids – every company has their own set of values when it comes to running a business. It reflects the unique personality of the organization.

Sample Culture Statement

Our Culture

** Values-based leadership. Our Credo outlines the values that provide the foundation of how we act as a corporation and as individual employees so that we continue to put the needs of the people we serve first.*

** Diversity. It's our individual differences that make us stronger as a whole. We recognize the strength and value that comes when collaborative relationships are built between people of different ages, race, gender, religion, nationality, sexual orientation, physical ability, thinking style, personal backgrounds and all other attributes that make each person unique.*

** Innovation. True innovation can only be fostered within a supportive environment that values calculated risk in order to achieve the maximum reward. At Johnson & Johnson Inc., we encourage and reward innovative thinking, innovative solutions and an innovative approach in all that we do.*

** Passion. The deep desire to enrich people's lives – by delivering quality products and remarkable experiences that make their lives easier, healthier and more joyful.*

** Collaboration. The unwavering belief that great results depend on the ability to create trusting relationships.*

** Courage. The fearless pursuit of the unproven, unknown possibility – the willingness to take great risks for the benefit of the greater good.*

- Johnson & Johnson Canada

Creating Your Culture Statement

Involve your team in creating your company's culture or values statement. Generally, this is a point-form document that reflects the beliefs of the company, its employees, and its customers.

It can be helpful to think about the type of people you currently employ, as well as the ones you may wish to employ. What are they like? What are their belief systems? What are their most important values?

Remember that the culture or values statement is usually the longest of the three statements – and that's okay.

Your Team Leaders

The strength of a team lies in the strength of the people who lead it. No group of people is effective without strong leadership, just like no business is effective without a strong owner or management team.

Building a strong team means knowing who your leaders are – both in job description and natural ability.

Understanding the strength of your natural leaders and the skills of your natural followers will allow you to strategically structure your team for maximum effectiveness and efficiency. It will give you insight into who is best suited for management promotions and project management; which team members have the ability to assemble and motivate their peers.

Your leaders need to have a high degree of passion for your product or service, and truly believe in the company's vision. They need to be able to handle a high level of responsibility, and manage a range of people to achieve a common goal.

Your leaders are your team builders. They present new ideas, build consensus, and encourage the involvement of others.

Types of Leaders

Simply speaking, there are four main types, or styles, of leaders. Chances are, you've experienced each type at some point in your career.

Type	Description	Ideal Use
Autocratic	<p>Classical or “old-school” approach</p> <p>Manager holds all power and decision-making authority</p> <p>No employee consultation or input</p> <p>Orders are obeyed</p> <p>Rewards/punishment structure</p>	<p>New, untrained employees</p> <p>Detailed orders and instructions are required</p> <p>No other leadership style has been effective</p> <p>Limited time available</p> <p>Department restructuring</p> <p>High production requirements</p>
Bureaucratic	<p>“By the book” approach</p> <p>All is done to specific procedures/policies</p> <p>All tasks outside policies referred to higher management</p>	<p>Routine tasks performed</p> <p>Standards and procedures need to be communicated regularly</p> <p>Safety or training</p> <p>Cash handling</p> <p>Dangerous equipment</p>
Laissez-faire	<p>“Hands-off” approach</p> <p>Employees have almost total freedom</p> <p>Little direction or guidance is provided</p> <p>Employees must make own decisions, set own goals</p> <p>Employees must solve own problems</p>	<p>Highly skilled and experienced employees</p> <p>Employees are highly driven and ambitious</p> <p>Consultants are being managed</p> <p>Employees are trustworthy</p>
Democratic	<p>“Participatory approach”</p> <p>Employees part of decision making process</p> <p>Employees well informed</p> <p>Leader has final say, but involved others</p> <p>Collaborative approach</p> <p>Encourages employee development with guidance and assistance from leader</p> <p>Leader recognizes and rewards achievement</p>	<p>Collaborative environment</p> <p>Employee development and growth is the focus</p> <p>Changes or problems affect employees and require their input to create a solution</p> <p>Team building and participation is encouraged</p>

Communication

The only way to build and maintain a strong team is through strong, consistent communication. This is often an overlooked or neglected aspect of business management, and is easily forgotten during periods of high stress or heavy workload.

Avoid letting communication fall on the backburner by creating a regular meeting schedule – and sticking to it. Depending on the size and type of your business, daily, weekly, or monthly team meetings are an important cornerstone of a strong team.

Regularly scheduled team meetings are like Sunday dinners with a busy family. They give you – the owner – a regular forum with your staff to implement company-wide training initiatives, announce results, establish goals and targets, or share new visions or directions. They also give your staff a forum to share feedback and air grievances.

Effective Team Meetings

By now you're probably thinking, "Sure, I hear some company's team meetings are effective, but we tried them and it didn't work," or "I held regular team meetings, but after a while, no one showed up."

There is a difference between team meetings held for the sake of having team meetings, and well prepared team meetings with a purpose.

You need to start holding team meetings with a purpose.

Establish a Schedule That Everyone Can Commit To

Scheduling is potentially the biggest challenge when trying to set up a team meeting. Often, all of your staff members are busy going in eight different directions to fulfill their roles and operating on dramatically different schedules.

This is one reason why regular team meetings are important. Ad hoc meetings require ad hoc scheduling, and reduce the likelihood that all your team members will be able to attend.

Ask your team to block off one hour (or two) each week (or month) for the team meeting in a time slot that is convenient for everyone. Establish a clear attendance expectation from everyone. This will exclude that time slot from the scheduling of other meetings and avoid conflict.

If you find that a team meeting is not necessary one week, you can always cancel it.

Know Your Purpose

Each team meeting should have a purpose and clear objectives. Is it to educate? Build consensus? Gather feedback?

Once you have established a purpose for a particular meeting, send an agenda to your staff confirming the meeting and outlining your objectives. This is a good time to ask if anyone has a subject they would like to raise at the meeting.

If you find you do not have a clear purpose or objective, ask yourself if a team meeting is the best use of time for that week and consider postponing it to the next regularly scheduled time slot.

Plan Each and Every Minute

The biggest complaint from employees about team meetings is the length. Too often team meetings run out of control, and end up taking three hours instead of one. You will quickly lose team focus and respect for the regular meeting this way. By establishing a clear agenda and staying on topic, you can run an efficient, succinct meeting.

Your detailed agenda should include:

- meeting purpose or objective
- list of topics and associated speakers
- list of decisions that need to be made/agreed to
- time allocation for each topic
- opportunity for additional topics at the end

Circulate your draft agenda in advance of the meeting, and request input and feedback. When all team members have reviewed and contributed to the agenda, you will increase their level of ownership and buy-in into the process.

Establish the Facilitator

Choose one person to chair the meeting and keep it on track. This is generally the business owner or a senior member of the team with some authority over junior staff and a high level of respect.

It is the responsibility of the facilitator – or chairperson – to create an environment of open dialogue and trust, and to keep the meeting on schedule.

Create a Follow-up Schedule

Assign the task of taking detailed meeting minutes to a team member – or rotate this responsibility on a regular basis. It is important to record what happens in team meetings, just as you would in a client-related business meeting.

In the minutes, establish a system for tracking the action items that arise from decisions made in the meeting. This can be set up as a simple chart:

Decision	Action	Responsibility	Deadline

Make sure that these responsibilities are assigned and agreed upon in the meeting, and clear deadlines are established. Reviewing or following up on this chart can serve as a regular topic during team meetings.

Circulate meeting minutes to all attendees and ask for input or revisions. You may wish to circulate meeting minutes with the agenda for the next team meeting, and gather feedback at the same time.

Motivations + Incentives

A big challenge in team building is coming up with new ways to foster and maintain a high level of motivation. How do you keep teams of people excited and driven to succeed over long periods of time? How do you keep your team motivated to improve their performance, and increase their achievements?

It is important to note that we're not just talking about individuals, but teams of people working together. It is fairly simple to motivate a single person, but an entire team of motivated people will generate significantly higher results.

The key here is to give incentives for individual and team accomplishments. Incentives that reward based on collective achievement require people to work together and motivate each other to succeed.

Before we start talking about monetary and incentive-based rewards, it's important to look at motivational factors that are not incentive-driven.

Room to Work

Employees who feel their managers and supervisors believe and trust in their abilities are happier and will always perform at a higher level than those who do not. They are motivated to “prove them right” and feel supported in their efforts.

Micromanagement quickly reduces morale. It is essential that you and your managers clearly express confidence in your team members. You hired them to do a job, perform a role, so you must ensure they have the space to do so.

When you put effective systems in place and establish clear expectations, you create a clear context or boundary system for employees to work within. They understand the decision-making hierarchy, and the general way ‘things are done around here.’

Your team should be encouraged to take initiative and to take risks within this context. You have hired your team based on their skills and intellectual capabilities, and thus should be able to trust in their choices and decision making abilities.

Incentives

Incentives are great motivators. An incentive is a reason to perform or act in a certain way. For example, if your team increases sales by 40% by month's end, they will be treated to an expensive dinner.

Incentives need to be specific and have deadlines in order to be effective. In the example above, sales need to increase by 40% by the end of the month in order for the team to receive their dinner. If sales only increase by 30%, or if they increase by 40% at the end of the second month, the team does not earn their reward.

Time-specific incentives increase the sense of urgency, and encourage staff to work harder to achieve the objective. If the incentive is not time-bound, there is no reason to work faster or harder, since staff will assume they will reach their milestone "eventually."

Rarity is also a key component of effective incentive-based team building. If the reward is ongoing (i.e., if staff receive an expensive dinner every month sales are over \$75,000), then "there's always next time." There is a lesser incentive to push performance to receive the reward. Some team members may care one month, but not the next.

Monetary Incentives

Bonuses and salary increases are a popular way to give your team an incentive to perform. These can include:

- Commissions
- Bonuses for completing a challenging project, or hitting a target
- Rewards for highest producing employee
- Salary increases based on met targets

It's up to you how you choose to structure your monetary incentives, based on your budget and resources. Remember to ensure that the terms of each incentive are clearly outlined, and that both parties (you and your employee) understand the agreement.

Gift Rewards

Physical, tangible gifts are an inexpensive way to reward your team for achievements and improvement. These rewards show that you have given some level of thought to what they might enjoy or appreciate in exchange for a job well done. They're also a great way to surprise employees.

Here are some ideas:

- Spa gift certificates
- Books – *consider motivational or business-related topics*
- CDs or DVDs
- Meals – lunch or breakfast
- Other gift certificates – gas, food, meals, local shops
- Movie or theatre tickets
- Weekend getaway – hotel, meals, etc.
- Flowers
- Gym memberships

3

Define Your Target Market

What is a Target Market?

Many businesses can't answer the question: *Who is your target market?* They have often made the fatal assumption that *everyone* will want to purchase their product or service with the right marketing strategy.

A target market is simply the group of customers or clients who will purchase a specific product or service. This group of people all have something in common, often age, gender, hobbies, or location.

Your target market, then, are the people who will buy your offering. This includes both existing and potential customers, all of whom are motivated to do one of three things:

- Fulfill a need
- Solve a problem
- Satisfy a desire

To build, maintain, and grow your business, you need to know who your customers are, what they do, what they like, and why they would buy your product or service. Getting this wrong – or not taking the time to get it right – will cost you time, money, and potentially the success of your business.

The Importance of Knowing Your Target Market

Knowledge and understanding of your target market is the keystone in the arch of your business. Without it, your product or service positioning, pricing, marketing strategy, and eventually, your business could very quickly fall apart.

If you don't intimately know your target market, you run the risk of making mistakes when it comes to establishing pricing, product mix, or service packages. Your marketing strategy will lack direction, and produce mediocre results at best. Even if your marketing message and unique selling proposition(USP) are clear, and your brochure is perfectly designed, it means nothing unless it arrives in the hands (or ears) of the right people.

Determining your target market takes time and careful diligence. While it often starts with a best guess, assumptions cannot be relied on and research is required to confirm original ideas. Your target market is not always your ideal market.

Once you build an understanding of who your target market is, keep up with your market research. Having your finger on the pulse of their motivations and drivers – which naturally change – will help you to anticipate needs or wants and evolve your business.

Types of Markets

Consumer

The Consumer Market includes those general consumers who buy products and services for personal use, or for use by family and friends. This is the market category you or I fall into when we're shopping for groceries or clothes, seeing a movie in the theatre, or going out for lunch. Retailers focus on this market category when marketing their goods or services.

Institutional

The Institutional Market serves society and provides products or services for the benefit of society. This includes hospitals, non-profit organizations, government organizations, schools and universities. Members of the Institutional Market purchase products to use in the provision of services to people in their care.

Business to Business (B2B)

The B2B Market is just what it seems to be: businesses that purchase the products and services of other business to run their operations. These purchases can include products that are used to manufacture other products (raw or technical), products that are needed for daily operations (such as office supplies), or services (such as accounting, shredding, and legal).

Reseller

This market can also be called the “Intermediary Market” because it consists of businesses that act as channels for goods and services between other markets. Goods are purchased and sold for a profit – without any alterations. Members of this market include wholesalers, retailers, resellers, and distributors.

Determining Your Target Market

Product / Service Investigation

The process for determining your target market starts by examining exactly what your offering is, and what the average customer’s motivation for purchasing it is. Start by answering the following questions:

Does your offering meet a basic need?	
Does your offering serve a particular want?	
Does your offering fulfill a desire?	
What is the lifecycle of your product / service?	
What is the availability of your offering?	
What is the cost of the average customer's purchase?	
What is the lifecycle of your offering?	
How many times or how often will customers purchase your offering?	
Do you foresee any upcoming changes in your industry or region that may affect the sale of your offering (positive/negative)?	

