

# SMALL BUSINESS SUCCESS



*White Horse Plains*  
Community Futures Development Corporation



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## Christmas Charity from Your Business

The Christmas season is upon us again. Decorations in the malls, Christmas lights adorning homes and city streets, Christmas sale signs in store windows, the bustle of shoppers, the aroma of cinnamon and nutmeg in your favorite coffee shop, Christmas concerts and music - for most of us, it brings a warmth and anticipation of celebrating with friends and family. But for many of us, the holiday season also brings a sense of gratitude for the things we have, along with an awareness that there are many in our communities who struggle through this season. In addition to the festivities you may have planned for your business this holiday season, you may want to consider how your business can contribute to the needs of those less fortunate. Not only is it a great way to give back to your community, it's also a great way to let your customers and staff participate with you in showing charity. If you've never done anything like this before, here are a few ideas.

### Partner with a local charity

People enjoy donating to local causes and seeing their dollars go to good use right in their own back yard. Talk to someone from your local food bank, homeless shelter, hospital, or other social service agency that depends on donations for survival. Ask them specifically what their needs are over the holiday season, and then come up with creative ways to meet those needs. For instance, put a box in your store for customers or staff to bring donations to the food bank. In our town, a well-known coffee shop collects unwrapped new toys that they deliver to the local children's hospital. A local bookstore collects new books to assist an organization that works with literacy, a pregnancy centre collects teddy bears and infant toys for their new moms, and our local credit union collects good quality used coats for children and adults living in homeless shelters. There are lots of needs in your community - find something you feel you could passionately support and then be creative with how to draw in your customers and staff to give to your chosen cause.

### Prepare Christmas hampers for needy families

If you want to get a little more personal, contact your local Christmas support agency (almost every town has one) that puts together food hampers for families in crisis during this season. They will usually give you a list of suggested food items for the hamper, as well as the ages of children in the family, and ideas for gifts for the kids and mom and/or dad. It can be so much fun to prepare a gift you

know is going directly to one special family, and in my experience, it's hard to stop once you've completed the list! This can be a great bonding experience for you and your staff as you work together toward a common goal. You could split up the list among your staff, or have them pick the things they'd like to personally contribute. In some cases, you might even have the privilege of being able to deliver the package in person, which is more rewarding than you can imagine!

### **Inspire your customers by matching their donations**

If you have a particular cause you'd like to support, let your customers know you will match their donations dollar for dollar. This is highly motivating for people - it makes them feel like their giving is being doubled (which it is), and increases their generosity.



### **Take a day off and volunteer**

This one might be more difficult for larger businesses - but small businesses can afford to get away with things like this from time to time. Do some research on local charities that rely on volunteers during the holiday season. It could be sorting food items for hampers, serving in a soup kitchen, wrapping donated gift items - there's no end to the opportunities. Then, a week prior put a notice up in your store window that says you will be "CLOSED for CHARITY" on that specific day, letting your customers know you and your staff are spending the day volunteering. Invite your customers to come down and help as well! Amazing things happen when we give of our time and resources to do "hands-on" things for others. It will be a day your staff will never forget.

Those are just a few ideas - it takes a little bit of creativity and research to find the project that's just right for you and your company, but the effort is well worth it. Don't let this holiday season go by without offering something of yourself to someone who needs a bit of support. Your business can benefit in many ways. You will become known by your customers as a business that cares; your staff will be impacted by your leadership in this area and bond with each other as they work together to meet the needs of others; and everyone will receive the benefit of how great it feels to do something for someone else. Seems to me, that's good for business!

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## **More Bang for Your Buck (Part 1)**

### ***Spending Your Advertising Dollars for Maximum Return***

Last month we asked for suggestions from our readers on what subjects they would like to see us cover. Leanne owns a home decor and gift gallery store called 'Finishing Touches' in Red Lake, Ontario and she asked for advice on advertising a small business; the pros and cons of different types of advertising; general marketing techniques; how to get your business 'out there' and educating the community on your products or services. Thanks for the suggestion Leanne. Please keep the suggestions coming as we really like to keep Small Business Success relevant to the

business issues you face day-to-day. There is a lot of ground to cover, so this will be a two-part article! Watch for the conclusion in the January edition.

