



SMALL BUSINESS SUCCESS

White Horse Plains

Community Futures Development Corporation



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Responding to Risk

What Taking Risks Can Do for You

When you hear the word "risk", how do you respond? Do you get excited in anticipation of a new adventure? Do you start to get heartburn at the thought of venturing out beyond your comfort zone? Or do you feel paralyzed with fear? All of us react to the potential of taking a risk in different ways. As a business owner, you've had to take a risk to get your business started, so there is at least some degree of risk-taker in you. Well-known author and poet Annie Dillard wrote: "If we listened to our intellect, we'd never have a love affair. We'd never have a friendship. We'd never go into business, because we'd be too cynical. Well, that's nonsense. You've got to jump off cliffs all the time and build your wings on the way down." Whether you agree with her view or not, it's a fact that some degree of risk is necessary for success in any venture in life.

Ralph Keyes in his book, *Chancing It - Why We Take Risks* - tells us "the risks we avoid say more about who we are than those we take." Risk is in fact, says Keyes, quite relative to the person experiencing it. What would you consider riskier? Jumping out of an airplane with a parachute on your back, or climbing a steep rock face with nothing but a rope to assure your safety? In fact, statistically both of those things are safer than driving to work, but we've become accustomed not to think of that everyday experience as risky. Therefore, risk is defined not by the statistical probability of danger, but rather by your belief about danger. It is also true that people are willing to take risks in different areas. An extreme skier may not consider a vertical drop very risky, but that same person may feel getting close to other people emotionally is. For some, making financial investments that others might consider risky is a breeze, but they'd never consider taking the risk of starting a business. You are taking risks in some areas of your life right now, even if you do not consider them risks. That means you are capable of taking risks in other areas as well.

Risks challenge you. They shape you, educate you, and propel you forward. Best of all, they move you out of a comfortable place into a new adventure, growing your confidence in your ability to keep on risking. Here are a few strategies to help you increase your risk-taking potential.

Take an informed leap. Risk requires the leap. It requires moving from the safe to the unknown, from the comfortable to the uncomfortable. It may help however, to make your leap as informed as you possibly can. Do your research, your feasibility studies, your investigations, get all the knowledge you can, and then step off the edge. Know that you'll never have enough knowledge to make it a sure thing (otherwise it wouldn't be a risk!), but if you have enough information to reduce your paralysis you can leap with less fear. Here's a great quote about informed leaps from General George S. Patton Jr. "The time to take counsel of your fears is before you make an important battle decision. That's the time to listen to every fear you can imagine! When you have collected all the

facts and fears and made your decision, turn off all your fears and go ahead!"

Develop survival strategies. No matter what you're leaping into (or off of), there is an element of uncertainty. If you're proactive about having some strategies in place to help you survive the unknown, you're more likely to do so. This includes things like having a support system in place, knowing how and when you will evaluate success or failure, and being honest with yourself about how things are going.



Expect frustration. If you think you're going to hit a home run the first time you take a risk, think again. A risk-taker rarely gets it right the very first time. Financial investors often lose money before they start making money. Extreme athletes crash and burn more times than they succeed in the beginning. Many entrepreneurs start two or three businesses before they are successful. Frustration can be a place to learn, or a place to give up. If the outcome of the risk is worth it, you'll take that frustration and use it as a springboard to solve problems and come up with creative ways to try again.

Assess, reassess, and then assess again. Part of what makes successful risk-takers successful, is their ability to be brutally honest about where things went wrong, and to make adjustments along the way. You can't take a risk and then simply coast, hoping it will all turn out in the end. It would be like giving birth to a baby and then expecting it to feed, diaper and dress itself. Create a risk assessment plan and follow it diligently. Develop crisis strategies based on the risks identified so that when the worst happens you are ready for it. Be creative in making adjustments. You're more likely to have success if you are vigilant in your watching.

Enjoy the ride. If the risk doesn't provide you with some level of enjoyment, it may not be worth it. In order to enjoy the ride, however, you sometimes have to let go of your preconceptions and fears about what could go wrong, and focus on what's going right. Focus on how it makes you feel to have taken the risk and been successful. Focus on what you've learned when you've been unsuccessful. Focus on how your confidence is growing because you've taken a few steps out of your comfort zone. The bottom line is, people take risks because the outcome provides them with some kind of positive result.

