

SMALL BUSINESS SUCCESS



White Horse Plains
Community Futures Development Corporation



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Increasing Your Global Perspective

Growing Your Business in Changing Times

"Anyone who became qualified in their field twenty years ago - and has not evolved through education, is superbly equipped for a society that no longer exists"

Robert Jastrow

I love quotes. I found this one hidden away in a colleague's PowerPoint presentation, but whether this particular piece of wisdom is really from professor Robert Jastrow, the famous astronomer, physicist and cosmologist, I can't say, as for once Google couldn't find my, probably misquoted, quote.

It really doesn't matter of course; it's the sentiment that's important and it got me thinking. The world is changing and it's changing at warp speed and I constantly come across people that are living in the past. When someone firmly stuck in the past tries to sell me something, I can immediately see that I know more than they do about what they are selling. At that point they lose all credibility and I no longer want to do business with them.

Really successful business-people stand out, they get noticed; they are interesting, knowledgeable and have an uncanny knack of predicting future trends. They have an insatiable appetite for knowledge - they are information junkies. They know what's going on in their industry and market; they know what's going on in the global economy, how the world is changing and what effect it will have on their business, their customers and their competition. People are attracted to them and seek them out.

Never before in the history of the world have consumers had so much access to information. The more knowledgeable you are about what's happening in the world, and the better you understand your customers and prospective customers, the more successful you will be.

Little things can have a big impact. What would you say has had the biggest impact on our lives over the last fifty years? Most people would agree that the Internet has changed our lives to a massive

degree, but what runs a close second? What if I told you it was an aluminium box? Not just any aluminium box, but the shipping container? In 1956 the first shipping containers (little more than aluminium truck bodies) made the journey, via an old tanker, from New Jersey to Houston - 58 of them. This simple and inexpensive breakthrough in the transportation of goods changed the shape of the world's economy. Without the shipping container China would not be able to supply the massive amount of goods it does to the rest of the world. Today, stores are full of foreign products, and competition is global not local; all because of a metal box. If you would like to read more about the power of the shipping container read Marc Levinson's new book *The Box: How the Shipping Container made the World Smaller and World Economy Bigger*. The point here is that small, seemingly insignificant things can have a huge impact on our lives, and more importantly, if we are in business, the lives and buying habits of our customers and clients.

If you are thinking to yourself, that's okay, I'm in the service industry so none of this affects me, think again. Remember the big hullabaloo about Y2K? All our electronic equipment was going to fail on the stroke of midnight as the clocks ticked into the year 2000? Well, although the sky didn't fall in and we all woke up next morning to a world that wasn't a whole lot different to the one we left the night before, the Y2K scare was not without its ripples, and some of them may still be heading your way.

Y2K meant that there was a massive amount of upgrading and remediation to be carried out on computers across America; it was tedious, boring work and required huge numbers of technical professionals. However, the convergence of the PC, Internet and fibre-optic cable meant that the work could be carried out anywhere in the world; that's when the Americans decided to outsource the work to the vast numbers of new graduates from technology schools in India. It was an inexpensive and effective solution and set in motion a huge change in global outsourcing. By the end of the Y2K scare, e-commerce was taking off and Indian entrepreneurs were perfectly placed to take advantage of the west's need for a large, inexpensive labour force to cope with its demand for technical support, customer service and sales personnel.



Once again you may be thinking so what? Well, this convergence of technology and events has allowed India, China and other countries to become part of the global supply chain for both services and manufacturing. As such they are now, or soon will be, your competition. These countries can supply products cheaper than we can in the west, and as for services, you can now have all your accounts and bookkeeping done in India for a fraction of the price you can get it done in Canada. Want secretarial or executive assistance? You can hire a personal assistant for as little as \$1,500 a month who will work while you sleep, booking flights, creating presentations and carrying out research. India is open for business and expanding its range of services every day.

It doesn't stop there. Need a root canal, or cosmetic dentistry? Go to India and you will pay just \$100 for a top-end dentist to carry out a root canal and only \$800 for dental implants; they will arrange a five-star hotel and a nurse to help you recuperate, and organize tours before or after your procedure (source: <http://www.mediescapes.com/>). Depending on what treatment you need, the whole trip can cost you less than having just the procedure done anywhere in the west.