Market Investigation

- **On the ground.** Spend some time on the ground researching who your target market might be. If you're thinking about opening a coffee shop, hang out in the neighborhood at different times of the day to get a sense of the people who live, work, and play in the neighborhood. Notice their age, gender, clothing, and any other indications of income and activities.
- **At the competition.** Who is your direct competitor targeting? Is there a small niche that is being missed? Observing the clientele of your competition can help to build understanding of your target market, regardless of whether it is the same or opposite. For example, if you own a children's clothing boutique and the majority of middle-class mothers shop at the local department store, you may wish to focus on higher-income families as your target market.
- **Online.** Many cities and towns – or at least regions – have demographic information available online. Research the ages, incomes, occupations, and other key pieces of information about the people who live in the area you operate your business. From this data, you will gain an understanding of the size of your total potential market.

- **With existing customers.** Talk to your existing customers through focus groups or surveys. This is a great way to gather demographic and behavioral information, as well as genuine feedback about product or service quality and other information that will be useful in a business or marketing strategy.

Who is Your Market?

Based on your product / service and market investigations, you will be able to piece together a basic picture of your target market, and some of their general characteristics. Record some notes here. At this point, you may wish to be as specific as possible, or maintain some generalities. You can further segment your market in the next section.

Consumer Target Market Framework

Market Type:	Consumer
Gender:	<input type="checkbox"/> Male <input type="checkbox"/> Female
Age Range:	
Purchase Motivation:	<input type="checkbox"/> Meet a Need <input type="checkbox"/> Serve a Want <input type="checkbox"/> Fulfill a Desire
Activities:	
Income Range:	
Marital Status:	
Location:	<input type="checkbox"/> Neighborhood <input type="checkbox"/> City <input type="checkbox"/> Region <input type="checkbox"/> Country
Other Notes:	

Institutional Target Market Framework

Market Type:	Institutional
Institution Type:	<div><div><input type="checkbox"/> Hospital</div><div><input type="checkbox"/> School</div><div><input type="checkbox"/> Charity</div><div><input type="checkbox"/> Church</div></div> <div><div><input type="checkbox"/> Non-profit</div><div><input type="checkbox"/> University</div><div><input type="checkbox"/> Government</div></div>

B2B Target Market Framework

Market Type:	Business to Business (B2B)
Company Size:	
Number of Employees:	
Purchase Motivation:	<input type="checkbox"/> Operations Need <input type="checkbox"/> Strategy <input type="checkbox"/> Functionality
Annual Revenue:	
Industry:	
Location(s):	
Purpose of Business:	
People, Culture & Values:	
Other Notes:	

Reseller Target Market Framework

Market Type:	Reseller
Industry:	
Client Base:	
Purchase Motivation:	<div><input type="checkbox"/> Operations Need</div> <div><input type="checkbox"/> Client Wants</div> <div><input type="checkbox"/> Functionality</div>
Annual Revenue:	
Age:	
Location:	<div><input type="checkbox"/> Neighborhood<input type="checkbox"/> City</div> <div><input type="checkbox"/> Region<input type="checkbox"/> Country</div>
Other Notes:	

Your Target Market: Putting It Together

Based on the information you gather from your product / service and market investigations, you should have a clear vision of your realistic target market. Here are a few examples of how this information is put together and conclusions are drawn:

Target Market Sample 1: Consumer Market

Business: Baby Clothing Boutique	Business Purpose: <i>Meet a need</i> (provide clothing for infants and children aged 0 to 5 years) <i>Serve a want</i> (clothing is brand name only, and has a higher price point than the competition)
Market Type: Consumer	
Gender: Women	
Marital Status: Married	
Market Observations: located on Main Street of Anytown, a street that is seeing many new boutiques open up, proximate to the main shopping mall two blocks from popular mid-range restaurant that is busy at lunch	Industry Predictions: large number of new housing developments in the city and surrounding areas two new schools in construction expect to see an influx of new families move to town from Anycity
Competition Observations: baby clothing also available at two local department stores, and one second-hand shop on opposite side of town	Online Research: half of Anytown's population is female, and 25% have children under the age of 15 years Anytown's population is expected to increase by 32% within three years The average household income for Anytown is \$75,000 annually
TARGET MARKET: The target market can then be described as married mothers with children under five years old, between the ages of 25 and 45, who have recently moved to Anytown from Anycity, and have a household income of at least \$100K annually.	

Target Market Sample 2: B2B Market

Business: Confidential Paper Shredding	Target Business Size: Small to medium
Market Type: B2B (Business to Business)	Target Business Revenue: \$500K to \$1M
Business Purpose: <i>Meet an operations need</i> (provide confidential on-site shredding services for business documents)	Target Business Type: produce or handle a variety of sensitive paper documentation accountants, lawyers, real estate agents, etc.
Market Observations: there are two main areas of office buildings and industrial warehouses in Anycity three more office towers are being constructed, and will be completed this year	Industry Predictions: the professional sector is seeing revenue growth of 24% over last year, which indicates increased client billing and staff recruitment
Competition Observations: one confidential shredding company serves the region, covering Anycity and the surrounding towns provide regular (weekly or biweekly) service, but does not have the capacity to handle large volumes at one time	Online Research: Anycity’s biggest employment sectors are: manufacturing, tourism, food services, and professional services
TARGET MARKET: The target market can then be described as small to medium sized businesses in the professional sector with an annual revenue of \$500K to \$1M who require both regular and infrequent large volume paper shredding services.	

Segmenting Your Market

Your market segments are the groups within your target market – broken down by a determinant in one of the following four categories:

- Demographics
- Psychographics
- Geographics
- Behaviors

Segmenting your target market into several more specific groups allows you to further tailor your marketing campaign and more specifically position your product or service. You may wish to divide your ad campaign into four sections, and target four specific markets with messages that will most resonate with the audience.

For example, the baby clothing store may choose to segment its target market by psychographics, or lifestyle. If the larger target market is *married females with children under five, between the ages of 25 and 45, who have a household income of at least \$100K annually*, it can be broken down into the following lifestyle segments:

- Fitness-oriented mothers
- Career-oriented mothers
- New mothers

With these three categories, unique marketing messages can be created that speak to the hot-buttons of each segment. The more accurate and specific you can make communications with your target market, the greater impact you will have on your revenues.

Market Segmentation Variables

Demographic	Psychographic	Geographic	Behavioristic
Age Income Gender Generation Nationality Ethnicity Marital Status Family Size Occupation Religion Language Education Employment Type Housing Type Housing Ownership Political Affiliation	Personality Lifestyle Values Attitude Motivation Activities Interests	Region Country City Area Neighborhood Density Climate	Brand Loyalty Product Usage Purchase Frequency Profitability Readiness to Buy User Status

Understanding Your Target Market

Once you have determined who your market is, make a point of learning everything you can about them. You need to have a strong understanding of who they are, what they like, where they shop, why they buy, and how they spend their time. Remind yourself that you may *think* you know your market, but until you have verified the information, you'll be driving your marketing strategy blind.

Also be aware that markets change, just like people. Just because you knew your market when you started your business 10 years ago, doesn't mean you know it now. Regular market research is part of any successful business plan, and a great habit to start.

Types of Market Research

Surveys

The simplest way to gather information from your clients or target market is through a survey. You can craft a questionnaire full of questions about your product, service, market demographics, buyer motivations, and so on. Plus, anonymous surveys will produce the most accurate information since names are not attached to the results or specific comments.

Depending on the purpose—whether it is to gather demographic information, product or service feedback, or other data—there are a number of ways to administer a survey.

1. Telephone

Telephone surveys are a more time-consuming option, but have the benefit of live communication with your target market. Generally, it is best to have a third party conduct this type of survey to gather the most honest feedback. This is the method that market researchers use for polling, which is highly reliable.

2. Online

Online surveys are the easiest to administer yourself. There are many web-based services that quickly and easily allow you to custom create your survey, and send it to your email marketing list. These services can also analyze, summarize and interpret the results on your behalf. Keep in mind that the results include only those who are motivated to respond, which may slant your results.

3. Paper-based.

Paper surveys are seldom used, and can prove to be an inefficient method. Like online surveys, your results are based on the feedback of those who were motivated for one reason or another to respond. However, the time and effort involved in taking the survey, filing it out, and returning it to your place of business may deter people from participating.

Keep in mind that surveys can be complex to administer, and consume more time and resources than you have planned. If you have the budget, consider hiring a professional market research firm to lead or assist with the process. This will also ensure that the methodology is standard practice, and will garner the most accurate results.

Website Analysis

Tracking your website traffic is an excellent way to research your existing and potential customer's interests and behavior. From this information, you can ensure the design, structure and content of your website is catering to the people who use it – and the people you want to use it.

User-friendly website traffic analytics programs can easily show you who is visiting your site, where they are from, and what pages of your site they are viewing. Services like Google Analytics can tell you what page they arrive at, where they click to, how much time they spend on each page, and on which page they leave the site.

This is powerful (and free!) information to have in your market research, and easy to monitor monthly or weekly, depending on the needs of your business.

Customer Purchase Data (Consumer Behavior)

If you do not have the budget to conduct your own professional market research, you can use existing resources on consumer behavior. While this data may not be specific to your region or city, general consumer research is actual data that can be helpful in confirming assumptions you may have made about your target market.

Your customer loyalty program or Point of Sale system may also be of help in tracking customer purchases and identifying trends in purchase behavior. If you can track who is buying, what they're buying and how often they're buying, you'll have an arsenal of powerful insight into your existing client base.

Focus Groups

Focus groups look at the psychographic and behavioristic aspects of your target market. Groups of six to 12 people are gathered and asked general and specific questions about their purchase motivations and behaviors. These questions could relate to your business in particular, or to the general industry.

Focus group sessions can also be time consuming to organize and facilitate, so consider hiring the services of a professional market research firm. You may also receive more honest information if a third party is asking the questions, and receiving the responses from focus group participants.

For cost savings, consider partnering with an associate in the same industry who is not a direct competitor, and who would benefit from the same market data.

4

Use Goal Setting Effectively

We've all heard about the power of setting goals. Everyone has surely seen statistics that connect goal setting to success in both your business life, and your personal life. I'm sure if I asked you today what your goals are, you could rattle off a few wants and hopes without thinking too long.

However, what most people do not realize is that the power of goal setting lies in *writing goals down*. Committing goals to paper and reviewing them regularly gives you a 95% higher chance of achieving your desired outcomes. Studies have shown that only three to five percent of people in the world have written goals – the same three to five percent who have achieve success in business and earn considerable wealth.

These studies have also found that by retirement, only four per cent of people in the world will have enough accumulated wealth to maintain their income level, and quality of life. As a business owner, it is essential that you develop a plan for your retirement, but it is equally essential that you develop a plan for your success.

This chapter focuses on the power of goal setting as part of your business success. We'll teach you to set SMART goals that are rooted in your own personal value system, and supporting techniques to achieve your goals faster.

What are Goals?

Goals are clear targets that are attached to a specific time frame and action plan; they focus your efforts, and drive your motivation in a clear direction. Goals are different from dreams in that they outline a plan of action, while dreams are a conceptual vision of your wish or desired outcome.

Goals require work; work on yourself, work for your business, and work for others. You cannot achieve a goal – no matter how badly you want it – without being prepared to make a considerable effort. If you are ready to invest your time and energy, goals will help you to:

- Realize a dream or wish for your personal or business life
- Make a change in your life – add positive, or remove negative
- Improve your skills and performance ability
- Start or change a habit – positive or negative

Why Set Goals?

As we've already reviewed, setting goals and committing them to paper is the most effective way to cultivate success. The most important reason to set a goal is **to attach a clear action plan to a desired outcome.**

Goals help focus our time and energy on one (or several) key outcome at a time. Many business owners have hundreds of ideas whirring around in their heads at any one time, on top of daily responsibilities. By writing down and focusing on a few ideas at a time, you can prioritize and concentrate your efforts, avoid being stretched too thin, and produce greater results.

Since goals attach action to outcomes, goals can help to break down big dreams into manageable (and achievable) sections. Creating a multi-goal strategy will put a road map in place to help you get to your desired outcome. If your goal is to start a pizza business and make six figures a year, there are a number of smaller steps to achieve before you achieve your end result.

Success doesn't happen by itself. It is the result of consistent and committed action by an individual who is driven to achieve something. Success means something different for everyone, so creating goals is a personal endeavor. Goals can be large and small, personal and public, financial and spiritual. It is not the size of the goal that matters; what matters is that you write

the goal down and commit to making the effort required to achieve it.

What happens when I achieve a goal?

You should congratulate yourself and your team, of course! By rewarding yourself and your team after every achievement, you not only train your mind to associate hard work with reward, but develop loyalty among your employees.

You should also ask yourself if your achievement can be taken to the next level, or if your goal can be stretched by building on the effort you have already made. Consistently setting new and higher targets will lay the framework for constant improvement and personal and professional growth.

Power of Positive Thinking

When was the last time you tuned into your internal stream of consciousness? What does the stream of thoughts that run through your mind sound like? Are they positive? Negative? Are they logical? Reasonable?

Positive thinking and healthy self-talk are the most important business tools you can ever cultivate; by programming a positive stream of subconscious thoughts into your mind, you can control your reality, and ultimately your goals. Think about

someone you know who is constantly negative; someone who complains and whines and makes excuses for their unhappiness. How successful are they? How do their fears and doubts become reality in their world?

You are what you continuously believe about yourself and your environment. If you focus your mind on something in your mental world, it will nearly always manifest as reality in your physical world.

Positive thinking is a key part of setting goals. You won't achieve your goal until you believe that you can. You will achieve your goals faster when you believe in yourself, and the people around you who are helping to make your goal a reality.

Successful people are rooted in a strong belief system – belief in themselves, belief in the work they are doing, and belief in the people around them. They are motivated to improve and learn, but also confident in their existing skills and knowledge. Their positive attitude and energy is clearly felt in everything they do.