Whether it's mastering the ski slope, scaling the wall, getting married, confronting an unhealthy habit or relationship, or opening a new branch for your business, bask in the adventure. Robert F. Kennedy said "Only those who dare to fail greatly can ever achieve greatly." What great things do you want to achieve, and what risks must you take to achieve them?

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Staying Positive

Even When You Don't Feel Like It

No matter how positive we are, we all have days when life gets to us. Days when we are overwhelmed by how much we have to do, days when people are unkind or rude to us, days when it feels like we're being pulled in a thousand different directions,

days when we fear one more phone call or task thrown on our desk will push us over the edge, days when the financial pressures of running our business threaten to take us down. We may even have days when those around us lose confidence in us and in what we're doing - in business or in life. It's hard to stay positive in those times, and yet, it's staying positive that makes the difference between surviving and giving up. Being positive doesn't mean "head-in-the-sand everything's going to be fine" behaviour in the face of difficult circumstances. It does mean looking beyond the circumstances to the big picture. You can be proactive with your life, practicing positive behaviours so that when those tough times come, your ability to stay positive will be easier and more natural. Here are a few ideas.

Know Where You're Going

Review your business plan and goals regularly so that every day you are confident about the direction you're going. If you're not confident, you'll be more easily affected by naysayers and 'negativeaholics'. Being confident in your goals and direction will help you to stay focused and on track when others question your strategies or decisions.

Choose Your Behaviour Every Day

You've heard it said "She makes me so mad!", or "He makes me crazy!". You also know that no one can make you feel anything. The truth is, we all own our behaviour every moment of every day. When others are trying to get you down, choose to be positive. When someone is rude to you, respond in a way that reflects your values. When circumstances are overwhelming, make choices to change them. You can blame or complain, but neither of those contribute to a positive life. You are in control of your choices every day. Make them positive ones.

Be Willing to Learn and Change

Change is inevitable. It affects us every day. Become the kind of person who welcomes opportunities to change, and you'll maintain a much more positive outlook. Being willing to learn means being willing to admit when you're wrong, and to look at doing things differently (someone else's way!). Committing to lifelong learning also helps you to build skills and increase confidence, which contribute to a greater capacity to remain positive. Remember, going through periods of change helps us to grow.

Live with Humour

Don't take things so seriously. Life is full of reasons to laugh, and if you look for them, you'll find them even in difficult circumstances. Incorporate laughter into your life regularly. Read funny books, watch funny movies, hang out with people who make you laugh. Be the kind of person who makes others laugh. An old proverb says "Laughter is good medicine." Use it liberally and watch your positive-meter soar.



Learn to Play

Running a business is hard work. It takes time and energy, and there are days when you feel as if you don't have an ounce left to give. If you don't find time to play, you'll find yourself burned out and ready to quit before you know it. Write down three things you really enjoy doing. When was the last time you did any of those things? Life is too short not to play once in a while. And while playing takes time from your busy schedule, you'll find yourself twice as productive when you return from playtime, than you would have been if you'd kept your nose to the grindstone (or the computer!).

Reward Yourself

When things go well in your business, reward yourself. If you have ever had a good boss, you will remember the words of appreciation, the pat on the back, the small bonus, or perhaps a half-day off.

Well, now you are your own boss - be a good one! Give yourself rewards based on what you have achieved; getting a small order might warrant a latte at the local coffee shop and half-hour of people watching. A bigger order might result in a bottle of champagne shared with your spouse. As entrepreneurs we have to sweat the small stuff, so reward the small advances you make too!

Choose Your Fellow Travellers Well

We have choices about who we spend our time with. Is your life full of people who whine and complain, who always have something negative to say, or who seem to just suck the life out of you? Or do you spend time with people who inspire you, lift you up and encourage you, make you laugh, help you to see the good things in life and energize you with their presence? It's your choice. You become the company you keep. Choose to fill your life with positive people, and your ability to stay positive increases exponentially.

Live By Your Own Code

Compromise kills us more than we can imagine. When you behave in a way that is incongruent with your values, something inside of your spirit takes a beating. Don't allow others to determine how you will or won't behave, or to impact your decisions in ways that are contrary to what you believe. Be true to yourself and live life in such a way that you go to bed every night proud of how you have lived. Figure out what that code is. Take time to evaluate where you are and where you'd like to go (see last month's article on Finding Clarity). Know what you believe and value, and then stay true to it.

