

SMALL BUSINESS SUCCESS



June 2007

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Business Partnerships

Tapping in to a Whole New Set of Potential Clients

If you're a business that provides services or products to the general public, and haven't considered business partnerships, you may be missing out on a whole new set of potential clients. Business partnerships are becoming more and more prevalent in the business world and it may be time for you to consider how you can take advantage of this innovative business practice. Business partnerships can be a fantastic way to expand your marketing by reaching an even greater number of clients and customers. Take a fresh look at your products and services, spend some time doing out-of-the-box thinking and brainstorming and see whether you can come up with creative ways to branch into the world of marketing through business partnerships. Here are a few examples.

A Perfect Match

Joe owns an autobody shop. He has a strong customer base but has hit a plateau recently in gaining new customers. Across the street from Joe's shop, Stan runs an insurance company. One day Stan and Joe bump into each other at the deli where they've both stopped for lunch. Stan tells Joe about the phenomenal increase in the amount of car insurance they sell since they recently began offering less expensive, private coverage. Joe begins to think about all the clients who come through Stan's office every day, and wonders how he might tap into that client base. He takes this thought back to his staff and brainstorms with them about how they might take advantage of this new concept. Here's what they came up with.

Joe offers Stan and all his staff a 15% discount on labour for all autobody work they get done through his shop, as well as cost on the parts. In return, he asks Stan to put up a small display along with a supply of his business cards in the insurance office for any clients who may need body work done on their vehicles. Since many insurance claims have to do with accidents requiring autobody repairs, he figures he will be hitting a fairly targeted market. In addition, he offers a 10% discount on labour to any of Stan's customers. Stan thinks this is a great deal for him, his staff and his customers, for very little effort. He is able to provide a value-added benefit to his customers, and his staff is thrilled that they are benefiting as well. Joe notices a difference in the first few weeks in the number of new customer calls coming in. Overall, the small discounts he is offering to Stan and his customers more than makes up for the increase in traffic he will see in the future. And, there is no limit to the amount

of new customer referrals he will get through Stan, who has also seen an increase in his business because his customers are sending their friends to his insurance company in order to receive the 10% discount from Joe! It's a win/win situation.

Coffee and Pastry Anyone?

The same thing happened to Margaret and Jocelyn. Margaret owns a small coffee shop, specializing in coffee from a local but largely unknown roastery.

Although she has a small loyal following of locals who won't go anywhere else – she finds it challenging to compete with the larger chains moving in on every corner. She realizes she's going to have to do something to increase traffic into her shop in order for her business to survive. One evening at a local Chamber mixer, she meets Jocelyn, who runs a gourmet bakery three blocks from Margaret's coffee shop. They begin chatting about the frustrations of small local businesses fighting large chains, and come up with a partnership idea. Jocelyn offers to provide Margaret with gourmet baking from her shop to sell along with the fresh roasted coffee. Margaret in turn, sends over bags of coffee for Jocelyn to sell in her bakery.



People who come in to Margaret's coffee shop are so impressed with the gourmet baking, they ask where she gets it. This is Margaret's opportunity to promote Jocelyn's bakery, and many of her customers show up there to purchase other items like specialty breads and pastries. Likewise, folks who visit Jocelyn's bakery and try Margaret's coffee, rave about it and ask where they might buy different blends. This is Jocelyn's opportunity to send them over to Margaret's coffee shop. Both women have benefited by reaching a larger client base and an increase in customer loyalty, as once they try both products, they become huge fans and tell their friends about these two "must-try" local businesses. Margaret and Jocelyn meet once a month to brainstorm on new ways they can partner together and continue to build and grow their partnership.

Recently, they approached a third business where they saw a great deal of partnership potential. Tom owns a quick lube & oil franchise located in between the coffee shop and the bakery. The nature of his business is that customers come in and must wait 30-40 minutes while their oil change is being done. He's tried to provide a clean and comfortable waiting area for his customers, in addition to a wide variety of reading material and even a box of toys for folks waiting with children. Margaret and Jocelyn approach him with the idea of yet another partnership. For their cost price, they will come by twice a day and provide coffee and fresh pastries for his customers if he will advertise both the bakery and coffee shop in his store. He thinks this is a fantastic idea and soon, finds people lining up down the street first thing in the morning and after lunch when they know the pastries are being delivered. Customers could go to any one of a dozen similar shops in town, but why not go to the one that's offering free gourmet coffee and pastries while you wait? The cost of these daily deliveries pales in comparison to the increase in customers for Tom, and Margaret and Jocelyn enjoy the increase of yet another group of clients who may never have tried their products, had they not sampled them in Tom's shop.

