
Aligning Dollars and Dreams

**Insider Secrets for Maximizing Passion and
Profits in Your Business**

by Chris Cahill & Trevor Bonnell

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DEDICATION

We would like first to dedicate this book to our families, who are the motivation and often the motivators behind this amazing journey. We would also like to thank the business owners and families of clients past and present who have allowed us to be a part of their amazing journeys. Lastly, we dedicate this book to every future business owner who might be inspired by our work to push themselves to new levels of awesomeness!

Chris Cahill & Trevor Bonnell

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INTRODUCTION

By opening this book, you have already taken an important step towards increasing the success of your business. Congratulations on your quest to enhance your business and marketing skills, and welcome what we call the Q4 Quest advantage.

From Contractors to church planting and from international not-for-profits to family-owned businesses, we have seen it all. So, while some strategies are unique to specific industries, certain high-impact habits are universal regardless of industry. That is what we focus on in this short but effective book.

Our results come from balancing business management's psychology with top sales and marketing practices from industry leaders. We have learned that top performers can be found in all walks of life and every career. These all-stars just make winning look easy and living life look fun. They play everything to win and frankly usually do. It's as if they have some allusive secret for success, or a mysterious set of rules that only they know, while everyone fights for every inch. The truth is there is a secret, and we call it Q4. Now, if you are ready, we pass some of the highlights of what we have learned to you now.

Our vision is a world where all who dare to commit to their dreams would have the ways and means to achieve that dream. We go beyond mere goal setting to introduce real implementation. This drives our mission of providing undeniable value to small businesses by helping you align your dollars and dreams, one meaningful conversation at a time.

As you follow the book and read the principles to follow, remember it does not matter what industry nor type of business you operate (We've been a growth partner in many). What matters is that you grasp the heart of the principles, the underlying lessons, and strategies that can help grow any operation in any category of business imaginable.

The best time to start is NOW, not tomorrow, not next week or next year.

Yours in success,

The Q4 Quest

Chris Cahill & Trevor Bonnell

1

Define Your Target Market

What is a Target Market?

Many businesses can't answer the question: *Who is your target market?* They have often made the fatal assumption that *everyone* will want to purchase their product or service with the right marketing strategy.

A target market is simply the group of customers or clients who will purchase a specific product or service. This group of people all have something in common, often age, gender, hobbies, or location.

Your target market, then, are the people who will buy your offering. This includes both existing and potential customers, all of whom are motivated to do one of three things:

- Fulfill a need
- Solve a problem
- Satisfy a desire

To build, maintain, and grow your business, you need to know who your customers are, what they do, what they like, and why they would buy your product or service. Getting this wrong – or not taking the time to get it

right – will cost you time, money, and potentially the success of your business.

The Importance of Knowing Your Target Market

Knowledge and understanding of your target market is the keystone in the arch of your business. Without it, your product or service positioning, pricing, marketing strategy, and eventually, your business could very quickly fall apart.

If you don't intimately know your target market, you run the risk of making mistakes when it comes to establishing pricing, product mix, or service packages. Your marketing strategy will lack direction, and produce mediocre results at best. Even if your marketing message and unique selling proposition (USP) are clear, and your brochure is perfectly designed, it means nothing unless it arrives in the hands (or ears) of the right people.

Determining your target market takes time and careful diligence. While it often starts with a best guess, assumptions cannot be relied on and research is required to confirm original ideas. Your target market is not always your ideal market.

Once you build an understanding of who your target market is, keep up with your market research. Having your finger on the pulse of their motivations and drivers – which naturally change – will help you to anticipate needs or wants and evolve your business.

Types of Markets

Consumer

The Consumer Market includes those general consumers who buy products and services for personal use, or for use by family and friends. This is the market category you or I fall into when we're shopping for groceries or clothes, seeing a movie in the theatre, or going out for lunch. Retailers focus on this market category when marketing their goods or services.

Institutional

The Institutional Market serves society and provides products or services for the benefit of society. This includes hospitals, non-profit organizations, government organizations, schools and universities. Members of the Institutional Market purchase products to use in the provision of services to people in their care.

Business to Business (B2B)

The B2B Market is just what it seems to be: businesses that purchase the products and services of other business to run their operations. These purchases can include products that are used to manufacture other products (raw or technical), products that are needed for daily operations (such as office supplies), or services (such as accounting, shredding, and legal).

Reseller

This market can also be called the "Intermediary Market" because it consists of businesses that act as channels for goods and services between

other markets. Goods are purchased and sold for a profit – without any alterations. Members of this market include wholesalers, retailers, resellers, and distributors.

Determining Your Target Market

Product / Service Investigation

The process for determining your target market starts by examining exactly what your offering is, and what the average customer’s motivation for purchasing it is. Start by answering the following questions:

Does your offering meet a basic need?	
Does your offering serve a particular want?	
Does your offering fulfill a desire?	
What is the lifecycle of your product / service?	
What is the availability of your offering?	
What is the cost of the average customer’s purchase?	
What is the lifecycle of your offering?	

How many times or how often will customers purchase your offering?	
Do you foresee any upcoming changes in your industry or region that may affect the sale of your offering (positive/negative)?	

Market Investigation

- On the ground.** Spend some time on the ground researching who your target market might be. If you're thinking about opening a coffee shop, hang out in the neighborhood at different times of the day to get a sense of the people who live, work, and play in the neighborhood. Notice their age, gender, clothing, and any other indications of income and activities.
- At the competition.** Who is your direct competitor targeting? Is there a small niche that is being missed? Observing the clientele of your competition can help to build understanding of your target market, regardless of whether it is the same or opposite. For example, if you own a children's clothing boutique and the majority of middle-class mothers shop at the local department store, you may wish to focus on higher-income families as your target market.
- Online.** Many cities and towns – or at least regions – have demographic information available online. Research the ages, incomes, occupations, and other key pieces of information about the people who live in the area you operate your business. From this data, you will gain an understanding of the size of your total potential market.

- **With existing customers.** Talk to your existing customers through focus groups or surveys. This is a great way to gather demographic and behavioral information, as well as genuine feedback about product or service quality and other information that will be useful in a business or marketing strategy.

Who is Your Market?

Based on your product / service and market investigations, you will be able to piece together a basic picture of your target market, and some of their general characteristics. Record some notes here. At this point, you may wish to be as specific as possible, or maintain some generalities. You can further segment your market in the next section.

Consumer Target Market Framework

Market Type:	Consumer	
Gender:	<input type="checkbox"/> Male	<input type="checkbox"/> Female
Age Range:		
Purchase Motivation:	<input type="checkbox"/> Meet a Need <input type="checkbox"/> Serve a Want <input type="checkbox"/> Fulfill a Desire	
Activities:		
Income Range:		
Marital Status:		
Location:	<input type="checkbox"/> Neighborhood <input type="checkbox"/> Region	<input type="checkbox"/> City <input type="checkbox"/> Country
Other Notes:		

Institutional Target Market Framework

Market Type:	Institutional
Institution Type:	<div><input type="checkbox"/> Hospital</div> <div><input type="checkbox"/> School</div> <div><input type="checkbox"/> Charity</div> <div><input type="checkbox"/> Church</div> <div><input type="checkbox"/> Non-profit</div> <div><input type="checkbox"/> University</div> <div><input type="checkbox"/> Government</div>
Purchase Motivation:	<div><input type="checkbox"/> Operational Need</div> <div><input type="checkbox"/> Client Want</div> <div><input type="checkbox"/> Client Desire</div>
Purpose of Institution:	
Institution’s Client Base:	
Size:	
Location:	<div><input type="checkbox"/> Neighborhood</div> <div><input type="checkbox"/> Region</div> <div><input type="checkbox"/> City</div> <div><input type="checkbox"/> Country</div>
Other Notes:	

B2B Target Market Framework

Market Type:	Business to Business (B2B)
Company Size:	
Number of Employees:	
Purchase Motivation:	<div><input type="checkbox"/> Operations Need</div> <div><input type="checkbox"/> Strategy</div> <div><input type="checkbox"/> Functionality</div>

Annual Revenue:	
Industry:	
Location(s):	
Purpose of Business:	
People, Culture & Values:	
Other Notes:	

Reseller Target Market Framework

Market Type:	Reseller
Industry:	
Client Base:	
Purchase Motivation:	<input type="checkbox"/> Operations Need <input type="checkbox"/> Client Wants <input type="checkbox"/> Functionality
Annual Revenue:	

Age:	
Location:	<input type="checkbox"/> Neighborhood <input type="checkbox"/> City <input type="checkbox"/> Region <input type="checkbox"/> Country
Other Notes:	

Your Target Market: Putting It Together

Based on the information you gather from your product / service and market investigations, you should have a clear vision of your realistic target market. Here are a few examples of how this information is put together and conclusions are drawn:

Target Market Sample 1: Consumer Market

Business: Baby Clothing Boutique	Business Purpose: <i>Meet a need</i> (provide clothing for infants and children aged 0 to 5 years) <i>Serve a want</i> (clothing is brand name only, and has a higher price point than the competition)
Market Type: Consumer	
Gender: Women	
Marital Status: Married	
Market Observations: located on Main Street of Anytown, a street that is seeing many new boutiques open up, proximate to the main shopping mall two blocks from popular mid-range restaurant that is busy at lunch	Industry Predictions: large number of new housing developments in the city and surrounding areas two new schools in construction expect to see an influx of new families move to town from Anycity

<p>Competition Observations: baby clothing also available at two local department stores, and one second-hand shop on opposite side of town</p>	<p>Online Research: half of Anytown’s population is female, and 25% have children under the age of 15 years Anytown’s population is expected to increase by 32% within three years The average household income for Anytown is \$75,000 annually</p>
<p>TARGET MARKET:</p> <p>The target market can then be described as married mothers with children under five years old, between the ages of 25 and 45, who have recently moved to Anytown from Anycity, and have a household income of at least \$100K annually.</p>	

Target Market Sample 2: B2B Market

Business: Confidential Paper Shredding	Target Business Size: Small to medium
Market Type: B2B (Business to Business)	Target Business Revenue: \$500K to \$1M
<p>Business Purpose: <i>Meet an operations need</i> (provide confidential on-site shredding services for business documents)</p>	<p>Target Business Type: produce or handle a variety of sensitive paper documentation accountants, lawyers, real estate agents, etc.</p>
<p>Market Observations: there are two main areas of office buildings and industrial warehouses in Anycity three more office towers are being constructed, and will be completed this year</p>	<p>Industry Predictions: the professional sector is seeing revenue growth of 24% over last year, which indicates increased client billing and staff recruitment</p>

<p>Competition Observations:</p> <p>one confidential shredding company serves the region, covering Anycity and the surrounding towns provide regular (weekly or biweekly) service, but does not have the capacity to handle large volumes at one time</p>	<p>Online Research:</p> <p>Anycity’s biggest employment sectors are: manufacturing, tourism, food services, and professional services</p>
<p>TARGET MARKET:</p> <p>The target market can then be described as small to medium sized businesses in the professional sector with an annual revenue of \$500K to \$1M who require both regular and infrequent large volume paper shredding services.</p>	

Segmenting Your Market

Your market segments are the groups within your target market – broken down by a determinant in one of the following four categories:

- Demographics
- Psychographics
- Geographics
- Behaviors

Segmenting your target market into several more specific groups allows you to further tailor your marketing campaign and more specifically position your product or service. You may wish to divide your ad campaign into four sections, and target four specific markets with messages that will most resonate with the audience.

For example, the baby clothing store may choose to segment its target market by psychographics, or lifestyle. If the larger target market is *married females with children under five, between the ages of 25 and 45, who have a household income of at least \$100K annually*, it can be broken down into the following lifestyle segments:

- Fitness-oriented mothers
- Career-oriented mothers
- New mothers

With these three categories, unique marketing messages can be created that speak to the hot-buttons of each segment. The more accurate and specific you can make communications with your target market, the greater impact you will have on your revenues.

Market Segmentation Variables

Demographic	Psychographic	Geographic	Behavioristic
Age Income Gender Generation Nationality Ethnicity Marital Status Family Size Occupation Religion Language Education Employment Type Housing Type Housing Ownership Political Affiliation	Personality Lifestyle Values Attitude Motivation Activities Interests	Region Country City Area Neighborhood Density Climate	Brand Loyalty Product Usage Purchase Frequency Profitability Readiness to Buy User Status

Understanding Your Target Market

Once you have determined who your market is, make a point of learning everything you can about them. You need to have a strong understanding of who they are, what they like, where they shop, why they buy, and how they spend their time. Remind yourself that you may *think* you know your market, but until you have verified the information, you'll be driving your marketing strategy blind.

Also be aware that markets change, just like people. Just because you knew your market when you started your business 10 years ago, doesn't mean you know it now. Regular market research is part of any successful business plan, and a great habit to start.

Types of Market Research

Surveys

The simplest way to gather information from your clients or target market is through a survey. You can craft a questionnaire full of questions about your product, service, market demographics, buyer motivations, and so on. Plus, anonymous surveys will produce the most accurate information since names are not attached to the results or specific comments.

Depending on the purpose—whether it is to gather demographic information, product or service feedback, or other data—there are a number of ways to administer a survey.

1. Telephone

Telephone surveys are a more time-consuming option, but have the benefit of live communication with your target market. Generally, it is best to have a third party conduct this type of survey to gather the most honest feedback. This is the method that market researchers use for polling, which is highly reliable.

2. Online

Online surveys are the easiest to administer yourself. There are many web-based services that quickly and easily allow you to custom create your survey, and send it to your email marketing list. These services can also analyze, summarize and interpret the results on your behalf. Keep in mind that the results include only those who are motivated to respond, which may slant your results.

3. Paper-based.

Paper surveys are seldom used, and can prove to be an inefficient method. Like online surveys, your results are based on the feedback of those who were motivated for one reason or another to respond. However, the time and effort involved in taking the survey, filing it out, and returning it to your place of business may deter people from participating.

Keep in mind that surveys can be complex to administer, and consume more time and resources than you have planned. If you have the budget, consider hiring a professional market research firm to lead or assist with the process. This will also ensure that the methodology is standard practice, and will garner the most accurate results.

Website Analysis

Tracking your website traffic is an excellent way to research your existing and potential customer's interests and behavior. From this information, you can ensure the design, structure and content of your website is catering to the people who use it – and the people you want to use it.

User-friendly website traffic analytics programs can easily show you who is visiting your site, where they are from, and what pages of your site they are viewing. Services like Google Analytics can tell you what page they arrive at, where they click to, how much time they spend on each page, and on which page they leave the site.

This is powerful (and free!) information to have in your market research, and easy to monitor monthly or weekly, depending on the needs of your business.

Customer Purchase Data (Consumer Behavior)

If you do not have the budget to conduct your own professional market research, you can use existing resources on consumer behavior. While this data may not be specific to your region or city, general consumer research is actual data that can be helpful in confirming assumptions you may have made about your target market.

