

# SMALL BUSINESS SUCCESS



April 2008

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## Effective Employee Orientation

### An Overlooked Retention Strategy

*Everywhere you look these days it seems there are "Help Wanted" signs in storefront windows. Business owners I talk to have told me how hard it is to get and keep good people. Job seekers have so many options and it doesn't take much to entice them out the door. The cost of staff turnover is high, and small businesses especially feel the sting of having to train staff over and over. I've heard small business owners say they feel like their company has a revolving door with staff leaving as fast as they're being hired. So what can you do to lower your staff churn? Lav Shelat, in the February 2008 edition of Canadian HR Reporter in his article "First Impressions Count - A Lot", wrote, "Retention is directly linked to how well an employee has been integrated into a new culture and the helpful tips they receive to get their work done. A good orientation can build confidence and help an employee become fully productive sooner." The tendency of many small business owners is to throw their new employees into the deep end and expect them to swim without so much as a lesson. Granted, this is often a survival technique as they struggle to maintain operations while trying to train one or two new employees at a time. However, many human resource professionals are now making the link between a solid orientation and employee retention.*

Desperate employers hire people quickly and employees often don't really know what's in store for them when they are hired. It doesn't take long for them to find out things are not what they had thought and they're out the door. Or, they don't feel welcomed into the culture by other employees. Or, they don't feel they had enough training to give them confidence to do the job. It takes very little for an employee these days to seek greener pastures. One of the strategies to increase retention, is to put more energy into your employee orientation. Rather than looking at it as a quick overview to

employment, use it as a strategy to ensure you've got the right person in place, and that your new employee is completely prepared to enter the workforce with confidence. Of course, this does take some effort on your part, but if you could retain just a couple of employees rather than have to train all over again, wouldn't it be worth it? Here are some keys to an effective employee orientation.

### ***A Solid Plan***

You should have a written orientation plan that lets your employee know exactly what they will learn, how long they'll be in training, and provides them with all the information they need up front (wouldn't you rather they find out everything at the outset rather than having them quit two months into the job because they didn't like how many holidays they got?). It should include a detailed job description so that the employee clearly sees what will be entailed in the job they've been hired for. It should also indicate what advancement possibilities exist within your company. Again, tell them up front whether they will have opportunities to earn more, have more responsibility, cross-train etc. rather than having them find out later and quit. Your orientation plan should contain a detailed training process where the employee has an opportunity to learn the skills to a confidence level that makes them feel good about taking on the tasks. Skipping the training or hoping they'll "catch on quickly" on their own doesn't work. A frustrated employee who lacks confidence because of insufficient training won't last long and before you know it, you'll be doing it all over again. If you haven't got a written orientation plan, it should become your priority before you hire any more staff. Remember, if you're experiencing high employee turnover you won't change that phenomenon until you change the way you're doing things.

### ***A Measurable Process***

The training process should have measurable goals and benchmarks so that the employee can clearly see when they have had success. They should know what the standards are and when they have reached those standards. There should be opportunities all along the way to test the employee's skill and knowledge so that gaps can be addressed quickly. If your training isn't measurable from the start, your employees won't be able to build the confidence they need to become competent at the tasks on the job description. This leads to frustration, which leads to . . . well, you know.

### ***A Company Buddy***

Many companies have found matching up a new employee with a "buddy" has been a really successful method of integrating the new person into the corporate culture. The buddy's job is to introduce them to other staff members, show them the ropes, let them know where to find the coffee and the washroom, get them acclimatized to the office rules, and just generally be a friend during the trying process of starting a new job. The office buddy, while formal at first, eventually just becomes a co-worker as the new employee gets comfortable in their new position. Effective integration into corporate culture is a key component of retention.



### ***A Fantastic First Day***

In Shelat's article, he talks about how important it is to make the first day memorable for your employee. Many judgments are made on the first day - and sometimes negative ones can be difficult to overcome. Here are a few ideas - arrange staff lunch to welcome the new employee; have a special little gift waiting on their desk when they arrive - a company mug with coffee coupons for example; take them out for coffee late in the afternoon and ask them how their first day went; get all your staff to sign a "welcome to the team" card; make sure their day is active and fun (never leave them sitting alone in the board room reading the policy manual for two hours); ensure that they have someone with them all day long so they don't have time to feel out of place or inadequate; make sure the rest of your employees understand the importance of the first day and go out of their way to make the new person feel welcome. I guarantee they'll be looking forward to their second day!