So, global competition is a reality, increasingly so for many of us. On the other hand India or China can't affect your car repair or landscaping business can it? Probably not India or China, but car parts can be bought online easily and inexpensively, cutting into your peripheral sales; and our customers may carry out price comparisons with companies in our region or even overseas. I know someone who recently bought a car from Texas, but took delivery from his local car dealer, who lost a sale and ended up with just a small delivery fee; and my son just purchased a spare part for his Toyota online direct from Japan, at a fraction of the price he was quoted by the local dealer.

Thomas L. Friedman in his book *The World is Flat: A Brief History of the Twenty-First Century* tells us that the world is becoming flatter, and that distance is no longer a barrier to the supply of products and services. In a changing world the successful entrepreneurs will be those that recognize the opportunity, not just the threat.

I am an information junkie and am always reading what the world's business leaders and futurists are saying about business and globalization. By understanding and recognizing world trends, I can

better understand my clients, prospective clients, competition, industry and market. I can react quicker and more effectively to changing markets. It increases my credibility and gives me an edge. And, sometimes it is that edge that makes the difference between success and failure. I urge you to read books that talk about the changing world of business. Drop into your local bookstore, or browse online. Or check out one of the many online services that provide 5-6 page summaries of important, best-selling books. Keeping up to date is no longer an option, it's a necessity.

Next month in this series we will be looking at how changing demographics will affect how you do business and how you can improve your cultural IQ. We will also look at the consumer revolution and take a look at why consumers are becoming increasingly self-directed and what that means to our businesses.

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Learning from the Best

Big Business Marketing Strategies Any Small Business Can Use

Whether you're talking about Starbucks, Walmart, IBM, Microsoft, or any other wildly successful corporation, you have to admit that something they're doing is working in a big way. Starbucks doesn't give out coupons, use punch cards, or advertise on TV. Yet it continues to be one of the biggest business success stories of this generation. Its marketing is actually quite subtle, yet hundreds of thousands of people purchase coffee, food, and retail items there every day. How can you apply some simple, practical marketing strategies in your business that mirror those used by large, successful corporations? It's easier than you think, and costs less than you would imagine. Although I can't quote an official company policy from each these corporations, the following marketing strategies come from research I conducted with employees of those companies. Not surprising, each strategy has to do with recognizing your employees and their potential impact on your marketing. It's a first step toward shifting your thinking "inside out". They are easy to implement, and can have huge profit implications for your business.

Provide great employee discounts

Although on the surface this doesn't look like a great marketing strategy, take a moment to think about it. Your employees are your best marketing tool. If you make it easy for them to shop at your store, they become walking, talking advertising campaigns for your business. If you own a retail clothing store, and only offer your employees a 5 or 10% employee discount, chances are they'll find similar items in another store less expensively. What incentive do they have to buy it from you? But if you offer them a 30% discount, they have greater motivation to shop at your store, and when other people notice their clothing, your store gets the credit.

Give your employees free stuff from your store

Again, on the surface, you may be thinking "that will cost me a fortune", but realize that it doesn't have to be high cost items. If once a month you selected a member of your staff (be creative with how you choose who gets the take-home prize of the month) to receive a small item from your store, it would go a long way toward building loyalty in your staff, and also getting them to try the things you sell when they may otherwise not do so. It's free advertising. Your employees have friends and families, and they have a huge influence on their buying decisions. Say you own a computer store, I guarantee you that everyone who works at your store has a huge network of

people who come to them with questions about computer equipment, just because they work at your store. If they don't know anything about what you sell, they won't be influencing their friends to shop with you. On the other hand, if last month, they won a particular piece of hardware that has doubled their computer speed and efficiency, how different do you think their advice to their friends will be?

Allow your employees to have input in your marketing plans

Strong companies know their employees are their best window to the market. They know, often better than management, what customers want, what they're talking about, what they need. Give them the opportunity to have input in your marketing decisions, and reward good ideas.