Your customer loyalty program or Point of Sale system may also be of help in tracking customer purchases and identifying trends in purchase behavior. If you can track who is buying, what they're buying and how often

they're buying, you'll have an arsenal of powerful insight into your existing client base.

Focus Groups

Focus groups look at the psychographic and behavioristic aspects of your target market. Groups of six to 12 people are gathered and asked general and specific questions about their purchase motivations and behaviors. These questions could relate to your business in particular, or to the general industry.

Focus group sessions can also be time consuming to organize and facilitate, so consider hiring the services of a professional market research firm. You may also receive more honest information if a third party is asking the questions, and receiving the responses from focus group participants.

For cost savings, consider partnering with an associate in the same industry who is not a direct competitor, and who would benefit from the same market data.

2

Creating a Powerful Offer

I'm not going to beat around the bush on this one:

Your offer is the granite foundation of your marketing campaign.

Get it right, and everything else will fall into place. Your headline will grab readers, your copy will sing, your ad layout will hardly matter, and you will have customers running to your door.

Get it wrong, and even the best looking, best-written campaign will sink like the Titanic.

A powerful offer is an irresistible offer. It's an offer that gets your audience frothing at the mouth and clamoring over each other all the way to your door. An offer that makes your readers pick up the phone and open their wallets.

Irresistible offers make your potential customers think, "I'd be crazy not to take him up on that," or "An offer like this doesn't come around very often." They instill a sense of emotion, of desire, and ultimately, urgency.

Make it easy for customers to purchase from you the first time, and spend your time keeping them coming back.

I'll say it again: **get it right, and everything else will fall into place.**

The Crux of Your Marketing Campaign

As you work your way through this program, you will find that nearly every chapter discusses the importance of a powerful offer as related to your marketing strategy or promotional campaign.

There's a reason for this. The powerful offer is more often than not the reason a customer will open their wallets. It is how you generate leads, and then convert them into loyal customers. The more dramatic, unbelievable, and valuable the offer is the more dramatic and unbelievable the response will be.

Many companies spend thousands of dollars on impressive marketing campaigns in glossy magazines and big city newspapers. They send massive direct mail campaigns on a regular basis; yet don't receive an impressive or massive response rate.

These companies do not yet understand that simply providing information on their company and the benefits of their product is not enough to get customers to act. There is no reason to pick up the phone or visit the store, *right now*.

Your powerful, irresistible offer can:

- Increase leads
- Drive traffic to your website or business
- Move old product
- Convert leads into customers
- Build your customer database

What Makes a Powerful Offer?

A powerful offer is one that makes the most people respond, and take action. It gets people running to spend money on your product or service.

Powerful offers nearly always have an element of *urgency* and of *scarcity*. They give your audience a reason to act immediately, instead of put it off until a later date.

Urgency relates to time. The offer is only available until a certain date, during a certain period of the day, or if you act within a few hours of seeing the ad. The customer needs to act now to take advantage of the offer.

Scarcity related to quantity. There are only a certain number of customers who will be able to take advantage of the offer. There may be a limited number of spaces, a limited number of products, or simply a limited number of people the business will provide the offer to. Again, this requires that customer acts immediately to reap the high value for low cost.

Powerful offers also:

Offer great value. Customers perceive the offer as having great value – more than a single product on its own, or the product at its regular

price. It is clear that the offer takes the reader's needs and wants into consideration.

Make sense to the reader. They are simple and easy to understand if read quickly. Avoid percentages – use half off or 2 for 1 instead of 50% off. There are no “catches” or requirements; no fine print.

Seem logical. The offer doesn't come out of thin air. There is a logical reason behind it – a holiday, end of season, anniversary celebration, or new product. People can get suspicious of offers that seem “too good to be true” and have no apparent purpose.

Provide a premium. The offer provides something extra to the customer, like a free gift, or free product or service. They feel they are getting something extra for no extra cost. Premiums are perceived to have more value than discounts.

Remember that when your target market reads your offer, they will be asking the following questions:

1. What are you offering me?
2. What's in it for me?
3. What makes me sure I can believe you?
4. How much do I have to pay for it?

The Most Powerful Types of Offers

Decide what kind of offer will most effectively achieve your objectives. Are you trying to generate leads, convert customers, build a database, move old product off the shelves, or increase sales?

Consider what type of offer will be of most value to your ideal customers – what offer will make them act quickly.

Free Offer

This type of offer asks customers to act immediately in exchange for something free. This is a good strategy to use to build a customer database or mailing list. Offer a free consultation, free consumer report, or other item of low cost to you but of high perceived value.

You can also advertise the value of the item you are offering for free. For example, act now and you'll receive a free consultation, worth \$75 dollars. This will dramatically increase your lead generation, and allow you to focus on conversion when the customer comes through the door or picks up the phone.

The Value Added Offer

Add additional services or products that cost you very little, and combine them with other items to increase their attractiveness. This increases the perception of value in the customer's mind, which will justify

increasing the price of a product or service without incurring extra hard costs to your business.

Package Offer

Package your products or services together in a logical way to increase the perceived value as a whole. Discount the value of the package by a small margin, and position it as a “start-up kit” or “special package.” By packaging goods of mixed values, you will be able to close more high-value sales. For example: including a free desk-jet printer with every computer purchase.

Premium Offer

Offer a bonus product or service with the purchase of another. This strategy will serve your bottom line much better than discounting. This includes 2 for 1 offers, offers that include free gifts, and in-store credit with purchases over a specific dollar amount.

Urgency Offer

As I mentioned above, offers that include an element of urgency enjoy a better response rate, as there is a reason for your customers to act immediately. Give the offer a deadline or limit the number of spots available.

Guarantee Offer

Offer to take the risk of making a purchase away from your customers. Guarantee the performance or results of your product or service,

and offer to compensate the customer with their money back if they are not satisfied. This will help overcome any fear or reservations about your product, and make it more likely for your leads to become customers.

Create Your Powerful Offer

1. Pick a single product or service.

Focus on only one product or service – or one product or service *type* – at a time. This will keep your offer clear, simple, and easy to understand. This can be an area of your business you wish to grow, or old product that you need to move off the shelves.

2. Decide what you want your customers to do.

What are you looking to achieve from your offer? If it is to generate more leads, then you'll need your customer to contact you. If it is to quickly sell old product, you'll need your customer to come into the store and buy it. Do you want them to visit your website? Sign up for your newsletter? How long do they have to act? Be clear about your call to action, and state it clearly in your offer.

3. Dream up the biggest, best offer.

First, think of the biggest, best things you could offer your customers – regardless of cost and ability. Don't limit yourself to a single type of offer, combine several types of offers to increase value. Offer a premium, plus a guarantee, with a package offer. Then take a look at what you've created, and make the necessary changes so it is realistic.

4. Run the numbers.

Finally, make sure the offer will leave you with some profit – or at least allow you to break even. You don't want to publish an outrageous offer that will generate a tremendous number of leads, but leave you broke. Remember that each customer has an acquisition cost, as well as a lifetime value. The amount of their first purchase may allow you to break even, but the amount of their subsequent purchases may make you a lovely profit.

3

Create Added Value in Your Business and Make $1 + 1 = 3$

The majority of small businesses, like yours, are established in response to market demand for a product or service. Many build their businesses by serving that demand, and enjoy growing profits without putting much effort into long-term planning or marketing.

However, what happens when that demand slows or stops? What happens when the competition sets up shop with a “new and improved” version of your product down the road? How do you keep your offering fresh, while growing and maintaining your client base? The answer is by adding value to your product or service.

Added value is a marketing or customer relations strategy that can take the form of a product, service, which is added to the original offering for free, or as part of a discounted package. It, like all other elements in your marketing toolkit, is designed to attract new customers and retain existing ones. A simple example of added value would be if you owned a gift shop, and offered complimentary gift wrapping with every purchase.

If you don’t refresh and renew your offering over time, your customers will get bored and be drawn to your competitor. Your employees,

too, may become disinterested, and find work elsewhere. Ultimately, both clients and employees will demand additional value to remain loyal – and aren't they the keystones for your business growth?

Can You Add Value to Your Business?

Everyone can add value to their business. Better yet, everyone can *afford* to add value to their business. Adding value doesn't have to blow your marketing budget, or take up hours of your time. There are many ways – big and small – to enhance your business in the eyes of your clients.

The key to adding value is determining what your customers and target market perceive as valuable. You must understand their needs, wants, troubles and inconveniences in order to entice them with solutions through added value products or services. Adding value will add to your profits, but if you don't focus on genuinely helping your clients, you'll have a difficult time attracting them.

Added value works for both product- and service-based businesses. If you offer a service, like hairstyling, try treating your customers with products like a latte while they wait, shampoo samples, or a free conditioning treatment with every sixth visit. If you sell a product, consider offering convenience services – like free shipping or delivery – to make the customer's experience a seamless one. The customer will feel appreciated and their needs will have been taken care of.

Ways to Add Value to Your Business

There are many ways to enhance your offer, depending on your budget and the resources you have access to. You may wish to hold a brainstorming session with your staff to come up with ideas for your business; if your employees are on the front lines, they'll likely have firsthand information about what clients would like to see more of.

Feature Your Expertise

Your intellectual property is a free resource that you have at your disposal to share with your clients. This will make them feel as though they have an inside track. You might want to consider adding it to your business, making it a value-added service.

Expert corner: Supplement your website and newsletter with columns on topics of interest to your customers and of relevance to your service. This will position you as an expert in the marketplace, and give your clients helpful information they won't receive from the competition.

Do It Yourself Tips: This is a great tool for seasonal marketing. Provide your clients with this information on your website, in your newsletters, or on take away note cards in your store or office. Ideas include recipes, craft ideas, gift ideas – all of which are branded with your company logo and contact information, and include your product as an ingredient.

What to Expect Tips: Take your customer through what they should expect in the first few days (weeks) of using your service or product, and how they can make the most of it. This can include assembly

instructions, product care and cleaning, or service results (like a 25% increase in business – guaranteed!).

Related + Community Events: Own a store that sells athletic equipment? Post information on your website, in store, and in your newsletter about upcoming races, games, or consumer trade shows. Or simply keep a bulletin in your office of community events and offers that will draw your clients in, and establish itself as a hub in the neighborhood for information.

Offer Convenience Services

Customer service is a dying practice in our high paced culture – use it to your advantage. When done well, it can be the difference between you and the competition, or the deciding factor for a potential repeat client.

Envision the steps involved for a customer to arrive at your store, purchase your offering, and use your product or service. Can you eliminate any of those steps for them? Can you shorten waiting times, or make them more pleasurable? Stepping into your clients' shoes will allow you to determine the most powerful value add for your company. Here are a few ideas:

Free Delivery + Shipping: With clearly established parameters (will you ship your product free to India?), this is a solid value added service that many businesses offer. Free delivery (usually with a purchase over a set amount) is a huge convenience for many people who do not have access to a vehicle, or need help moving large items.

Follow up Services: This works great for computers, appliances and other mechanical or technology-based products. Offer maintenance and service contracts for three time periods; instead of dealing with the manufacturer, customers will rely on you for assistance which brings them back into the store and establishes a relationship of trust.

Gift-Wrapping: A great service to provide – especially for seasonal gifts. This service costs very little, and can have a big impact on your customer’s experience.

“While You Wait” Amenities: If you could make your customer feel like a VIP for minimal cost, why wouldn’t you? Offering amenities like coffee and treats, free samples and services (wireless internet is a big one) will go a long way.

Comparison-Shopping Tools: Show your customers that you are so sure your product will measure up against the competition, that you’ll help them compare.

Establish Complementary Partnerships

Complementary partnerships with other businesses can take you a long way toward adding value for your customer, and generating new business. Just like a joint testimonial mailing, the power (and convenience) of referral business is immense.

Build a web of associates: If you’re a yoga instructor, carry the cards of your treatment providers (physiotherapists, massage therapists, etc.) to refer your students to. In exchange, your brochure or card is posted in their

offices. This works for automotive repair, esthetics, consultants and other service providers. Customers will trust referrals received by their existing service providers, and feel taken care of by a reputable community of experts.

Establish partnerships with financial incentives: This is one that has your interests in mind as well as your customers'. In addition to establishing a complementary partnership with a related associate, establish an incentive structure where each of you are compensated for your referrals. For example, if you refer a client to a furniture store after they've purchased a mattress from you, and they buy a bed frame, your associate will pay you a portion of the sale – and vice versa.

Location-based partnerships: Consider creating partnerships with the businesses around you – even if your products and services don't appear to be related. Shopping malls do this all the time with value coupon books that customers must purchase for \$5 to \$20 dollars. These partnerships and incentives will keep the customer spending money in the area, which is good for everyone's bottom line.

Packages + Bundles

Packaging and bundling products and services is one of the most popular methods of adding value. Clients perceive the bundles as having a higher value than the sum of the individual items – or as receiving something for free.

Cleverly packaged and named bundles can spark interest and revive your products in the eyes of your customers. Remember to always give the

offers an end date or provide a limited number to create a sense of scarcity and urgency and to prevent this strategy from going stale.

Intuitive product bundles: Package independent related products together, and give them a reduced price or name. For example, this could be selling an extra pair of running socks with new running shoes. Remember the convenience of starter kits – package everything your customer will need to begin a new activity – painting, camping, running, etc. – in a bundle for simple buying decisions.

Package your upsell: This can also be called a chain of purchasing. It includes the products or services your client will need to use your product or service. Won't they need leather protector for their new boots? If they've run out of oil paints, how's their supply of brushes, acrylics or canvases? By packaging these clearly related products together, you are making their shopping experience faster and more convenient.

Offer a Customer Loyalty Program

There are a number of ways to structure your rewards and loyalty program, depending on the type of business and level of technological resources available to you. Customer loyalty programs have a huge advantage – they help build your database of customer information and in most cases allow you to view and analyze purchasing patterns. Here are the most popular:

Every 6th (or 10th) Visit on Us: This works well for business that rely on repeat visits from their customers – like hair salons, coffee shops, auto maintenance, etc. Customers receive a card with store information on the front, and space for stamps or initials on the back. Remember that while

10 is a nice even number, it may be too far in the future for some customers (especially for services that are three to six weeks apart). The idea of six visits is more manageable.

Rewards Dollars: This is the Canadian Tire model. For every dollar your customer spends in store, they receive a small portion back in store credit (i.e., Canadian Tire money). The store credit is in the form of printed dollars, branded with your company logo and contact information, and serves as a reminder each time a client opens their wallet.

Rewards Points: Another common value-add strategy is a rewards points system. Most grocery stores use this incentive, as well as credit card companies. This works the same as rewards dollars, where a certain number of points are accumulated based on each dollar spent in store. Points can then be spent in store, or on products you have brought in for “rewards points holders” only. This strategy also allows you to feature products with “extra points value” instead of discounting prices.

Membership Amenities: Instead of points or dollars, you can offer VIP treatment for members, when they sign up for or purchase a membership. This may include occasional discounts, but is primarily centered around perks like “while you wait” amenities, skipping the line, free delivery, etc. You can also produce membership cards.