Ever notice how complainers usually surround themselves with other complainers? The same is true of positive thinkers. If you cultivate an upbeat and positive attitude, you will be surrounded by people who share your values and outlook on life.

Too often, people and our society subscribe to a continuous stream of negative chatter. The more you hear it, the more you'll believe it.

How many times have you heard:

- That's impossible.
- Don't even bother.
- It's already been done.
- We tried that, and it didn't work.
- You're too young.
- You're too old.
- You'll never get there.
- You'll never get that done.
- You can't do that.

Positive thinking and positive influences will provide the support you need to achieve your goals. Choose your friends and close colleagues wisely, and surround yourself with positive thinkers.

Creating SMART Goals

SMART goals are just that: smart. Whether you are setting goals for your personal life, your business, or with your employees, goals that have been developed with the SMART principle have a higher probability of being achieved.

The SMART Principle

1. Specific

Specific goals are clearer and easier to achieve than nonspecific goals. When writing down your goal, ask yourself the five “W” questions to narrow in on what exactly you are aiming for. Who? Where? What? When? Why?

For example, instead of a nonspecific goal like, “get in shape for the summer,” a specific goal would be, “go to the gym three times a week and eat twice as many vegetables.”

2. Measurable

If you can’t measure your goal, how will you know when you’ve achieved it? Measurable goals help you clearly see where you are, and where you want to be. You can see change happen as it happens.

Measurable goals can also be broken down and managed in smaller pieces. They make it easier to create an action plan or identify the steps required to achieve your goal. You can track your progress, revise your plan, and celebrate each small achievement. For example, instead of aiming to increase revenue in 2009, you can set out to increase revenue by 30% in the next 12 months, and celebrate each 10% along the way.

3. Achievable

Goals that are achievable have a higher chance of being realized. While it is important to think big, and dream big, too often people set goals that are simply beyond their capabilities and wind up disappointed. Goals can stretch you, but they should always be feasible to maintain your motivation and commitment.

For example, if you want to complete your first triathlon but you've never run a mile in your life, you would be setting a goal that was beyond your current capabilities. If you decided instead to train for a five mile race in six months, you would be setting an achievable goal.

4. Relevant

Relevant – or realistic – goals are goals that have a logical place in your life or your overall business strategy. The goal's action plan can be reasonably integrated into your life, with a realistic amount of effort.

For example, if your goal is to train to climb to base camp at Mount Everest within one year and you're about to launch a start-up business, you may need to question the relevance of your goal in the context of your current commitments.

5. Timely

It is essential for every goal to be attached to a time-frame – otherwise it is merely a dream. Check in to make sure that your time-frame is realistic - not too short, or too long. This will keep you motivated and committed to your action plan, and allow you track your progress.

Autosuggestion + Visualization

Autosuggestion and visualization are two techniques that can assist you in achieving your goals. Some of the most well-known and successful people in the world use these techniques, and it is not coincidence that they are masters in their own fields of business and sport. A few of these people include:

- Michael Phelps (Olympic Swimmer)
- Andre Agassi (Tennis)
- Donald Trump (Real Estate)
- Wayne Gretzky (Hockey)
- Bill Gates (Microsoft)
- Walt Disney (Entertainment)

Of course, each of these people have a high degree of talent, ambition, intelligence and drive. However, to reach the top of their respective field, they have each used Autosuggestion and Visualization.

Autosuggestion

Autosuggestion is your internal dialogue; the constant stream of thoughts and comments that flows through your mind, and impacts what you think about yourself and how you perceive situations.

Since you were a small child, this self-talk has been influenced by your experiences and has programmed your mind to think and react in certain ways. The good news is that you can reprogram your mind and customize your self-talk any way you like. That is the power of Autosuggestion.

To begin practicing Autosuggestion, make sure you are relaxed and open to trying the technique; an ideal time is just before bed, or when you have some time to sit quietly. Then, repeat positive affirmations to yourself about the ideal outcome. Top sports and businesspeople will often practice just before a big game or meeting.

Some examples of positive self-talk or autosuggestion include:

- I will lead my team to a victory tonight!
- I will be relaxed open to meeting new people at the party tonight!
- I will deliver a clear and impacting speech!
- I will stop worrying and tackle this problem tomorrow!
- I will stand up for my own ideas in the meeting!
- I will remember everything I have studied for the test tomorrow!

Visualization

Visualization is a practice complementary to Autosuggestion. While you can repeat affirmations to yourself over and over, combining this practice with visualization is twice as powerful.

Visualization is exactly what it sounds like: repeatedly visualizing how something is going to happen in your mind's eye. Nearly everyone in sports practices this technique. It has been proven to enhance performance better than practice alone.

This technique can easily be applied to business. For example, prior to any presentation or meeting where you must speak, present or “perform.” You can also visualize yourself being incredibly productive and effective in your office. Or, having a discussion with your spouse calmly and rationally.

Elements to think about during visualization:

- What does the room look like?
- What do the people in the room look like?
- What is their mood? How do they receive me?
- What image do I project?
- How do I look?
- How do I behave? What is my attitude?
- What is the outcome?

5

Staff Recruitment Training and Development

The people you hire to work for your business can be your biggest assets and your biggest headaches. They can support and help you to achieve the vision you have for your company – but they can also prevent you from reaching that vision.

Too many businesses overlook the role of employee recruitment and retention when planning for the success of their organization. Staffing is an important exercise that needs to be purpose driven and strategic, just like marketing.

It is vital to understand in today's market that the relationship between employee and employer is a two-way street. Now, more than ever, employees have a “what's in it for me?” attitude that extends beyond salary and benefits expectations into incentive and rewards programs. The days of simple compensation structures are over.

Now, this may sound like a big headache, but it's actually a good thing! With some simple systems and open dialogue, you will be able to effectively create – and keep – your dream team.

The Power of Your Dream Team

How much of your own personal time has human resources – staff hiring, firing, issues management, etc. – taken this year? No doubt staff recruitment and retention is one of the biggest challenges facing any business owner today.

The truth is, if you spent half as much time on human resources as you do on marketing, I guarantee your sales would increase dramatically.

Customers know the difference between happy employees and disgruntled ones, and it makes a difference when it comes to purchase decisions. Would you rather have your car serviced by a grumpy mechanic who doesn't feel his good work is rewarded, or a pleasant one who just stepped out a weekly team meeting?

A successful business owner has confidence in the people who work for him, because he believes they are the best people for the job. Employees who know their employer believes in their skills and abilities will go over and above to get the job done, to make the sale.

Successful business owners invest time and money in finding and keeping the right people. These are the people who share and support the collective vision for the company.

I'm not talking about a complicated formula, or magic concoction. I'm talking about some careful thought and a proactive strategy that will make your business shine from the inside out.

Finding Your Dream Employees

Building a dream team starts by finding and hiring the right people for the job. Sounds simple enough. You post an ad, find someone who has the necessary qualifications, and hire them on.

Not so fast. Recruitment is complex process that can dramatically impact your business operations. Just like finding and securing the right customers, finding and hiring the right candidates requires pro-active planning and careful evaluation.

If you currently work with a recruiting agency to build to your team, now may be a good time to stop and evaluate the effectiveness of their service. While a recruiting agency can save you the time and hassle of working through the hiring process, it can also cost more money in the long run.

I always recommend creating an internal recruitment system, not because recruiting agencies do a bad job, but because no one knows your business like you do.

An internal recruitment system ensures that the true essence of your business culture is communicated – from advertisement to interview. You also have the opportunity to communicate expectations from the outset, instead of relying on the recruiter to relay this information. The middle-man's thoughts and impressions are eliminated, leaving you to make decisions based on your impression of the candidate and no one else's.

Step One: Advertise the Opportunity

The first step in recruiting candidates is obviously letting potential candidates know about the opportunity with your company.

But before you pick up the phone to place a classified ad, remember that advertising for potential employees requires just as much consideration and planning as general advertising for your business.

You need to ask yourself:

- Who is your ideal candidate?
- What are their skills and qualifications?
- What is their personality or demeanor?
- What are they passionate about?
- What are they looking for in a job?

Once you have a mental picture of your candidate, then you can begin to write an ad that will not only reach them, but also inspire them to act (and submit an application).

When writing this ad, be as specific as possible and focus on the benefits of the job. Remember that potential candidates screen job postings with an eye for “what’s in it for me.” Tell them exactly that.

Here are a few sample job postings:

Are you the Marketing Assistant we need?

About You

You’re fun, friendly and have a keen eye for detail. You’re always two steps ahead of your colleagues, and eager to take on new and exciting challenges.

You’ll be the glue that keeps the marketing team operating in a seamless fashion, responsible for website updates, copywriting, event coordination and client relations. You’ll be punctual, responsible, and well put together.

You’ll ideally have an undergraduate degree in marketing or English, and some previous office experience, but a fast learner with a great attitude will also get our attention.

About Us

We are a collaborate team of young professionals. We offer a competitive salary, great benefits and performance incentives.

Think you fit the bill? Email your resume and cover letter to John Smith at jsmith@email.com by Friday at 4pm.

Are Computers Your Life?

About You

You are smart, outgoing, and a wiz when it comes to computer programming. You're on your friend's speed dial for computer emergencies, large and small. Helping people understand the complex digital world is your passion.

You'll be our Lead Computer Technician, managing our computer repair counter and five Junior Technicians. You'll have great people skills, mounds of patience, and enjoy working as part of a dynamic team.

About Us

We operate Anytown's leading computer repair store, and are known across the region for our customer service. We work hard, play hard, and offer a competitive benefits package to our employees.

Tell us why this job is for you. Email your resume and cover letter to info@computerworld.com by Thursday, September 23.

Both of these job postings speak directly to a very targeted audience. They're friendly, colloquial, and communicate the job requirements in an informal way.

Every job posting should:

- Be colloquial (written in the way that you talk)
- Be specific
- Describe benefits
- Include skills, qualifications, duties and job title
- Be written in the present tense
- Have a great headline
- Call the reader to action
- Be simple – in word choice and sentence structure
- Be more exciting than the competition

Now that you have a great ad to post, you need to decide where you are going to publish it. This depends on the level of the job (junior to management) and on the specific type of candidate you are looking to recruit.

Here are the five major places to advertise your opportunity:

Government Employment Center

These are great places to find blue-collar or junior level employees. Candidates register with the center, which keeps their resumes on file. Be cautious with this route – it can produce a wide variety of candidates who are not qualified.

Local Newspaper

This is a great place to post junior to mid-level employment opportunities. You're looking for basic qualifications from local applicants, perhaps even for part-time positions, with minimal cost.

Regional or City Newspaper

Senior employment opportunities that require specific high-level qualifications are best advertised with a broad scope. This incurs a greater cost, but will return a greater variety of candidates.

Online

This is a cheap way to tap into a massive database of job seekers. Post your ad online on sites like www.monster.com or

www.workopolis.com and watch the resumes come flooding in. A large number of highly qualified job seekers who do not wish to register with a recruitment agency will use these services.

Referrals

The most ideal way to find candidates is through your existing network – including associates, colleagues, employees, friends and family. These candidates come to you already vetted by a trusted source. You may also wish to consider giving your staff an incentive to refer their qualified friends and associates to you.

You should also brainstorm a list of any other niche areas that your target market may look for a job. Consider industry publications, industry associations, small publications, etc.

Once you've posted your ad, your next step is to manage the inquiries that come flooding in.

Step Two: Screen Candidates

This is one of the most time-consuming aspects of the recruitment process, so you will need to work out a system to manage the response to your job posting.

A system will also allow you ensure you ask all potential candidates the same questions, and provide them with the same information about the role as well as about your company.

1. Decide whether all inquiries will be handled by one person or several. This will depend on your staff resources and capacity. A system will allow multiple employees to assist in the process.

For example, if your candidates have been instructed to submit their resume and cover letter to you through email, designate a single email address and inbox to receiving and responding. This way you or another staff member will not be bombarded by emails, and can designate an hour of time each day to managing the inquiries. If your candidates are calling in, designate a unique phone number or answering machine to this purpose.

2. Decide how inquiries will be responded to. This can be as simple as an email acknowledging receipt of the resume, or specific instructions on an answering machine. Ensure everyone receives the same information, and that you receive the same level of information from all candidates (resume, cover letter, portfolio, references, and other relevant information.).

If you have asked candidates to call you instead of submit their resumes through email, create a standard checklist of questions to ask them, as well as of information to provide them with. You may wish to create a script. Some questions might include:

- What kind of job are you looking for?
- Why do you think you would be well suited to this position?
- Tell me a bit about yourself.
- What makes you interested in our company?

Use this opportunity to get a feel for the applicant's personality, and trust your initial impression. Create a form on which to record this information, and file it with their resume when you receive it.

3. Devise a process for reviewing resumes or applications. The easiest and most time efficient way to do this is in a single session, after the stated deadline, and not as you receive them. You may wish to enlist the assistance of a senior colleague to provide a second opinion.

Review the resumes and application materials, and divide the applications into three piles: interview, no interview, and maybe. From here you can begin to call candidates and set up a first interview.

It is also a good idea to be in touch with unsuccessful candidates, and politely let them know that you will not be asking them in for an interview. If you anticipate your response rate will be overwhelming, you may wish to consider stating in your advertisement that only successful applicants will be called.

Step Three: First Interview

The first interview is also a screening interview; your objective is to develop a first impression of the candidate as a person, and to determine if they are qualified for the position. If you feel you have found an ideal candidate, this is also your opportunity to convince them to choose your company over any others they may be considering. Good people don't stay in the market long.

Interview Structure

You will need to decide on a structure, or system, for the interview process as well. Will you be conducting the first interviews, or will another manager? Will the interviews be conducted one on one, or will several employees participate? If you are replacing an employee, you may want to consider inviting that employee into the interview to provide insight into the role.

Interview Materials

Just as you are asking the potential candidate to come prepared to the interview, you must be as well.