## Discovering the 20% that works

Someone once said that they knew that only 20% of their advertising was working, they just didn't know which 20%! There is a lot of truth in that statement and the first thing I would urge you to do is keep a record of where every lead comes from. This is really simple; every time you get a lead - ask them how they heard of you. Using a chart like the one below, add all the ways people can find out about you and then mark down every contact you get. At the end of the month add the totals and you will see which of your advertising efforts is working and which is costing you money. Give it a few months before making a change to your advertising strategy.

December 2006					
	1-9	10-16	17-23	24-30	Total
<b>Referral</b>	IIII	III	II	IIII	13
<b>Gazette Ad</b>	I			I	2
<b>Bugle Ad</b>	II		I		3
<b>Yellow Pages</b>	II	I	I	II	6
<b>Radio Ad</b>	I	I	I	II	5
<b>Press coverage</b>			IIII	IIII	8
<b>Seminar</b>		IIIIII	II		8
<b>Total</b>	10	11	11	13	45

This chart gives a clear indication that the seminar you gave worked well, as did the press coverage, but the newspaper advertisements proved a poor return on investment.

Remember, you

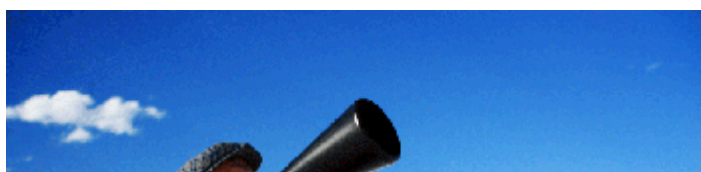
are not IBM! One of the biggest problems I see is that small business owners try to reach too big an audience. If you are IBM you can place ads in newspapers, magazine, on television and radio, on buses and subways and reach the world. But, unless you have several million dollars to spend you need to carefully target your market and spend your budget wisely.

## Do print ads work ?

Let's take a look at print advertising. There are many schools of thought with regard to advertising in newspapers and magazines, and what might apply to one type of business may not apply to another. You may have to use trial and error to see what works for you. I have been consulting with small businesses for more than a decade and this is what I have observed in the area of print advertising.

In general, for small businesses, print advertising does not show a good return. If you are promoting something that is time-dated such as a sale, a well placed ad can bring people to do your door as they have to make a mental commitment at the time they see the announcement. If your ad is generic and promoting your range of products or services, then you are looking farther than just bringing people to your door for a specific sale - you are looking to build brand awareness. In order to accomplish brand awareness, you will have to commit yourself to advertising in every edition for at least a year to make it effective.

When would you consider brand awareness as opposed to sales? Imagine that someone sees your ad. If they don't need what you are selling immediately and urgently they are likely to file it at the back of their mind, and we all know what that means - it will be forgotten by the time they finish their next coffee! On the other hand, if they see the advertisement continually, over a long period of time, it sinks into their sub-conscious and when they eventually need what you sell, your name is at the forefront of their minds. The trouble is, it is costly to advertise continually - so watch your budget and make sure it's brand awareness you're after, not a specific time-dated customer draw.



***Will your customers let their fingers do the walking?***

Yellow Pages ads can work well for



certain businesses and poorly for others. The question you need to ask yourself is, "are the Yellow Pages the logical place my potential market is likely to look for the type of product or service I sell?" For instance, if you have a leak in a water pipe you may reach for the Yellow Pages to find a plumber quickly. If you want a lawyer you may peruse the ads and see

which law office specializes in what you need. But if you want someone to tutor your son or daughter in math, you are more likely to ask at the school, or speak to other parents. If Yellow Pages will reach your potential customers then it is often best to buy the biggest ad you can afford. In this market, size really does count. Not everyone equates ad size to credibility, but many people do - at least enough of them to make a difference in your investment vs. return.

### ***Radio and television - are they the answer?***

Television is too expensive for a lot of small businesses, and in my experience, to be successful you have to commit to it for the long term. Once again it is a brand-building exercise rather than something that will spur people to immediately call you and make a purchase.