4

Profits from Fresh Air

As a small business owner, you are in business for one reason: to make money.

Of course, there are other reasons you started or purchased your company. You may love the product you sell, or service you provide. You may love the challenge of turning a floundering company into an overnight success. You may just love being your own boss.

Naturally, this all means nothing if you are not generating enough income to support yourself and your family, as well as the people who work for you.

Nearly all businesses make money. Unless not a single product or service is sold, there is always money coming in. But there is also always money going out. Supplies, wages, marketing, acquisitions and operations all contribute to the expense of just staying in business.

Simply put, profit is the difference between money in and money out. This is the dollar value of your sales, minus the cost of those sales.

In business, you will find that everyone wants to make more money. They want to increase their sales, get more money coming in. **What often gets overlooked is that the true secret to making more money is not increasing sales, but increasing profit.**

What is Profit?

Before you can take steps to increase the profitability of your business, you have to have a solid understanding of:

- types of profit
- what factors influence profit
- what your profit is *right now*

Types of Profit

There are two main types of profit:

Gross Profit

Gross profit is the simplest form of calculating profit. It is simply the money that comes through the cash register, minus the cost of acquiring or providing the products or services.

The formula is:

$$\text{Total revenue (sales)} - \text{cost of goods or services sold} = \text{Gross Profit}$$

Net Profit

Net profit is a more accurate reflection of your income. It is calculated by taking your gross profit minus expenses over a specific time period (usually by quarter).

The formula is:

Gross profit – expenses (cost of running a business) = Net Profit

Factors that Influence Profit

Profit is your bottom line. It is the number that falls out the bottom when all other costs and expenses have been taken into consideration. Do you know what contributes to the amount of profit your business ends up with?

There are three main factors that influence profit:

Sales – Your Conversion Rate

The first, and most obvious, factor is the money that comes in the door through sales. In theory, the more sales you make, the more money you bring in, the greater your profits.

The ratio of potential customers to sales is called your conversion rate. This is the percentage of customers you have converted from leads to sales. So, a high conversion rate means more sales, and more money coming in the door.

In addition to your conversion rate is the lifetime value of your clients. It costs much less to convince a customer to make repeat purchases than it does to acquire new clients.

Costs – Your Product/Service Margins

The second factor is the cost of your offering – what your product or service costs you to acquire or provide. If you sell a product, this is the wholesale price you pay for the product. If you offer a service, it is the cost of your (or your employee's) time plus any materials used.

Your margin is the difference between the price you pay and the price your customers pay. If you buy toothpaste for \$1 from the wholesaler, and you sell it for \$3, your margin is \$2. If a haircut costs \$20 in materials and service, and the customer pays \$50, your margin is \$30.

Expenses – The Cost of Doing Business

The final factor is the cost of running your business – those not directly related to the specific product or service you offer. Expenses include:

- Office or store lease
- Computer equipment lease
- Employee salaries
- Utilities
- Marketing + advertising

Your Profit

It only makes sense that you need to know where you are to determine how to get to where you want to be. This applies to any plan to create in business.

Before you can increase your profits, you need to have an understanding of where your profits are currently – and if you're making any at all. The next section will take you through a process to review the specific factors that affect your business's profitability, and ultimately determine how much profit you are currently bringing in.

Taking Stock of Your Profits

Before you devise a strategy to increase your profits, you need to take a good long look at the money your business brings in, and the money you spend to run your business. You may wish to sit down with your accountant or bookkeeper to analyze the financial information that is available to you.

Decide on a specific time period to review – one that makes sense to your business, and one that will give you the most realistic picture of your business performance.

This will depend if your operation is cyclical, or remains steady throughout the year. Usually, the previous quarter or the previous four quarters will give you enough of an indication.

Here is a general of items to review:

- Total revenue
- Total cost of goods or services
- Total cost of operations (overhead), including:
 - Employee wages
 - Recruitment
 - Business development
 - Utilities
 - Rent or mortgage
 - Office supplies
 - Computer leases
 - Incidentals
 - Total cost of marketing campaigns

Total profit after costs and expenses for this time period:
_____.

The Five Factors that Eat Your Profits

It is easy for business owners to compare their organizations to the apparent success of their competitors. Joe’s Pizza may always be teaming with customers and appear to be making money hand over fist, while your pizza shop may have slower, but more steady business.

It is important to remember that a business with extraordinary sales figures is not necessarily a profitable one. Sales are just one element of your profit calculation.

Here are some other elements to think about when reviewing the profitability of your business:

Impulse Spending

How often do you make purchases for your business operations? I'm not talking about acquiring new goods and services, but upgrading computers, taking your team out for lunch, or leasing a new color photocopier.

Do you allow your staff to make purchases on your behalf? Who reviews these decisions? Take a look not only at *what* you buy, but *how* spending is structured in your company.

Small Margins

As we discussed in the previous section, your margins are the difference between your cost and the customer's cost to purchase your goods or services.

Typically, businesses that offer a variety of products will have both products with large margins, and products with small margins. The products with large margins generate the most income, so these are the products that staff should be focused on selling.

What many businesses overlook is that products with small margins will never generate a high level of income, no matter how many you sell. A store stocked with small margin items will never be able to increase their profit because they have so little margin to work with.

Your Customers

This may seem like a backwards way of thinking. Your customers spend money, so they are a positive factor in your profit calculation, right?

This is true for most of your customers. But remember the 80/20 rule of business – 80% of your revenue comes from 20% of your customers. These are your top 20%, or ideal customers. What about your bottom 20%? The group of clients who ask for the moon and never stop complaining.

These clients can be a huge drain on both your staff resources and your financial resources. Their true value to your business is minimal – they cost more than they bring in. Fire them!

Loan Interest

How many business loans do you currently have? Credit card debit? Overdraft? The interest you pay on these loans can be a substantial monthly cost to your business.

A loan from a bank is just like any other product. You can shop around for the best deal. Consider consolidating or restructuring your debt to minimize interest payments. Plan to search around for the best rate on a regular basis – every few months or quarter.

Vendors

Do you purchase your goods and services from a wholesaler or retailer? How long have you been in business with this company? What do you pay for goods and services relative to your competitors?

Ensure that you are dealing with as direct a vendor as possible to minimize your acquisition costs and increase your margins. If you have been doing business with a particular vendor for an extended period of time, consider renegotiating your business arrangement.

The Basics of Increasing Profit

Your Profitability Goal

Now that you have an understanding of the current profitability of your company, it is time to look at ways to increase your bottom line.

Like all other aspects of your business development, you need to have a clear idea of your intention or purpose before you begin any activity. Assuming you wish to increase the profitability of your business, you need to determine by how much and within what time frame.

Create a profit-related goal for your business, and write it here:

Three Ways to Increase Profit

There are countless strategies for increasing profit, but ultimately you can only increase profit in one of three ways:

1. Get More Customers

Use marketing outreach strategies to generate more leads, and convert those leads into more customers. Introduce a new offer, expand your target audience, or approach a new target audience.

2. Get Your Customers to Buy More Often

Use customer loyalty and retention strategies to get your existing customers to buy from you more often. Make it easy for them to come back and do business with you.

You can do this by adding value to your product or service, keeping in touch on a regular basis, and giving your customers incentive to make repeat purchases. Customer service is also an overlooked component of building a repeat client base.

3. Increase How Much Your Customers Buy

You'll naturally increase your sales when you increase the number of customers and how often they purchase. The final way you can impact your profit is by increasing the average dollar value of each sale.

This can be achieved by up-selling every customer, creating package offers, and finding ways to increase the perceived value of your offering to justify increasing the price.

Managing Costs

One important way to impact the profitability of your business is through cost or spending management. Controlling how much money goes out will help you ensure that a more money stays in your bank account.

Remember, however, that cutting costs can only help increase your profits so much. There is a point where you will no longer be able to reduce expenses, and you will have to focus on increasing sales.

Why Cut Costs?

Cost management may seem like an obvious way of maintaining a healthy business, but it is also one of the primary reasons 80% of small businesses fail. Overspending is a huge problem for most businesses – and they don't even realize it.

Reducing costs is a great short-term strategy to boost profits. As I mentioned above, there is a limited amount of impact cost management can have on the bottom line, so it is an ineffective long term strategy.

Cost management can also help you to generate more capital. A business that closely monitors and controls its spending is a much more desirable loan candidate than a business that spends freely.

Most importantly, this strategy will help keep your business profitable through high and low periods. It's easy to spend money when your company is doing well, but this leaves little in the "just in case" account for downturns in the economy or unexpected expenses.

Where Can I Cut Costs?

Financing

As I mentioned, interest rates are a big culprit when it comes to eating profits. Take stock of how much money you are spending on a monthly basis in loan and interest payments. Can this be reduced? Is there another bank that will offer you a lower rate? Is there a way to consolidate these loans into a single, low-interest account?

Alternatively, if your business is doing well and has a large amount of money sitting in the bank; consider investing it or placing it in a high-interest savings account. Let your money make you money instead of spending it on unnecessary business luxuries.

Suppliers or Vendors

Again, as mentioned above, make sure the price you pay for goods and services – for resale or internal use – is the lowest you can find. Try to deal directly with the manufacturer or distributor, and renegotiate discounts and contracts with your vendors every year.

Hours of Operation

Evaluate the hours you are open for business each day, and why you have chosen the specific timeframe. Is it to compete with the competitors? Is it because you can serve the highest number of customers? Each hour you are open for business costs you money, so make sure you are operating under the most ideal timeframe.

Staffing, Wages, and Compensation

This can be a sensitive subject for any business owner or employee. It is important to look at staffing redundancies and capacity levels – as well as hiring needs – when evaluating cost management strategies.

Do you need to hire new staff, or can you build capacity within your existing employees? Is there another way to compensate staff, or provide performance incentives that are non-monetary, have a high perceived value, and inexpensive for your business? Remember to take time and care when implementing any changes in this area of cost management.

Place of Business

If you operate an office in a downtown metropolis, you are going to have substantially higher operating costs than a competitor who runs an office just outside the city limits.

Make sure you can justify your location, and the amount of money you spend to be there. Consider the following questions:

- Are my customers impacted by where I do business?
- Do my customers need to visit my office?
- What impression does my business need to present?
- Do I need parking facilities?
- Do I need to be visible?
- Do I have staff to employ?
- Am I near public transit, lunch outlets, and other amenities?
- Do I need access after business hours?
- Should I lease or buy?
- What other costs are specific to this location?

Eliminate the invisible!

What could you and your staff live without? What wouldn't you notice if it just disappeared one day? Take stock of expenses that are not being properly used or appreciated. Think of amenity-based items, or convenience costs, like:

- Gym Memberships
- Morning refreshments (muffins, donuts, etc.)
- Publication Subscriptions
- Designer coffee and tea
- Fancy collateral packaging

Your Pricing Strategy

The cost of your goods and services have a direct impact on the money you bring in. Your pricing strategy is so important to your business that can even determine your success.

Deciding how much to charge for your product or service is a challenging task. You need to factor in your own costs, the product or service's perceived value, and the going rate. Ultimately, you want to be able to charge as much as possible for each item, without overpricing yourself out business.

Avoid the Lowest Pricing Strategy

The days of the lowest price guarantee and pricing wars are over – especially for small businesses. The “big players” in the marketplace will

quickly put you out of business if you try to compete on price. Their pockets are deeper and they have lower operating costs due to their sheer size. They can afford to – you can't.

Clearly Position Your Company and Your Offering

How do you want your target market to view your business, and your products? Are you trying to create an image of high quality? High value? Reliable service? Make sure your pricing is consistent with the image you are trying to project. If you are operating a high end spa – you're not competing with the budget nail salon down the street, so your prices should be considerably higher.

Have a Good Working Understanding of Your Margins

Know how much the product or service costs you to offer before you establish a price. Do these costs remain consistent, or do they fluctuate? Restaurants that offer high quality meat and seafood often price their meals at "market rates" as opposed to fixed rates. Calculate the fixed and variable costs associated with your product or service. You will want to work the cost of the product or service, a percentage of your overhead, and your own profit into the cost of each item.

Pay Attention to Factors Beyond Your Control

Be aware of any government or industry regulations on the price of your product or services. Some laws will actually limit how much you can charge for standard services. For medical and dental services, most insurance companies will put a cap on how much a customer will be

compensated for each service. Seek out all external factors that could impact your pricing.

Price with a Purpose

Your pricing strategy should be purpose focused. What exactly are you trying to do by setting your prices at certain levels? Here are some potential reasons for pricing strategies:

- Short-term profit increase
- Long-term profit increase
- Customer generation
- Product positioning
- Revenue maximization
- Increase margins
- Market differentiation
- Survival

Pricing Strategies

Cost Plus Pricing

This is the most basic pricing strategy. Set your price at a number that includes:

- Cost of goods or services, based on a specific sales volume
- Percentage of expenses
- Profit margin (markup)

Target ROI Pricing

Set your price at a rate that will achieve a specific Return on Investment target. If you need to make \$20,000 from 1,000 units – or \$20 per unit – then set your price at \$20 more than cost, plus expenses.

Value Based Pricing

This can be a bit of an arbitrary pricing strategy, but it can also be the most profitable. Set your price based on the value or added benefit it brings to a customer. For example, if your product only costs you \$40 to produce, but will save the customer \$2,000 per year in energy costs, a price of \$150 or \$200 would not appear to be unreasonable in the eyes of the customer.

Psychological Pricing

What messages are you trying to send the customer when they're looking at your prices for your products? Do you offer the best deal? The highest value? These are reasons to choose prices that are higher or lower than the competition.

Pricing Guidelines

Price higher than cost. This may seem obvious, but ensure that your pricing not only covers your costs, but potential fluctuations in sales volume and in the marketplace. If you sell half of your order, will you still make a profit?

Include expenses. If you price to cover your costs, will you also be able to cover your expenses and still see a profit? Your margin needs to pay for your expenses, leave you with something to live on, plus some working capital for the company.

Consider the ‘fair’ price. What do your consumers think is ‘fair’ for each service or product? This is impacted by your competitor’s price, your company’s image (high quality or high value, low cost), and the perceived value of your product or service.

Strategies to Increase Profit

Once you have a concrete understanding of where your business stands today in terms of profitability, minimized your operating costs, and restructured your pricing strategy, you can focus on other strategies to increase profit.

There are countless strategies and tactics that will help you to bring in more customers, get those customers to come back, and get those customers to spend more when they do.

Here is a list of ideas, many of which are covered in detail in other sections of this program:

- Advertise
- Establish an online presence
- Sell more high margin items
- Generate more leads
- Focus on referral business

- Increase customer loyalty and repeat business
- Increase conversion rates
- Restructure your team
- Reinvent your product
- Sell your intellectual capital

5

Systemizing Your Business and Developing Effective Processes

One of the biggest mistakes a business owner can make is to create a company that is dependent on the owner's involvement for the success of its daily operations. This is called working "in" your business. You're writing basic sales letters, licking stamps, and guiding staff step-by-step through each task.