- Have an outline prepared of what you would like to cover. Topics include: company history, job description, interview questions, compensation structure, availability, and room for advancement.

- Bring two copies of a typed job description. Include all tasks the candidate will be responsible for completing or assisting with.
- A company profile or overview document (other marketing collateral will also work here).

Interview Attitude

Begin to build a relationship with each applicant. The purpose of the interview is not just to discuss the job description, or for the applicant to get all the interview questions “right.” It is to determine if this person has the right attitude for the job, and whether or not they will fit in with the company’s culture and its employees.

Keep the interview professional, but make sure the applicant is comfortable. Interviews test our ability to perform under pressure, but you will want to gain an understanding of the applicant’s true nature. Remember that even if the applicant is not well suited to the role they have applied for, they may be suited to a future opportunity with the company.

Interview Questions

The questions you decide to ask the candidate are highly specific to your company and the role you are hiring for. Take some time to brainstorm what you really need to know about each

person, and what questions you can ask to get that information.

Keep in mind that part of the objective of the first interview is to get a sense of the candidate's personality. You will want to ask questions about their responses, and begin to establish a real relationship with them.

Here are some starter interview questions to get you going:

- Tell me a little bit about your background.
- What has been your first impression of our company/product/services?
- Tell me about a time when...[insert a likely scenario they will encounter in the position]. How did it make you feel? How did you handle the situation?
- What advantages do you feel you have over the other candidates?
- What are your strengths? Weaknesses?
- Tell me about an achievement you're proud of.
- Why did you leave your last position?
- Where do you see yourself in five years?
- ...and so on.

Make sure you take good notes, or ask a junior member of your team to take notes for you. Also record your impression of the candidate after each interview. You will want to be able to reflect on each interview before inviting the candidate to the next

phase of the selection process.

When the first interviews have been completed, review your notes and discuss your first impressions with other employees involved in the process. Then, decide who you would like to invite back for a second interview, and let the unsuccessful candidates know they are not right for this particular role.

Step Four: Second Interview + Reference Check

The second interview is used to confirm your impressions of the applicants you believe are well suited to the job. It can also be used to get more information, or to more closely compare two solid candidates.

Make sure you only offer a second interview to those you are considering hiring. If you are on the fence about a candidate, chances are your instincts are right, and bringing them in for a second interview is a waste of their time and yours.

Callbacks

When you call a candidate to invite them to come in for a second interview, remain professional and don't make any allusions to a job offer. If your impression of them changes during the second interview, you do not want to have to go back on something you said. Let them know what you thought of them

based on the first interview, and ask if they would be interested in meeting with you a second time.

Give yourself and the candidate at day or two between interviews to reflect on the first interview and prepare for the second.

Interviewer

You may wish to change the person or team of people who conducted the first interview. Usually the second interview is conducted with more senior team members at the table.

Interview Questions

While the second interview is often less structured than the first – a relationship has already begun to be established – you should still prepare a list of questions for the candidate.

These questions should focus on the specific tasks related to the job, and on providing more information about the culture, systems, and values of the company. You can also use the second interview to ask questions you may not have had the chance to in the first interview.

Office Tour + Introductions

Once you have determined that you have found the candidate for the job, take them on a tour of your office or business, and introduce them to your staff members. This is a good way gaining an initial understanding of how the candidate might interact with your existing staff members.

Calling References

This is the final – arguably most important – step to make before offering the job to the candidate. You should ask your candidate for at least three employment references, and perhaps one character reference.

Call each reference contact, and explain who you are and why you are calling. Then ask if they have a few moments to answer some questions about the candidate. You will want to find out information about punctuality, professionalism, skills, and their reason for leaving. Cross reference this information with your interview notes to ensure consistency between the candidate and their reference.

Step Five: Hire Your Employee

Provided their references are solid, now is the time to make them an offer of employment.

Call the candidate personally to offer them the job. Make sure you congratulate them, and express your enthusiasm in welcoming them into your team. You will also need to follow up your conversation with a letter or email that includes the job offer document or contract.

In the case a candidate declines the job offer, you may wish to do a reference check on your second pick candidate and make them an offer.

Good luck!

Training Your Dream Employees

Once you have landed your dream employees through a rigorous recruitment process, it is essential that you continue to invest in your decision by putting them through a thorough training process.

Training is actually an element of recruitment. A new employee's orientation and training sets the tone for their entire employment; this includes their impression of your business, its

systems, and respect for its leaders. This has an impact on your ability to retain good people, and avoid unnecessary or redundant recruitment processes.

Too often, businesses rely on junior employees to train new ones without any guidelines or ‘curriculum.’ New employees are thrown into the deep end without clear expectations or an understanding of ‘how things are done around here.’

These elements affect how an employee perceives their own required level of effort or performance. A business that doesn’t give much thought to planning, expectations, and preparation will end up showing a new employee that the same lack of attention is expected from them.

Here are some things to ensure you implement when you create your comprehensive training system:

Prior Learning / Existing Knowledge

Acknowledge your new employee’s prior learning, and don’t overestimate or underestimate their existing knowledge.

Choice of Trainer

Make sure the person or people who will be training the new employee are sufficiently qualified and experienced. If an administrator is leading a salesperson's training and orientation, consider asking another salesperson or more senior team member to assist on specific days or sessions.

Training Materials

Have all the required training materials handy. This includes company manuals, industry guidebooks, common reference materials, work samples and anything else that will aid in the training efforts.

Training Tools

Also ensure you have the tools available to train your new recruit. Will the training be held at their workstation, or another workstation? Do you have all the software you need? All the equipment required? Doing so will ensure the training runs smoothly and the time provided will be used effectively.

Time

Provide more than ample time for training – including time for questions and elaboration. Rushing training benefits no one, including your profits.

Testing

Consider including some ‘tests’ or checks to ensure the new recruit understands each component of the training. Ask the trainer and the trainee to sign-off on each section.

The Big Picture

Each team member’s role is part of a larger picture: the company as a whole. Ensure that the trainee understands how their role contributes to the big picture on each level. If they are a junior member of a department, they should understand how their job contributes to the department, as well as how the department contributes to the entire company.

Feedback

The trainee should be able to ask questions and review information at any time – including after the training process. Create an environment that encourages open dialogue and encourages employees to ask questions when they are unsure of a task.

The other common mistake that many companies make is ending training after the first few weeks of a new recruit’s employment.

Training is an ongoing process for every single member of your team, and there should be a system or structure in place to ensure that staff training and development happens on a regular basis. This can include cross-training, employee development, and new systems orientation. Regular training not only benefits your staff and improves their performance, but it allows you – the business owner – to:

- Implement new policies + procedures
- Invest in your staff, thereby improving confidence and morale
- Evaluate staff performance at an individual and team level
- Reward staff based on performance improvements
- Provide a regular arena for feedback and discussion, including positive and negative experiences and issues

One-on-One Training + Evaluation

An effective system of ongoing training is weekly, monthly, or quarterly staff reviews. When conducted one-on-one, this provides a forum for regular communication with employees to review performance and identify areas for improvement. A one-on-one environment will encourage more open and honest dialogue than if the session were conducted as part of a team.

As a business owner, these sessions are valuable sources of information and insight into the strengths, weaknesses and motivations of your team.

If you have a large staff, consider pairing junior staff with senior staff and establishing mentorship relationships. This is a powerful way to build the synergy of your team, and frees you up from weekly meetings with each staff member. Instead, each senior staff member can report back to you on the results of their regular training sessions, and you only need to conduct these sessions with your senior staff.

Team Training

Team training events are great team builders, and provide insight into how your team interacts as a whole. These can take the form of “lunch and learns”, where senior staff or guest speakers conduct an hour long session with staff members, or more social team building exercises with a less formal program.

Team training exercises will shed light on the leaders and followers in an organization and bring together employees who may work outside of the office. These can be especially helpful if you and your senior staff do not see the team ‘in action’ on a daily basis.

Keeping Your Dream Employees

Now that you have spent hours of time and potentially hundreds or thousands of dollars recruiting and training your staff, your human resource job is done, right?

I suppose you've done what you've set out to do: get the right people working for you. But what happens when those people get bored? Or stolen by another company? Or feel they've "done all they can do" at your company?

The final step in the overall recruitment process is employee retention. This includes keeping your employees happy, supporting their development, and giving them incentive to continuously improve their performance.

Environment

The environment you create for your staff has a huge impact on your employee retention rates. This includes the interior design and layout of your office or business, the lighting, plants, and kitchen amenities available. It also includes the culture of the company – what is the general working atmosphere? Are most people loud? Quiet? Is there a buzz or hum to the office space?

The bottom line is that employees should enjoy and feel comfortable coming to their workplace – they do spend most of their waking hours there.

Spending a little more on comfortable office furniture and amenities like coffee, tea, snacks and social spaces will go a long way toward keeping your employees happy at work.

Recognition, Rewards, and Incentive Programs

Did you know that many employees place more value on positive public recognition for a job well done than they do on salary?

Recognition and rewards are powerful tools when it comes to keeping employees happy. Positive feedback from those in more senior positions has a higher perceived value than a 3-5% salary increase – and it costs the business little to nothing to implement.

Incentive programs are a formalized way of rewarding employees for their achievements and successes. Clear targets and milestones are identified, and when an individual or team reaches those milestones they are rewarded with bonuses or prizes.

Recognition, rewards and incentive programs are an important part of employee retention, as well as team building. They will be discussed in further detail in the Team Building chapter.

Professional Development Programs

Another common reason employees choose to leave their positions is professional development. Many feel they need to move to another company in order to develop their careers or gain more responsibility. They may not necessarily dislike their current role, but become bored or stagnated and believe they have ‘done all they can do’ at that particular company.

Keeping good people means providing opportunities for growth and advancement within your company. This benefits the company because you can hire from within, and save money and time on recruiting and training new staff. It also benefits your employee and increases their loyalty toward your business.

Professional development programs are an important part of staff retention – but they are also an important part of business growth and development. A company with staff who are always increasing their knowledge and improving their skills will stay on the ‘cutting edge’ of their industry, and have an advantage over the competition.

Ongoing training and development should be a primary focus for any growing business. Here's why:

- Increases productivity
- Increases staff retention
- Increases workplace safety and morale
- Increases customer service
- Increases sales

Professional development programs typically focus on the big picture ambitions of the company and its staff members. The longer-term goals and career ambitions are recorded and taken into consideration.

Professional development can be easily worked into your ongoing one-on-one training systems. Keep a folder or binder for each staff member that outlines current role responsibilities, short and long term goals, and areas for improvement, and review it during your weekly or monthly meetings. Identify specific areas for growth, and develop plans of action for that growth.

For example, if your marketing assistant wants to grow into a marketing coordinator or manager role, and needs to improve her people management skills, consider putting her through a management course.

Maintaining this program doesn't have to be a time-consuming task. With some simple system tools and a commitment to regularly scheduled meetings, you can have a clear and effective program for your staff.

- Evolving job description document to monitor role responsibilities and tasks
- Regular performance evaluations
- Goal planning worksheets
- Continuing education programs at local business schools
- Regular meetings between staff and supervisors
- Rewards and incentives

6

Generating an Unlimited Amount of Leads for Your Business

Where do your customers come from?

Most people would probably choose advertising as an answer. Or referrals. Or direct mail campaigns. This may seem true, but it's not really accurate.

Your customers come from leads that have been turned into sales. Each customer goes through a two-step process before they arrive with their wallets open. They have been converted from a member of a target market, to a lead, then to a customer.

So, would it not stand to reason then, that when you advertise or send any marketing material out to your target market, that you're not really trying to generate customers? That instead, you're trying to generate leads.

When you look at your marketing campaign from this perspective, the idea of generating leads as compared to customers seems a lot less daunting. The pressure of closing sales is no longer placed on advertisements or brochures.

From this perspective, the **general purpose of your advertising and marketing efforts is then to generate leads from qualified customers.** Seems easy enough, doesn't it?

Where Are Your Leads Coming From?

If I asked you to tell me the top three ways you generate new sales leads, what would you say?

- Advertising?
- Word of mouth?
- Networking?
- ...don't know?

The first step toward increasing your leads is in understanding how many leads you currently get on a regular basis, as well as where they come from. Otherwise, how will you know when you're getting more phone calls or walk-in customers?

If you don't know where your leads come from, start *today*. Start asking every customer that comes through your door, "how did you hear about us?" or "what brought you in today?" Ask every customer that calls where they found your telephone number, or email address. Then, *record the information for at least an entire week*.

When you're finished, take a look at your spreadsheet and write your top three lead generators here:

1. _____

2. _____

3. _____

From Lead to Customer: Conversion Rates

Leads mean nothing to your business unless you convert them into customers. You could get hundreds of leads from a single advertisement, but unless those leads result in purchases, it's been a largely unsuccessful (and costly) campaign.

The ratio of leads (potential customers) to transactions (actual customers) is called your conversion rate. Simply divide the number of customers who actually purchased something by the

number of customers who inquired about your product or service, and multiply by 100.

$$\text{\# transactions} / \text{\# leads} \times 100 = \% \text{ conversion rate}$$

If, in a given week, I have 879 customers come into my store, and 143 of them purchase something, the formula would look like this:

$$[143 \text{ (customers)} / 879 \text{ (leads)}] \times 100 = 16.25\% \text{ conversion rate}$$

What's Your Conversion Rate?

Based on the formula above, you can see that the higher your conversion rate, the more profitable the business.

Your next step is to determine your own current conversion rate. Add up the number of leads you sourced in the last section, and divide that number into the total transactions that took place in the same week.

Write your conversion rate here:

_____.

Quality (or Qualified) Leads

Based on our review of conversion rates, we can see that the number of leads you generate means nothing unless those leads are being converted into customers.

So what affects your ability (and the ability of your team) to turn leads into customers? Do you need to improve your scripts? Your product or service? Find a more competitive edge in the marketplace?