Local radio can be successful as each station appeals to a specific demographic (i.e. under 30's, 50+ etc.) within a relatively small geographic area, and is especially successful in smaller communities where radio tends to be the primary information source. If you are going to try radio, I would suggest you sit down with the station sales staff and negotiate more than just straight forward ads. Discuss running a competition where you give away cash or your product or service. The more imaginative you can get the more likely your advertising dollars are going to work for you. Even small radio stations have a creative department who will work with you to come up with something that will meet your budget and your needs. It's in their best interest to give you a high return on your investment so you'll keep advertising with them!

In Part II of this article next month, I am going to talk about how to get your business 'out there', how to educate your target market about what you sell, and how to become a magnet company. Look forward to the January issue for that and a whole lot more!

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## **Eliminating Habits that Hurt Credibility**

You've earned your position in your business through the sweat of your brow and endless hours of committed hard work. You alone are responsible for taking it from a concept on a piece of paper to a thriving, successful enterprise. You've gone from a staff of one, to managing a group of people who look to you daily for guidance and direction. You've got a loyal base of customers who love to give you their business. It seems like you're on top of the world. What could possibly happen to destroy what you have spent years building? As with anything else, when we reach our goals and have accomplished what we set out to do, we can get complacent, rest on our laurels and forget what got us there in the first place. When you hired your very first staff person, you were keenly aware of your role as mentor, example, and guide. Now that you've got ten employees, it doesn't seem quite as important anymore. In order to keep your credibility high in the eyes of your staff, your customers, and even your industry, make sure you don't fall into bad habits that can hurt your credibility.

### **Negative or sloppy work habits**

It might seem like you've earned the right to sit back and take it easy after all those years of hard work. But remember, others are watching. If they see you cutting corners or getting sloppy with your work habits (coming in late, leaving early, taking long breaks for no reason), they will eventually emulate what they are seeing in you, and your credibility will suffer.

### **Failure to commit to ongoing self-improvement**

Sure you know everything there is to know about your business . . . or do you? Are you regularly taking advantage of training and opportunities to learn more about your industry? If you're tempted to stop getting better at what you do - you'll start moving backwards. You can't expect your staff to be committed to personal and professional growth if you don't demonstrate it to them.

### **Negativity toward clients and customers**

It might be easy, after a while, to start getting chummy with your staff and to begin to talk negatively about those customers who drive you all crazy. That is gossip; plain and simple. And although your staff may seem to enjoy what appears to be camaraderie, you are steadily losing credibility in their eyes. Your customers are always number one - and by speaking ill of them - even if they deserve it from your perspective - never gains you respect. And, if by some chance, your customers get wind of it, you'll be spending a lot of time and energy trying to repair the damage.



### **Abdicating your leadership responsibilities**

Although delegation is a great leadership attribute, if you are simply passing off tasks because you've become too lazy to do them yourself, your business will suffer. It should be your job to lead in certain aspects of your business - visioning, planning, watching the financials, ensuring quality control, making sure customers are being well taken-care of. Empower your staff to take on responsibilities within the company, but don't give them responsibilities that belong to you as the business owner. No one wins in that scenario - especially when mistakes are made. Who gets the blame? The person who took on a role he/she wasn't meant to hold, or you? Either way, someone loses, and in the end - it will be your business.

### **Not acknowledging the efforts of your team**

Don't run your business like the man whose wife was complaining that he never told her he loved her. He responded by saying, "I told you I loved you when we got married, and if I change my mind I'll let you know." Your staff do their best work when you are affirming them for it. Don't ever think that they've worked for you long enough not to need it, or that they should just know that you appreciate their efforts.

### **Acting in ways that lacks integrity**

If your staff or your customers find you cutting corners, not being true to your word, or saying one thing and doing another, your credibility is instantly shot. Be a person of integrity in everything you do, and be a model of integrity for those who work for you. Then you'll have an unbeatable staff who will take your business far.

You can't evaluate your attitudes too often to ensure that you aren't developing habits that might hurt

your credibility. It's a slow insidious slide sometimes that begins with just one choice and goes downhill from there. If you've already developed some bad habits, make a concerted effort to bring yourself back to a place where you are a leader worth following! If you do, everyone wins!