There are a number of problems with this approach. One is redundancy. You're paying your staff to carry out tasks that you eventually complete. The second is poor time management. You're spending your day – at your high hourly rate – on tasks as they arise, leaving little room for the tasks you need to be focused on.

However, the biggest issue I have with this approach is that countless intelligent business owners are spending the majority of their time operating their business, instead of *growing* it.

A good test of this is to ask yourself, what would happen if you took off to a hot sunny destination for three weeks and left your cell phone, PDA and laptop at home. Would your business be able to continue operating?

If you said no, then this chapter is for you.

Systemizing your business is about putting policies and procedures in place to make your business operations run smoother – and more importantly – without your constant involvement. With your newfound free time, **you will be able to focus your efforts on the bigger picture: strategically growing your business.**

Why Systemize?

For most small business owners, systems simply mean freedom from the day-to-day functioning of their organization. The company runs smoothly, makes a profit, and provides a high level of service – regardless of the owner’s involvement.

Systemizing your business is also a healthy way to plan for the future. You’re not going to be working forever – what happens when you retire? How will you transition your business to new ownership or management? How will you take that vacation you’ve been dreaming of?

Businesses that function without their ownership are also highly valuable to investors. Systemizing your business can position it in a favorable light for purchase, and merit a high price tag.

A system is any process, policy, or procedure that consistently achieves the same result, regardless of who is completing the task.

Any task that is performed in your business more than once can be systemized. Ideally, the tasks that are completed on a cyclical basis – daily, weekly, monthly, and quarterly – should be systemized so much so that anyone can perform them.

Systems can take many forms – from manuals and instruction sheets, to signs, banners, and audio or video recordings. They don't have to be elaborate or extensive, just provide enough information in step-by-step form to guide the person performing the task.

Benefits of Business Systems

There are unlimited benefits available to you and your business through systemization. The more systems you can successfully implement, the more benefits you'll see.

- Better cost management
- Improved time management
- Clearer expectations of staff
- More effective staff training and orientation
- Increased productivity (and potentially profits)
- Happier customers (consistent service)
- Maximized conversion rates
- Increased staff respect for your time
- Increased level of individual initiative
- Greater focus on long-term business growth

Taking Stock of Your Existing Systems

The first step in systemizing your business is taking a long look at the existing systems (if any) in your business. At this point, you can look for any systems that have simply emerged as “the way we do things here.”

How do your staff answer the phone? What is the process customers go through when dealing with your business? How are employees hired? Trained? How is performance Reviewed and rewarded?

Some of your systems may be highly effective, and not require any changes. Others may be ineffective and require some reworking. If you have previously established some systems, now is a good time to check-in and evaluate how well they are functioning.

Use the following chart to record what systems currently exist in your business.

Existing Systems	
Administration	
Financials	

Communication	
Customer Relations	
Employees	
Marketing	
Data	

Seven Areas to Systemize

There is no doubt that system creation – especially when none exist to begin with – is a daunting and time-consuming task. For many businesses, it can be difficult to determine where to start to make the best use of their time from the onset.

Here are seven main areas of your business you can to systemize. Begin with one area, and move to the other areas as you are ready. Alternately, start with one or two systems within each area, and evaluate how

those new systems affect your business. Each business will require its own unique set of systems.

1. Administration

This is an important area of your business to systemize because administrative roles tend to see a high turnover. A series of systems will reduce training time, and keep you from explaining how the phones are to be answered each time a new receptionist joins your team.

Administrative Systems	
Opening and closing procedures	Filing and paper management
Phone greeting	Workflow
Mail processing	Document production
Sending couriers	Inventory management
Office maintenance (watering plants, emptying recycle bins, etc.)	Order processing
	Making orders

2. Financials

This is one area of systems that you will need to keep a close eye on – but that doesn’t mean you have to do the work yourself. Financial management systems are everything from tracking credit card purchases to invoicing clients and following up on overdue accounts.

These systems will help to prevent employee theft, and allow you to always have a clear picture of your numbers. It will allow you to control purchasing, and ensure that each decision is signed-off on.

Financial Systems	
Purchasing	Profit / loss statements
Credit card purchase tracking	Invoicing
Accounts payable	Daily cash out
Accounts receivable	Petty cash
Bank deposits	Employee expenses
Cutting checks	Payroll
Tax payments	Commission payments

3. Communications

The area of communication is essential and time consuming for any business. Fax cover letters, sales letters, internal memos, reports, and newsletters are items that need to be created regularly by different people in your organization.

Most of the time, these communications aren't much different from one to the next, yet each are created from scratch by a different person. There is a huge opportunity for systemization in this area of your business. Systemized communication ensures consistency and company differentiation.

Communication Systems	
Internal memo template	Newsletter template
Fax cover template	Sales letter template(s)
Letterhead template	Meeting minutes template
Team meeting agenda	Report template
Sending faxes	Internal meetings
Internal emails	Scheduling

4. Customer Relations

Another important area for systemization is customer relations. This includes everything the customer sees or touches in your company, as well as any interaction they might have with you or your staff members.

Establishing a customer relations system will also ensure that new staff members understand how customers are handled in *your* business. It will allow you to maintain a high level of customer service, without constantly reminding staff of your policies. It will also ensure that the success of your customer relations and retention does not hinge on you or any other individual salesperson.

Customer Relations Systems	
Incoming phone call script	Sales process
Outgoing phone call script	Sales script
Customer service standards	Newsletter templates
Customer retention strategy	Ongoing customer communication strategy
Customer communications templates	Customer liaison policy

5. Employees

Create systems in your business for hiring, training, and developing your employees. This will establish clear expectations for the employee, and streamline time consuming activities like recruitment.

Employees with clear expectations who work within clear structures are happier and more productive. They are motivated to achieve ‘A’ when they know they will receive ‘B’ if they do. Establishing a clear training

manual will also save you and your staff the time and hassle of training each new staff member on the fly.

Employee Systems	
Employee recruitment	Staff uniforms or dress code
Employee retention	Employee training
Incentive and rewards program	Ongoing training and professional development
Regular employee reviews	Job descriptions and role profiles
Employee feedback structure	

6. Marketing

This is likely an area in which you spend a large part of your time. You focus on generating new leads and getting more people to call you or walk through your doors. These efforts can be systemized and delegated to other staff members.

Use the information in this program to create simple systems for your basic promotional efforts. Any one of your staff should be able to pick up a marketing manual and implement a successful direct mail campaign or place a purposeful advertisement.

Marketing Systems	
Referral program	Regular advertisements
Customer retention program	Advertisement creation system
Regular promotions	Direct mail system
Marketing calendar	Sales procedures
Enquiries management	Lead management

7. Data

While we like to think we operate a paperless office, often the opposite is true. Your business needs to have clear systems for managing paper and electronic information to ensure that information is protected, easily accessed, and only kept when necessary.

Data management systems help you keep your office organized. Everyone knows where information is to be stored, and how it is to be handled, which prevents big stacks of paper with no place to go.

Ensure that within your data management systems you include a data backup system. That way, if anything happens to your server or computer software, your data – and potentially your business – is protected.

Data Management Systems	
IT Management	Client file system
Data backup	Project file system
Computer repairs	Point of sale system
Electronic information storage	Financial data management

Implementing New Systems

If you completed the exercise earlier in this chapter, you will have a good idea of the systems that are currently in place in your business. The next step is to determine what systems you need to create in your business.

To do this you will need to get a better understanding of the tasks that you and your employees complete on a daily and weekly basis. If you operate a timesheet program, this can be a good source of information.

Alternately, ask staff to keep a daily log for a week of all the tasks they contribute to or complete. Doing so will not only give you valuable insight into their how they spend their time on a daily basis, but also involve them in the systemizing process.

Review all task logs or timesheet records at the end of the week, remove duplicates, and group like tasks together. From here you can categorize the tasks into business areas like the seven listed above, or create your own categories.

Then, you will need to prioritize and plan your system creation and implementation efforts. Choose one from each category, or one category to focus on at a time. The amount you can take on will depend on your business needs, and the staff resources you have available to you for this process.

Remember that system creation is a long-term process – not something that will transform your business overnight. Be patient, and focus on the items that hold the highest priority.

Creating Your Systems

There is a big variety of ways you can create systems for your business – depending on the type of system you need and the type of business you operate. Some systems will be short and simple – i.e., a laminated sign in the kitchen that outlines step-by-step how to make the coffee – while others will be more complex – i.e., your sales scripts or letter templates.

One thing all of your systems have in common is steps. There is a linear process involved from start to finish. Begin by writing out each of the steps involved in completing the task, and provide as much detail as you can.

Then, review your step-by-step guide with the employee(s) who regularly complete the task and gather their feedback. Once you have incorporated their input, decide what format the system needs to be in: manual, laminated instruction sheet, sign, office memo, etc.

Testing Your Systems

Now that you have created a system, you will need to make sure that it works. More specifically, you need to make sure that it works without your involvement.

Implement the new system for an appropriate period of time – a week or month – then ask for input from staff, suppliers and vendors, and customers. Evaluate if it is informative enough for your staff, seamless enough for your suppliers, and whether or not it meets or exceeds your customer's needs.

Take that feedback and revise the system accordingly. You will rarely get the system right the first time – so be patient.

Systems will also need to be evaluated and revised on a regular basis to ensure your business processes are kept up to date. Structure an annual or bi-annual review of systems, and stick to it.

Employee Buy-In

It will be nearly impossible for you to develop effective systems without the involvement and input of your employees. These are the people who will be using the systems, and who are completing the tasks on a regular basis without systems. They have a wealth of knowledge to assist you in this process.

Employees can also draft the systems for you to review and finalize. This will make the systemization process a much faster and more efficient one.

It is also important to note that when you introduce new systems into your company, there may be a natural resistance to the change. People – including your employees – are habitual people who can become set in the way they are used to doing things.

Delegation

The final step to systemizing your business is delegation. What is the point of creating systems unless someone other than you can use them to perform tasks?

This doesn't have to mean completely removing your involvement from the process, but it does mean giving your employees enough freedom to complete the task within the structure of the systems you have spent time and considerable thought creating.

After that, allow yourself the freedom of focusing on the tasks that you most enjoy, and most deserve your time – like creating big picture strategies to grow your business and increase your profits.

6

How to Create Repeat Business and Have Clients that Pay, Stay and Refer

When it comes to marketing and generating more income, most business owners are focused outward.

They've carefully established and segmented their target market, and created specific offers and messages for each market segment. They spend thousands of dollars in advertising and direct mail campaigns in hot pursuit of more leads, more customers, and more foot traffic.

While this is an effective way to build a business, it is costly and time consuming. It requires constant and consistent effort, and while this approach does generate results, those results quickly disappear when the effort stops or becomes less intense.

Successful businesses that see sustained growth have a double-edged marketing strategy. They focus their efforts *outward* – on new potential customers and marketing – as well as *inward* – on existing customers and referral business.

These successful businesses have leveraged their existing efforts to generate more revenue. Simply put, their customers buy from them over and over again.

For most businesses, this is the easiest way to increase their revenues. Simple customer loyalty strategies and outstanding customer service are often all you need to dramatically increase your sales – from the customers you already have.

The Cost of Your Customers

Do you know how much it costs your business to buy new customers?

Each new customer that walks through your door – with the exception of referrals – has cost you money to acquire. You have spent money on advertising and promotions to generate leads and turn those leads into customers.

For example, if you have placed an ad in your local newspaper for \$1,000, and the ad brings in 10 customers, you have paid \$100 to acquire each customer. You would need to ensure each of those customers spent at least \$200 to cover your margin and break even.

Alternately, if you spent two hours of your time and \$10 per month on an email marketing program to send a newsletter to your existing database of customers, and you bring in 10 customers as a result – each customer has cost you \$1.

Generating more repeat business means focusing on the marketing strategies that aim to keep your existing customers instead of purchase new ones – effectively reducing the cost of attracting new customers to your business.

These strategies are simple to implement, and don't require much time investment. Just a solid understanding of how to make customers want to come back and spend more of their money

Keeping Your Customers

Marketing strategies that focus on keeping your current customer base are easy and enjoyable to implement. They allow you to build real relationships with the people you do business with, instead of dealing with a revolving door of people on the other end of your sales process.

Repeat customers create a community of people around your business that presumably share the same needs, desires and frustrations. The information you gain from these customers (market research) can help you strengthen your understanding of your target audience, and more accurately segment it.

Remember – 80% of your revenue comes from 20% of your customers. Always focus on these customers. They are ideal customers that you want to recruit, and hold on to.

Customer Service: Make them love buying from you

Every business – even those with excellent service standards can improve the service they provide their customers. Customer service seems to be a dying concept in most businesses; more focus seems to be placed on the speed of the transaction. These days you can even go to the grocery store now and not speak to a single sales associate thanks to self-serve checkouts.

To improve your company's customer service standards, take a survey of your customers and your employees to brainstorm ways you can improve the experience of buying from your business.

Successful customer service standards – those that make your customers *buy* – are:

Consistent. The standards are up kept by every person in your organization. Expectations are clear and followed through. Customers know what to expect, and choose your business because of those expectations.

Convenient. It is nearly effortless for the customer to spend money at your place of business. Convenience can take many forms – location, product selection, value-added services like delivery – and it is also consistent.

Customer-driven. The service the customer receives is exactly how they would like to be treated when buying your product or service. It is reflective of your target market, and appropriate to their lifestyle. Customers would probably not appreciate white linen tablecloths at a fast food restaurant, but they would appreciate a 2-minutes or less guarantee.

Newsletters: Keep in touch with your customers

A regular newsletter is an easy, time-effective, and inexpensive marketing strategy to implement. Unfortunately, many small businesses think these are too time consuming and too expensive to adopt as part of their marketing strategy.

The most popular type of newsletter distribution is email. This will cost your business as little as \$10 per month for an email marketing service subscription, and can be customized to your unique branding.

Here is an easy five-step process to starting a company newsletter:

- 1. Pick your audience.** New customers? Market segment? Existing customers?
- 2. Choose what you're going to say.** Company news? Feature product? New offer?
- 3. Determine how you're going to say it.** Articles? Bullet points? Pictures?
- 4. Decide how it's going to get to your audience.** Email? Mail? In-store?
- 5. Track your results.** How many people opened it? Read it? Took action?

Value Added Service: Give them happy surprises

Adding value to your business is an effective way of getting your customers back. Every person I know would choose a mattress store that offered free delivery over one that did not. It's that simple.

There are many ways to add value to your business, including:

- **Feature your expertise.** Use your knowledge to provide additional value to your customers. Offer a free consumer guide or report with every purchase.
- **Add convenience services.** Offer a service that makes their purchase easier, or more convenient. The best example of this is free shipping or delivery.
- **Package complementary services.** Packaging like items together creates an increase in perceived value. This is great for start-up kits.
- **Offer new products or services.** Feature top of the line or exclusive products, available only at your business. Offer a new service or profile a new staff member with niche expertise.