Maybe. But the first step toward increasing conversion rates is to evaluate the leads you are currently generating, and make sure those leads are the right ones.

What are Quality Leads?

Potential customers are potential customers, right? Anyone who walks into your store or picks up the phone to call your business could be convinced to purchase from you, right? Not necessarily, but this is a common assumption most business owners make.

Quality leads are the people who are the most likely to buy your product or service. They are the qualified buyers who comprise your target market. Anyone might walk in off the street to browse a furniture store – regardless of whether or not they are

in the market for a new couch or bed frame. This lead is solely interested in browsing, and is not likely to be converted to a customer.

A quality lead would be someone looking for a new kitchen table, and who specifically drove to that same furniture because a friend had raved about the service they received that month. **These are the kinds of leads you need to focus on generating.**

How Do You Get Quality Leads?

- **Know your target market.** Get a handle on who your customers are – the people who are most likely to buy your product or service. Know their age, sex, income, and purchase motivations. From that information you can determine how best to reach your specific audience.
- **Focus on the 80/20 rule.** A common statistic in business is that 80% of your revenue comes from 20% of your customers. These are your star clients, or your ideal clients. These are the clients you should focus your efforts on recruiting. This is the easiest way to grow your business and your income.

- **Get specific.** Focus not only on who you want to attract, but how you're going to attract them. If you're trying to generate leads from a specific market segment, craft a unique offer to get their attention.
- **Be proactive.** Once you've generated a slew of leads, make sure you have the resources to follow up on them. Be diligent and aggressive, and follow up in a timely manner. You've done the work to get them, now reel them in.

Get More Leads from Your Existing Strategies

Increasing your lead generation doesn't necessarily mean diving in and implementing an expensive array of new marketing strategies. Marketing and customer outreach for the purpose of lead generation can be inexpensive, and bring a high return on investment.

You are likely already implementing many of these strategies. With a little tweaking or refinement, you can easily double your leads, and ensure they are more qualified.

Here are some popular ways to generate quality leads:

Direct Mail to Your Ideal Customers

Direct mail is one of the fastest and most effective ways to generate leads that will build your business. It's a simple strategy – in fact, you're probably already reaching out to potential clients through direct mail letters with enticing offers.

The secret to doubling your results is to craft your direct mail campaigns specifically for a highly targeted audience of your *ideal* customers.

Your ideal customers are the people who will buy the most of your products or services. They are the customers who will buy from you over and over again, and refer your business to their friends. They are the group of 20% of your clients who make up 80% of your revenue.

Identify your ideal customers

Who are your ideal customers? What is their age, sex, income, location and purchase motivation? Where do they live? How do they spend their money? Be as specific as possible.

Once you have identified who your ideal customers are, you can begin to determine how you can go about reaching them. Will you mail to households or apartment buildings? Families or retirees? Direct mail lists are available for purchase from a wide

range of companies, and can be segregated into a variety of demographic and sociographic categories.

Craft a special offer

Create an offer that's too good to refuse – not for your entire target market, but for your ideal customer. How can you cater to their unique needs and wants? What will be irresistible for them?

For example, if you operate a furniture store, your target market is a broad range of people. However, if you are targeting young families, your offer will be much different than one you may craft for empty-nesters.

Court them for their business

Don't stop at a single mail-out. Sometimes people will throw your letter away two or three times before they are motivated to act. Treat your direct mail campaign like a courtship, and understand that it will happen over time.

First send a letter introducing yourself, and your irresistible offer. Then follow up on a monthly basis with additional letters, newsletters, offers, or flyers. Repetition and reinforcement of your presence is how your customer will go from saying, "who is this company" to "I buy from this company."

Advertise for lead generation

Statistics show that nearly 50% of all purchase decisions are motivated by advertising. It can also be a relatively cost effective way of generating leads.

We've already discussed the importance of ensuring your advertisements are purpose-focused. The general purpose of most advertisements is to increase sales – which starts with leads. However ads that are created solely for lead generation – that is, to get the customers to pick up the phone or walk in the store – are a category of their own.

Lead generation ads are simply designed and create a sense of curiosity or mystery. Often, they feature an almost unbelievable offer. Their purpose is not to convince the customer to buy, but to contact the business for more information.

As always, when you are targeting your ideal audience, you'll need to ensure that your ads are placed prominently in publications that audience reads. This doesn't mean you have to fork over the cash for expensive display ads. Inexpensive advertising in e-mail newsletters, classifieds, and the yellow pages are very effective for lead generation.

Here are some tips for lead generation advertising:

Leverage low-cost advertising

Place ads in the yellow pages, classifieds section, e-mail newsletters, and online. If your target audience is technology savvy, consider new forms of advertising like Facebook and Google Adwords.

Spark curiosity

Don't give them all the information they need to make a decision. Ask them to contact you for the full story, or the complete details of the seemingly outrageous offer.

Grab them with a killer headline

Like all advertising, a compelling headline is essential. Focus on the greatest benefits to the customer, or feature an unbelievable offer.

Referrals and host beneficiary relationships

A referral system is one of the most profitable systems you can create in your business. The beauty is once it's set up, it often runs itself.

Customers that come to you through referrals are often your “ideal customers.” They are already trusting and willing to buy. This is one of the most cost-effective methods of generating new business, and is often the most profitable. These referral clients will buy more, faster, and refer further business to your company.

Referrals naturally happen without much effort for reputable businesses, but with a proactive referral strategy you’ll certainly double or triple your referrals. Sometimes, you just need to ask!

Here are some easy strategies you can begin to implement today:

Referral incentives

Give your customers a reason to refer business to you. Reward them with discounts, gifts, or free service in exchange for a successful referral.

Referral program

Offer new customers a free product or service to get them in the door. Then, at the end of the transaction, give them three more ‘coupons’ for the same free product or service that they can give to their friends. Do the same with their friends. This ongoing program will bring you more business than you can imagine.

Host-beneficiary relationships

Forge alliances with non-competitive companies who target your ideal customers. Create cross-promotion and cross-referral direct mail campaigns that benefit both businesses.

Lead Management Systems

Once your lead generation strategies are in place, you'll also need a system to manage incoming inquiries. You'll need to ensure you receive enough information from each lead to follow up on at a later date. You'll also need to create a system to organize that information, and track the lead as it is converted into a sale.

Gathering Information from Your Leads

Here is a list of information you should gather from your leads. This list can be customized to the needs of your business, and the type of information you can realistically ask for from your potential customers.

- Company Name
- Name of Contact
- Alternate Contact Person
- Mailing Address
- Phone Number
- Fax Number

- Cell Phone
- Email Address
- Website Address
- Product of Interest
- Other Competitors Engage

Lead List Management Methods:

Once you have gathered information from your lead, you'll need a system to organize their information and keep a detailed contact history.

The simplest way to do this is with a database program, but you can also use a variety of hard copy methods.

Electronic Database Programs

- High level of organization available
- Unlimited space for notes and record-keeping
- Data-entry required
- Examples include: MS Outlook, MS Excel, Maximizer
- Customer Relationship Management Software

Index Cards

- Variety of sizes: 3x5, 4X6 or 5X8
- Basic contact information on one side
- Notes on the other side
- Easy to organize and sort

Rolodex System

- Maintain more contacts than index card system
- Easily organized and compact
- Basic contact information on one side
- Notes on the other side
- Can keep phone conversation and purchase details

Notebook

- Best if leads are managed by a single person
- Lots of room for notes
- Inexpensive
- Difficult to re-organize
- Best for smaller lists

Business Card Organizer

- Best for small lists – under 100
- Limited space for notes
- No data entry required
- Rolodex-style, or clear binder pages

7

Immediate Sales

If you're a business owner, you're also a salesperson.

You've had to sell the bank to get them to loan you your start-up capital. You've had to sell the best employees on why they should work for your business. You've had to convince your business partner, spouse, and friends why your business idea is a good one.

Now you have to repeatedly sell your product or service to your customers.

The ability to sell effectively and efficiently is one every successful business owner has cultivated, and continues to develop. It can be a complicated and time consuming task; one that you will have to continually work on throughout your career in order to be – and stay – successful.

Fortunately, making sales is a step-by-step process that can be learned, customized, and continuously improved. There are a wide range of tools available to help and support your sales efforts.

You don't have to be the most outgoing, enthusiastic person to be successful at sales. You don't even have to be a good public speaker. All you need is an understanding of the basic sales process, and a genuine passion for what you are selling.

Sales 101

As I said before, making sales is a process. There are clear, step-by-step actions that can be taken and result in a sale.

The sales process varies according to the type of business, type of customers and type of product or service that is offered; however, the core steps are the same. Similarly, sales training varies from individual to individual, but the core skills and abilities remain the same.

Here is a basic seven-step process that you can follow, or fine tune to suit your unique products and services. Remember that each step is important, and builds on the step previous. It is essential to become adept at each step, instead of solely focusing on closing the sale.

1. Preparation

Make sure you have prepared for your meeting, presentation, or day on the sales floor. You have complete control of this part of the sales process, so it is important to do everything you can to set the stage for your success.

- Understand your product or service inside and out.
- Prepare all the necessary materials, and organize them neatly.
- Keep your place of business tidy and organized. Reface product on shelves.
- Ensure you appear professional and well groomed.
- Do some research on your potential client and brainstorm to find common ground.

2. Build a Relationship

The first few minutes you spend with a potential customer set the stage for the rest of your interaction. First impressions are everything. Your goal in the second step is to relax the customer and begin to develop a relationship with them. Establishing a real relationship with your customer will create trust.

- Make a great first impression: shake hands, make eye contact, and introduce yourself.
- Remain confident and professional, but also personable.

- Mirror their speech and behavior.
- Begin with general questions and small talk.
- Show interest in them and their place of business.
- Notice and comment on positives.
- Find some common ground on which to relate.

3. Discuss Needs + Wants

Once you have spent a few moments getting to know your prospect, start asking open-ended questions to discover some of their needs and wants. If they have come to you on the sales floor, ask what brought them in the store. If you are meeting them to present your product or service, ask why they are interested in, or what criteria they have in mind for that product or service.

- If you are making a sales presentation, ask for a few moments at the outset to outline the purpose of your visit, as well as how you have structured the presentation.
- Listen intently, and repeat back information you are not sure you understand.
- Ask open-ended questions to get them talking. The longer they talk, the more insight they are providing you into their needs and purchase motivations.
- Ask clarifying questions about their responses.
- If you become sure the customer is going to buy your product or service, begin to ask questions specific to the offering. i.e., what size/color do you prefer?

4. Present the Solution

Once you have a solid understanding of what they are looking for, or what issue they are looking to resolve, you can begin to present the solution: your product or service.

- Explain how your product or service will solve their problem or meeting their needs. If several products apply, begin by presenting the mid-level product.
- Illustrate your points with anecdotes about other happy customers, or awards the product or service has earned.
- Use hypothetical examples featuring your customer. Encourage them to picture a scenario after their purchase.
- Begin by describing the benefits of the product, then follow up with features and advantages.
- Watch your customer's behavior as you speak, and ask further qualifying questions in response to body language and verbal comments.
- Give the customer an opportunity to ask you questions or provide feedback about each product or service after you have described or explained it.
- Ask closed-ended questions to gain agreement.

5. Overcome Objections

As you present the product or service, take note of potential objections by asking open-ended questions and monitoring body language. Expect that objections will arise and prepare for it. Consider brainstorming a list of all potential objections, and writing down your responses.

- Repeat the objection back to the customer to ensure you understand them correctly.
- Empathize with what they have said, and then provide a response that overcomes the objection.
- Confirm that the answer you have provided has overcome their objection by repeating yourself.

The Eight Most Common Objections
The product or service does not seem valuable to me. There is no reason for me to act now. I will wait. It's safest not to make a decision right away. There is not enough money for the purchase. The competitor or another department offers a better product. There are internal issues between people or departments. The relationship with the decision maker is strained. There is an existing contract in place with another business.

6. Close

This is an important part of the sales process that should be handled delicately. Deciding when to close is a judgment call that must be made in the moment during the sale. Ideally, you have presented a solution to their problem, overcome objections, and have the customer in a place where they are ready to buy.

Here are some questions to ask before you close the sale:

- Does my prospect agree that there is value in my product or service?
- Does my prospect understand the features and benefits of the product or service?
- Are there any remaining objections that must be handled?
- What other factors could influence my prospect's decision to buy?
- Have I minimized the risk involved in the purchase, and provided some level of urgency?

Once you have determined it is time to make the sale, here are some sample statements you can use to get the process rolling:

- So, should we get started?
- Shall I grab a new one from the back?
- If you just give me your credit card, I can take care of the transaction while you continue browsing.
- When would you like the product delivered?

- We can begin next month if we receive payment by the end of the week.
- Can I email you a draft contract tomorrow?

7. Service + Follow-up

Once you have made the sale, your work is not over. You want to ensure that that customer will become a loyal, repeat customer, and that they will refer their friends to your business.

Ask them to be in your customer database, and keep in touch with regular newsletters. Follow up with a phone call or drop by to ask how they are enjoying the product or service, and if they have any further questions or needs you can assist them with.

This contact opportunity will also allow you ask for a referral, or an up sell. At the very least, it will ensure you are continuing to foster and build a relationship with the client.

Up selling

Up selling is simply inviting your customers to spend more money in your business by purchasing additional products or services. This could include more of the same product, complementary products, or impulse items.

Regardless, up selling is an effective way to increase profits and create loyal clients – without spending any money to acquire the business. These clients are already purchasing from you – which means they perceive value in what you have to offer – so take the information you have gained in the sales process and offer them a little bit more.

You experience up selling on a daily basis. From “do you want fries with that?” to “have you heard about our product protect program?” companies across the globe have tapped into and trained their staff on the value of the up sell.