Take a drive through your neighborhood and take note of the businesses who are serving customers in your area. Make a list, and take it back to the office. Meet with your staff and brainstorm what similar partnerships you might develop in your area. One word of caution – make sure the businesses you

want to partner with have a good reputation in the community and offer quality products or services that equal, or even exceed your own. Check whether they are in good standing with the BBB and ask people who have used them before. Partnerships can only work if the business owners are on the same page when it comes to quality and level of service, and can be trusted to have integrity with customers.

Once you've done your homework, go for it! There's very little risk and minimal cost, but an enormous potential return.

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Small Business Survival Tips

Part III

*By now you've learned six of the nine business survival tips. Hopefully you've found some ways to apply these principles to your business in order to become one that not only survives, but thrives. In the first of this three-part series, we looked at the ability to learn from experience, mental and emotional flexibility, and empathy – all essential skills for business survival. In the second part – we looked at maintaining a positive outlook, being results-oriented, and the importance of self-confidence. Finally, in this third part, we are going to take a look at a willingness to experiment, adaptability, and playfulness as the last three survival necessities. (These nine traits were identified by Dr. Al Siebert, author of *The Survivor Personality*, as common to those who have managed to survive major life traumas.) We have taken them and applied them to surviving as a small business.*

7. Willingness to Experiment

Survivors have a high desire to have things “turn out” for the best. That means they are willing to try new things and experiment to find the thing that works; the thing that achieves the results they are looking for. Imagine someone who has experienced the loss of a spouse. That's a pretty life-altering traumatic event. There are those who will succumb to the grief, give up and simply allow life to take whatever course it determines. They float along and react to whatever comes their way – afraid to step out and try something new or to take a step in an unfamiliar direction. People with a survivor personality however, will experience the grief – certainly – but they will also determine that in order to get the most out of life (in other words, have things work out the way they want them to), they must be proactive. They will make choices, set goals, involve others and work hard to create the life they want – in spite of the trauma – rather than allowing it to just happen. Similarly, business owners who respond to difficulties with an attitude that says, “There's nothing I can do, it's just the way it is.” will never reach their goals or create the company they intended to create. Instead, those who will survive decide to do whatever it takes, in spite of any obstacles, to get back on track and move toward their plan

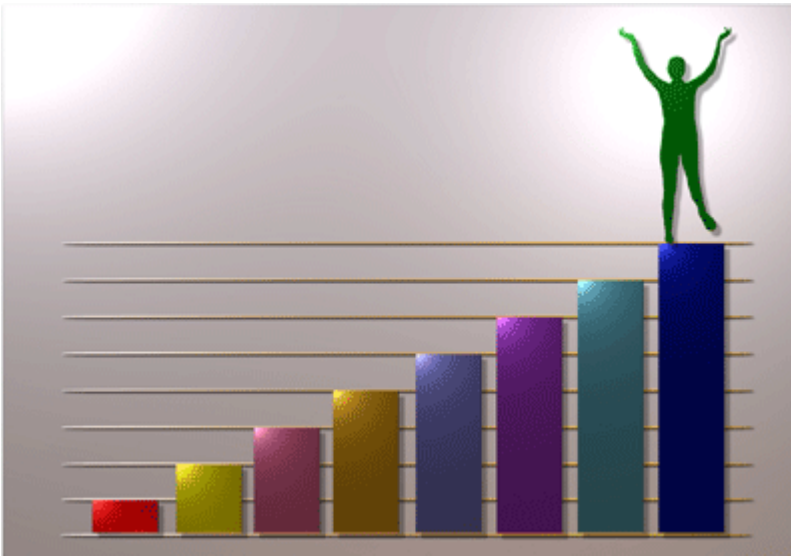
8. Adaptability

If there is one skill that is necessary to survive these changing times, it's adaptability. Being stuck in a rut or set in your ways is no longer an option for the savvy business owner. Being able to adapt quickly and effectively to change, is an entrepreneur's greatest weapon against failure. Survivors, who