Reward your employees for hard work and loyalty

Successful companies value their employees and show them that they value them. Whether it's monetary rewards, company retreats, an occasional paid day off - people love being acknowledged for their hard work. Not only does it motivate them to work even harder, but they tell people what a great employer you are. This motivates their circle of potential buyers to seriously consider purchasing from you. Potential customers assume that if you treat your employees that well, you'll treat them well too.

Work on developing your team

Smart, successful businesses put a lot of money and energy into building their team, because they know a strong team is the foundation for a strong business. Professional development and training, teambuilding meetings and retreats, and team-oriented activities on a day-to-day basis strengthen your business. People who genuinely enjoy working together reflect that to customers, and customers enjoy their experience in your business even more when that team spirit is evident. One successful corporation I know requires every person on every shift, to write a brief note of encouragement to another staff member. This is not optional - it's a mandatory part of their job! The note can be about how they served customers particularly well that day, or something kind they did for someone, or a way they went above and beyond for someone else during their shift, or even for their product knowledge. What an awesome way to create loyalty and spirit among your team when every day, they receive positive acknowledgment for something they did during their shift from their peers.

Your employees are your first line in the marketing circle. Don't forget to consider them as part of your strategy.

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Creativity in a World of Surplus

Peter Georgescu and David Dorsey in their book *The Source of Success* say that the workhorse of the twenty-first century will be creativity and that management needs to be creating the right environment within their companies to work toward that breakthrough idea. Their reasoning for this is that we have entered a surplus economy - a world where supply has exceeded demand - business environments where you will need to differentiate your brand from the rest. They go on to say that if creativity doesn't drive your strategic visions, then you will be forced to compete on price and the result will be lower profit margins. So, how can you be more creative in your business life? The following 20 tips combine both serious strategies and fun ideas adopt creativity into your life at every level. Creativity isn't a soft skill anymore as the authors I quoted earlier state "in the world of excess supply, where everything ripens into a commodity given enough time, creativity is tomorrow's factory for sustainable success".

1. **Don't think you can't be creative** - everyone can be creative. The key is to acknowledge that it exists somewhere in you and only needs to be released. For example a simple start is to come up with 100 uses for a hockey puck (door stop, paperweight, advertising medium - you get the idea). Go on, you might surprise yourself with you come up with.
2. **Read more** - be adventurous. I like to read business books as they constantly give me new perspectives on my business and I am forever adapting ideas. But this is not enough. I want you to think completely out of the box. Go buy a magazine on a subject you would never normally be interested in. It could be a book on maternity, or cross stitching, the National Enquirer or Power Boat racing - it doesn't matter, what's important is getting a new perspective on things. Look for cross-marketing ideas in the ads; view the world from a new angle.
3. **Let yourself be silly** - tell a joke, play a trick on someone on April Fool's day. It doesn't matter - just give yourself permission to let go.
4. **Give yourself permission to be wrong** - Don't beat yourself up, or blame everyone else. Look at what went wrong and find the silver lining (there almost always is one if you look hard enough with a creative eye).
5. **Think creatively in situations where you are not totally in control** - for instance: in a cab or a bus; in the shower; waiting in a doctor's office - and have a note pad to record the ideas.
6. **Be open to ideas and constantly look for things that work in other industries** - see if you can adapt them for your business. Viagra was a heart medicine before someone noticed one of the side effects and started marketing it in a whole new way!
7. **Do things differently, simple things** - like tomorrow morning clean your teeth with the other hand or put your brush or comb in the other hand. Just the act of doing things in an odd way gives us a new perspective.
8. **Get out of your routine** - your creativity will be fertilized. Feel like eating out at your favourite restaurant tonight? Don't! Open the yellow pages to the restaurants/dining section and choose the 12th restaurant in the main listings (not the display ads) and eat there whether or not you like the style of food.
9. **Go to a Porsche dealership and utilize your sales skills** - go for a test drive. Think about what driving and owning a car like this would feel like.
10. **Call up a random telephone number in another province** - after apologizing that you have the wrong number, talk to them long enough to at least find out what the weather is like where they are living.
11. **Go to the entertainment section of your local paper** - cut out all the movies that are being advertised, put them in a hat and go to see the movie you pick regardless of whether you think you will like it.
12. **Make a list of all the people in business you know and take one of them out for lunch** - for no other reason that to get to know them better (note: it has to be someone you have never dined with before).
13. **Buy (or borrow) the first business book you see and read it** - as you read it, list all the things you could implement in your business that would make you more effective.
14. **Set apart a creative space in your house or your yard** - somewhere you only read or think - nothing else. Visit it often by yourself.
15. **Keep an ideas book** - write all ideas, or even half-ideas in a notebook. Ideas that mean nothing today may be the breakthrough idea of tomorrow.
16. **Break the rules** - if you don't, your 'new' idea has probably been done before.
17. **Ignore reality while inventing new things or coming up with new ideas** - reality only kicks in during the implementing stage.
18. **Have fun** - creativity thrives when you are having fun.
19. **Learn a new skill** - think of a friend or family member who can do something particularly well and ask them to teach you how to do it. Learning something new always boosts your creative juices.
20. **Encourage creativity in your company and with the people around you** - have regular "anything goes" brainstorming sessions.