There's enough tragedy and trouble in life and in the world to make us all depressed. If we aren't determined to rise above those circumstances, we will be in danger of succumbing to them. Make it your choice to build positive things into your life, so when you're hit with those difficult things, you'll be more effective in staying positive.

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Ten Qualities of Top Leaders

Leadership is a hot topic right now. You see it everywhere - books on leadership, leadership seminars, management leadership training, non-profit and business leadership courses abound. It's a hot topic because it's important, and because traditional leadership qualities and strategies are being challenged by new research that is showing that people respond to different qualities than was previously thought. Here is my crash course on leadership - my top ten leadership qualities. Ask yourself how you fare on your demonstration of each of these qualities as you lead your business, your community, and your family. It doesn't matter where, or who, you are leading, these qualities are transferable from one area of life to another.

1. **Top leaders are visionaries** - they see the big picture. In fact, their eyes are always on the big picture. They don't get caught up in micro thinking, but recognize what needs to be done today in light of tomorrow. Whether you're planning your next sales quarter or your retirement, an eye on the future is necessary to be effective.
2. **Top leaders are strong communicators** - whether addressing an audience or writing a proposal, effective leaders know how to get their message across. They are able to see beyond all the clutter and communicate with confidence, conviction and clarity.
3. **Top leaders inspire others with their dreams** - they see things as they really are, but they also envision positive change. They deal with what is real, but they also dream and inspire hope at the same time. Martin Luther King is an example of one of the great leaders of the modern era. His "I have a Dream" speech goes down as one of the most inspiring and

change-affecting events in American history. Dr. King acknowledged the present reality, but looked beyond that and led people to change what was thought to be unchangeable.

4. **Top leaders aren't control freaks** - contrary to a more traditional view, top leaders are able to let go of the "doing" and simply lead and encourage others. They don't have to do all the work because they surround themselves with people who are competent and capable. Then, they let go and allow others to do their jobs.
5. **Top leaders love people** - you can't be a great leader unless you love people. People follow leaders who are genuine, who show that they care, and who build relationships with those they lead. Top leaders love to develop dynamic teams, and care about the success of others.
6. **Top leaders accept responsibility** - they know the buck stops with them, and they never make excuses. They don't blame others, or get resentful when others don't do their jobs adequately. They figure out how to improve what went wrong, and move forward. Ultimately, they know they are responsible for what happens with the members of their team and the project at hand.
7. **Top leaders model leadership** - they are genuine, and what you see is what you get. They don't expect others to do anything they wouldn't do themselves, and live and work with integrity and high standards. They lead from the front, knowing others are watching and exemplify the qualities and behaviours they want to see from others.
8. **Top leaders are charismatic** - they have a strong ability to create rapport, are able to generate enthusiasm and trust very quickly. They have a personality and style that draws people to them. Top leaders use their charisma for the genuine purpose of developing relationships and furthering goals, but not to manipulate others. They understand the power their charisma holds, and do not abuse it.
9. **Top leaders show determination** - they follow through. They don't give up. They keep walking when the snow is knee-deep. They inspire others to do the same because they are demonstrating perseverance. They maintain a positive attitude in spite of difficult circumstances, and keep believing that hard work and determination will pay off in the end.
10. **Top leaders are passionate** - passion distinguishes top leaders from average leaders. Top leaders have an extremely high level of belief in what they are doing and are able to communicate that to others in the organization. Their passion has usually taken them to their leadership position, and is their driving force in everything they do.



It's difficult not to follow a leader who sees the big picture, communicates effectively, lives with practical optimism, doesn't feel the need to control, loves people, accepts responsibility and doesn't blame, models leadership, shows determination and demonstrates charisma and passion. Think about leaders you really admire - past and present - and you'll likely see some, if not all of these characteristics in them. Ask yourself, where are your leadership strengths and where do you need to grow?

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The ABC's of Marketing

Ah, marketing - that ever present, all-consuming, never-ending business task. It's the thing most of us least like to do, and yet it's one of the most necessary business building activities. Every business should have a marketing strategy. On one end of the scale, there are business owners who spend a lot of money to have professional marketing strategies created by marketing specialists, while on the other end, some are able to

create marketing plans on their own. Wherever you are on this continuum, your marketing strategy is a vital part of your business plan. Spend a little time on putting together a plan now, and you'll find yourself spending less time during the course of the year worrying about how you're going to get it done. Here are some things to consider when putting your plan together - the ABC's of marketing.