### ***A Follow-up Plan***

After the first day, have a plan in place to regularly check in with the employee - often at first - to make sure they are on track and to let them know you care about their progress. As they become more confident in their job tasks, the check-ins can decrease, but they should be maintained until the end of their probation period

A well-oriented employee is less likely to walk away from your business than one who's been thrown into the fire with little to go on and no one to ask for help. It does take time to create a process that is memorable and effective, but in the long run, you'll be thankful. You'll notice the revolving door is moving much more slowly - maybe it will even stop for a while - and your employees will be happier, fully engaged and productive in their new positions.

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## **The 10 Commandments of Prospecting**

*An integral part of every successful sales person's career (and I'll add - every successful business) is prospecting. No one likes to do it, but everyone needs to if they want to achieve sales success. Prospecting simply means finding new business - new clients - new customers. Someone once told me that the more prospects you put into the hopper, the more sales you'll make in the end. It's simple math. Yet so many small businesses seem to be happy with their current client base and don't see the value or the need for prospecting. Your customers will move away. Your customers will choose to go to your competitor. Your customers may stop shopping with you because someone else is offering better prices. Your customers may simply stop shopping because they need to save money. If you aren't continually seeking more potential customers, what will you do to fill the hole made by the customers who leave you, for any number of reasons? Here are ten tips to ramp up your prospecting efforts.*

***1. Make an appointment with yourself to prospect for one hour a day.*** Never put it off. Always keep that appointment. If you can't afford an hour a day, try a half hour, or even 20 minutes. A

small amount of daily prospecting time is better than none. Some people find it easier to commit a chunk of two hours a week - say on a Friday afternoon or during a less busy time - and then do their prospecting all at once. Whatever system you use it has to work for you, but once you decide on your system, stay committed to that prospecting time.

**2. Make as many calls as possible.** Remember, you're not going to be rewarded for what you INTEND to do - only what you actually did.

**3. Make your calls brief.** This is not the time to be long-winded. The objective of prospecting is to get an appointment with your customer.

**4. Be prepared with a list of names BEFORE you start calling.** The hour you've committed is for actually making the calls. Otherwise you'll spend an hour a day just making lists.

**5. Work without interruption.** Close the door, put up your "do not disturb" sign, turn the ringer off your cell phone, close your email program. It's easy to get distracted from a task you don't like doing.

**6. Prospect during your down-time.** In your car before you head to your next appointment, first thing in the morning, while you're waiting to get your car repaired. All those minutes you usually waste during your waiting times can be put to good use as you get in one or two prospecting calls.



**7. Vary your call times.** All of us are creatures of habit - so are your prospects. Some start early, some stay late. Some are open in the evening. If you vary your call times, you'll be sure to contact more people overall.

**8. Stay organized.** Keep a daily diary of the calls you're making and the results of those calls. Make sure appointments get written down, and schedule your callbacks. Take notes of what has happened on your calls (i.e. Mr. Jones is in the middle of doing inventory - he's interested but will need a week to get this task done. Call back next Friday. Best time of day for him is 9-10 am).

**9. Envision the end before you begin.** Know what you want to accomplish and set yourself some goals around that. Say you want to call 50 new prospects every month. How many is that per day? How many appointments do you want to get from those 50 calls? The more you do it, the better you get at it, and the more

appointments you'll make each month.

**10. Don't stop at the close of the sale.** Your prospect moves to "customer" status once they make a purchase. If you've truly done your job and your customer is happy - that is the time to ask for referrals. This is prospecting too!

Your business depends on your willingness to do the hard things - and prospecting is one of those hard things, but it's like anything else. It's hard at first, but the more you do it, the better you'll get at it, and the more success you'll have with it. Keep your hopper full and you'll never have to worry about a declining customer base.

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## It's All About Perspective

*When you're a small business owner, you can get pretty passionate - and protective - about your product. I mean, you're the one who invented the ..... and it's the best darned ..... in the world! Why would you or anyone else ever want to change it? Your customers seem to love it just the way it is and you can't think of any reason why you need to look at it any other way. Most of us are creatures of habit. We go to the same coffee shop because we like the way they make our favorite drink, the same grocery store because we know where to find everything, the same restaurant because we love the way they do our steak. It can take a lot to break us out of our routine comforts to look at ordering something different - in a different place. That same passion that made our business great - can blind us to seeing ways we can make it even greater. If you haven't examined your product from a different perspective in a while, take some time to expand your mind and see whether you can come up with the next greatest .....! Here are some ideas on how to get there.*

***Find a new perspective*** - consider your product or service from the perspective of someone who isn't currently a customer - a child, a teenager, a librarian, a hairdresser, a professional athlete - how would they describe what you do or what you produce? By looking at things from a completely different perspective, you may just see something new - something worth exploring.