lose everything in a horrific storm or flood, will look around and see what they can use from what's left to propel them forward. They don't linger in the past and bemoan what's happened; they look to the future to see how they can make things better. A strong business owner will do the same. As things change in your industry, your market, the world of work in general, do you constantly look for ways to adapt to those changes, or do you struggle with the old "but we've always done it this way" syndrome? Be willing to adapt and move with the changes that come your way and you'll find yourself in a position to ride the next big wave when it comes along.

9. Playfulness

A true survivor knows that a sense of humour and the ability to maintain grace under pressure are critical to keeping an even keel in business and in life. Playfulness is the key to maintaining perspective and recognizing there is more to life than what's happening in the moment. Don't you love



spending time with people like that? It's so much more pleasant to laugh than to live with gloom and doom all the time. Sure, at times difficult things happen, but if we allow those things to overtake us we lose our ability to recognize that even in the midst of trouble, one can find something positive to focus on.

Recently, I was working with a client on a sales proposal. He emailed me all the details – the name of the potential client, the details of the advertising package he was offering, and the deadline. I did something I don't normally

do (and will probably never do again!) and assumed that he had made a typographical error in the material he had sent me. He'd asked me to do a proposal for "The Cat Rental Store". I assumed it was a funny mistake, and that it MUST be the "car" rental store. So I created the entire proposal – visuals, graphic applications etc. around the concept of car rentals. The day before he was to make the presentation, I sent him a draft. He emailed me back to let me know that I in fact, had made a big mistake. It was indeed the "CAT" rental store – but it was not furry little pets for rent, but rather large Caterpillar tractors, backhoes and other such equipment.

I was mortified. I'd spent 3 days creating this proposal for the wrong client! I called him right away – expecting him to be pretty upset with me for making such a huge and costly assumption – but to my surprise, he roared with laughter when I got him on the phone. He admitted to being a little miffed when he first got the proposal, but after thinking about the whole thing, he found it funny that we could have been on such completely different wavelengths. We then went on a hilarious tangent about perhaps becoming partners in the first, REAL, cat-rental store. "Try before you buy", could be the slogan!

After we both had a good laugh, I apologized for my mistake, and told him that I would work as long as necessary that night to redo the proposal with the right client focus. He in turn, called the client and asked if they could postpone their meeting by a day. He could have responded to me very differently – and rightly so – I'd made a huge mistake. Yet he chose grace and humour to create a workable situation out of a potential disaster. I worked feverishly to get it done for the new deadline, and he presented a very successful presentation to his client. In fact, he told the client the whole story about the "cat" mixup, and got his client laughing as well. Needless to say, he made the sale. It was a great lesson for me about grace under pressure – and one I won't soon forget.

So, now you have all nine business survival tools. Post them up in your office where you'll see them daily so that you are reminded about what it takes to have your business survive and thrive in changing times.

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The Approachability Factor

A Key to Creative, Effective Leadership

All of us like to think we're approachable, but not all of us are. When you are managing – and therefore leading – a company, your approachability is a key factor in building and maintaining a creative and dynamic team. Even if you do not have staff – your approachability is a factor with your customers and/or clients. What does it mean to be approachable? It means that people are not afraid to talk to you about anything. It means your door is open to them and they know you can be trusted to listen, and be objective and fair. It means you are open to new ideas and value those who bring them. It means that in your leadership position – you are demonstrating integrity that invites feedback, and even deals constructively with criticism. Are you that kind of approachable leader?

Recently, I read an example of a boss who was so inconsistent in all these areas that the staff never knew whether the “good boss” or the “evil boss” would show up for work each day. They spent the first hour of each workday tiptoeing around to try to get a feel for his demeanor that day – and would respond accordingly. On the days when the good boss showed up, they'd take advantage of it by asking him questions and bringing ideas and proposals. On the days when the evil boss showed up – they'd avoid asking him anything and try to stay out of his way to avoid getting yelled at. This is the opposite of an approachable leader. If you want to be approachable, here are a few areas you might consider looking at to determine if you need some improvement!