Returning to my current read, Georgescu and Dorsey remind us that we need to be constantly reinventing ourselves and coming up with new products and solutions to meet our customer's needs. Being exciting and keeping one step ahead of the competition will ensure that during a period of oversupply, our customers continue to choose us.

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5 Top Mistakes Leaders Make

If you're running a business, you're a leader. If you have employees you lead by example every day. If you don't, you're still leading the process of growing your business from one day to the next. Some people are born with a natural gift of leadership, others must learn how to become good leaders. Regardless of whether leadership comes to you naturally, or whether you struggle with it at times, your business will always benefit from your growth in this area. Sometimes growth comes just as much from knowing what NOT to do, as it does from learning what TO do. Use these five examples of typical mistakes leaders make to move you toward greater strength in your business leadership position.

1. Having a top-down attitude

A military-type model where the leader barks out orders and expects his followers to do as they're told comes naturally to some Type-A leaders, and although this type of structure may be necessary in a military environment, it is rarely effective anywhere else. Strong leaders know that their success begins with modeling values and qualities they wish to see in others, however they also acknowledge that even the lowest man (or woman) on the business totem pole has something valuable to contribute. Effective leadership is collaborative and takes into account everyone's perspective.

2. Not recognizing the importance of affirmation

Everyone needs a little affirmation from time to time, and in a work environment where this is absent, you'll find unmotivated workers, people who make mistakes, clock-watchers, and those who just put in their time and produce the bare minimum. In environments where people routinely receive affirmation from the leadership, you'll find people who produce more than what is expected, employees who are motivated to perform at their peak, people who are confident in their work and in their value to the company, and an overall positive work climate. If you make affirmation a priority, you'll notice a difference in what happens in your workplace. Your customers will notice it too - and that's good for business.

3. No room for pioneers

Pioneering people can drive you crazy. They're always coming up with new ideas before they've finished with the old ones. They think in ways that sometimes seem ridiculous. They are full of energy to initiate change, sometimes even when it seems there's no reason for it. And they never seem to be able to just settle down and do the work that needs to be done. Pioneers do need help sometimes with staying focused and on task, but it is their strength that will propel your business forward. Value the pioneers on your team and listen to them. You won't implement every idea they come up with, but keeping in touch with their vision and ideas will mean you're ready when the right one pops up.

4. Sloppy delegation

A good leader knows that delegation is one of his/her greatest tools for managing the workload. However, some leaders take this as license to get rid of every task on their desk. If you're going to delegate, make sure that the task is something you should hand



off. If it's something you know is your responsibility, handle it yourself. Otherwise, make sure you're assigning the task to the best person to handle it. Delegation should match each person's skill level and ability to perform at the expected level. It should also consider the person's existing workload. Handing off tasks to someone who is already overloaded may not be the best decision.