Up selling is truly rooted in good customer service. If your client purchases a new computer printer, you’ll need to make sure they have the cords required to connect it to the computer, regular and photo paper, and color and black and white ink.

If you don’t suggest these items, they may arrive home and realize they do not have all the materials needed to use the product. They may choose to purchase those materials somewhere closer, cheaper, or more helpful.

Customer education is another form of up selling. What if your customer doesn’t realize that you sell a variety of printer paper and stationery in addition to computer hardware like printers? Take every opportunity to educate your customer on the products and services you offer that may be of interest to them.

An effective way of implementing an up sell system into your business is simply by creating add-on checklists for the products or services you offer. Each item has a list of related items that your customer may need. This will encourage your staff to develop the habit of asking for the up sell.

Other up sell strategies can be implemented:

- **At the point of sale.** This is a great place for impulse items like candy, flashlights, nail scissors, etc.
- **In a newsletter.** This is an effective strategy for customer education.
- **In your merchandising.** Place strips of impulse items near related items. For example, paper clips with paper and pens near binders.
- **Over the phone.** If someone is placing an order for delivery, offer additional items in the same shipment for convenience.
- **With new products.** Feature each new product or service that you offer prominently in your business, and ask your staff to mention it to every customer.

Sales Team

Employing a team of strong salespeople

What Makes a Good Salesperson?

There are a lot of salespeople out there – but what qualities and skills make a great salesperson? These are the attributes you will want to find or develop in your team:

- Willingness to continuously learn and improve sales skills
- Sincerity in relating to customers and providing solutions to their objectives
- An understanding of the company's big picture
- A communication style that is direct, polite, and professional
- Honesty and respect for other team members, customers, as well as the competition.
- Ability to manage time
- Enthusiastic
- Inquisitive
- A great listener
- Ability to quickly interpret, analyze, and respond to information during the sales process
- Ability to connect and develop relationships of trust with potential clients

- Professional appearance

Team Building — Keeping Your Team Together

In many businesses, sales is a department or a whole team of people who work together to generate leads and convert customers. Effective management of your sales team is a skill every business owner should cultivate.

Teambuilding, recruitment, and training will be discussed in later sections, but take some time to consider the following aspects of managing a sales team:

Communication

- Are targets and results regularly reviewed?
- Are opportunities for input regularly provided?
- Do sales staff members have a clear understanding of what is expected?
- Do all staff members know daily, weekly, and quarterly targets?

Performance Management

- Are sales staff members motivated to reach targets?
- Are sales staff recognized and rewarded once those targets are reached?
- Are there opportunities for skills training and development?

- Do staff members have broad and comprehensive product or industry knowledge?
- Is there opportunity for growth within the company?
- Is performance regularly reviewed?

Operations

- Do you have a solid understanding of your sales numbers (revenue, profit, margins)?
- Are your sales processes regularly reviewed?
- Do you have a variety of sales scripts prepared?
- Do you measure conversion rates?
- How are your leads generated?

Sales Tools

Every salesperson should have an arsenal of tools on hand to assist them in the sales process. These tools can act as aids while a sale is taking place, or help to foster continual learning and development of the salesperson's skills and approach.

The list below includes some popular sales tools. Add to this list with other resources that are specific to your business or industry.

Tool	Description + Benefit
Scripts	<p>Used for incoming and outgoing telemarketing, cold calls, door-to-door sales, in-store sales</p> <p>Create several different scripts throughout your business</p> <p>Maintains consistency in your sales approach</p> <p>Revise and renew your scripts regularly</p>
Presentation Materials	<p>High-quality information about your product or service</p> <p>Forms: PowerPoint presentation, brochure, product sheets, proposal</p> <p>Serves as an outline of your sales presentation, and keeps you on task</p>
Colleagues	<p>A source of help and advice, especially when you are on the same team or sell similar products</p> <p>Also a source of support</p>
Customer Databases	<p>An accurate, up-to-date database of customer contact information and contact history</p> <p>Used to stay in touch with clients</p> <p>Can also be used for direct mail and follow-up telemarketing</p>
The Internet	<p>A powerful resource for sales help and advice</p> <p>Information to help improve your sales process</p> <p>Online sales coaching</p> <p>Source for product knowledge</p>

Ongoing Training	Constant improvement of your sales skills Constant increase in product knowledge Investment in yourself and your company
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8 Tips for Better Sales

- **Dress for the sale.** Dress professionally, appear well put together and maintain good hygiene. Ensure you are not only dressed professionally, but *appropriately*. Would your client feel more comfortable if you wore a suit, or jeans and blazer?
- **Speak their language.** Show you understand their industry or culture, and use phrases your customer understands. This may require researching industry jargon or common phrases. Remember to avoid using words and phrases that are used in the sales process: sold, contract, telemarketing, finance, interest, etc. Doing so will help break down the salesperson/customer barrier.
- **Ooze positivity.** Show up or answer the phone with a smile, and leave your personal or business issues behind. Be enthusiastic about what you have to offer, and how that offering will benefit your customer. Reflect this not only in your voice, but also in your body language.

- **Deliver a strong pitch or presentation.** Be confident and convincing. Leave self-doubt at the door, and walk in assuming the sale. Take time to explain complex concepts, and always connect what you're saying to your audience in a specific way.
- **Be a poster-child for good manners.** Accept any amenity you're offered, listen intently, don't interrupt, don't show up late, have a strong handshake, and give everyone you are speaking to equal attention.
- **Avoid sensitive subjects.** Politics, religion, swearing, sexual innuendos and racial comments are absolutely off-limits. So are negative comments about other customers or the competition.
- **Create a real relationship.** Icebreakers and small talk are not just to pass the time before your presentation. They are how relationships get established. Show genuine interest in everything your customer has to say. Ask questions about topics you know they are passionate. Speak person to person, not salesperson to customer. Remember everything.

- **Know more than you need to.** Impress clients with comprehensive knowledge – not only of your product or service – but also of the people who use that product or service, and industry trends. Been seen as an expert in order to build trust and respect.

8

Profits from Fresh Air

As a small business owner, you are in business for one reason: to make money.

Of course, there are other reasons you started or purchased your company. You may love the product you sell, or service you provide. You may love the challenge of turning a floundering company into an overnight success. You may just love being your own boss.

Naturally, this all means nothing if you are not generating enough income to support yourself and your family, as well as the people who work for you.

Nearly all businesses make money. Unless not a single product or service is sold, there is always money coming in. But there is also always money going out. Supplies, wages, marketing, acquisitions and operations all contribute to the expense of just staying in business.

Simply put, profit is the difference between money in and money out. This is the dollar value of your sales, minus the cost of those sales.

In business, you will find that everyone wants to make more money. They want to increase their sales, get more money coming in. **What often gets overlooked is that the true secret to making more money is not increasing sales, but increasing profit.**

What is Profit?

Before you can take steps to increase the profitability of your business, you have to have a solid understanding of:

- types of profit
- what factors influence profit
- what your profit is *right now*

Types of Profit

There are two main types of profit:

Gross Profit

Gross profit is the simplest form of calculating profit. It is simply the money that comes through the cash register, minus the cost of acquiring or providing the products or services.

The formula is:

$$\begin{aligned} & \text{Total revenue (sales) - cost of goods or services sold} \\ & = \text{Gross Profit} \end{aligned}$$

Net Profit

Net profit is a more accurate reflection of your income. It is calculated by taking your gross profit minus expenses over a specific time period (usually by quarter).

The formula is:

$$\text{Gross profit} - \text{expenses (cost of running a business)} = \text{Net Profit}$$

Factors that Influence Profit

Profit is your bottom line. It is the number that falls out the bottom when all other costs and expenses have been taken into consideration. Do you know what contributes to the amount of profit your business ends up with?

There are three main factors that influence profit:

Sales – Your Conversion Rate

The first, and most obvious, factor is the money that comes in the door through sales. In theory, the more sales you make, the more money you bring in, the greater your profits.

The ratio of potential customers to sales is called your conversion rate. This is the percentage of customers you have converted from leads to sales. So, a high conversion rate means more sales, and more money coming in the door.

In addition to your conversion rate is the lifetime value of your clients. It costs much less to convince a customer to make repeat purchases than it does to acquire new clients.

Costs – Your Product/Service Margins

The second factor is the cost of your offering – what your product or service costs you to acquire or provide. If you sell a product, this is the wholesale price you pay for the product. If you offer a service, it is the cost of your (or your employee's) time plus any materials used.

Your margin is the difference between the price you pay and the price your customers pay. If you buy toothpaste for \$1 from the wholesaler, and you sell it for \$3, your margin is \$2. If a haircut costs \$20 in materials and service, and the customer pays \$50, your margin is \$30.

Expenses – The Cost of Doing Business

The final factor is the cost of running your business – those not directly related to the specific product or service you offer. Expenses include:

- Office or store lease
- Computer equipment lease
- Employee salaries
- Utilities
- Marketing + advertising

Your Profit

It only makes sense that you need to know where you are to determine how to get to where you want to be. This applies to any plan to create in business.

Before you can increase your profits, you need to have an understanding of where your profits are currently – and if you're making any at all. The next section will take you through a process to review the specific factors that affect your business's

profitability, and ultimately determine how much profit you are currently bringing in.

Taking Stock of Your Profits

Before you devise a strategy to increase your profits, you need to take a good long look at the money your business brings in, and the money you spend to run your business. You may wish to sit down with your accountant or bookkeeper to analyze the financial information that is available to you.

Decide on a specific time period to review – one that makes sense to your business, and one that will give you the most realistic picture of your business performance.

This will depend if your operation is cyclical, or remains steady throughout the year. Usually, the previous quarter or the previous four quarters will give you enough of an indication.

Here is a general of items to review:

- Total revenue
- Total cost of goods or services
- Total cost of operations (overhead), including:
 - Employee wages
 - Recruitment
 - Business development

- Utilities
- Rent or mortgage
- Office supplies
- Computer leases
- Incidentals
- Total cost of marketing campaigns

Total profit after costs and expenses for this time period:

_____.

The Five Factors that Eat Your Profits

It is easy for business owners to compare their organizations to the apparent success of their competitors. Joe's Pizza may always be teaming with customers and appear to be making money hand over fist, while your pizza shop may have slower, but more steady business.

It is important to remember that a business with extraordinary sales figures is not necessarily a profitable one. Sales are just one element of your profit calculation.

Here are some other elements to think about when reviewing the profitability of your business:

Impulse Spending

How often do you make purchases for your business operations? I'm not talking about acquiring new goods and services, but upgrading computers, taking your team out for lunch, or leasing a new color photocopier.

Do you allow your staff to make purchases on your behalf? Who reviews these decisions? Take a look not only at *what* you buy, but *how* spending is structured in your company.

Small Margins

As we discussed in the previous section, your margins are the difference between your cost and the customer's cost to purchase your goods or services.

Typically, businesses that offer a variety of products will have both products with large margins, and products with small margins. The products with large margins generate the most income, so these are the products that staff should be focused on selling.

What many businesses overlook is that products with small margins will never generate a high level of income, no matter how many you sell. A store stocked with small margin items will never be able to increase their profit because they have

so little margin to work with.

Your Customers

This may seem like a backwards way of thinking. Your customers spend money, so they are a positive factor in your profit calculation, right?

This is true for most of your customers. But remember the 80/20 rule of business – 80% of your revenue comes from 20% of your customers. These are your top 20%, or ideal customers. What about your bottom 20%? The group of clients who ask for the moon and never stop complaining.

These clients can be a huge drain on both your staff resources and your financial resources. Their true value to your business is minimal – they cost more than they bring in. Fire them!

Loan Interest

How many business loans do you currently have? Credit card debit? Overdraft? The interest you pay on these loans can be a substantial monthly cost to your business.

A loan from a bank is just like any other product. You can shop around for the best deal. Consider consolidating or restructuring your debt to minimize interest payments. Plan to

search around for the best rate on a regular basis – every few months or quarter.

Vendors

Do you purchase your goods and services from a wholesaler or retailer? How long have you been in business with this company? What do you pay for goods and services relative to your competitors?

Ensure that you are dealing with as direct a vendor as possible to minimize your acquisition costs and increase your margins. If you have been doing business with a particular vendor for an extended period of time, consider renegotiating your business arrangement.

The Basics of Increasing Profit

Your Profitability Goal

Now that you have an understanding of the current profitability of your company, it is time to look at ways to increase your bottom line.

Like all other aspects of your business development, you need to have a clear idea of your intention or purpose before you begin any activity. Assuming you wish to increase the profitability

of your business, you need to determine by how much and within what time frame.

Create a profit-related goal for your business, and write it here:

Three Ways to Increase Profit

There are countless strategies for increasing profit, but ultimately you can only increase profit in one of three ways:

1. Get More Customers

Use marketing outreach strategies to generate more leads, and convert those leads into more customers. Introduce a new offer, expand your target audience, or approach a new target audience.

2. Get Your Customers to Buy More Often

Use customer loyalty and retention strategies to get your existing customers to buy from you more often. Make it easy for them to come back and do business with you.

You can do this by adding value to your product or service, keeping in touch on a regular basis, and giving your customers incentive to make repeat purchases. Customer service is also an overlooked component of building a repeat client base.

3. Increase How Much Your Customers Buy

You'll naturally increase your sales when you increase the number of customers and how often they purchase. The final way you can impact your profit is by increasing the average dollar value of each sale.

This can be achieved by up-selling every customer, creating package offers, and finding ways to increase the perceived value of your offering to justify increasing the price.

Managing Costs

One important way to impact the profitability of your business is through cost or spending management. Controlling how much money goes out will help you ensure that a more money stays in your bank account.

Remember, however, that cutting costs can only help increase your profits so much. There is a point where you will no longer be able to reduce expenses, and you will have to focus on increasing sales.

Why Cut Costs?

Cost management may seem like an obvious way of maintaining a healthy business, but it is also one of the primary reasons 80% of small businesses fail. Overspending is a huge problem for most businesses – and they don't even realize it.