Manage your emotions

The boss in the previous example obviously did not know how to do this. He wore his emotions on his sleeve and his staff felt like they were slaves to his moods. All of us have emotions – and running your business can be stressful. But if you don't know how to manage those emotions in such a way that your staff doesn't see drastic swings from day to day – they will begin to fear you. ***That makes you instantly unapproachable.*** If you struggle in this area, seek some help on how to more effectively get a handle on your emotions so that your demeanor in front of you staff is consistent. Then, if they have a big problem they want to talk to you about – they won't be afraid you'll lose your cool.

Manage your words

Words are powerful, but too often we use them carelessly. We can get so used to doing that, we don't



realize when our words become hurtful or negative. As the leader, you set the stage for the negativity meter in your

workplace. If you are the type of person who engages in gossip, uses words to tear others down, speaks about people behind their backs, or regularly uses profanity or inappropriate language in your office, you can bet others will follow suit.

The other factor is that no one will trust you. People will assume that if you're willing to talk about Joe's lack of productivity behind his back, they can't trust you not to talk about them when their backs are turned. ***This makes you unapproachable.***

Manage your time

Time management is an important skill for any business owner, but it is especially important if you want to maintain an approachable relationship with your staff. If you are constantly running behind schedule, or constantly putting people off because you don't have time, they will learn not to bother you. They will start feeling that whatever it is they have to say is less important than what you are doing. ***This makes you unapproachable.*** Your daily plans should always have, built in to them, time for important interruptions. You may not be able to drop everything every time someone comes to your door, but you should be able to do that often enough that people are willing to take the chance, knowing you value what they have to bring.

Manage your response

Your secretary, Janet, is in your office talking to you about an administrative issue that is really important to her. Some system in your business isn't working properly and she has some ideas about how to fix it. Meanwhile, out of the corner of your eye you see an important email pop into your Inbox, so you reach over for your mouse and just click on it quickly to see what it says. Your phone rings and you excuse yourself because you're expecting an important call. It ends up not being important, so you return to the conversation. You look past her and see Jim walking by who waves to you and you wave back. Janet finally finishes her presentation. You thank her for her initiative and tell her you'll seriously consider her idea. Even though you've said all the right words, she leaves your office feeling dismissed and not heard. ***This makes you unapproachable.*** When members of your staff are talking with you, you owe it to them to give them your undivided attention. Put your calls on hold, turn off your email notifier, and focus on the person sitting in front of you. Do you have any idea how valuable Janet is to your business? First, that she cares enough about her job that she wants to make things better? Second, that she's taken the time to come up with a plan that will ultimately improve your business productivity? And third, that she had the courage to take her ideas to you? Chances are she won't come to you again if you've responded in a way that has not validated her and her ideas.

It is in your best interest to be an approachable leader in your business. Your staff is on the front lines. They are often more aware and better equipped to see what's going on than you are. They are full of good ideas, solutions and innovation – and if they are encouraged to bring those things to the business – they will. If you become the kind of boss who is completely approachable, you'll daily benefit from their wisdom, and your business will be better for it.

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Planning is an essential part of business success. You plan each year as you put together your budget. You plan for changes to production and service areas of your business. You plan for increases or decreases in staff. Chances are you plan to increase your sales each year. This type of global planning for your business is vital to its success, but if your planning ends there – you may be missing out on a lot of opportunities – particularly in the area of sales. Once you have set a goal to increase your sales numbers, how do you achieve those goals? You need to set out daily, weekly and monthly plans to carry out what you have decided. This kind of planning is often overlooked – especially in a small business. Who has time for that kind of planning? Your days are so busy you can barely pack it all in as it is. You may think that as long as you're talking to customers every day the sales will take care of themselves. This kind of thinking leads to more untapped sales dollars than you can imagine. Take up the challenge of regularly planning your sales path – and watch it lead to a higher bottom line, and less stress in the process. Here are some things you'll need to consider.

