

SMALL BUSINESS SUCCESS



October 2007

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Customer Service Sells

Augmenting Your Sales Success with Exceptional Customer Service

Simon had been saving for months to purchase an expensive stereo/home theatre system for his new home. He did his homework and visited several retail stores that sold the type of equipment he was looking for. At store #1 he experienced the all-too-familiar hovering sales person who followed him from aisle to aisle, willing to expound on everything Simon stopped to look at. Too hungry for the sale, he turned Simon off with his invasive, crowding style. At store #2, Simon quickly came upon the brand and style of system he was looking for, but couldn't find anyone to ask about the price. He walked up and down the aisles, went to customer service and waited while an audio sales person was paged, but no one ever came to talk to him. At store #3, Simon was warmly greeted by a sales person who let him know she was available to answer any questions he had. She allowed Simon to browse in his own time, and once or twice, came over to ask him if he needed anything. When Simon was ready, he knew exactly where to find her. She was knowledgeable about the product and able to answer all his questions. The price at this store was slightly higher than what he had seen at store #1, but the thought of going back to that obnoxious sales rep was too much - and he purchased the system on the spot.

He was pleasantly surprised to find that the store provided free delivery to his home, so he paid for the purchase and arranged a date to have it delivered. On that day, he took the afternoon off work and went home to wait for his new system. Shortly after he arrived at home, he received a phone call from the store, explaining that there had been a delay in the shipment, and that they would not be delivering the system that afternoon. Slightly annoyed, Simon told them he had taken time off work in order to be there for the delivery. Without skipping a beat, the person on the phone apologized for his trouble, and told him that even though they normally only did deliveries until 6:00 PM, they would work into the evening to make sure he received his system that day. When they arrived at 8:15, Simon had expected them to drop the boxes in the living room and leave, as it was already a long day for them, but he experienced another



surprise. They asked if he wanted assistance with opening the boxes and setting up the system. They removed the garbage from the packaging, AND helped Simon collapse the boxes and put them in his garage. By the time they left, Simon had a fully functioning home theatre and audio system in his home, and not even a piece of paper to clean up.



Three days later, Simon got a phone call from the manager of the audio department in store #3.

He asked Simon whether he was happy with his purchase and whether everything was in good working order. He was thrilled with this kind of attention to service and expressed his gratitude to the manager for being willing to make the delivery on the day they promised, and let him know how helpful the delivery guys had been in getting his system set up. A month later, Simon got a coupon in the mail that said "Special Customer Discount - take 20% off your next purchase at store #3". In a PS they added - "bring a friend - 20% off for them if they purchase an item while shopping with you." Do you think Simon will shop there again?

It is common for sales professionals to think that their job is over once they've made the sale, but in truth, it is just beginning. To build a loyal customer base, you need to pay as much attention to what happens AFTER the sale, as you did to getting the sale in the first place. Store #3 could have stopped several times in the process. They could have taken his money and said good-bye, letting him deal with the delivery on his own, or charging him to do it. They could have said "too bad" when they discovered the shipment was late and simply required him to take another afternoon off work. They could have left the boxes in the hallway and let him fend for himself in unpacking, setting up and getting rid of the garbage. They did not need to follow up with a phone call to ask if he was satisfied, nor was it necessary for them to send the coupon. But they did, and each of those steps increased the bond of customer loyalty they were building with Simon. Here are some things you need to remember about your customers, after you make the sale.

Customers notice when you:

- **give them added value** - whether it's free delivery, a discounted price, or an added product or service, customers notice when you've added something to their purchase, and the value of what they've purchased increases.
- **go above and beyond** - customers don't care about your problems. They don't care that the shipment was late - all they can see is that they took precious time off work to be there. When you provide service to your client at a cost to yourself, they will be convinced they are valued, and nothing brings them back to your business faster than that.
- **anticipate what they might need** - store #3 had obviously thought about what happens when someone has a large, complex item delivered to their home. It often takes hours to get it installed and figure out how to use it properly. They took care of that. They also knew that after all of the stress of setting things up, no one really wants to deal with a big mess, so they took care of that too. If you can anticipate what your customer needs before he/she even knows they need it, and meet that need, they'll be surprised, impressed, and determined to purchase from you again!
- **follow up even though you don't need to** - it takes so little to make a phone call and make sure your customer is happy with their purchase, and yet it means so much to them and your business relationship. It also allows you to nip problems in the bud - if they are unhappy, you

find out right away and have the opportunity to fix it before it becomes a bigger problem.