Reducing costs is a great short-term strategy to boost profits. As I mentioned above, there is a limited amount of impact cost management can have on the bottom line, so it is an ineffective long term strategy.

Cost management can also help you to generate more capital. A business that closely monitors and controls its spending is a much more desirable loan candidate than a business that spends freely.

Most importantly, this strategy will help keep your business profitable through high and low periods. It's easy to spend money when your company is doing well, but this leaves little in the "just in case" account for downturns in the economy or unexpected expenses.

Where Can I Cut Costs?

Financing

As I mentioned, interest rates are a big culprit when it comes to eating profits. Take stock of how much money you are spending on a monthly basis in loan and interest payments. Can this be reduced? Is there another bank that will offer you a lower rate? Is there a way to consolidate these loans into a single, low-interest account?

Alternatively, if your business is doing well and has a large amount of money sitting in the bank; consider investing it or placing it in a high-interest savings account. Let your money make you money instead of spending it on unnecessary business luxuries.

Suppliers or Vendors

Again, as mentioned above, make sure the price you pay for goods and services – for resale or internal use – is the lowest you can find. Try to deal directly with the manufacturer or distributor, and renegotiate discounts and contracts with your vendors every year.

Hours of Operation

Evaluate the hours you are open for business each day, and why you have chosen the specific timeframe. Is it to compete with the competitors? Is it because you can serve the highest number of customers? Each hour you are open for business costs you money, so make sure you are operating under the most ideal timeframe.

Staffing, Wages, and Compensation

This can be a sensitive subject for any business owner or employee. It is important to look at staffing redundancies and capacity levels – as well as hiring needs – when evaluating cost management strategies.

Do you need to hire new staff, or can you build capacity within your existing employees? Is there another way to compensate staff, or provide performance incentives that are non-monetary, have a high perceived value, and inexpensive for your business? Remember to take time and care when implementing any changes in this area of cost management.

Place of Business

If you operate an office in a downtown metropolis, you are going to have substantially higher operating costs than a competitor who runs an office just outside the city limits.

Make sure you can justify your location, and the amount of money you spend to be there. Consider the following questions:

- Are my customers impacted by where I do business?
- Do my customers need to visit my office?
- What impression does my business need to present?
- Do I need parking facilities?
- Do I need to be visible?
- Do I have staff to employ?
- Am I near public transit, lunch outlets, and other amenities?
- Do I need access after business hours?
- Should I lease or buy?
- What other costs are specific to this location?

Eliminate the invisible!

What could you and your staff live without? What wouldn't you notice if it just disappeared one day? Take stock of expenses that are not being properly used or appreciated. Think of amenity-based items, or convenience costs, like:

- Gym Memberships
- Morning refreshments (muffins, donuts, etc.)
- Publication Subscriptions
- Designer coffee and tea
- Fancy collateral packaging

Your Pricing Strategy

The cost of your goods and services have a direct impact on the money you bring in. Your pricing strategy is so important to your business that can even determine your success.

Deciding how much to charge for your product or service is a challenging task. You need to factor in your own costs, the product or service's perceived value, and the going rate. Ultimately, you want to be able to charge as much as possible for each item, without overpricing yourself out business.

Avoid the Lowest Pricing Strategy

The days of the lowest price guarantee and pricing wars are over – especially for small businesses. The “big players” in the marketplace will quickly put you out of business if you try to compete on price. Their pockets are deeper and they have lower operating costs due to their sheer size. They can afford to – you can't.

Clearly Position Your Company and Your Offering

How do you want your target market to view your business, and your products? Are you trying to create an image of high quality? High value? Reliable service? Make sure your pricing is consistent with the image you are trying to project. If

you are operating a high end spa – you’re not competing with the budget nail salon down the street, so your prices should be considerably higher.

Have a Good Working Understanding of Your Margins

Know how much the product or service costs you to offer before you establish a price. Do these costs remain consistent, or do they fluctuate? Restaurants that offer high quality meat and seafood often price their meals at “market rates” as opposed to fixed rates. Calculate the fixed and variable costs associated with your product or service. You will want to work the cost of the product or service, a percentage of your overhead, and your own profit into the cost of each item.

Pay Attention to Factors Beyond Your Control

Be aware of any government or industry regulations on the price of your product or services. Some laws will actually limit how much you can charge for standard services. For medical and dental services, most insurance companies will put a cap on how much a customer will be compensated for each service. Seek out all external factors that could impact your pricing.

Price with a Purpose

Your pricing strategy should be purpose focused. What exactly are you trying to do by setting your prices at certain levels? Here are some potential reasons for pricing strategies:

- Short-term profit increase
- Long-term profit increase
- Customer generation
- Product positioning
- Revenue maximization
- Increase margins
- Market differentiation
- Survival

Pricing Strategies

Cost Plus Pricing

This is the most basic pricing strategy. Set your price at a number that includes:

- Cost of goods or services, based on a specific sales volume
- Percentage of expenses
- Profit margin (markup)

Target ROI Pricing

Set your price at a rate that will achieve a specific Return on Investment target. If you need to make \$20,000 from 1,000 units – or \$20 per unit – then set your price at \$20 more than cost, plus expenses.

Value Based Pricing

This can be a bit of an arbitrary pricing strategy, but it can also be the most profitable. Set your price based on the value or added benefit it brings to a customer. For example, if your product only costs you \$40 to produce, but will save the customer \$2,000 per year in energy costs, a price of \$150 or \$200 would not appear to be unreasonable in the eyes of the customer.

Psychological Pricing

What messages are you trying to send the customer when they're looking at your prices for your products? Do you offer the best deal? The highest value? These are reasons to choose prices that are higher or lower than the competition.

Pricing Guidelines

Price higher than cost. This may seem obvious, but ensure that your pricing not only covers your costs, but potential fluctuations in sales volume and in the marketplace. If you sell half of your order, will you still make a profit?

Include expenses. If you price to cover your costs, will you also be able to cover your expenses and still see a profit? Your margin needs to pay for your expenses, leave you with something to live on, plus some working capital for the company.

Consider the ‘fair’ price. What do your consumers think is ‘fair’ for each service or product? This is impacted by your competitor’s price, your company’s image (high quality or high value, low cost), and the perceived value of your product or service.

Strategies to Increase Profit

Once you have a concrete understanding of where your business stands today in terms of profitability, minimized your operating costs, and restructured your pricing strategy, you can focus on other strategies to increase profit.

There are countless strategies and tactics that will help you to bring in more customers, get those customers to come back, and get those customers to spend more when they do.

Here is a list of ideas, many of which are covered in detail in other sections of this program:

- Advertise
- Establish an online presence
- Sell more high margin items
- Generate more leads
- Focus on referral business
- Increase customer loyalty and repeat business
- Increase conversion rates
- Restructure your team
- Reinvent your product
- Sell your intellectual capital

9

Create Added Value in Your Business and Make $1 + 1 = 3$

The majority of small businesses, like yours, are established in response to market demand for a product or service. Many build their businesses by serving that demand, and enjoy growing profits without putting much effort into long-term planning or marketing.

However, what happens when that demand slows or stops? What happens when the competition sets up shop with a “new and improved” version of your product down the road? How do you keep your offering fresh, while growing and maintaining your client base? The answer is by adding value to your product or service.

Added value is a marketing or customer relations strategy that can take the form of a product, service, which is added to the original offering for free, or as part of a discounted package. It, like all other elements in your marketing toolkit, is designed to attract new customers and retain existing ones. A simple example

of added value would be if you owned a gift shop, and offered complimentary gift wrapping with every purchase.

If you don't refresh and renew your offering over time, your customers will get bored and be drawn to your competitor. Your employees, too, may become disinterested, and find work elsewhere. Ultimately, both clients and employees will demand additional value to remain loyal – and aren't they the keystones for your business growth?

Can You Add Value to Your Business?

Everyone can add value to their business. Better yet, everyone can *afford* to add value to their business. Adding value doesn't have to blow your marketing budget, or take up hours of your time. There are many ways – big and small – to enhance your business in the eyes of your clients.

The key to adding value is determining what your customers and target market perceive as valuable. You must understand their needs, wants, troubles and inconveniences in order to entice them with solutions through added value products or services. Adding value will add to your profits, but if you don't focus on genuinely helping your clients, you'll have a difficult time attracting them.

Added value works for both product- and service-based businesses. If you offer a service, like hairstyling, try treating your customers with products like a latte while they wait, shampoo samples, or a free conditioning treatment with every sixth visit. If you sell a product, consider offering convenience services – like free shipping or delivery – to make the customer’s experience a seamless one. The customer will feel appreciated and their needs will have been taken care of.

Ways to Add Value to Your Business

There are many ways to enhance your offer, depending on your budget and the resources you have access to. You may wish to hold a brainstorming session with your staff to come up with ideas for your business; if your employees are on the front lines, they’ll likely have firsthand information about what clients would like to see more of.

Feature Your Expertise

Your intellectual property is a free resource that you have at your disposal to share with your clients. This will make them feel as though they have an inside track. You might want to consider adding it to your business, making it a value-added service.

Expert corner: Supplement your website and newsletter with columns on topics of interest to your customers and of relevance to your service. This will position you as an expert in the marketplace, and give your clients helpful information they won't receive from the competition.

Do It Yourself Tips: This is a great tool for seasonal marketing. Provide your clients with this information on your website, in your newsletters, or on take away note cards in your store or office. Ideas include recipes, craft ideas, gift ideas – all of which are branded with your company logo and contact information, and include your product as an ingredient.

What to Expect Tips: Take your customer through what they should expect in the first few days (weeks) of using your service or product, and how they can make the most of it. This can include assembly instructions, product care and cleaning, or service results (like a 25% increase in business – guaranteed!).

Related + Community Events: Own a store that sells athletic equipment? Post information on your website, in store, and in your newsletter about upcoming races, games, or consumer trade shows. Or simply keep a bulletin in your office of community events and offers that will draw your clients in, and establish itself as a hub in the neighborhood for information.

Offer Convenience Services

Customer service is a dying practice in our high paced culture – use it to your advantage. When done well, it can be the difference between you and the competition, or the deciding factor for a potential repeat client.

Envision the steps involved for a customer to arrive at your store, purchase your offering, and use your product or service. Can you eliminate any of those steps for them? Can you shorten waiting times, or make them more pleasurable? Stepping into your clients' shoes will allow you to determine the most powerful value add for your company. Here are a few ideas:

Free Delivery + Shipping: With clearly established parameters (will you ship your product free to India?), this is a solid value added service that many businesses offer. Free delivery (usually with a purchase over a set amount) is a huge convenience for many people who do not have access to a vehicle, or need help moving large items.

Follow up Services: This works great for computers, appliances and other mechanical or technology-based products. Offer maintenance and service contracts for three time periods; instead of dealing with the manufacturer, customers will rely on you for assistance which brings them back into the store and establishes a relationship of trust.

Gift-Wrapping: A great service to provide – especially for seasonal gifts. This service costs very little, and can have a big impact on your customer’s experience.

“While You Wait” Amenities: If you could make your customer feel like a VIP for minimal cost, why wouldn’t you? Offering amenities like coffee and treats, free samples and services (wireless internet is a big one) will go a long way.

Comparison-Shopping Tools: Show your customers that you are so sure your product will measure up against the competition, that you’ll help them compare.

Establish Complementary Partnerships

Complementary partnerships with other businesses can take you a long way toward adding value for your customer, and generating new business. Just like a joint testimonial mailing, the power (and convenience) of referral business is immense.

Build a web of associates: If you're a yoga instructor, carry the cards of your treatment providers (physiotherapists, massage therapists, etc.) to refer your students to. In exchange, your brochure or card is posted in their offices. This works for automotive repair, esthetics, consultants and other service providers. Customers will trust referrals received by their existing service providers, and feel taken care of by a reputable community of experts.

Establish partnerships with financial incentives: This is one that has your interests in mind as well as your customers'. In addition to establishing a complementary partnership with a related associate, establish an incentive structure where each of you are compensated for your referrals. For example, if you refer a client to a furniture store after they've purchased a mattress from you, and they buy a bed frame, your associate will pay you a portion of the sale – and vice versa.

Location-based partnerships: Consider creating partnerships with the businesses around you – even if your products and services don't appear to be related. Shopping malls do this all the time with value coupon books that customers must purchase for \$5 to \$20 dollars. These partnerships and incentives will keep the customer spending money in the area, which is good for everyone's bottom line.

Packages + Bundles

Packaging and bundling products and services is one of the most popular methods of adding value. Clients perceive the bundles as having a higher value than the sum of the individual items – or as receiving something for free.

Cleverly packaged and named bundles can spark interest and revive your products in the eyes of your customers. Remember to always give the offers an end date or provide a limited number to create a sense of scarcity and urgency and to prevent this strategy from going stale.

Intuitive product bundles: Package independent related products together, and give them a reduced price or name. For example, this could be selling an extra pair of running socks with new running shoes. Remember the convenience of starter kits – package everything your customer will need to begin a new activity – painting, camping, running, etc. – in a bundle for simple buying decisions.

Package your upsell: This can also be called a chain of purchasing. It includes the products or services your client will need to use your product or service. Won't they need leather protector for their new boots? If they've run out of oil paints, how's their supply of brushes, acrylics or canvases? By packaging

these clearly related products together, you are making their shopping experience faster and more convenient.

Offer a Customer Loyalty Program

There are a number of ways to structure your rewards and loyalty program, depending on the type of business and level of technological resources available to you. Customer loyalty programs have a huge advantage – they help build your database of customer information and in most cases allow you to view and analyze purchasing patterns. Here are the most popular:

Every 6th (or 10th) Visit on Us: This works well for business that rely on repeat visits from their customers – like hair salons, coffee shops, auto maintenance, etc. Customers receive a card with store information on the front, and space for stamps or initials on the back. Remember that while 10 is a nice even number, it may be too far in the future for some customers (especially for services that are three to six weeks apart). The idea of six visits is more manageable.