A - Act on Communication

Communicating a clear message about your business is your number one priority. In order to do that you need to be clear about your business. Ask yourself these questions to gain clarity on exactly what you want to communicate. How does your service or product solve a problem, alleviate pain or add value? Who are your customers? What sets you apart from your competitors? What's unique about your business? What do you want to be known for (integrity, service, dependability, knowledge, expertise)? Once you answer these questions, come up with a sentence (yes, only one) that gives your customers the answers to all of those questions. Here's an example: *"Escape Systems Consulting: professional, affordable service to help you escape your computer hassles for good."*

B - Beautify Your Packaging

Take an honest, objective look at your corporate identity. Do you have a professional, well-designed logo? Do your business cards, letterhead, envelopes, and other business materials have a consistent, professional look that ties in with your logo? Is your marketing material professionally designed and printed? Does your store (if you have one) reflect expertise and professionalism? Is your product presented in a pleasing quality package? Everything that your customer sees - from your business card to your product package to your written reports - is a reflection on how you do business. Skimp on this part and you'll find customers will not take you seriously.

C - Create Interest in Your Business

How are you getting the word out? Are you networking? Using sales or marketing letters? Putting on seminars or PR events? Writing press releases? Sending information out to existing customers? Advertising in trade magazines? Creating interest on your web site? It doesn't matter how good your product or service is - if no one knows about it. Take time to determine what your best strategy is for letting prospects and existing customers know about what's going on with your business. You should have a strategy set out a year in advance that takes into account all the sources you need to access. Here's what it might look like: January - press release about launch of new product; February - letter to existing customers and invite to customer appreciation day; March - prepare ad for trade magazine, update web site, customer appreciation day; April - prepare sales letter for summer special; May - press release for summer special, create flyers for home delivery. You get the picture. If your marketing year is set out in advance you won't find yourself scrambling when that ad deadline hits your desk, or when your sales are taking a dive and you feel the sudden pressure to do something about it.



D - Drive Home Your Message

How persuasive is your message? Do you create a sense of urgency with your advertising? Do people know exactly what they'll be missing if they don't sign up/buy now? Do your customers understand how you and/or your service are going to provide an irresistible benefit for them? Once you've created your marketing message (see A), you need to figure out a way to make it almost impossible for people to resist checking out your business. Why do you think the shopping channel is so effective? Because they're unbelievably good at creating urgency and making you think you can't live

without what they're selling. (Watch a few episodes to get some ideas). Creating your message is the first step, persuading people to believe your message is the next. Here's a great example of a creative marketing activity that drives home a message. The local *Saturn/Saab dealership in our city has a strong customer service focus, and is constantly looking for new ways to make its customers feel valued and appreciated. Every few months they rent out a local Famous Players theatre and invite everyone in the community who owns a Saturn vehicle to come to a pre-screening of an upcoming movie. Cost of admission is just showing your vehicle registration papers (Saturn or Saab of course!). The event is a huge success, and customers love that they're getting something special from the company just for being a customer. This is just one of the many marketing/customer-service activities the dealership participates in each year. Do you think customers are going to tell their friends to purchase a car from this dealership? Do you think customers will continue to purchase their cars from this dealership? Chances are pretty high that they will.

E - Evaluate Your Performance

Marketing is a necessity. So is continually evaluating your marketing strategy. That sales letter you sent out last month yielded almost nothing in sales. Will it do you any good to send it out again next year unless you can figure out why it didn't work this year? It's as important to keep track of your marketing results as it is to do the activities. After each marketing effort, track the results. Did it increase sales, drive traffic to your store, provide exposure to your business? What was your goal for that activity and was it accomplished? If not, what changes can you make before you do it again? Or, is it even worth doing again? (Saturn/Saab can answer yes to all those questions with their movie event. That means they're likely to keep doing it). Evaluating your marketing efforts and making changes as you go is the key to a successful strategy. Once you've locked on to something that works, you can confidently build it into your plan. Keep perfecting your activities and be creative about adding new ones every year.

Marketing can be a time-consuming, energy-draining task, but creating a year-long strategy that helps you stay on track of your marketing activities can minimize that drain. Involve your staff. They'll provide you with lots of great ideas you can try to implement. Make this the year you step up your marketing efforts and watch what a difference it makes to your business growth.