- **get creative about referrals** - how clever for the store to add the friend incentive to their coupon. By this time, they were probably pretty sure Simon would be back, but imagine how many friends he'd told about his experience. Imagine how many of them wanted to go shopping with him the next time he visited store #3! Be creative about how you invite people in to your business. Use your already loyal customers to bring more customers into your business.

The next time you're tempted to think your job is done when you receive the check from your customer, think again. Ask yourself how you can add value, go above and beyond, anticipate what they might need, and get referrals from your customer. Your sales figures will soar as your customers become more than dollar figures on your spreadsheet.

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Taking Your Home-Based Business Seriously

Legal and Other Issues You Need to Face

Most of us who have run home-based businesses started very simply - with a room in our home dedicated to the running of the business, a computer and printer, a file cabinet, a fax machine and a phone. These humble beginnings mark the birth of business for many entrepreneurs. As the business grows however, there is a need to take seriously whether we're in this thing for real, or whether it will never be much more than a hobby business. If you are determined to make your business grow and be successful, there comes a time - not too long into the life of your business - when you must stop taking shortcuts and look at the costs of doing business in the real world. This is often an expensive shift, and prevents some home-based business owners from making the change. Getting a real business telephone line costs a lot more than faking it with a residential one, but it may be necessary to consider the benefits. Here are a few of the most often overlooked business practices of small business owners.

Zoning

This may seem obvious, but you'd be surprised how many people start businesses in their homes without checking the zoning laws in their municipality. Many a home-based business owner has been forced to face an expensive move from their home to a commercial space because their municipality discovered the business, and the neighborhood was not zoned for home-based businesses. If you are not prepared for it, this could be a breaking point for your business.

Legal Status

Do you have a legal business name? Is it registered as a legal business name in your Province? Do you have a business license? If you are going to take your business seriously, you need to look at doing so legally. Bert's Beautiful Birdhouses may be a neat name for a cottage industry, but if you someday hope to go into production and have staff and a warehouse full of birdhouses, you may want to reconsider the name. And, you will want to go to your provincial registry and register it as a legal name. This will help you to discover if someone else has a business by the same name and will also give you credibility as a legal entity. Also, if you are running a business from home, chances are, your municipality requires you to have a business license. It's amazing how many home-based business

owners skip this step because no one may ever find out they don't have a license - but again, it provides credibility to your customers that you have taken the step of legally setting up your business. In most municipalities, the cost of a business license is negligible.



Insurance

Everyone hates paying for insurance - and most people think they're paying too much, so why waste money on insuring your business? It only takes one incident to find out how valuable that insurance will be, but that incident could cost you your business. Here are some of the key types of insurance to consider. ***Home insurance*** - insurance companies require you to declare that you are running a business from your home, and all the items in your home that are dedicated to the business, must be insured for business. Yes, it costs more, but if you ever do have a fire, or a burglary, and the insurance company finds out you did not disclose

this, they may opt not to pay out to replace those items. ***Liability insurance*** - this is especially important if you ever have clients, staff or consultants coming to your home to assist you with conducting your business. One slip on the ice on your front step and you could be facing millions in liability for surgery, rehabilitation and any number of related expenses. Are you prepared to pay for that out of your pocket? ***Errors and omissions insurance*** - if you have the type of business where you give out advice of any kind, you may want to consider this type of insurance. If someone undergoes a serious loss as a direct result of your professional advice, you may face a law suit. Errors and omissions insurance will assist you should that ever happen. Make certain you are properly insured in all areas for the running of your business.

Taxes

You may be used to doing your taxes on your own - and for many home-based business owners, taxes are not particularly complicated. But before too long you should consider hiring a certified accountant to take this on for you. Not only are they knowledgeable on all the latest tax laws and tax advantages, they will think of things you may not necessarily consider when doing your own. They will advise you on how to maximize your tax potential and minimize the amount of business tax you will have to pay. You will have to pay them for that expertise, but it will be worth your while in the end.

All of these things cost money. There's no doubt about that, but they are all steps to show that you are serious about creating a successful, legitimate business. It costs money to run a business and the good news is - all these expenses are tax deductible! So start taking yourself, and your business seriously. You won't be sorry you did.