Rewards Dollars: This is the Canadian Tire model. For every dollar your customer spends in store, they receive a small portion back in store credit (i.e., Canadian Tire money). The store credit is in the form of printed dollars, branded with your company logo and contact information, and serves as a reminder each time a client opens their wallet.

Rewards Points: Another common value-add strategy is a rewards points system. Most grocery stores use this incentive, as well as credit card companies. This works the same as rewards dollars, where a certain number of points are accumulated based on each dollar spent in store. Points can then be spent in store, or on products you have brought in for “rewards points holders” only. This strategy also allows you to feature products with “extra points value” instead of discounting prices.

Membership Amenities: Instead of points or dollars, you can offer VIP treatment for members, when they sign up for or purchase a membership. This may include occasional discounts, but is primarily centered around perks like “while you wait” amenities, skipping the line, free delivery, etc. You can also produce membership cards.

10

Profits and Leads through Host Beneficiary Relationships

Did you know that a business just down the street from yours may be able to help double your profits this year? Or does this sound a little too far-fetched?

Maybe. If you operate a retail store that sells tires, and the business down the road is a hair salon, you may have a hard time making this happen. However, loose partnerships between complementary, non-competing businesses can be a financial goldmine when implemented strategically. And your partner may be just steps away!

Formally called Host Beneficiary Relationships, these partnerships help small and medium-sized businesses tap into very specific target markets and close sales under existing relationships of trust.

HB Relationships allow one business (the ‘host’) to add value to their product or service, and the other (the ‘beneficiary’) to benefit from the impact of a referral. The beauty of this arrangement is that the roles can then be swapped; the ‘host’ becomes the ‘beneficiary’ and vice versa.

Like any marketing strategy, HB Relationships don’t work for every business all the time. However, they are a great tool to keep in your marketing arsenal when starting a business, entering new markets, boosting product sales, or any other opportunity that requires a specific and personal approach.

How Can a HB Relationship Help Your Business?

Establishing, planning, and implementing a successful HB Relationship campaign is more complex than asking your neighbor to send a letter to his client base with an offer from your company.

As with every other component of your marketing strategy and materials, an HB Relationship campaign must be purpose-driven and evaluated to be the best approach to secure your desired results.

For example, if your business caters to a broad audience and you have an irresistible offer that is going to have people running through your doors, you may want to consider a simple advertisement that will reach the most people. Alternately, if you

offer a common product with a low price point – like coffee or candy – it's unlikely that a HB Relationship is worth the cost and effort involved.

So in what cases will a Host Beneficiary Relationship benefit your business?

1. A Start-up Company

A company that is just starting out has the most to gain from a HB Relationship. Faced with the standard challenges of establishing a new operation – credibility, product positioning, target market establishment, marketing strategy, etc. – a HB Relationship is an ideal way to get the business off the ground.

Gaining access to a time-crafted list of potential clients in your target market is an impressive benefit. Getting an established business to communicate your offer on your behalf is an almost guaranteed way to establish your own credibility.

However, start-ups often have the least to offer a 'host' company in exchange for being the 'beneficiary'. Trading client lists is not an option in this case. So what's in it for the 'host'?

The host is seen in the eyes of his customers as providing a reward or an exclusive offer for their continued support and loyalty. The host business earns goodwill and has an excuse to contact his database for the cost of a simple mailing.

2. Entering a New Market

An established business venturing into new territory is in a prime position to benefit from a HB Relationship. Whether the business is known or unknown in the community, tapping into a refined target list will ensure that the right people are communicated the benefits of the new business' offering.

In exchange, the host business may benefit from either the beneficiary's client lists in other marketplaces, or the prestige of offering clients an exclusive offer for a new business in town.

Again, this works best when the target market is highly segmented; otherwise, an advertisement would be a faster and more cost effective strategy.

3. A New Product / Service

As with new marketplaces, launching a new product or service may require tapping into a new or more segmented audience to deliver your message. A HB Relationship with the right partner will help to correctly position your offering, and deliver it to an exact audience.

The host business benefits by offering loyal clients the first opportunity to purchase or use the beneficiary business' product or service.

Defining Your Target Market

This is crucial in establishing a HB Relationship – just like it is crucial in every other aspect of your marketing plan. Not knowing and understanding your target market will put you on the fast track to business hardship, and waste time and money in the process.

You can determine your target market – or target market segment – based on the purpose or intention for seeking a HB Relationship. Are you reaching out to a new segment of your market? Are you offering a new product or service that may appeal to a specific segment of your market? Are you moving to a new market area and looking to establish yourself amongst your broader target?

Determine your audience and write your target market here:

Selecting a Host Business

Once you have an idea of who your target market is, you can begin to create a list of target host businesses to approach.

Not every business is going to be interested or willing to engage in this marketing strategy – so doing a little bit of research and positioning your offer is well worth your while. To begin, you will want to draft a long list of all potential host businesses.

Do this by considering all business types that would be complementary to – but not competing with – your business.

Those businesses that offer a service or product that is connected in some way to your own. For example, if you operate a hair salon, some potential HB partners would include esthetics salons, clothing stores, drug stores, and perhaps some specialty goods stores.

Or, if you operate a retail tire store, you might consider a list that includes hardware stores, automotive part shops, car washes, auto body shops, or specialty auto part distributors.

Pick up the yellow pages, or conduct a Google search for all businesses in your market area that fall under the categories you identified. You may also consider asking your colleagues and associates for ideas and recommendations.

When creating this list, make sure each business falls under these criteria:

Non-competitive. Their offer should be complementary to, but not compete with, your product or service. Make sure you consider this carefully – seemingly non-competitive offers may actually cannibalize your business.

Remember that your customers have a limited amount of money to spend, and if they begin spending money at your host's business, they might stop spending money at your business.

Same target market. If you and your host business are not talking to the same customer base, then you're wasting your words on customers who are not likely to buy your service or product. If your host business has no idea who their target market is, you may also want to consider looking at other host options.

Start with your customers – your target market or segment of. What services do they use? What products are they interested in? Thinking about their needs will help lead you to the most effective host business.

A killer customer contact list. Without this, they aren't worth approaching – but how do you know they have or maintain a customer database? There are a couple of ways. Pay attention to the type of marketing your potential host conducts. Do they often send letters to their target market? Direct-mail flyers and other promotional materials? Or do they rely on advertising? Do they send a regular newsletter? They also may hold their customer contact information in their point of sale system – if it is technologically advanced enough to do so.

Positive reputation. As the beneficiary, you need to ensure that the host who is referring your business to their customers enjoys a good reputation in the community and with its clientele. Otherwise, you are being endorsed by a business that no one respects, which can be damaging for your reputation.

Host Business Ideas List

Keep track of all potential host businesses using this chart.

Business Name	Contact	Business Type
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	

Approaching the Host Business

Once you have created a list of target businesses, it is time to plan your approach. There is some strategy involved in this; you need to convince the host businesses to lend their endorsement and customer contact list to you in exchange for something that will benefit them.

Introduce your product or service. Present your offering to the host business as though you were presenting to your potential customers: heavy on benefits, and light on features. Assume that the host business has placed themselves in the shoes of their customers, and is evaluating whether your product or service is worthwhile for them.

Provide marketing materials and other supporting information like testimonials and market research to establish your credibility, and your understanding of the people you are trying to reach.

Inform and excite. Provide as much information about how the HB Relationship will work, and be sincere in your efforts. Leave room for their thoughts and contributions to ensure that they buy into the process.

Get them excited about the opportunity you've placed in front of them. Use bright examples, and tell a hypothetical story about one of their customers benefiting from your service. Then, bring it back to the benefits that the relationship or partnership will deliver to their business.

Include an incentive. Be clear about the benefits the host can expect to receive. While you will not always be able to offer something tangible, do your best to offer some incentive to the prospective host business.

If you are an established business, offer them reverse access to your customer database after the initial mailing. Or, if you have room in your margin, offer them a piece of the profits you receive from their customers. Whatever it is, make sure you articulate how this particular partnership is worth their while.

Communicate your rationale. Tell the host why you chose to approach them in particular. Do they enjoy a great reputation in the community? Are they a well-known business with a great sense of camaraderie? Compliment them on their business skills and the great relationships they have built with their customers and in the community.

Then, explain how your business can add value to theirs, and allow them to build on the existing relationships with their clients by offering your services.

Reassure. Communicate the benefits of the HB Relationship to the host, and reassure them that there is no risk involved for them. You are not out to take their profits, or place burden on their resources.

Remind them that you are seeking a complementary business relationship, one that benefits both parties.

Craft Your Message

Once you have secured your host partner, put the plan into action as quickly as possible. Offering to write the letter to their customers will not only give you control over the messaging of the offer, but also reduce the time investment required by the host. The process is simplified for them, and happens sooner for you.

- Just like sales letters and other marketing collateral, your HB offer letter should engage the reader and make them feel as though their needs and interests are cared for.

- The letter should position the host as a thoughtful service provider who sought out an offer specifically for the target audience.
- Your offer should be strong and slightly outrageous. Give deep discounts, or free services, exclusively to this target audience.
- Remember to acknowledge the needs and troubles of your reader, and position your product or service as the answer or solution.
- Include an incentive to act quickly. Ensure your offer is time-sensitive or of limited quantity.

Five Simple Steps to Creating an HB Relationship

In summary, here are is a five-step roadmap to creating a positive, profit-filled, HB Relationship:

- Identify your target market.
- Identify target host businesses.
- Create a unique offer for each host business.
- Approach the host business.

Draft your letter.

Points to Remember

- **Make mistakes in small batches.** If you are unsure about the accuracy of your target market – do a test run. Send a small batch of 50-100 letters to a small group of people, and measure the response.
 - Alternately, you can send three different letters to each third of your target market, and evaluate which offer is acted on the most. This is of benefit for both the host and the beneficiary business because the response rate of the target market is tested, as are their purchase motivations.

- **Create benefit for the host business.** Remember that there must be an incentive for the host business, or the partnership is not worth the time investment. It is important to consider this, and plan ahead before you approach the host business. Create a number of options for the host to choose from, whether it is using your database after the initial mailing, or sharing a piece of the profits.
- **Be honest.** If you are working with several businesses in your area on different offers, make sure each business knows and is comfortable with the arrangement. Ensure that each offer is distinctive and each host is benefiting from the arrangement without competing with other host businesses. This is just good business form.
- **Rest on the strength of your offer.** With a strong offer, your HB campaign will be on the path to success. Make it something your audience can't refuse. Your offer should not only be enticing and engaging for your audience, but should also benefit the host in reputation. Their customers should feel valued and appreciative toward the host for bringing your offer forward.

- **Repeat.** Once you've established one successful HB partnership, keep going! This technique is a valuable way to promote your business and your unique products and services, and can be repeated several times each year with several different host businesses.

Host Beneficiary Letter Template

[Headline in bold at the top of the page – strong statement or question][Optional sub headline to explain or answer the question/statement]

Dear [name],

I hope this letter finds you well and enjoying [insert name or description of product or service previously purchased]. Remember, your continued satisfaction with our [product or service] is guaranteed.

I am writing because I have stumbled upon an exclusive new [product or service] that will [describe how the product or service will meet a need or solve a problem].

*[Beneficiary business name] is a [describe business type] that [describe business function]. I recently met with the owner, and was able to secure an unbelievable rate for my existing clients. The [product or service] is [describe product or service briefly]. Customers who have already purchased have said:
[list testimonials in bullet form]*

[describe limited time or quantity], we are pleased to offer you [describe unique offer here]. This is an opportunity you will not find anywhere else, and an offer that will not be available in stores.

I hope you will be able to take advantage of this amazing [product or service].

*Sincerely,
[your name]
[company name]
[phone number]*

HB Relationship Worksheet

Target Market:	
Potential Host 1: Name: Business Type:	Unique Offer:
Host Benefits:	Date Contacted:
	<input type="checkbox"/> Accepted <input type="checkbox"/> Follow-up
Notes:	
Target Market:	
Potential Host 2: Name: Business Type:	Unique Offer:
Host Benefits:	Date Contacted:
	<input type="checkbox"/> Accepted <input type="checkbox"/> Follow-up
Notes:	

So What Do You Do From Here?

Take Action! If you're already an accomplished business owner and earning in excess of \$250,000.00 per year (rich according to the Federal Government), use this book as direction to enhance the speed of your business success. If you are not as accomplished as you would like to be then the smartest thing to do is...

- A) Define a business plan to realise the potential your know in your heart and mind is possible.
- B) Develop real actionable and measurable steps towards your goals.
- C) Implement and execute your plans for "real", time results - fast.

Concentrate on strategies to LEARN and the EARN will follow! If you are serious about taking the next step then go to work on yourself, study other business successes, understand marketing strategies and become a sponge for new (proven) material. The amazing thing about the game of business is that when you put proven processes to work and continue to follow them, an abundance of success will follow. The biggest mistake is to start a process and then fallback into your old habits after a short time.

Above all, get the knowledge you need before you step onto the field. Think about it... if you were going to challenge Michael Jordan to a game of H O R S E for money, wouldn't it make sense to learn the game and practice before you stepped on the court to play him? It is amazing to me how many new small business people start the game of business against seasoned professionals (the competition), without first developing the necessary knowledge to be successful. Then they fail and blame the market, the economy, their location, etc.

If you have a business and have not yet managed to start to create wealth and systems that allow you to take time off, build retirement accounts or pay for your children's education, then learn and master the steps outlined in my book. I am a huge advocate of education and mentorships. Get the right information, find someone that knows how to walk you through them and watch your quality of life take new shape.

To learn how to avoid the 3 key mistakes all small business owners make, visit www.predictablebusinesssuccess.com.au