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The Dreaded Task of Termination

Minimizing the Damage When Firing an Employee

It's usually a manager or business owner's most dreaded task - the day they have to look one of their employees in the eye and tell them they're fired. This event usually takes place after many months of warnings, counseling, and coaching without an improvement in performance. That means there's already been a certain amount of tension and uncertainty in the relationship, which makes that final task even more difficult. Employees are usually fired for two reasons. Either they can't do the job they were hired to do, even after considerable training, or they can't (or won't) get along with other individuals on the team, even after considerable counseling and education. Because retraining is expensive, small business owners tend to put up with a lot before they'll terminate an employee. When that time comes here are some steps you can follow to minimize the damage that can arise from an employee termination.

Have a termination policy in place long before you ever need to use it. Having a policy already in place when you need to terminate someone will help you approach it in a calm and controlled manner. The policy you set out will guide you through the process step by step.

Have documentation of past efforts to fix the problem on hand. Usually the person being terminated will have had several warnings, coaching, counseling and opportunities to fix the problem. Each one of these and their results should be documented in writing. This gives you confidence and concrete evidence if the employee begins questioning you or complains about unfair treatment.

Plan the meeting ahead of time. Create a short agenda for yourself, and write down the main points you wish to cover. Have an HR person present (or if you don't have one, whoever will be dealing with the severance pay, or other paperwork). It is important to have someone to witness the meeting). This person is not there to speak or contribute to the meeting, just to be witness what transpires. Timing is also important. It is generally recommended that you do not fire people on a Friday or before a long weekend. Earlier in the day is better than later. Some employers have found that giving the employee the choice to stay for the day (say their good-byes and clean out their desks or workstations), or to leave right away but be paid for the day lessens the tension. It gives the employee a sense of control in the situation. Whenever possible, never fire an employee and then expect them to continue working. It's better to pay them severance and have them leave the same day than to have them continue to work and possibly do a lot of collateral damage in your workplace.



Get to the point quickly. Don't get caught up in mindless chit-chat or beat around the bush. Let the person know why they are being let go, and verbalize the things you have attempted to do to rectify the problem (refer to your documentation). Tell them what their severance will be, and how long they will have to vacate their office or work station. This should be brief - the entire thing should take no more than ten minutes. If they try to argue with you, or beg you for another chance, don't waiver, no matter how badly you feel. Look at your documentation to remind yourself that you really have tried your best to change things. Dragging it out will only mean you're going to have to do this again in a few months.

Be prepared for the worst reaction. No matter how well or badly things have gone in the workplace, your employee may react with shock, dismay, resignation, humiliation, denial, tears, or anger. If you are prepared for this, and know that it is not your fault, it will be easier to handle the situation. Your employee may say absolutely nothing and leave the premises quietly. He or she may plead, beg, cry or tell you how badly they need the job. In some cases, they may yell, threaten or even attempt to damage something in your workplace. Stand your ground, knowing that these are normal reactions to the humiliation of being fired.

Take responsibility for the decision. Even if others were involved in performance evaluations and in discussions about terminating the employee, make sure if he or she asks who influenced your decision, that they understand the decision was yours. After the employee leaves, document what occurred at the meeting and have your witness sign it. If things do get ugly later on, you'll have a record of what transpired.

Communicate with your staff honestly but discreetly. If you've been making efforts over the months to correct a performance or attitude problem, some of your staff will already be aware or suspicious of what's going on. After the terminated employee has left the office, call your staff together and simply tell them that the person has been let go. Do not get into discussions about why - it is unprofessional and may come back to haunt you later. You can let your staff know that you feel badly for the person, but that your decision is final. Be prepared for hurt, anger and insecurity from some of your staff - especially from those who may have been friends with the employee. Acknowledge their feelings, but don't buy into guilt or regret for your decision.

Be kind to yourself. No one feels good about having to fire someone, even if that person has caused you considerable difficulty. Give yourself permission to feel bad, but acknowledge that it doesn't make you a bad person. Do something kind for yourself when you go home - go out for dinner with a friend, treat yourself to something you love to do, share your feelings with your partner or spouse.

Firing an employee is never easy, but if you're proactive and prepared, you can make a difficult task bearable and minimize the damage that can result from an unprepared, unprofessional termination.

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