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The Art of Asking for Help

A Small Business Owner's Most Difficult Task

I recently read an article in a business magazine that addressed some of the issues facing the retail industry in Canada. In the article, President and CEO of the Retail Council of Canada, Diane Brisebois, in reference to the challenges facing retailers today, was quoted as saying, "Small business owners tend to keep their problems to themselves." This struck a chord in me as I thought about how true this was for most small business owners I knew, and for myself in my own experience as an entrepreneur. There is something inside of us that doesn't want to admit when things aren't going well. We go to business mixers, shake hands with other successful entrepreneurs, and when asked how things are going with our business, rarely tell the truth when we're facing big challenges. We don't want anyone to know we are struggling and put on a brave face, even when it is to the detriment of our own businesses. A large part of that is ego - and most entrepreneurs I know have their share of that - and it is ego that wants others to think of us as successful. But it is also due, in part, to the fact that we entrepreneurs are a self-sufficient bunch, and we think that if we just try hard enough, persevere long enough, put forward enough effort - we can fix whatever it is that is broken with our business. It's a nice thought, but it doesn't work.

Given that the natural traits of an entrepreneur usually involve being a self-starter, being self-motivated and self-dependant, it is difficult for us to admit when we need help, and even more difficult to ask for help once we realize we need it. It can however, be our downfall, and can actually make the difference between seeing our business through the struggle, or watching it crash and burn. Here are some strategies you can use if you find yourself recognizing your need for help.

Establish a relationship with a mentor

This is actually a pro-active measure, and can really be valuable when you face uncertainty and trouble in your business. When you have established a relationship with a mentor, they are already invested in you and your business, so when trouble comes, they know the history and background necessary to help you find solutions quickly. It's easier to ask someone who knows your business almost as well as you do for help, than to approach someone you don't know well.

Approach a like business in another location

In the article, Brisebois goes on to say that it's often easier for an entrepreneur to talk to someone in a different city about problems they're facing than it is to pick up the phone and call a colleague across town. There is something about anonymity that appeals to us, and doing so allows us not only to save face with business colleagues, but also keeps that information away from customers who may change their buying habits based on the fact that they heard our business was "in trouble". Say you own a hot tub business in Winnipeg, and one day you get a phone call from Sam in Regina, who also owns a hot tub business. Sam tells you he has recently noticed a sharp downturn in consumers in his area purchasing hot tubs, and asks whether you might have some time to brainstorm with him about this issue. You are immediately intrigued because you have noticed a similar pattern in Winnipeg, and agree to call him after work to talk more. If you're willing to talk to Sam, why wouldn't he (or any other hot tub store owner) be willing to talk to you?

Approach successful retired business owners

Think of some successful business people you admire who are now retired. They may no longer be active in the business community, but they have a wealth of knowledge to share with you, and may in fact, be looking for just such an opportunity. Gather a group of them to form a think-tank on the issues you are facing in your business. Invite them to



lunch at your office; feed them well, explain the problem - then set them loose. You'll probably be stunned at the depth of wisdom you will find to address the problem you put before them.

Tap into your network

Whether you are a member of a formal networking group, or just have a network of small business owners you've met through the course of conducting business, select a small group of people you can trust and ask them whether they'd be willing to give you an evening of their time to brainstorm the issue you're struggling with. This is probably the most difficult place to ask for help, but it may also be the most valuable. These people live in your town, know the customers, understand the buying trends and history of those consumers, and may be facing very similar issues. If you can find the courage to move beyond your fear of letting others know your business needs some help, you may just create meaningful, productive relationships with other like-minded entrepreneurs that will fill a void for all of you.

Be someone who is willing to help

At some point, it will be your turn to reciprocate. If you are the kind of person who is willing to help other entrepreneurs when they are seeking help, you'll find no end to the list of people who will be willing to help you when you need it.

It's not easy to go against the grain of our very natures as entrepreneurs, but if you are willing to ask others for help, your business will be better for it. So, by the way, will you.

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Hire Right and the Rest Will Follow

You Can't Send a Duck to Eagle School

Leadership is one of my passions, and I'm always on the lookout for great material on the subject. I just purchased a fabulous little book by Mac Anderson, Founder of Simple Truths and Successories, titled "You Can't Send a Duck to Eagle School." In the introduction, he tells this story. "A few years ago, I had lunch with a top executive from a company known for their legendary retail service. My wife and I are both huge fans, and over lunch I shared with him some of the great service stories his people had provided the Anderson family. I said "With the service your people give . . . you must have a training manual two inches thick." He looked up and said, "Mac, we don't have a training manual. What we do is find the best people we can find and we empower them to do whatever it takes to satisfy the customer." Then he said something I'll never forget. "We learned a long time ago that you can't send a duck to eagle school. You can't teach someone to smile, you can't teach someone to want to serve, you can't teach personality. What we can do, however, is hire people who have those qualities and we can teach them about our products and teach them our culture." Anderson goes to say how this little concept revolutionized his own business practices and helped him to build two phenomenally successful enterprises of his own.