***Pretend you're five years old and ask "why"*** - if you've ever been around a five-year old you'll know how tired you can get of hearing the word "why". "Mommy, why do birds sing?" And after you answer, comes another "why", and then another, and another. Ask yourself 'why' questions about your product. Why is it a certain colour? Why do you have two different versions? Why don't you have two different versions? Why do you do things a certain way or in a certain order? Why are your customers primarily men over 35? Be like a five-year old and don't stop with the first answer. Ask why again. You might be surprised what you discover with your persistent 'why's'.

***Find someone who doesn't normally buy your product - and get them to ask questions.***

Say your typical demographic is men over 45. Find a woman in her 20's. Show her your product or service and ask if she has any questions. Ask why she wouldn't buy the product, and what it would take for her to be interested in buying your product. You may find yourself re-thinking whether you want to develop your product for a completely different market.

***Look at your product through your competitor's eyes.***

Imagine you are your competitor. How is your store different from his? What do you do differently? How does your customer service differ from his? You may see something interesting when you look at things through the eyes of someone who competes for the same customers.

***Make Google your best friend***

- google your product or service and see what comes up. You may be selling computers but what if you googled computer parts, computer service, computer customers, old computers, custom computers, computer history. You could spend all day there, but you might get some really great perspectives.



The next time you're tempted to sit back and accept the status quo when it comes to your annual product review, take it as a sign that you need to turn to some perspective changing exercises. Perspective changes everything and if you're not willing to look at things a little differently, your business will suffer. You may decide in the end that what you've got is perfect and you don't need to make any changes, but make sure that decision comes on the heels of some valuable research rather than your own desire to stay within your comfortable business box.

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## Cure Yourself of Excusitis

*We've all suffered from a bout of it at one time or another. Sometimes it's like a 24-hour bug and you get over it quickly, but sometimes it settles in and seems to last for weeks. Someone recently described it as "a mind-deadening thought disease." You've seen its impact on others, and you've felt its impact on yourself. Some common strains of excusitis sound like this . . . "I'm too tired to . . .", "My health isn't as good as it used to be." "I'm too old (or too young)." "I just attract bad luck - don't know why I bother trying." "I'm not smart enough, don't have enough education, don't have enough experience." "I tried and failed." "It just never seems to happen for me." "I'll never reach that goal." All of these are signs of excusitis, and they are potentially deadly. Maybe you won't keel over and die physically, but you'll find yourself dead emotionally and intellectually. Making excuses is the number one reason people don't achieve their goals, and it's so easy to fall*

*into this pattern. It sneaks in one excuse at a time and before you know it you've got a full-blown epidemic! From a business perspective, you can't afford to get a case of excusitis. It will paralyze you from moving forward and could cripple your business. If you find yourself feeling tired and are dragging yourself around; if you've found those excuses slipping into your mind more and more often, it's time to take preventative action.*

***Read something inspiring every day.***

It takes discipline, but it's difficult for the bug to bite you when you are focusing on the positive every day. Whether it's an inspiring story, a book of quotes, a motivational author, keep adding positive things to your mind and it will be like echinacea for your soul.

***Remind yourself of why you don't want to make excuses.***

Make a list of all the things you want to accomplish - both personal and professional. Keep it handy so you look at it often during the day. With so many positive things to pursue, you'll find reasons not to make excuses every time you look at the list.

***Remember your accomplishments.***

Think about the significant things you've accomplished in your life when you DIDN'T make excuses, and use those as an impetus for not making them in the future.

***Think about who's counting on you.***

All of us have people who count on us and our efforts toward success. Is it your employees who count on you for their job? Your spouse who counts on you to contribute to the household income? Your kids who count on you to follow through on what you've said you'll do? Those people can be your motivation to stay on track.

***Visualize yourself doing things.***

Sometimes when we're suffering from excusitis, we just need to imagine ourselves doing the things we're avoiding doing. Close your eyes and picture yourself making that pitch to the difficult client, or taking those dance classes your partner has been bugging you to take, or making that investment, or going forward with the acquisition or whatever it is you've been avoiding. When you visualize your success, you're half way there!