Organize your customers and prospects - make a list of every customer you currently have. Then, make another list of prospects – people you plan to contact in the next week or month. Categorize your current customers in ways that make sense with your industry. Some will be requiring follow-ups – record when and how those will take place. Some you want to approach with a new sales proposal. What resources do you need to put that together, what is your deadline, and when will you make the presentation? A couple of clients just need some TLC – you plan to take them out for coffee just to touch base. When is that going to happen? For your prospects – who will you visit and when? What do you need to bring with you to make those presentations? Once you've created this list – transfer all that information into your daytimer or calendar. Even better, make the calls and schedule those presentations, write in the tasks you need to do and their deadlines. Most of us carry all this stuff around in our heads – but no matter how good your memory, you will forget some things. Keeping this list current and transferring the follow ups and tasks to your calendar will help you to stay on track and get way more done than you could ever do when you're relying on your memory. If you have a sales team, encourage them to use a similar system, and then schedule in your calendar when you need to follow up with them on various items.

Plan your day ahead - if you can get in the habit, this is an invaluable tool to keep you organized. Before you go home at the end of each day, look ahead to the next day. What's on your agenda? How much do you have to accomplish? Is there anything you need to rearrange because of what transpired today? Or, is there anything you need to do to prepare for something tomorrow? Maybe you visited Client X last week and they asked you to make some modifications to your proposal. You see that you're scheduled to see him/her again tomorrow but you had forgotten to make those modifications. Better to take that work home with you or spend an extra half hour at work to get that done, than open your calendar in the morning and be scrambling to dash off those numbers for a 9:00 appointment. Planning your day ahead keeps your schedule and routine humming along, instead of facing constant interruptions that stop and start your sales flow. Of course, some interruptions can't be predicted, but if you are generally better prepared for your day, you'll be able to handle those things better.

Plan specifically what you need - in dollars and cents - to reach your goal - some people get up every morning, just hoping they'll make some sales that day, but not really knowing how much they need to ask for or make in order to meet their goals. Your sales figures should be broken down to a daily amount. If your annual budget is \$100,000 in sales, what does that mean you have to make every month? Every week, every day? How many people on your sales team? How much does each individual need to make each day to achieve those numbers? Having a concrete number and goal in your mind every day is a huge motivator and assists you in reaching those goals far more quickly than if you go blindly in to each day.



Plan for a positive result -sales professionals have a tough job. They must be tougher than most to face those ten “no’s” for every “yes”. So maintaining a positive attitude is crucial to continuing to achieve success; plan for positive results every day. What can you do to prepare yourself mentally and physically to increase your sales success every day? Small things, like getting enough sleep, making sure you eat well during the day (although the occasional Big Mac for lunch may not kill you – a regular diet of fast food will make you sluggish and decrease your productivity), taking enough mental breaks during the day to keep you sharp and focused, and believing you will be successful are all important aspects of reaching your goals.

Plan to maximize positive input and minimize negative input - none of us works in a vacuum – and the old adage “garbage in, garbage out” still holds true. Are you planning positive input into your daily routine? Reading books by successful business mentors, listening to motivational tapes, daily affirmations, inspirational DVD’s – all can be a part of your sales routine. Imagine how your sales progress might be impacted by taking in even 15 or 20 minutes of motivational material every day before you hit the street. At the same time, minimizing negative input is equally important. Stop hanging out with people who tell you that you can’t. Stop listening to those who don’t believe you can do it, or who are constantly putting out negative energy by complaining, blaming, gossiping or just talking negatively. Surround yourself with positive people and you will be amazed at the results on your own energy.

Look at your sales strategy the same way you do all the other business planning. Put a few new ideas into practice – encourage your staff to do the same – and you will reach new heights in your sales success.