Value added services generate repeat customers in one of two ways:

1. Impress them on their first visit. Impress your customer with great service, a product that meets their needs, and then wow them with something extra that they weren't expecting. Get them to associate the

experience of dealing with your business with happy surprises, and create a perception of higher value.

2. Entice them to come back. The introduction of a new value-added service can be enough to convince a customer to buy from you again. Their initial purchase established a trust and knowledge of your business and its processes. They will want to “be included” in anything new you have to offer – especially if there is exclusivity. It is easier to attract clients that have purchased from you than potential clients who have not.

Customer Loyalty Programs: Give them incentives

Another simple way to keep in touch with existing customers and keep them coming back to you is to create a customer loyalty program.

These programs do not have to be complicated or costly, and are relatively easy to maintain once they have been implemented. These programs help you gain more information on your customers and their purchasing habits.

Here are some examples of simple loyalty programs that you can implement:

Free product or service. Give them every 10th (or 6th) product or service free. Produce stamp cards with your logo and contact information on it.

Reward dollars. Give them a certain percentage of their purchase back in money that can only be spent in-store. Produce “funny money” with your logo and brand.

Rewards points. Give them a certain number of points for every dollar they spend. These points can be spent in-store, or on special items you bring in for points only.

Membership amenities. Give members access to VIP amenities that are not available to other customers. Produce member cards or give out member numbers.

Remember that in order for this strategy to work, you and your team have to understand and promote it. The program in itself becomes a product that you sell.

7

How to Double your Referrals

What if I told you that you could put an inexpensive system in place that would effectively allow your business to grow itself?

For most business owners, a large part of their customer base is comprised of referral customers. These people found out about the company's products or services from the recommendation of a friend or colleague who had a positive experience purchasing from that company.

If your business benefits from referral customers, you will find that these customers arrive ready to buy from you, and tend to buy more often. They also tend to be highly loyal to your product or service.

Seem like great customers to have, don't they?

Referral customers cost less to acquire. Compared to the leads you generate from advertising, direct mail campaigns, and other marketing initiatives, referral customers come to you already qualified and already trusting in the quality of your offering and the respectability of your staff.

With a little effort, and the creation of a formalized system – or strategy – you can not only continue to enjoy referral business, but easily

double the number of referral customers that walk through your door. All of this is possible for a minimal investment of time and resources.

Is Your Business a Referral Business?

Referral based businesses benefit from a stream of qualified customers who arrive at their doorstep ready to spend. These businesses put less focus on advertising to generate new leads, and more focus on serving and communicating with their existing customers.

Generally speaking, a referral program can generate outstanding results for nearly any business. Since most referrals do not require any effort, the addition of a strategy and a program will often double or triple the number of qualified referrals that come through a business door.

There are, however, a few types of businesses that will not benefit from a formalized referral strategy. These are businesses with low price points – like fast food restaurants and drugstores. Their customer base is large already, and their efforts would be best spent on increasing the average sale.

A referral program can:

- **Save you time.** Referral strategies – once established – don't require much management or time investment.
- **Deliver more qualified customers.** Your customer arrives with an assumption of trust, and willing to purchase.

- **Improve your reputation.** Your customer's networks likely overlap, and create potential for a single customer to be referred by two people. This encourages the perception that your business is "the place to go."
- **Speed the sales process.** You will have existing common ground and a reputation with the referred customer.
- **Increase your profit.** You will spend less time and money generating leads, and more time serving customers who have their wallets open.

The Cost of Your Customers

As we discussed in the "Repeat Business" section, you don't "get" customers, you *buy* them. The money you spend on advertising, direct mail, and other promotions ideally results in potential customers walking through your doors.

For example, if you placed an ad for \$200, and 20 people make a purchase in response to that ad, you would have paid \$10 for each customer.

Referral customers cost you next to nothing. Your existing customer does the work of selling your business to their friend or associate, and you benefit from the sale. Aside from the cost of any referral incentives or coupon production, there is no cost involved at all.

Referral customers cost less and require less time investment than any other customer. That means you can spend that time making them a loyal customer, or a devoted fan.

Groom Your Customers

Referral strategies can allow you to groom your customer base. As we have previously discussed, 80% of your revenue comes from 20% of your customers – these are your ideal customers.

These are also the people you have established as your target market, and are the people you cater your marketing and advertising efforts toward.

You also have a group of customers who make up 80% of your headaches. These are the people who complain the most and spend the least.

Use your referral strategy to get more of your *ideal* customers. Spend more time servicing your ideal customers – do everything you can to make them happy – and less time on your headache customers. You can even ask your headache customers to shop elsewhere.

Then, focus your referral efforts on your ideal customers. Ask them to refer business to you, and reward them for doing so. Try to avoid referrals from your headache customers – chances are you'll just get another headache.

Referral Sources

Take some time to brainstorm all the people who could potentially refer business to you. Think beyond your business, to your extracurricular activities and personal life. There are endless sources of people who are ready and willing to send potential customers your way.

Here are some ideas to get you started:

Past Relationships

No, not romantic relationships. I'm talking about anyone you have previously had a relationship with, but for one reason or another have fallen out of touch. This includes former colleagues, associates, customers and friends.

Including them in your referral strategy can be as simple as reaching out through the phone or email, and updating them on your latest business initiative or career move. Gently ask at the end of the correspondence to refer anyone who may need your product or service. They will appreciate that you have attempted to re-establish the relationship.

Suppliers and Vendors

Your suppliers and vendors can be a great source for referrals, because they presumably deal daily with businesses that are complementary to your own. The opportunities to connect two of their customers in a mutually beneficial relationship are endless. These businesses should be happy to help out - especially if you have been a regular and loyal customer.

Customers

Customers are an obvious source of referrals because they are the people who are dealing with you directly on a regular basis. Often, all you have to do is ask and they will happily provide you with contact information of other interested buyers, or contact those buyers themselves.

Your customers also have a high level of product knowledge when it comes to your business, and are in a great position to really sell the strength of your company. Remember from the Testimonials section, the words of your customers are at least 10 times more powerful than any clever headline or marketing piece you could create.

Employees and Associates

Give your employees and associates a reason to have their friends and families shop at your business with a simple incentive program. These people have the most product knowledge, and are in the best position to sell you to a potential customer.

This is also a way to tap into an endless network of people. Who do your employees and associates know? Who do their friends and friends of friends know? A referral chain that connects to your employees can be a highly powerful one.

Competitors

This doesn't seem so obvious, but it can work. Your direct competitors are clearly not the ideal source for referrals. However, indirect competitors can refer their clients or potential clients to you if they cannot meet those clients' needs themselves.

For example, if you sell high end lighting fixtures, the low-budget lighting store down the street may be able to refer clients to you, and vice versa. You may wish to offer a finder's fee or incentive to establish this arrangement.

Your Network

Don't be shy about asking your friends and family members for referrals. Too many people do not provide enough information to their inner circle about what they do or what their business does. This doesn't make sense, since these are the people who should be the most interested!

Take time to explain clearly what your business is all about, and what your point of difference is. Then just ask them if they know anyone who may benefit from what you are offering. You could even provide your friends and family with an incentive – a gift, a meal, or a portion of the sale.

Associations + Special Interest Groups

This is another place you likely have a network of people who have limited knowledge about what you do or what your business does. The advantage here is that you have a group of people with similar beliefs and values in the same room. Use it!

The Media

Unless a member of the media is a regular customer of yours, or you are in business to serve the media, this may not seem like an obvious choice either.

The opportunity here is to establish a relationship with an editor or journalist, and position yourself as an expert in your field or industry. Then, next time they are writing a related story, they can ask to quote you and your opinion. When their audience reads the story, they will perceive your business as the industry leader.

Referral Strategies

A referral strategy is any system you can put in place to generate new leads through existing customers. The ideal way to do this is to create a system that runs itself! Here are some ideas for simple strategies you can begin to implement into your business immediately.

Just Ask

This may seem simple and obvious, but it's true. Be open with your customers and associates, and simply ask them if they can refer any of their friends or associates to you. Make it part of doing business with you, and your customers will grow to expect the question. Or, let them know in advance that you'll be asking at a later date.

Remember that this can include potential customers – even if they don't buy from you. The reason they chose not to purchase may have nothing to do with your business; any person who has begun to or actually done business with you can refer to you another person.

Offer Incentives

When you speak to your customers, when you ask them for something, you typically try to answer the question “what's in it for me?” before they ask it.

The same is true when you ask your customers for a referral. Incentive-based referral strategies work wonders, and can easily be implemented as part of a customer loyalty program, or as part of your existing customer relations systems.

Consider offering customers who successfully refer clients to you discounts on products, free products or services, or gifts. Offer incentives relative to the number of referrals, or the success rate of each referral.

This can have a spin off effect, as your referral customers may become motivated to continue the referral chain. They too will be interested in the incentives you have provided, and tell their friends about your business.

Be Proactive

The only way your referral program will work is if you put some effort into it, and maintain some level of ongoing effort.

Here are some ideas:

- Put a referral card or coupon in every shopping bag that leaves your store
- Promote gift certificates during peak seasons
- Offer free information seminars to existing customers, and ask them to bring a friend
- Host a closed-door sale for your top 20 customers and their friends

Provide Great Customer Service

An easy way to encourage referral business is to treat every potential customer with exemplary customer service. Since the art of customer service is lost in many communities, people are often impressed by simple added touches and conveniences. That alone will encourage them to refer your business to their network.

Stay in Touch

Make sure you are staying in touch with all of your potential and converted customers. Through newsletters, direct mail, or the Internet, keep your business name at the top of the minds, ahead of the competition.

Even if they have already purchased from you, and may not need to purchase for some time, a newsletter or email can be a simple reminder that your business is out there. If someone in their network is looking for the product or service, it will be more likely that your customer will refer your business over the competition.

8

How to Profit through Time Management

Manage Time Like Money

Why did you get into business for yourself? Was it to be your own boss? Choose your own hours? Have more time with the family? Spend more time doing what you love? Chances are, you answered yes to all these questions.

These days, you probably wonder where the time went. Why you spent 12 hours at work and barely make a dent in your to-do list. We already know that time is a key resource for you and your business, but it's also a key resource in your life. Harnessing and leveraging time is the only way to enjoy life, and have a profitable business at the same time.

Most business owners carefully manage their financial and personnel resources, and pay due attention to their performance. Marketing plans and budgets are created, people are hired and fired. What most business owners don't realize is that time – and the time of all employees – requires the same attention and diligent management.

Time will never manage itself. The decision to make a pro-active effort to manage your time must come from you. Once you have committed

to taking ownership for your own time management, there are a host of tools available to you. But first, you must understand how much your time is actually worth, and where you are currently spending it.

What is Your Time Worth?

Ever wonder what your time is actually worth? Here’s a quick way to figure it out:

Target annual income	A.
Working days in a year	B. 235
Working hours in a day	C. 7
Working hours in a year	D. 1,645
$A \div D = \text{YOUR HOURLY WORTH (before tax + expenses)}$	E.

This is a very simple calculation intended to put your time in perspective. In reality, no one is productive for each of the 1,645 hours. Various studies have put actual productivity at anywhere between 25 minutes and four hours per day. Either way, there’s a lot of room for improvement.

Let’s look at it another way:

Your age	A.
Days in a year	B.
Days spent on earth to date (A x B)	C.
Average life expectancy	D. 70
Total projected days on earth (D x B)	E.
Estimated days left (E – C)	F.

This exercise isn't intended to scare you, but bring your attention to the importance of choosing how you spend each hour you have available. It is a choice! By developing the skills required to manage your time, you will not only have a profitable business, but a rewarding and balanced life.

The Five Culprits of Time Theft

Chances are – if you're like most people – you have no idea where your time goes. You're likely frustrated by the fact that you can spend 10, 12, even 14 hours a day working, and not make a dent in your to-do list, or only bill half of those hours.

When we're too busy and overloaded with work, we often switch into reactive mode. We can't make it to the bottom of the pile, and end up handling issues and making decisions at the last minute. One of the great benefits of choosing to become proactive in time management is that you can become proactive in all other areas of your business. When in proactive mode, you can take steps to grow your business through networking, building programs, and establishing systems.

Before you investigate where your time goes, let's take a look at the top five culprits of modern-day time theft:

1. Your Email

How many times a day do you check your email? Is Outlook or Mail constantly running on your desktop? Email – internal, external, personal and business – clogs up your day like no other communication channel. For

many of us, it is possible to spend the entire day writing and responding to emails without even glancing at our inbox. The number of emails sent and received each day by the average person in 2007 was 147. Multiply that by an average of two minutes per message, and you have spent almost five hours on one email in a single day.

2. Your Cell Phone (Or Blackberry)

Cell phones have created convenience, security, and the luxury of telecommuting – but they don't call it a Blackberry for nothing. PDAs and cell phones have also created a society that expects to be able to reach you at any moment, or at least receive instant responses to their calls. Your cell phone or PDA not only robs you of your time during the day, but also during the evenings and on weekends when you are not at work.

3. Your Open Door Policy

If you make it easy for your staff and associates to interrupt you, they will. Too often, open-door policies are set up by human resource departments to create clear communication channels. Instead, they create a clog of employees lined up at your door seeking immediate answers to non-emergent issues.

4. Meetings

How many times have you been to a meeting that was scheduled to be an hour, and ended up lasting three? How often do you attend unnecessary meetings? Or meetings that run off-topic? Meetings can be a huge source of wasted time – your valuable time. In a senior management or

ownership position, your day may consist of back-to-back meetings, leaving only your evening hours to complete the tasks that should have been done during the day.

5. YOU!

Every person has daily habits that sabotage their ability to work productively and efficiently. Many entrepreneurs and business owners can't separate business hours from leisure hours. Some get caught in a time warp while surfing the internet. Others - mainly overachievers – can become paralyzed by perfectionism or procrastination. Mainly we just don't have the tools to schedule and structure our time in a way that fits with our working style.

Where Does Your Time Go?

So far we've seen that time is a resource that should be as carefully managed as cash, we've figured out what your time is worth, and looked at the top five culprits of time theft. You've committed to taking steps to become a better time manager. What now?

Personal Time Management Research Exercise

The next step is to take a good, (and honest!) look at how you spend your time. Once you understand your patterns and habits, you begin to implement the strategies in this chapter that will make you a better time manager.

Step One: Time Audit

Use the Time Log Worksheet at the back of this chapter to record how you spend your time for three working days in a row. Be honest, and be specific. Include time spent in transit, surfing the web, interacting with clients and colleagues, as well as how your time is spent at home in the evenings. The more information you can record, the easier it will be to analyze your time management skills in step two.