5. Inconsistent or poor communication

Communication is the leader's highest calling, and ineffective communicators can never make strong leaders. Everyone should always know what you expect of them, what your goals are, what your corporate values are, and how you expect business to be conducted day to day. Be clear with instructions, take responsibility for miscommunication, handle conflict in a positive, productive way, and ensure your company communication process is clear and consistent. This will increase your leadership strength significantly.

Take on the challenge of building your leadership skills by knowing what not to do. Counteract those things with positive action, and you'll be on your way to becoming a better leader.

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Experiencing Email Efficiency

We've written several articles on the topic of managing your email over the last three years, but every once in a while it bears repeating. Although email has become a business tool that saves us hours of time in some ways, it can also take over our time in other ways. While we save time in being able to reach people quickly; being able to communicate with many people at once to schedule meetings; transferring documents and files in seconds, just for starters, many of us find that email also devours too much time in our day. This efficiency tool can become a monster that distracts us and sends us on dozens of detours during our day, making us wonder sometimes whether the trade-off is worth it. Julie Morgenstern in her book "Making Work *Work*" (a great read by the way, if you want some ideas on how to make your work - whatever it is - work better for you), has some suggestions for managing your email so that it becomes that efficient tool without stealing precious moments in your day that should be focused on other things. Here are some of her ideas, as well as a few of my own.

1. Don't check your email for the first hour of your day.

I can almost hear the collective gasp as some of you read this. "What do you mean - I don't know what my day will look like until I've read my email!" you say. If this is true, you may need to take a serious look at how you are structuring your days. Your business goals should be driving your business activities. Although email affects those activities, it shouldn't control them. Morgenstern suggests that taking an hour each morning to do a critical or important task, sets the stage for you to start your day in a focused, productive way, rather than being torn in a dozen directions from the moment you sit down. The world will not stop if you take an hour to focus, strategize and set goals for yourself at the beginning of the day. Especially if you inform your staff and others with whom you have an email relationship that you are planning to do this. If it's that important, they can call. Give it a try and see whether your days become more focused and productive.

2. Be in control of your email, rather than letting it control you.

Turn off your email notifier. Schedule the most effective time in your day to deal with email. If you really depend on email for information during the day, decide you'll check it at the top of each hour, and discipline yourself to do that. If you do, you'll have eight one-hour (less the time you take to quickly deal with your mail) chunks in your day that can be applied to tasks in a more focused way, rather than being distracted by every email that comes flying into your inbox a dozen or more times in that hour. You may only need to check it 2 or 3 times a day, leaving even larger chunks of focused time.

3. Develop a system of quickly "triaging" your email.

This can be an effective way of helping you not to get drawn in to responding to non-urgent

matters. Most email programs have the option of assigning a colour to your email message to help you categorize your messages. Some of the standard labels are work, family, leisure, etc. Change those to words that reflect how you may need to deal with those messages. Some ideas are: delegate, deal, file, follow-up. As you look through your mountain of email, assign different colours to the messages depending on what you need to do with them. Green may be for messages that require someone else to participate - you need someone to do research for you, you are delegating that task to someone else. Red may be for messages that require your urgent attention. Things you need to attend to that day. Then make sure you schedule time to do those tasks. Blue could be for messages that simply need to be filed for future reference (just make sure you actually take the time to do the filing), and pink for messages that will require you to follow up in some way (forward the message to someone else, gather information and reply, schedule a meeting or send a report, etc.). These are messages that require action but that are not urgent. You can always reassign a colour if the message status changes. You've dealt with your pink follow-up and now it becomes blue because you need to file it. Or, your pink message from two days ago suddenly becomes red because you've hit the deadline. This is a great way to see at a glance what requires your attention.



4. Be ruthless about keeping your email clean.

Create files for people from whom you get a lot of emails so that finding something from that person is easy. Delete unimportant messages rather than leaving them sitting in your mailbox to eliminate hours of searching for a particular message. Create an email filing system that works for you, and make sure you file regularly. If you feel you absolutely must keep every message you get, check into a back-up system that can hold your old emails so you can just keep what's current on your computer. The more organized you keep your email, the less time it will take to find things.

If your email has been driving you crazy, distracting you from getting important things done, or just demanding too much of your time, try these simple strategies for creating a more efficient email system.

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