***Ask a friend to help you recognize the symptoms.***

Sometimes it comes on so slowly you don't even realize you have it. Enlist the help of a good and trusted friend to tell you when they see signs of excusitis. Give them permission to let you know what they see and be willing to do something about it.

***Get passionate about something.***

People don't generally make excuses when they are doing something they're passionate about. If you've lost or forgotten that special activity that makes your heart sing and ignites your soul, find it again. Experience what it is to be completely lost in something you feel passionate about. It's a guaranteed cure for excusitis.

You know what they say, prevention is the key to the cure. So practice excusitis prevention. Don't let excuses stop you from moving forward with your business and personal goals. Recognize it and stop it in its tracks. You AND your business will be better for it.

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## Small Business Tax Mistakes

*It's that time of year again - tax time is upon us. Are you certain that you're getting all the advantages you can for your small business? With so many things to consider, and tax laws changing all the time, it's no wonder that most small business owners don't like this time of year. In the past we've written articles advising small business owners to hire a professional accountant to do their taxes, and I still believe for the most part, that's good advice. Your tax professionals know the tax laws inside and out, and can often see things you can't because you either don't know where to look, or you're too close to see it. Even though it costs you money to have someone else do your taxes, you'll come out ahead in the end. However, if you decide you'd like to file your taxes yourself, here are some common mistakes small business owners make that may negatively affect the outcome of their tax returns.*

### **1. Not saving receipts**

The lunch you had with your client, the coffee you bought for one of your employees, the small items that sometimes seem inconsequential all add up to big deductions. It may not seem worth it to keep a receipt for a few bucks but do that a few times a week and it can make quite a difference. In addition, while Revenue Canada may not come looking for that \$3.70 Starbucks receipt, if you're claiming it on your tax return, you're going to have to know when you spent it and how you are justifying it as a business expense. What better way to document than to simply write on the receipt (coffee with Client X to discuss .....). Or, pay by credit card and it will have the name and address of the restaurant and the time you ate there - all you need to add is who you were with and why. If it ever comes into question - you'll have the evidence to support your expense. And, keeping those receipts helps you to know where you are spending your money throughout the year so that you can keep track of your expenses for your business cash flow and budget.

### **2. Not claiming your allowable home office expenses**

If you work from home, you can claim a certain portion of your utilities, mortgage interest, property taxes, home insurance and the upkeep of your home. If you have clients coming to your home business you can even claim a portion of your lawn and yard maintenance. Talk to a professional who can help you figure out the formula (based on the actual percentage of your home the business and/or home office uses) and use those as deductions. This space must however, be dedicated to your business. You can't claim the family computer in the kitchen as a home office.

### **3. Not reimbursing yourself for cash expenses**

Many small-business owners pay for some business expenses with cash out of their own pocket or through a personal credit card. Sometimes that's necessary but don't forget to track those costs and submit the expenses for reimbursement. Not only does this mean you're not paying yourself back for allowable expenses throughout the year, but you can't claim them on your taxes as expenses if you haven't reimbursed yourself for them. Or worse, you've forgotten about them all together.

### **4. Not calculating automobile expenses correctly**

This can be a difficult one. Your car is an expense, but do you know how to make the most of the deductions for this expense? Talk to someone who knows - your accountant or a tax preparer - and make sure you know how to properly deduct vehicle expenses. Did your business pay for the car? Are you calculating depreciation? How are you calculating mileage? Are you leasing your car? What are the advantages you need to know about when deducting those expenses? Don't assume you know - ask someone how to do this properly. The Revenue Canada regulations for this deduction have changed recently, so check with an account to find out what the newest guidelines are.



### **5. Not giving to charity throughout the year**

While this does affect your taxes, it is really more about your business philosophy all year long. You can give to your community as a business and reap the rewards not only of doing a good thing, but also of making valuable deductions at tax time. Does your business have a regular program of giving to some charity or organization? Do you make sure you get tax receipts from these organizations? I've heard of small business owners scrambling during the month of April to give large donations to non-profits in order to be able to use those deductions on their taxes. This negatively impacts their cash flow for that month, and in my opinion, defeats the purpose of giving. Making sure your business gives back to the community all year long means you're contributing value to your community - the tax benefits are just that - benefits. The real value is in being the giver.

So, if you're going to do your taxes yourself this year, avoid making these common mistakes and maximize the tax benefits for your small business.

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