Step Two: Time Categorization

Once you have recorded your time for three days, sit down with all three sheets in front of you and identify the following using different colored markers or highlighters:

- Driving, public transportation or other travel
- Eating, including food preparation
- Personal Errands
- Exercise
- Watching TV
- Sleeping, including naps
- Using the computer, personal use only
- Being with family / friends
- Emailing, including checking, reading, and returning messages
- Talking on the phone, including checking and returning messages
- Internal meetings
- External meetings
- Administrative work
- Client work
- Non-client, non-administrative work

Step Three: Time Analysis

Now that you have identified how you have spent your time, go through the worksheets one more time and identify if you have spent enough, too much, or too little time on each main task.

Then, based on your observations, answer the following questions:

1. What patterns do you notice about how you spend your time during the day? (i.e., When are you most productive? Least productive? Most or least interrupted?)

2. Write down the four highest priorities in your life right now. Does your timesheet reflect these priorities?

3. If you have more time, what would you do?

4. If you had less time, what wouldn't you do?

5. Could you remove the items in question four and add the items in question three? Why or why not?

6. Is procrastination a problem for you? How much?

Strategies for Profitable Time Management

There are many ways to curb time theft and refine your time management ability. Through a solid understanding of how you currently spend – and waste – time, you can determine which strategies you need to implement to correct unproductive behavior.

Here are 17 ways you can turn **less** of your time into **more** money:

1. Set Clear Priorities

The foundation of time management is a clear understanding of what your time is best spent on. Once you accept that you can't do everything, you need to decide what needs to be completed now, what can be completed later, and what someone else can complete. Each to-do list you create should be put through this filter, and reorganized so the highest priority items are on top, and the lowest priority items are less visible, or on the bottom.

Once you have established your priorities – which will also naturally reflect the priorities and goals of your business – stick to them. Just because

someone else feels something is of a high priority doesn't mean it holds the same status next to your other tasks.

Prioritization is also helpful in your personal life and leisure time. Your spare time is precious – so make sure are clear on how you would like to spend it.

2. Use Your Skills – Delegate Your Weaknesses

As a business owner, your day naturally consists of tasks you dislike doing. Some are essential – signing checks, reviewing financial statements, and other business maintenance – while others are simply not within your skill set.

If you are a strong public speaker, but struggle with report writing – delegate to a copywriter or editor. If you own a retail store and have no experience in design – outsource your signage. These freelance professionals often cost half as much as you, and take half as long to complete the task. Your time is saved for tasks that use and strengthen your skills effectively, your stress is managed, and ultimately a better product is produced.

3. Delegate, Delegate, Delegate

As a small business owner, the only way you will ever get everything done is by delegating. Delegation is a vital skill that needs to be refined and practiced, and once mastered is the key to profitable time management.

Too often, owners and managers believe that it will be “faster” or “more efficient” to complete the task themselves than to train and monitor

someone else. Other times, there are no internal resources to download assignments to.

As a result, the following trends can be seen in many small companies:

- Owners and senior staff are stressed and overworked, while junior staff are underutilized and under capacity.
- Staff members are not given an opportunity to grow and develop in their roles, and may perceive a lack of trust or confidence in their ability. The company loses good people.
- Owners and senior staff are always in a reactive state, instead of a visionary or proactive state.
- Delegation happens at the very last minute, and junior staff has little understanding of either the overall project or expectations for the task.

The easiest way to fix this problem is before it starts. Create a solid team of staff members around you who are well-trained and prepared to support the business. Attract and retain qualified and quality people who can be cross-trained and promoted within the company. Ensure that communication flows throughout the business, so everyone has the product and service knowledge to step in and assist when necessary.

4. Learn to Say “No”

It’s easy to fall into the habit of saying yes to everything. You are, after all the business owner, right? No one can complete these tasks as well as you, right? You’ll lose that customer if you don’t help them with their garage sale, right?

Wrong. The most successful business owners have a keen understanding of how their time is best spent, and *delegate* the remaining responsibilities to trusted others. It’s too easy to say yes to every request in the moment, and later feel overwhelmed when it’s added to your to do list. You may not ruffle any feathers, but what toll does it take on your stress level? Your workload? Your time is valuable – so protect it!

Remember that if it is too challenging to say no immediately, you can always request some time to think about it. This way, you can evaluate your workload and realistically decide whether or not you can take on a new project. Then, stand by your decision, or assist in bringing in the necessary resources to get it done.

5. Create (and keep!) a Strict Schedule

While multi-tasking is a desirable skill, it is also often a time thief. Attempting to do too many things at one time ensures that nothing gets done. As a business owner, you need to be able to focus and concentrate on essential projects without interruptions.

The only way to do this is the commit to a strict schedule. Once you understand your work style and concentration patterns, you can allocate

periods of the day to specific tasks. This includes personal and leisure time – schedule it, and stick to it.

Schedule time for: list-creation + prioritization, email messages, telephone messages, internal meetings, client meetings, meeting preparation, “me-time”, family time, recreation + fitness, daily business tasks, and blocks for focused work.

Remember that there is a training period involved in beginning a new routine – for yourself and those around you. Use your voicemail, out-of-office email message, and a closed door to begin to let people know when you will not be disturbed.

6. Make Decisions

The choice to not make a decision is a decision in itself. The most successful business owners have the ability to make good decisions quickly and efficiently, and do not waste time deliberating over simple choices.

In leadership positions, often people are afraid of making the wrong decision or looking foolish if they make a mistake in front of junior staff. What they don’t realize, is that hesitating or avoiding decision making impacts their leadership just as much or more than making the wrong decision. Not only can being indecisive be personally stressful, but it is also stressful for those around you whose tasks are waiting on your choices.

Remember, you must make the best decision with the information you have, in the time frame you have to make the decision. No one expects

you to be a fortune teller – be decisive, make some mistakes, and learn from them.

7. Manage Telephone Interruptions

This is a huge source of time theft that can easily be managed and avoided. If you are available to take phone calls at any time of day, you are setting yourself up to take work home in the evenings. The phone will always ring when you are focused on an important task, and this is something can easily be avoided.

Figure out when you are most productive. Is it in the morning or the afternoon? Before, during, or after lunch? Once you have identified this time period, set your phone on “do not disturb” or have your calls directed to voicemail. If you do not have a receptionist, a variety of automatic answering systems are available for a nominal fee. To structure your phone time further, let callers know on your voicemail what specific time of day is best to reach you via phone. Then, set that time aside to receive and return phone calls.

8. Keep Your Work Environment Organized

Have you ever tried to make dinner in a messy kitchen? More of your time is spent looking for (and cleaning) dishes and tools than actually spent cooking the meal.

The same goes for your work environment. If your desk and office is in a constant state of chaos, then your mind will be too. In fact, some studies have revealed that the average senior business leader spends nearly

four weeks each year navigating through messy or cluttered desks, looking for lost information. Does that sound like productive time to you?

Once you make the initial clean sweep, it's easy to maintain order in the chaos:

- Tidy your desk at the beginning and end of each day. Attach pertinent documents to your to do list, or have clear and organized folders for loose papers.
- Organize your supplies drawer so you have easy access to stationery like pens, post-it notes, staplers and highlighters. Every minute counts!
- Only have the documents and files you are working on, on your desk. The rest should be neatly filed on a side table for later retrieval.
- Keep personal items (like photos or memorabilia) out of your primary line of vision. These can be distracting and encourage daydreaming.

As for your office or store, there are many ways to make its layout more conducive to effective time management. Try:

- Minimizing the distance between the reception desk and electronics like photocopies and fax machines.

- Keep a clear line of sight between your office and the most productive area of your business, so you are aware of what is happening amongst your staff.
- Organize shelves and filing cabinets so files are not only easily accessed, but out of sight when not being used. Consider putting sliding doors on cabinets in storage areas, and remember that the floor is not a storage cabinet.

9. Keep Your Filing System Organized

If your data isn't organized properly, you will waste hundreds of hours searching for documents you need on a regular basis. This includes both electronic and hard copy files; they need to be organized and up to date.

Customer databases and enquiry records are worth their weight in gold. You can't afford to get behind when updating this information, or poorly store it for later retrieval. There are many easy to use software programs that will manage and organize customer databases for you; it doesn't need to be a time consuming or tedious exercise.

A simple way to manage information is to keep it in short, medium, and long term files for both hard and electronic copies. Create shortcuts on your desktop for folders or files you constantly access. Have short-term files available on your desk, medium-term files available within an arm's reach, and long-term files stored in cabinets.

10. Clearly Communicate – Never Assume

One of the biggest issues for time management in business – and likely the world – is miscommunication. This is a dangerous issue that can cripple any business, including yours. Establishing and enforcing clear policies on things like accurate note taking, task assignments, and phone messages will ensure your staff understand the importance of clear and accurate communication.

The easiest habit to start to curb miscommunication is simple: write everything down. Carry a notepad, and jot down key points, figures, agreements and deadlines. Don't assume you'll remember later – you have at least a hundred other things to remember.

Some other simple strategies are:

- Return all communication promptly, including email, letters, faxes and phone calls
- Repeat back phone messages, phone numbers and other figures to confirm you recorded the information correctly.
- Record appointments in your PDA or agenda the moment you make them. Otherwise, you will forget.
- Double check and confirm everything – addresses, phone numbers, meeting locations and times.

- Maintain accurate customer contact logs with dates, times, and phone numbers.
- Post checklists in your store or office for routine operations procedures.
- Announce any changes to the policies and procedures manual immediately.

11. Stop Duplicating Efforts

This is a key element of time management that is closely related to effective communication. Studies have continually shown that many businesses often duplicate and triplicate efforts that need only be completed once.

When you have clear systems and procedures in place, your staff will not need to “reinvent the wheel” each time the task needs to be completed. Meeting minutes and individual task assignments will ensure everyone is on the same page and understands their personal responsibilities.

Simple examples of this include re-reading your to-do list each hour to determine what the next important item is. If your list is already structured by priority, this is a needless task. If two staff members are working on similar projects, but unaware of the other, the work will not only be inconsistent, but the efforts will be duplicated. These are easy problems to fix, once they have been identified and communicated.

12. Say Goodbye to Procrastination + Perfectionism

Procrastination is something we all face at one time or another – and likely have since our school days. However, given the pace that the world operates at today, you will only fall behind your competitor if you allow procrastination to rule your day. So how do you avoid it? It's simple. Stop, and just get started, no matter how boring, tedious, or painful the project may be. Reward yourself by crossing each step off your to-do list.

Many small business owners also fall victim to perfectionism, which can be paralyzing. The fear that there isn't enough time or resources to “get it perfect” will sometimes stop you dead in your tracks. Perfectionism can also hinder your ability to delegate and say no to tasks you believe no one else can complete “better”. Do the best you can with the time and resources you have – and just get started.

13. Plan Your Work, Work Your Plan

Have you ever placed an advertisement on the fly because it was “cheaper”, “faster”, or “more urgent” than creating a marketing plan? Do you and your staff have a clear idea of where your business is headed over the next six to 12 months, or five years?

Many studies show that less than 10% of small businesses have up to date marketing and business plans, as compared to the majority of large corporations and public companies, which have both.

Marketing and business plans take time and effort to create – but they work, and pay off in spades. They also save you time and money as

compared to a haphazard or fly-by-the-seat-of-your-pants strategy. With a marketing plan in place, you will have an idea of how many ads you will be placing in a year, which will earn you a volume discount. Your marketing materials will complement each other, and deliver the same message to the same target audience. Designers will charge less for a package of collateral than for individual collateral items.

A business plan will provide you with a guide to reference when making decisions. You can repeatedly ask if the endeavor at hand will contribute to your overall vision, or just seems like a good idea or price.

Remember that planning includes both short and long-term time frames, and applies to both your daily to-do list, and your marketing budget. It provides you with a means to measure your progress, assists in identifying priorities, and helps to manage your time.

14. Avoid Needless, Impromptu + Unstructured Meetings

This may seem like a time theft issue that is out of your control, but it's not. You are in control of your own time, and through strict scheduling can establish a structure for internal and external meetings that everyone around you can work within.

Minimize impromptu internal meetings by letting your staff know when you're available for a "quick chat" and when you are not. If it is important, ask them to schedule a time to meet with you that works with both of your schedules. This not only saves you time, but encourages staff to find solutions to their own issues, and only approach you with more urgent or challenging matters.

You can't avoid having meetings, but you can avoid having unstructured meetings. Ask for or create an agenda for each meeting you attend, with a clear objective and an amount of time allocated to each item. This will keep your meetings focused and on task. If a meeting does run late, give yourself a reasonable buffer, and politely leave for your next appointment. You can always follow up with a colleague to catch-up on the pertinent items you may have missed.

15. Establish Clear Policies + Procedures

A clear policy and procedures manual is like a marketing or business plan – it takes time to create, but ultimately saves everyone in your company time, money and effort. A step-by-step guide to “the way we do things here” is an invaluable resource for your existing and new staff, and provides clear expectations for how you like things done.

Too many businesses make up policies and procedures on the fly – creating dangerous scenarios where mistakes are made and expectations are not clear. Some items that should be included in a comprehensive policy and procedures manual include:

- Recruitment
- Customer relations
- Customer enquiries
- Customer complaints
- Returns
- Exchanges
- Late Payments
- Salary structure
- Bonus structure
- Employee review
- Theft
- Harassment

16. Keep the Right Set of Tools

The equipment your business needs to operate (and grow!) effectively should always be on hand, or easily contracted out. This is specific to each company, and closely related to costs – including the cost of your time.

Whether you are a high-tech business or local retailer, knowledge of the latest advancements in technology will increase your efficiency. It will help you stay on top of the competitor, maintain your position as an expert, and perhaps provide an easier way of getting things done.

Always ask yourself if these purchases are essential to your business –could perhaps make these purchases from a second hand dealer to minimize cost? Is it more cost effective to outsource or sub-contract the tasks to someone with access to this equipment, or to buy the equipment yourself?

If your business relies on tools and technology for daily tasks (such as the trades profession) then obtaining the best quality you can afford is crucial.

17. Maintain Your Equipment

This may seem obvious, but you'll understand the importance if your network server has ever crashed, or point of sale system has malfunctioned. Your business can be slowed to a stand-still if your equipment is not in good working order. Of course there are instances that can't be predicted, but regular maintenance of your essential equipment will reduce these

occurrences and help to anticipate when old equipment needs to be repaired or replaced.

Personal Time Management Strategy

Choose the top five tips from this chapter that you think will help you the most, given your personal time management research. Write them below, with three corresponding actions that you will start tomorrow. For example, if you are going to set a strict schedule, three actions might be to establish the schedule, communicate it to your staff, and re-record your voicemail message.