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## Market Research

### What Will Help You Sink or Swim

I have started many businesses over my long career as an entrepreneur. Some failed miserably, some limped along only to gradually die a slow and agonizing death, and others have succeeded and stood the test of time. It took me a long time to realize that the difference between success and failure was directly related to the amount of market research I carried out. Years ago, I would get a business idea, do the minimum of research and launch the business within a few weeks. I excused my actions as the typical maverick style of a true high-flying entrepreneur. I now realize that I was fooling myself and that business giants like Donald Trump and Richard Branson don't launch into things without a great deal of careful thought. In the last few years I have considered starting many businesses; from opening a second-hand bookshop in an area that was crying out for one, to an online training website; from launching a community profiling company to helping my son start a car tuning business. In all these cases I carried out extensive market research as part of my business planning process and each time the plan told me not to go any further. We often fall in love with our new idea for a company, or new product range, and it can be disappointing to be told our baby is ugly; but it's better to find out that our burgeoning business concept has some fatal flaws early on than when we have invested huge amounts of time and money in it.

### ***Your gut feeling is not enough!***

I used to assess business plans for a living and the one thing I often heard was business owners telling me that people would be lining up for what they were about to offer. They had not carried out extensive market research. In fact most had only asked a few friends and family what they thought - and of course they thought it was the best idea they had ever heard of! Very rarely do people line up to buy something unless that something is very limited and already proven; tickets to see the Rolling Stones comes to mind, or gasoline when there is a shortage. In the real world most of us have to fight for our market share.

Carrying out comprehensive market research makes sense. Done correctly it will tell you whether people will actually pay for what you are selling in sufficient numbers for it to be profitable.

A few years ago I was stopped on the street by a man who politely asked whether he could ask me a few questions about my pets, as he was planning to open a warehouse selling pet food. Every day for an entire week this entrepreneur stood at various spots downtown and interviewed dozens of people. Over the seven days he was there he must have spoken to several hundred people. His questions ranged from what pets you owned, to where you currently purchased their food. He asked whether you fed them canned or dry food and what brands. He wanted to know the size of your dog, how many cats you had and how much you spent on average per month on their well-being. He also asked what you liked about your current supplier. On this point he was clever, he never asked what you didn't like - nine times out of ten people can't tell you what they like without using the word "but". By the time he opened he knew exactly what brands to stock and in what quantities; he also knew the likes and

dislikes of his potential customers and a whole lot about his competition. Needless to say his business was a great success.

Market research is not just about customers, but if you don't have enough of them willing to buy what you sell the rest of it is pretty pointless. Make sure you create a market survey for your potential customers and talk to as many strangers (not family or friends) as you can. The number will depend on your product or service but it should not be less than 50 unless you are in a very small market.



### ***Ask yourself what you need to know, then go out and find the answers***

Below are a list of questions you should be able to answer before you go into a new business venture, launch a new product, change your brand, or any other major change in your business strategy. Devise a survey based on the information you need the most, and then start asking people for answers!

1. Is there a market for what you are selling?
2. Who is your ideal customer and why? Lots of people could buy what you sell, but who needs it most?
3. Do you really understand who you are selling to? Get to know your potential customers intimately.
4. Do they really need AND want what you are selling?
5. How can you reach them? What do they read, watch, attend etc.?
6. What price will the market bear for what you are selling?
7. Can you produce what you are selling at a cost that will allow you to be competitive and make a profit?
8. Do you have access to reliable suppliers?
9. Are raw materials readily available and are prices stable in the short, medium and long term?
10. If you are successful can you keep up with the orders?
11. What competition is there for your customer? Look at both direct and indirect competitors.
12. Which of your competitors are doing well and which are suffering - find out why.
13. How will you differentiate yourself from the competition?
14. What is happening in the industry you are entering? Look at the trends, is it growing, maturing or declining?
15. What is happening in the market you are entering (locally, provincially, nationally, and globally)?
16. How much is it going to cost you to enter the market?
17. What are all the things that could go wrong? Carry out a risk analysis and develop strategies in advance of problems arising.