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The Power of Objectivity

Four Steps to Proving the Value of Your Idea

Michael Goodman, marketing consultant and top discussion forum expert for MarketingProfs.com says we can learn alot from businesses that fail. “One of the most common mistakes we make,” says Goodman, “is falling in love with our own ideas and failing to approach our businesses in the same objective and rigorous way that larger corporations do.” Has that ever happened to you? Suddenly, while driving to work one day, you are hit with the most wonderful idea for your business. You start working it out in your head and by the time you pull into your parking spot you are ecstatic at what you believe it’s going to do for your business. You think it could possibly be the most brilliant idea you’ve ever come up with. Perhaps that anyone has ever come up with! You try to move through the tasks in your day, but feel distracted all day long. Finally, you cancel your last two appointments and call an emergency staff meeting so you can share your brilliance with your team. You are disappointed by the blank stares that come back at you after you’ve divulged your plan – but figure they just haven’t caught the vision and don’t see the big picture yet. You barrel ahead and try to put it into place, but run up against one wall after another. After a few months of trying, you give up – convinced that the idea failed because your team just didn’t get it, rather than admitting it may have been a bad idea.

One trait inherent in entrepreneurs is that they are full of ideas. Your business was sparked by an idea after all, and probably many of your successes are the result of being the kind of person who thinks outside the box. This very thing is both a blessing and a curse – because while it is indeed what sparks innovation and creativity, it can also take you away from focusing on what needs to get done, and from staying the course you have set. A smart entrepreneur knows how to balance both of these dynamics. That doesn’t mean it’s easy. Because we love ideas, and because most of us have a high degree of self-confidence, we can tend to think every idea we come up with will make us the next

Bill Gates. It is this very thing that Goodman cautions us about. The point is not to stop coming up with ideas, but to be willing to scrutinize them with a high degree of objectivity before you decide to launch that new product or service. Here are some ways to measure whether your idea is a good one.

1. Pass it around and listen to what people say.

The fact that your staff didn't jump up and down when you shared your idea with them, could have been a clue that you needed to do some more research. While there may be examples of people throughout history who've succeeded even though others thought their idea wasn't sound, it is also true that most of them will have had a small, trusted group that believed it was. Seek out people you trust, and whose success and character you respect and admire. Share your idea with them, but LISTEN to what they say! If they're in wholehearted agreement and are as excited about the idea as you are – you've probably got a winner. If they look at you like you've just announced you're going to be the next Prime Minister – you may want to take it back and rethink it. Chances are, their reaction will be somewhere in the middle – a cautious enthusiasm. They'll tell you what they like about the idea, and what they see the pitfalls may be. Heeding that wise counsel will be the best thing you can do with your idea to ensure its success.



2. Flesh it out - create a business case on paper

If, after you've sought the counsel of others, you feel your idea is basically sound, do your homework. Write a business case (a mini-business plan) for your idea. In it, you'd put all the things you'd typically find in a business plan. Assess your competition, determine the costs, describe the USP, do a bit of market research. If you don't want to invest the time in creating a business case, your idea is probably not going to fly. If you do, you'll quickly find out where the gaps are and what areas you'll need to address in order to give it the best opportunity for success. An added bonus is that if you do decide to create a full business plan for your idea - you'll have already done a lot of the groundwork.

3. Prove it can be done – talk to your financial institution to determine the financial feasibility.

If anyone will bring you down to earth, your banker will. After all is said and done, an idea can look fantastic on paper, but it still needs to make sense financially. Getting your financial advisor in on the picture early in the game will help you to determine whether or not you should run with it. He or she may help you to see avenues for financing you might not have considered or realized were available. Or, they may make it really clear, given your current financial status, that it's not possible. They may also help you to revise your plan so that it becomes possible. Most great ideas have gone through at least several modifications before they became reality.

4. Give it wings - put your energy and time toward implementation

If you've diligently gone through these first three steps, you can be reasonably assured that your idea is a good one and worth your effort. It will probably mean a certain amount of concentrated effort on your part, so you may need to rearrange your priorities for a while. What can you offload, or delegate, from your current responsibilities to free up your time for this new venture? Where will you need to cut back in your financial commitments to make room for the new idea? What help or support will you need to enlist to make it happen? What resources do you need to secure to go forward?

Not every idea is a good one – no matter how brilliant you may think it is. But lots of great ideas fall by the wayside because they aren't given proper consideration. Keep dreaming, keep generating ideas, and when you come up with what you think is a great one – follow these steps to determine whether it's worth pursuing. Who knows, you may even come up with the next great . . .?

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