1. _____

a. _____

b. _____

c. _____

2. _____

a. _____

b. _____

c. _____

3. _____

a. _____

b. _____

c. _____

4. _____

a. _____

b. _____

c. _____

5. _____

a. _____

b. _____

c. _____

Timesheet | Day One

Timeslot	Activities	More/Less/ Enough time?
7:00 – 7:30		
7:30 – 8:00		
8:00 – 8:30		
8:30 – 9:00		
9:00 – 9:30		
10:00 – 10:30		
10:30 – 11:00		
11:00 – 11:30		
11:30 – 12:00		
12:00 – 12:30		
12:30 – 1:00		
1:00 – 1:30		
1:30 – 2:00		
2:00 – 2:30		
2:30 – 3:00		
3:00 – 3:30		
3:30 – 4:00		
4:00 – 4:30		
4:30 – 5:00		
5:00 – 5:30		
5:30 – 6:00		
6:00 – 10:00 (Evening)		

Timesheet | Day Two

Timeslot	Activities	More/Less/ Enough time?
7:00 – 7:30		
7:30 – 8:00		
8:00 – 8:30		
8:30 – 9:00		
9:00 – 9:30		
10:00 – 10:30		
10:30 – 11:00		
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11:30 – 12:00		
12:00 – 12:30		
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2:00 – 2:30		
2:30 – 3:00		
3:00 – 3:30		
3:30 – 4:00		
4:00 – 4:30		
4:30 – 5:00		
5:00 – 5:30		
5:30 – 6:00		
6:00 – 10:00 (Evening)		

Timesheet | Day Three

Timeslot	Activities	More/Less/ Enough time?
7:00 – 7:30		
7:30 – 8:00		
8:00 – 8:30		
8:30 – 9:00		
9:00 – 9:30		
10:00 – 10:30		
10:30 – 11:00		
11:00 – 11:30		
11:30 – 12:00		
12:00 – 12:30		
12:30 – 1:00		
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1:30 – 2:00		
2:00 – 2:30		
2:30 – 3:00		
3:00 – 3:30		
3:30 – 4:00		
4:00 – 4:30		
4:30 – 5:00		
5:00 – 5:30		
5:30 – 6:00		
6:00 – 10:00 (Evening)		

Daily To-Do List | Business

[illegible]

Weekly To-Do List | Personal (Family, Leisure, etc.)

[illegible]

9

Profits Through Building a TEAM (Together Everyone Achieves More)

The people you employ contribute – directly or indirectly – on a daily basis to the strength and vitality of your business. You can't run your business alone, so you rely on their skills and support.

In simpler words, your employees help you to make money.

But your employees are not just the people who arrive at your office every day and exchange effort for a paycheck. Their role is not just to build capacity and sell more or serve more.

Your employees are part of a potentially powerful group of people that you can leverage to put your business on the fast track to success. Your staff is more than the people who work for you. They are actually members of your team – the group of people who are collectively working to achieve the same objective, or reach the same vision.

I say they are more than just employees because their collective, cohesive value is actually much higher than their individual worth.

We all know that more people working on the same task will ensure the task is completed faster. In business, when you have more people working together on the same task, you save time, increase brainpower, and ultimately, **make more money**.

Corporate Culture

Corporate Culture has become a common buzzword when it comes to building a successful business, and rightly so.

Your corporate culture is the environment in which you run your business, and the environment in which your team members work. It is rooted in the vision, mission and beliefs of the organization, and dictates the “kind of office” and “kind of people” that work in that office.

Corporate culture is something that typically develops organically. The business owner and senior employees create a positive or negative environment based solely on who they are as people and how they behave as leaders. You simply can’t avoid creating some type of corporate culture when you run a business.

You can, however, avoid creating a negative or unproductive corporate culture. Whether you are just starting out, or seeking to improve your workplace, you do have control over the type of environment in which you run your business.

Like most things in business, this won’t happen overnight. However, with a clear idea of where you want to go, and what you want to create, you’ll be well on your way to getting there.

Vision

Your company's vision statement should be a bold, clear, short sentence that every single one of your employees knows and understands. It is a roadmap to your idea of success; if you don't know what that looks like, how will you know when you achieve it?

If your goal is to create a highly profitable company – what does highly profitable mean? \$1 million in annual sales? \$3 million in annual profit?

Do you seek to become the industry leader in sprocket production? How will this be measured? How many sprockets will you have to produce to reach this goal?

The vision statement is a short summary of the long-term objective of the company. What the company will look like, produce, achieve; it is how you know the company is “successful.”

Many companies either do not have a vision statement or they keep it a secret from their employees. It is only discussed in board meetings or management meetings. For a team to collectively work toward a goal, they need to know what the big picture objective is. They need to have buy-in in the company's direction, and be communicated with on a regular basis.

Be proud of your vision. Keep it visible for staff – post it on the wall, include it in internal communications, and connect day to day activities too it as often as possible.

Sample Vision Statements

Here are some real examples of corporate vision statements:

“At Microsoft, our mission and values are to help people and businesses through the world realize their potential.” – Microsoft

“Give every customer a reason to believe...STAPLES Business Depot—That was easy!” – Staples Canada

"To build the largest and most complete Amateur Radio community site on the Internet." – eHam.net

Creating a Vision Statement

The process of creating a vision statement is something that you can work through alone, or in collaboration with your team. It is highly recommended to review the draft vision statement with your employees to ensure they understand and support the goals and objectives of the company.

Keep the following points in mind when crafting your vision statement:

- **Think big** – Why did you start or buy this business? What was your dream or purpose in doing so?
- **Think long-term** – Vision statements should last five to 10 or even 25 years
- **Be specific** – Use numbers, dates, ratings systems and other ways of measuring success

- **Be succinct** – Use clear, short, simple sentences that are easy to repeat and remember

Mission

Your mission statement is a general description of how you are going to achieve your vision. This is a longer and more detailed statement that should include what your business is, who your customers are, and how you are different from (better than!) the competition.

Sample Mission Statements

“The Mission of McGill University is the advancement of learning through teaching, scholarship and service to society: by offering to outstanding undergraduate and graduate students the best education available; by carrying out scholarly activities judged to be excellent when measured against the highest international standards; and by providing service to society in those ways for which we are well-suited by virtue of our academic strengths.” – McGill University, Montreal, Canada

“Starbucks purchases and roasts high-quality whole bean coffees and sells them along with fresh, rich-brewed, Italian style espresso beverages, a variety of pastries and confections, and coffee-related accessories and equipment -- primarily through its company-operated retail stores. In addition to sales through our company-operated retail stores, Starbucks sells whole bean coffees through a specialty sales group and supermarkets. Additionally, Starbucks produces and sells bottled Frappuccino® coffee drink and a line of premium ice creams through its joint venture partnerships and offers a line of innovative premium teas

produced by its wholly owned subsidiary, Tazo Tea Company. The Company's objective is to establish Starbucks as the most recognized and respected brand in the world.” – Starbucks

Creating Your Mission Statement:

Here is a recommended process for completing your mission statement:

Step One: List your company's core strengths and weaknesses; what do you do well? What do you need to work on, or avoid doing?

Step Two: Who are your primary customers? Describe the types of customers you serve – both internal and external.

Step Three: What do your customers think of your strengths? What strengths are most important to them? Go ahead and ask them if you need to.

Step Four: Connect the strength that each customer values with its customer type. Write it in a sentence. Combine any redundancies.

Step Five: Organize your sentences in order of importance

Step Six: Combine your sentences into a paragraph or two. Elaborate on points as needed. This is your draft mission statement.

Step Six: Consult with your staff and customers, and ask for their feedback. Do employees support the statement? Can they act on it?

Do customers want to do business with a company with this mission statement? Does it make sense?

Step Seven: Incorporate the feedback received, and refine the statement until you are happy with it. Then publish it – everywhere.

Culture or Values Statements

Your culture or values statement is the next step in the process. It describes how you and your staff will go about taking action (your mission statement) to achieve your objective (your vision statement).

Much like every family has their own belief system and way of doing things – from cooking to cleaning to raising kids – every company has their own set of values when it comes to running a business. It reflects the unique personality of the organization.

Sample Culture Statement

Our Culture

** Values-based leadership. Our Credo outlines the values that provide the foundation of how we act as a corporation and as individual employees so that we continue to put the needs of the people we serve first.*

** Diversity. It's our individual differences that make us stronger as a whole. We recognize the strength and value that comes when collaborative relationships are built between people of different ages, race, gender, religion, nationality, sexual orientation, physical ability, thinking style, personal backgrounds and all other attributes that make each person unique.*

** Innovation. True innovation can only be fostered within a supportive environment that values calculated risk in order to achieve the maximum reward. At Johnson & Johnson Inc., we encourage and reward innovative thinking, innovative solutions and an innovative approach in all that we do.*

** Passion. The deep desire to enrich people's lives – by delivering quality products and remarkable experiences that make their lives easier, healthier and more joyful.*

** Collaboration. The unwavering belief that great results depend on the ability to create trusting relationships.*

** Courage. The fearless pursuit of the unproven, unknown possibility – the willingness to take great risks for the benefit of the greater good.*

- Johnson & Johnson Canada

Creating Your Culture Statement

Involve your team in creating your company's culture or values statement. Generally, this is a point-form document that reflects the beliefs of the company, its employees, and its customers.

It can be helpful to think about the type of people you currently employ, as well as the ones you may wish to employ. What are they like? What are their belief systems? What are their most important values?

Remember that the culture or values statement is usually the longest of the three statements – and that's okay.

Your Team Leaders

The strength of a team lies in the strength of the people who lead it. No group of people is effective without strong leadership, just like no business is effective without a strong owner or management team.

Building a strong team means knowing who your leaders are – both in job description and natural ability.

Understanding the strength of your natural leaders and the skills of your natural followers will allow you to strategically structure your team for maximum effectiveness and efficiency. It will give you insight into who is best suited for management promotions and project management; which team members have the ability to assemble and motivate their peers.

Your leaders need to have a high degree of passion for your product or service, and truly believe in the company's vision. They need to be able to handle a high level of responsibility, and manage a range of people to achieve a common goal.

Your leaders are your team builders. They present new ideas, build consensus, and encourage the involvement of others.

Types of Leaders

Simply speaking, there are four main types, or styles, of leaders. Chances are, you've experienced each type at some point in your career.

Type	Description	Ideal Use
Autocratic	Classical or “old-school” approach Manager holds all power and decision-making authority No employee consultation or input Orders are obeyed Rewards/punishment structure	New, untrained employees Detailed orders and instructions are required No other leadership style has been effective Limited time available Department restructuring High production requirements
Bureaucratic	“By the book” approach All is done to specific procedures/policies All tasks outside policies referred to higher management	Routine tasks performed Standards and procedures need to be communicated regularly Safety or training Cash handling Dangerous equipment
Laissez-faire	“Hands-off” approach Employees have almost total freedom Little direction or guidance is provided Employees must make own decisions, set own goals Employees must solve own problems	Highly skilled and experienced employees Employees are highly driven and ambitious Consultants are being managed Employees are trustworthy
Democratic	“Participatory approach” Employees part of decision making process Employees well informed Leader has final say, but involved others Collaborative approach Encourages employee development with guidance and assistance from leader Leader recognizes and rewards achievement	Collaborative environment Employee development and growth is the focus Changes or problems affect employees and require their input to create a solution Team building and participation is encouraged

Communication

The only way to build and maintain a strong team is through strong, consistent communication. This is often an overlooked or neglected aspect of business management, and is easily forgotten during periods of high stress or heavy workload.

Avoid letting communication fall on the backburner by creating a regular meeting schedule – and sticking to it. Depending on the size and type of your business, daily, weekly, or monthly team meetings are an important cornerstone of a strong team.

Regularly scheduled team meetings are like Sunday dinners with a busy family. They give you – the owner – a regular forum with your staff to implement company-wide training initiatives, announce results, establish goals and targets, or share new visions or directions. They also give your staff a forum to share feedback and air grievances.

Effective Team Meetings

By now you're probably thinking, "Sure, I hear some company's team meetings are effective, but we tried them and it didn't work," or "I held regular team meetings, but after a while, no one showed up."

There is a difference between team meetings held for the sake of having team meetings, and well prepared team meetings with a purpose.

You need to start holding team meetings with a purpose.

Establish a Schedule That Everyone Can Commit To

Scheduling is potentially the biggest challenge when trying to set up a team meeting. Often, all of your staff members are busy going in eight different directions to fulfill their roles and operating on dramatically different schedules.

This is one reason why regular team meetings are important. Ad hoc meetings require ad hoc scheduling, and reduce the likelihood that all your team members will be able to attend.

Ask your team to block off one hour (or two) each week (or month) for the team meeting in a time slot that is convenient for everyone. Establish a clear attendance expectation from everyone. This will exclude that time slot from the scheduling of other meetings and avoid conflict.

If you find that a team meeting is not necessary one week, you can always cancel it.

Know Your Purpose

Each team meeting should have a purpose and clear objectives. Is it to educate? Build consensus? Gather feedback?

Once you have established a purpose for a particular meeting, send an agenda to your staff confirming the meeting and outlining your objectives.

This is a good time to ask if anyone has a subject they would like to raise at the meeting.

If you find you do not have a clear purpose or objective, ask yourself if a team meeting is the best use of time for that week and consider postponing it to the next regularly scheduled time slot.

Plan Each and Every Minute

The biggest complaint from employees about team meetings is the length. Too often team meetings run out of control, and end up taking three hours instead of one. You will quickly lose team focus and respect for the regular meeting this way. By establishing a clear agenda and staying on topic, you can run an efficient, succinct meeting.

Your detailed agenda should include:

- meeting purpose or objective
- list of topics and associated speakers
- list of decisions that need to be made/agreed to
- time allocation for each topic
- opportunity for additional topics at the end

Circulate your draft agenda in advance of the meeting, and request input and feedback. When all team members have reviewed and contributed to the agenda, you will increase their level of ownership and buy-in into the process.

Establish the Facilitator

Choose one person to chair the meeting and keep it on track. This is generally the business owner or a senior member of the team with some authority over junior staff and a high level of respect.

It is the responsibility of the facilitator – or chairperson – to create an environment of open dialogue and trust, and to keep the meeting on schedule.

Create a Follow-up Schedule

Assign the task of taking detailed meeting minutes to a team member – or rotate this responsibility on a regular basis. It is important to record what happens in team meetings, just as you would in a client-related business meeting.

In the minutes, establish a system for tracking the action items that arise from decisions made in the meeting. This can be set up as a simple chart:

Decision	Action	Responsibility	Deadline

Make sure that these responsibilities are assigned and agreed upon in the meeting, and clear deadlines are established. Reviewing or following up on this chart can serve as a regular topic during team meetings.

Circulate meeting minutes to all attendees and ask for input or revisions. You may wish to circulate meeting minutes with the agenda for the next team meeting, and gather feedback at the same time.

Motivations + Incentives

A big challenge in team building is coming up with new ways to foster and maintain a high level of motivation. How do you keep teams of people excited and driven to succeed over long periods of time? How do you keep your team motivated to improve their performance, and increase their achievements?

It is important to note that we're not just talking about individuals, but teams of people working together. It is fairly simple to motivate a single person, but an entire team of motivated people will generate significantly higher results.

The key here is to give incentives for individual and team accomplishments. Incentives that reward based on collective achievement require people to work together and motivate each other to succeed.

Before we start talking about monetary and incentive-based rewards, it's important to look at motivational factors that are not incentive-driven.