Knowledge is power. The more information you can gather about every aspect of your business the more likely you are to succeed. And remember, if your market research tells you there isn't a market - pay attention! You'll be grateful you were able to walk away from that idea without a huge loss, to get ready for the next one, which, depending to your market research, may be a big hit!

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# The Employment Application as a Hiring Tool

The employment application seems to have become a thing of the past, or, something only large corporations use when hiring. As a small business owner, you may be unaccustomed to using one when you hire, preferring to simply review a candidate's resume. But the employment application can be an invaluable tool in assisting you with your initial candidate assessment. A resume gives you only the information your candidate wants you to have. The employment application allows you to ask for the information you want to have. It also gives you the opportunity to gain some insight on your future employee before you even speak to them in an interview. It can also give you the foundation for a more effective interview, allowing you to read their answers to some of the basic questions (e.g. what are your strengths/weaknesses), so you have that information on hand going in to the interview.

## How to use the Application

Aside from the data-based questions about who they are and how they can be contacted, you will need to come up with some questions that will provide you with meaningful information. What is important for you to know about a future employee? Be as specific as you like, although you will need to avoid questions that could be considered an infringement of human rights, such as questions that ask for information on a person's race, religion, or sexual orientation. Here are some examples of the types of questions you could ask:

- Please tell us what you consider to be your greatest strengths.
- What are some areas you feel are not strengths for you (areas in which you need to grow)?
- What makes you stand out among your peers?
- What does personal and professional growth mean to you?
- Can you give us an example of a time you showed initiative?
- Have you ever had to deal with conflict in the workplace? How did you handle it?
- What are your career goals and how might a position with this company further those goals?
- What is your definition of teamwork?



You can customize these questions to make them meaningful for you. If you are a retail business you will likely ask questions about the candidate's customer service philosophy and experience; if you are a production company, you may ask questions about how well they take instruction

and how quickly they learn. The point of this section is to give you some information to take in to the interview. Once you've read their answers, you can jump off those answers to get to a deeper level with your candidate.

Finally, you could also use a very brief (but surprisingly accurate) personal style indicator to

determine what type of work style you might be able to expect from a candidate. Below is a simple questionnaire in which you ask the candidate to select one group of words that they feel best describes them. They may only choose ONE of the four.

**A.** *Friendly, outgoing, energetic, people-oriented and entertaining, enjoy socializing with others, love having fun, spontaneous, out-of-the-box thinking, creative*

**B.** *Methodical, organized, accurate, detail-oriented, enjoy digging in to tasks, committed to excellence, analytical, work well alone*

**C.** *Direct communication style, task-oriented, take-charge, quick decision-maker, strong communicator, enjoy being in charge of tasks and projects, big-picture thinker*

**D.** *Warm, friendly, people-oriented, good listener, cooperative, team player, patient, foster strong relationships, compassionate*

This information can be helpful when you're looking at the person's work and behaviour style, and the tasks at hand. A quick summary: "**A**" people are fun-loving, creative, highly energetic and people oriented. "**B**" people are methodical, task-oriented, process-driven and require order. "**C**" people are driven, task and project-oriented, take-charge, leaders. And "**D**" people are the strongest team-players, able to flex and mold to others and deeply concerned about relationships. Each of these styles has their own strengths and weaknesses, and choosing the right person for the right job may have more to do with their personal style than their skills and experience. For example, if you're interviewing for a position in the accounting department that requires precision and accuracy, and you're interviewing and "A" candidate, there should be red flags about whether this is a good fit. Similarly, if you're interviewing a "B" type who will be required to be with people all day, you may want to think twice.\*

Use the employment application as a way to get to know your applicants in a different way. Sometimes resumes present a lifeless picture of the person applying for the position. The employment application allows you to see a little more "life" and to get some answers to important questions. You will learn from this application, how well they express themselves and how self-aware they are, as well as how their strengths, challenges, and personal style fit with the position you are trying to fill.

*\*For more detailed information on understanding personal styles and how to use them effectively, contact [info@ycw.ca](mailto:info@ycw.ca) for a special subscriber price to "I'm a Circle - You're a Square; The Art of Understanding Others and Improving Communication."*

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