It's a catchy little quote, and it has stuck with me for the last few months as I've been pondering what exactly it means, and what impact it might have on the small business owner. In small business, there is almost nothing as important as hiring the right people - because the cost of not doing so, is high. Small business owners run the risk of losing their business if they continue to hire the wrong people and spend hours (and thousands of dollars) training and re-training. This makes it pretty important to have a strategy for hiring the right people. Anderson says this. *"Since that day, with every hiring decision I've made, I find myself asking the question: 'Am I hiring a duck thinking they will become an eagle?' I can honestly say that asking this simple question has saved me from making some important hiring mistakes. I just wish I'd heard it 20 years sooner."*

Peter Carbonara, a senior writer at Money Magazine, suggests the following four principles for hiring eagles.

What you know changes, who you are doesn't

Carbonara says the most fatal and common hiring mistake people make is to find someone with the right skills but the wrong mindset and hire them on the theory that "we can change 'em." While it's possible for people to make conscious changes to their behaviour, who they are - their core personality - will be with them for life. If you hire someone with tremendous skill and credentials who is resistant to change, has a negative outlook and thinks they are the authority on everything, you're in for trouble. It doesn't matter how much you teach them about your product and your culture, their core personality will drive their behaviour. When you are interviewing potential employees, pay attention to their attitude. If you're seeing red flags, do not think those things will change once you hire them. This is akin to marrying someone with all kinds of obvious issues and thinking it will all magically change once you are married. You're better off to hire someone with less impressive credentials, and a dynamite attitude.

You can't find what you're not looking for

When you're hiring, make sure you know the qualities you're looking for, and by this, I don't mean can they perform the tasks outlined in the job description. I'm talking about attitudes that are important in your business culture. Do they need to be flexible? Is it important for them to have the ability to learn quickly? Are they able to make decisions without direction? Can they handle the stress of deadlines? Is it important for them to have a sense of humour? Carbonara suggests the best way to figure this out, is to look for employees who are really thriving in your workplace, identify the characteristics those employees have - and hire others just like them. Know, going in to the interview, what qualities you're looking for, in addition to the skills they have presented on their resume. One trick to getting inside the head of your candidate, is to talk about your business culture in the interview. Tell them about the qualities you feel are important and what you're striving to

accomplish. If they look like they're bored to death and can't wait to go for coffee, it might not be a good match. If on the other hand, you sense a genuine excitement about being part of that culture, you may be on the right track. Finally, ask yourself whether the person you see in front of you, is a duck - or an eagle!



The best way to evaluate people is to watch them work

This practice is becoming more and more popular among successful corporations. It involves hiring someone for a particular task or project and watching how they complete their assignment. This is before they are actually hired to the position and given a probationary employment period. During this time, you pay them an hourly wage. You create a task that you want accomplished, give them the guidelines, introduce them to others they will need to work with, and then watch how they get the job done. Based on this, you will determine whether to hire them on permanently. This type of probation will let you see how they get along with the other members of your team. It will show you whether they are capable of handling the kinds of tasks they will be expected to do after they are hired. It will give you all kinds of opportunities to assess their personal qualities. Are they innovators? Can they work independently without direct supervision? Are they able to find answers to their questions in order to complete the task? Do they get along well with the rest of the team? You may find this to be the most valuable hiring tool in your arsenal.

You can't hire people who don't apply

Be prospecting and recruiting all the time. Let people in your network know you're always on the lookout for people with great attitudes. Let your employees know you're looking for those people as well. Interview strong candidates who have sent in resumes even when you don't necessarily have a position available - you never know when the timing will be right for both of you. I recently heard about a sales manager (let's call her Cindy) who was being pursued by Company X. The company knew they wanted Cindy to work for them because they'd heard about her innovative approach to sales and her great track record. When a management position opened up they called her right away. Cindy was tired of sales and was trying something new - an Executive Director position with a local non-profit. She turned down the position. A year later, Company X approached her again with another opportunity. Cindy was really enjoying her new job, although she was finding that she missed the opportunity to create a larger income, which sales allowed her to do. Still, the timing was not right. She had too much she wanted to accomplish in this organization, and again, she turned them down. Eighteen months later, Company X called Cindy again. This time, Cindy was ready. She felt she had contributed all she could to the non-profit, and was ready to take on the high-energy world of sales again. She accepted the position and hasn't looked back since. Neither has Company X! Be prepared with a strong recruiting strategy and when that position opens up, you'll have plenty of places to look for your new employee.

