

# SMALL BUSINESS SUCCESS



March 2008

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## Succession Planning -

### Have You Ever Thought About It?

Perhaps at this point it feels like you'll be working in your business until you're 90, but the reality is, at some point you will need to consider what you're going to do with this empire that you've built. Will you sell it to someone else? Will you pass it on to a member of your family? Are you even interested in seeing it succeed beyond your own involvement? If you are, you need to give some thought to how you are going to prepare a potential leader to take your place at the helm. It's not as easy as you might think, and there are a lot of factors to consider. You've developed a specific corporate culture based on your own values and priorities. How will someone else know what those values are and be able to carry them on? You've established a certain way of dealing with your staff, and of representing yourself to your community. How do you know your successor will treat your staff the same way, and will carry on your good name?

In an article titled *Talent Management in the 21st Century; Help Your Company Find, Develop and Keep its Strongest Workers*, Cindy McCauley and Michael Wakefield say this: "Wise leaders do not leave strategy or the bottom line to mere chance. They also know they can't just hope everything somehow works out with the people in their company. By incorporating comprehensive talent management, an organization can assemble the right people it needs to manage and lead in the future."

Now is the time to think about succession planning - not six months before you want to retire. Having a plan and system in place to identify employees within your own company who may be positioned to take over, or recruit someone from outside, is essential for finding a successor you will feel comfortable handing over your business to.

As a business owner, you should be committed to the ongoing development of talented employees and to developing effective leaders within the organization. This will provide strength and stability to all levels of your company. Whether someone comes up from within to take over your business, or you hire from without, strong leaders inside your business will ensure a well-developed corporate structure able to handle a management transition with ease, and will also create long-term sustainability for your business after you leave.

Here are some things to consider as you think about creating a succession plan for your business. Don't just think about it - write it down. Then it will be easier to create a formal plan when you're ready.

1. ***What about your business is important to you to retain?*** Do you want to ensure that you'll continue to be known for the best service in town, or the best product? Do you want to make sure your employees are treated fairly and with respect? Do you want your corporate culture to be preserved? Or your mission and core values to be maintained? You should have a clear idea of what you want your business to look and feel like after you leave.
2. ***If you could choose anyone to take over your business, who would it be?*** Maybe you've already got your son or daughter in mind. Maybe you've been working with a senior manager who has been your right-hand man/woman since the start and you know they'd be the best one to receive the torch. Maybe you have no idea. But if you could choose anyone, who would it be? Donald Trump? Lee Iacocca? Mary Kay Ash? What qualities does this person have that you feel makes them the best person to take on the job? If you know the kind of person you want to take your place, it will be easier for you to find and/or train them into the leadership role.
3. ***How many of your systems are written down?*** Do you have clear, comprehensive policy manuals on all aspects of your business? For instance, production, human resources, customer service? If you take over a McDonald's restaurant, there is no question on how to run it. This unprecedented turnkey success has proven that management and leadership can be recreated - all you need to do is provide clear, step-by-step instructions. The more you have written down in terms of your systems and policies, the more likely someone else will be able to step in and uphold them with little or no effort.
4. ***Do you have a training plan?*** Training a business successor is much more complicated than hiring someone to answer phones or make sales. You can't transfer your years of business knowledge overnight. Many successful succession plans take 6-12 months to complete. You should be aware and prepared to have a plan that includes training for all aspects of your business. What are your production rules and standards? How do you handle your finances - not only your bookkeeping, but budgeting, forecasting, tax and business planning? How have you established your corporate culture and what do you do maintain it (training, employee development, rewards programs etc.)? Who are your suppliers and what



sort of relationship do you have with them? What marketing and advertising strategies do you have in place and where do you feel you need to go? Create a comprehensive plan for how you are going to transfer all this information to your successor. If you start now, you'll be glad you have it in place when you need it.

5. ***What is your timeline?*** If you're in your mid-30's, succession planning may seem like a distant reality compared to the day-to-day running of your business. If you're approaching 55, it may seem more of a priority. Regardless of where you are in the life of your business, it's good to start thinking about it. You may not be ready to sell your business right now - but what if you unexpectedly became ill, were in an accident, or were forced to take a leave of absence because of a family emergency? Such a plan might come in really handy to train a temporary successor who could hold the fort until you are able to return. And, if all has gone well in your absence, you may have found your permanent successor.