Room to Work

Employees who feel their managers and supervisors believe and trust in their abilities are happier and will always perform at a higher level than

those who do not. They are motivated to “prove them right” and feel supported in their efforts.

Micromanagement quickly reduces morale. It is essential that you and your managers clearly express confidence in your team members. You hired them to do a job, perform a role, so you must ensure they have the space to do so.

When you put effective systems in place and establish clear expectations, you create a clear context or boundary system for employees to work within. They understand the decision-making hierarchy, and the general way ‘things are done around here.’

Your team should be encouraged to take initiative and to take risks within this context. You have hired your team based on their skills and intellectual capabilities, and thus should be able to trust in their choices and decision making abilities.

Incentives

Incentives are great motivators. An incentive is a reason to perform or act in a certain way. For example, if your team increases sales by 40% by month’s end, they will be treated to an expensive dinner.

Incentives need to be specific and have deadlines in order to be effective. In the example above, sales need to increase by 40% by the end of the month in order for the team to receive their dinner. If sales only increase by 30%, or if they increase by 40% at the end of the second month, the team does not earn their reward.

Time-specific incentives increase the sense of urgency, and encourage staff to work harder to achieve the objective. If the incentive is not time-bound, there is no reason to work faster or harder, since staff will assume they will reach their milestone “eventually.”

Rarity is also a key component of effective incentive-based team building. If the reward is ongoing (i.e., if staff receive an expensive dinner every month sales are over \$75,000), then “there’s always next time.” There is a lesser incentive to push performance to receive the reward. Some team members may care one month, but not the next.

Monetary Incentives

Bonuses and salary increases are a popular way to give your team an incentive to perform. These can include:

- Commissions
- Bonuses for completing a challenging project, or hitting a target
- Rewards for highest producing employee
- Salary increases based on met targets

It’s up to you how you choose to structure your monetary incentives, based on your budget and resources. Remember to ensure that the terms of each incentive are clearly outlined, and that both parties (you and your employee) understand the agreement.

Gift Rewards

Physical, tangible gifts are an inexpensive way to reward your team for achievements and improvement. These rewards show that you have given some level of thought to what they might enjoy or appreciate in exchange for a job well done. They're also a great way to surprise employees.

Here are some ideas:

- Spa gift certificates
- Books – *consider motivational or business-related topics*
- CDs or DVDs
- Meals – lunch or breakfast
- Other gift certificates – gas, food, meals, local shops
- Movie or theatre tickets
- Weekend getaway – hotel, meals, etc.
- Flowers
- Gym memberships

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Profits and Leads through Host Beneficiary Relationships

Did you know that a business just down the street from yours may be able to help double your profits this year? Or does this sound a little too far-fetched?

Maybe. If you operate a retail store that sells tires, and the business down the road is a hair salon, you may have a hard time making this happen. However, loose partnerships between complementary, non-competing businesses can be a financial goldmine when implemented strategically. And your partner may be just steps away!

Formally called Host Beneficiary Relationships, these partnerships help small and medium-sized businesses tap into very specific target markets and close sales under existing relationships of trust.

HB Relationships allow one business (the ‘host’) to add value to their product or service, and the other (the ‘beneficiary’) to benefit from the impact of a referral. The beauty of this arrangement is that the roles can then be swapped; the ‘host’ becomes the ‘beneficiary’ and vice versa.

Like any marketing strategy, HB Relationships don't work for every business all the time. However, they are a great tool to keep in your marketing arsenal when starting a business, entering new markets, boosting product sales, or any other opportunity that requires a specific and personal approach.

How Can a HB Relationship Help Your Business?

Establishing, planning, and implementing a successful HB Relationship campaign is more complex than asking your neighbor to send a letter to his client base with an offer from your company.

As with every other component of your marketing strategy and materials, an HB Relationship campaign must be purpose-driven and evaluated to be the best approach to secure your desired results.

For example, if your business caters to a broad audience and you have an irresistible offer that is going to have people running through your doors, you may want to consider a simple advertisement that will reach the most people. Alternately, if you offer a common product with a low price point – like coffee or candy – it's unlikely that a HB Relationship is worth the cost and effort involved.

So in what cases will a Host Beneficiary Relationship benefit your business?

1. A Start-up Company

A company that is just starting out has the most to gain from a HB Relationship. Faced with the standard challenges of establishing a new operation – credibility, product positioning, target market establishment, marketing strategy, etc. – a HB Relationship is an ideal way to get the business off the ground.

Gaining access to a time-crafted list of potential clients in your target market is an impressive benefit. Getting an established business to communicate your offer on your behalf is an almost guaranteed way to establish your own credibility.

However, start-ups often have the least to offer a ‘host’ company in exchange for being the ‘beneficiary’. Trading client lists is not an option in this case. So what’s in it for the ‘host’?

The host is seen in the eyes of his customers as providing a reward or an exclusive offer for their continued support and loyalty. The host business earns goodwill and has an excuse to contact his database for the cost of a simple mailing.

2. Entering a New Market

An established business venturing into new territory is in a prime position to benefit from a HB Relationship. Whether the business is known or unknown in the community, tapping into a refined target list will ensure that the right people are communicated the benefits of the new business’ offering.

In exchange, the host business may benefit from either the beneficiary's client lists in other marketplaces, or the prestige of offering clients an exclusive offer for a new business in town.

Again, this works best when the target market is highly segmented; otherwise, an advertisement would be a faster and more cost effective strategy.

3. A New Product / Service

As with new marketplaces, launching a new product or service may require tapping into a new or more segmented audience to deliver your message. A HB Relationship with the right partner will help to correctly position your offering, and deliver it to an exact audience.

The host business benefits by offering loyal clients the first opportunity to purchase or use the beneficiary business' product or service.

Defining Your Target Market

This is crucial in establishing a HB Relationship – just like it is crucial in every other aspect of your marketing plan. Not knowing and understanding your target market will put you on the fast track to business hardship, and waste time and money in the process.

You can determine your target market – or target market segment – based on the purpose or intention for seeking a HB Relationship. Are you reaching out to a new segment of your market? Are you offering a new product or service that may appeal to a specific segment of your market?

Are you moving to a new market area and looking to establish yourself amongst your broader target?

Determine your audience and write your target market here:

Selecting a Host Business

Once you have an idea of who your target market is, you can begin to create a list of target host businesses to approach.

Not every business is going to be interested or willing to engage in this marketing strategy – so doing a little bit of research and positioning your offer is well worth your while. To begin, you will want to draft a long list of all potential host businesses.

Do this by considering all business types that would be complementary to – but not competing with – your business.

Those businesses that offer a service or product that is connected in some way to your own. For example, if you operate a hair salon, some potential HB partners would include esthetics salons, clothing stores, drug stores, and perhaps some specialty goods stores.

Or, if you operate a retail tire store, you might consider a list that includes hardware stores, automotive part shops, car washes, auto body shops, or specialty auto part distributors.

Pick up the yellow pages, or conduct a Google search for all businesses in your market area that fall under the categories you identified. You may also consider asking your colleagues and associates for ideas and recommendations.

When creating this list, make sure each business falls under these criteria:

Non-competitive. Their offer should be complementary to, but not compete with, your product or service. Make sure you consider this carefully – seemingly non-competitive offers may actually cannibalize your business.

Remember that your customers have a limited amount of money to spend, and if they begin spending money at your host's business, they might stop spending money at your business.

Same target market. If you and your host business are not talking to the same customer base, then you're wasting your words on customers who are not likely to buy your service or product. If your host business has no idea who their target market is, you may also want to consider looking at other host options.

Start with your customers – your target market or segment of. What services do they use? What products are they interested in? Thinking about their needs will help lead you to the most effective host business.

A killer customer contact list. Without this, they aren’t worth approaching – but how do you know they have or maintain a customer database? There are a couple of ways. Pay attention to the type of marketing your potential host conducts. Do they often send letters to their target market? Direct-mail flyers and other promotional materials? Or do they rely on advertising? Do they send a regular newsletter? They also may hold their customer contact information in their point of sale system – if it is technologically advanced enough to do so.

Positive reputation. As the beneficiary, you need to ensure that the host who is referring your business to their customers enjoys a good reputation in the community and with its clientele. Otherwise, you are being endorsed by a business that no one respects, which can be damaging for your reputation.

Host Business Ideas List

Keep track of all potential host businesses using this chart.

Business Name	Contact	Business Type
	Name: Phone:	

	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	
	Name: Phone:	

Approaching the Host Business

Once you have created a list of target businesses, it is time to plan your approach. There is some strategy involved in this; you need to convince the host businesses to lend their endorsement and customer contact list to you in exchange for something that will benefit them.

Introduce your product or service. Present your offering to the host business as though you were presenting to your potential customers:

heavy on benefits, and light on features. Assume that the host business has placed themselves in the shoes of their customers, and is evaluating whether your product or service is worthwhile for them.

Provide marketing materials and other supporting information like testimonials and market research to establish your credibility, and your understanding of the people you are trying to reach.

Inform and excite. Provide as much information about how the HB Relationship will work, and be sincere in your efforts. Leave room for their thoughts and contributions to ensure that they buy into the process.

Get them excited about the opportunity you've placed in front of them. Use bright examples, and tell a hypothetical story about one of their customers benefiting from your service. Then, bring it back to the benefits that the relationship or partnership will deliver to their business.

Include an incentive. Be clear about the benefits the host can expect to receive. While you will not always be able to offer something tangible, do your best to offer some incentive to the prospective host business.

If you are an established business, offer them reverse access to your customer database after the initial mailing. Or, if you have room in your margin, offer them a piece of the profits you receive from their customers. Whatever it is, make sure you articulate how this particular partnership is worth their while.

Communicate your rationale. Tell the host why you chose to approach them in particular. Do they enjoy a great reputation in the community? Are they a well-known business with a great sense of camaraderie? Compliment them on their business skills and the great relationships they have built with their customers and in the community.

Then, explain how your business can add value to theirs, and allow them to build on the existing relationships with their clients by offering your services.

Reassure. Communicate the benefits of the HB Relationship to the host, and reassure them that there is no risk involved for them. You are not out to take their profits, or place burden on their resources.

Remind them that you are seeking a complementary business relationship, one that benefits both parties.

Craft Your Message

Once you have secured your host partner, put the plan into action as quickly as possible. Offering to write the letter to their customers will not only give you control over the messaging of the offer, but also reduce the time investment required by the host. The process is simplified for them, and happens sooner for you.

- Just like sales letters and other marketing collateral, your HB offer letter should engage the reader and make them feel as though their needs and interests are cared for.

- The letter should position the host as a thoughtful service provider who sought out an offer specifically for the target audience.
- Your offer should be strong and slightly outrageous. Give deep discounts, or free services, exclusively to this target audience.
- Remember to acknowledge the needs and troubles of your reader, and position your product or service as the answer or solution.
- Include an incentive to act quickly. Ensure your offer is time-sensitive or of limited quantity.

Five Simple Steps to Creating an HB Relationship

In summary, here are is a five-step roadmap to creating a positive, profit-filled, HB Relationship:

- Identify your target market.
- Identify target host businesses.
- Create a unique offer for each host business.
- Approach the host business.

Draft your letter.

Points to Remember

- **Make mistakes in small batches.** If you are unsure about the accuracy of your target market – do a test run. Send a small batch of 50-100 letters to a small group of people, and measure the response.
 - Alternately, you can send three different letters to each third of your target market, and evaluate which offer is acted on the most. This is of benefit for both the host and the beneficiary business because the response rate of the target market is tested, as are their purchase motivations.
- **Create benefit for the host business.** Remember that there must be an incentive for the host business, or the partnership is not worth the time investment. It is important to consider this, and plan ahead before you approach the host business. Create a number of options for the host to choose from, whether it is using your database after the initial mailing, or sharing a piece of the profits.
- **Be honest.** If you are working with several businesses in your area on different offers, make sure each business knows and is comfortable with the arrangement. Ensure that each offer is distinctive and each host is benefiting from the arrangement without competing with other host businesses. This is just good business form.
- **Rest on the strength of your offer.** With a strong offer, your HB campaign will be on the path to success. Make it something your

audience can't refuse. Your offer should not only be enticing and engaging for your audience, but should also benefit the host in reputation. Their customers should feel valued and appreciative toward the host for bringing your offer forward.

- **Repeat.** Once you've established one successful HB partnership, keep going! This technique is a valuable way to promote your business and your unique products and services, and can be repeated several times each year with several different host businesses.

Host Beneficiary Letter Template

[Headline in bold at the top of the page – strong statement or question] [Optional sub headline to explain or answer the question/statement]

Dear [name],

I hope this letter finds you well and enjoying [insert name or description of product or service previously purchased]. Remember, your continued satisfaction with our [product or service] is guaranteed.

I am writing because I have stumbled upon an exclusive new [product or service] that will [describe how the product or service will meet a need or solve a problem].

[Beneficiary business name] is a [describe business type] that [describe business function]. I recently met with the owner, and was able to secure an unbelievable rate for my existing clients. The [product or service]

is [describe product or service briefly]. Customers who have already purchased have said:

[list testimonials in bullet form]

[describe limited time or quantity], we are pleased to offer you [describe unique offer here]. This is an opportunity you will not find anywhere else, and an offer that will not be available in stores.

I hope you will be able to take advantage of this amazing [product or service].

Sincerely,
[your name]
[company name]
[phone number]

HB Relationship Worksheet

Target Market:	
Potential Host 1: Name: Business Type:	Unique Offer:
Host Benefits:	Date Contacted:
	<input type="checkbox"/> Accepted <input type="checkbox"/> Follow-up

Notes:

Target Market:

Potential Host 2:

Name:

Business Type:

Unique Offer:

Host Benefits:

Date Contacted:

☐ Accepted ☐ Follow-up

Notes:

So What Do You Do From Here?

Take Action! If you're already an accomplished business owner and earning in excess of \$250,000.00 per year, use this book as a direction to enhance the speed of your business success. If you are not as accomplished as you would like to be, then the smartest thing to do is ask yourself how long you are willing to wait before you act?

Remember that at every stage, Concentrate on strategies to LEARN, and the EARN will follow! If you are serious about taking the next step, go to work on yourself, study other business successes, understand marketing strategies and become a sponge for new (proven) material. The amazing thing about the game of business is that when you put proven processes to work and continue to follow them, an abundance of success will follow. The biggest mistake is to start a process and then fall back into your old habits after a short time.

Above all, seek any advantage you can, from leveraging existing relationships to building joint ventures or finding a business coach who brings creative, and proven, ideas to the table that could give you the winning advantage. You have put in the hard work, and you owe it to yourself, your employees, your family, and your clients to see the best possible results.

So, if you have a business and have not yet managed to start creating wealth and systems that allow you to take time off for making memories, build retirement accounts or pay for your children's college, then learn and master the steps outlined in my book. I am a huge advocate of education and

mentorships. Get the right information, find someone who knows how to walk you through them, and watch your life quality take new shape as you align your dollars and dreams!