When you hire for attitude, you'll seldom be disappointed. Incidentally, the little book I told you about earlier is full of creative, inspirational, practical nuggets that will make you look at leadership and the way you run your business, differently. It's definitely worth the price and can be purchased on Anderson's web site at www.simpletruths.com.

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Success Comes from Starting Right

Creating a Higher Impact Day

Get up. Have a quick shower. Glance through the newspaper headlines. Grab a cup of coffee on your way out the door. Skip breakfast because you're late. Go through the Starbucks drive-through for another cup of coffee. Arrive at the office just in time. Look at your calendar and realize you've only got a half hour before your first meeting. Deal with a few fires. Grab another cup of coffee and you're off to meet your day. Does this sound like you? If it does, I can almost guarantee you

are not making the most of your time and being as productive as you could be. You're also probably not finding the success you'd like to see, and may even be wondering why it seems you never stop running and are always behind. As a business owner, there will always be demands on your time, fires to put out, things that are grabbing at your attention, and it's crucial that you move through your day purposefully, proactively - rather than simply responding to whatever comes your way. Using a focused approach rather than going through it randomly, will help you create a higher impact day. And the more of those high-impact days you have, the more success you'll create in your business. If you've felt a lack of focus lately, try these ideas to get you into a greater achievement zone.

Get Up Earlier

When you rush through your morning and race from the shower to the office, you set yourself up for a frantic day. While caffeine may make you feel as if it will sustain you, you can't function at your peak when that's all you feed yourself in the morning. Allow yourself enough time to have a good breakfast with protein. It feeds the brain and provides you with the energy you need, rather than burning what little reserves you've got. Take 20 minutes to read something positive in the morning; an inspirational book, a biography of someone you admire, something spiritual - something that will put you in a positive space for the day. You'll be amazed what changing your rushed routine in the morning will do for your state of mind the rest of the day.

Get to the Office Earlier and Plan Your Day

Rather than running in at five minutes to nine - get to your desk a half hour before anyone else is in the office, and spend that half hour planning your day. Review what you've got on your calendar, and decide if anything needs to be rescheduled. Make sure the important things are getting your attention, and the less-important things are being delegated, or rescheduled. Review your goals for the week or the month and make sure you are taking steps that day to move closer to achieving them. Using these quiet 30 minutes in the morning will make a huge difference in how you approach your day. You'll go from frantic to fully in control, and will get to the end of the day feeling like you accomplished more than you thought you could.

Go Through your Day With Your Eyes Open

When we go through our days frantically running from one thing to the next, we can become so focused on simply getting things done, that we miss a whole lot of important stuff along the way. We miss chances for important relationship building, we miss opportunities to grow the business, we miss new ideas that come our way. Creating a plan for your day helps you to take off the blinders that keep you from seeing anything other than what's on your "to do" list. Look for the unusual as you walk to a meeting, or listen to the radio in your car, or while you're in a meeting, or having lunch with a friend, or even writing a report. A frantic, random day takes up all the space in your mind, while a well-planned day frees up space for your mind to be open to other things.



Practice Peace All Day Long

This may sound a little weird at first, but the more at peace you can be as you go through your day, the more you will accomplish. Stress minimizes your impact - peace increases it. Imagine that you

are driving to a meeting, and you get caught in traffic, which is going to make you late. You can respond by getting agitated and angry, but it won't change the fact that you're going to be late. When you finally get to the meeting you'll be flustered and upset, and thus, ineffective. If you practice peace - you choose not to get angry because you understand it won't change a thing - except that you will get to your meeting calm (apologetic perhaps, but calm), and be much more productive. Practicing peace takes effort - it's changing the way we naturally react to situations and choosing a different response - one that creates more positive energy.

Create the Life You Want and the Business You Want

Be proactive. Be purposeful. If you do not choose your path, you will simply travel wherever life takes you - even if it's not necessarily where you want to go. If your business is to be successful, it needs to be moving confidently in the direction you have chosen for it. If your life is to be successful, you need to make choices to create the kind of life you want to live.

Put these tips into practice and see whether your outlook doesn't undergo a transformation that leads to greater success in business and in life.

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Community Futures White Horse Plains
56 Royal Road North
Portage la Prairie Manitoba R1N 1V1
Tel: 204-856-5000 Toll Free: 1-888-WHP-CFDC (947-2332)
Fax: 204-856-5006
info@whpcfcd.ca
www.whpcfcd.ca

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