Succession planning is not something that is at the forefront of most small business owners' minds - but it should be something you think about. If you take a stab at it a little at a time, work on getting your systems written down and in place, and know what you want to accomplish, it may be one of those things you'll be glad you did, when the time comes!

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## Email Etiquette

*While email is becoming one of the most used business communication tools, it is also the source of a lot of frustration for many people - especially business owners. I've talked to many people who say they spend way too much time reading emails - some get hundreds a day. Others have claimed that emails have been the cause of misunderstandings that ended up causing conflict. A lot of people complain about being sent the infamous FORWARDS - most of which end up being hoaxes and a huge waste of time. Others are frustrated at the amount of time graphics take to download. And everyone hates SPAM! Well, it appears we aren't going to be living without email in business any time soon, so it makes sense to ensure that your communication with others doesn't cause those kinds of frustrations. Whether you are emailing clients, suppliers, or your staff, it's good to remember these email rules and abide by them. You may even want to give your staff a little training session, or have them post these rules by their computers so they do not contribute to the email frustration of others. Better yet, write a concise email policy that you can add to your Policy & Procedures Manual.*

***Be brief*** - long emails are difficult to read. Email should be for short concise conversations whenever possible.

***Be careful with the "reply all" button*** - while it may seem the most effective way to make sure everyone stays in the loop, many times emails are sent to people who don't need the information. It's a timewaster for them to read it only to find out it's irrelevant. Before you hit "reply all" make sure

everyone on the list actually needs to receive it. Remove any addresses that don't.

***Do not write in capitals*** - some people feel the compulsion to capitalize things they want to emphasize. In an email - capitals are considered SHOUTING. Instead, if your email program has an option to bold or italicize, use that for emphasis; but only sparingly.

***Read before you send*** - I can't emphasize this enough. Because emails tend to be written quickly they are often full of spelling errors, grammar mistakes and incomplete sentences. You would never send out a letter like that, why do you think someone wants to read emails like that?

***Never use emails for potentially volatile subjects*** - especially if you're angry. Emails have been the source of more miscommunication and misunderstanding than any other form of communication. The receiver cannot hear your tone of voice and will sometimes interpret the words on the page in dozens of ways other than what you intended. If you have a potentially emotional issue to discuss, do it in person, or over the phone.

***Never send FORWARDS from your business*** - people either love them or hate them. Those who love them seem to spend hours sharing hundreds of them with everyone they can add to their list. Those who hate them simply hit the delete button as soon as they see them. And, most of them end up being hoaxes. No matter how cute or relevant or wonderful you think the email is, do not



forward it to clients. Though some may not mind, you are guaranteed to send it to some who will, and it's not worth the risk of annoying a customer. Avoid sending them to other staff members as well. It is the source of a huge waste of productivity during the day. If you are determined to share something, send it to a co-workers home email instead.

***Use a salutation when replying to an email*** - it's polite to return an email addressing the person who sent it. "Hi Cathy, Thanks for your quick reply." It can be tempting to just hit the reply

button and start typing your response, but some people when they receive it, feel it's rude to reply without a personal address.

***Whenever possible, reply with the whole email thread rather than starting a new email*** - that way the person can read the process from the beginning if they have any questions or have missed any steps along the way.

***Use bcc liberally for large sendouts*** - if it doesn't matter whether people know who else has received the email, put all your addresses in the bcc (blind carbon copy) line of your email. It allows them to receive it without seeing a huge list of recipients at the top. In addition it ensures the privacy of people's email addresses.

***Avoid slang abbreviations and emoticons*** - BTW (by the way), I'll BRB (be right back) after I

finish telling this joke LOL (laugh out loud)! You never know if the recipient will understand the slang and it is unprofessional. So are a lot of cutesy emoticons with smiley faces and other things. You're running a business, not a clipart shop.

***Be careful with graphics in your email*** - a lot of people are starting to attach their logos at the bottom of their emails as a signature. While it certainly helps with branding, it can be irritating if your logo is sized improperly taking up a huge chunk of the screen, or if a SPAM filter weeds out your email because of the attachment. A simple email signature with name, address and phone or email is best.

***Beware of funky stationary programs*** - because people use such a variety of email software, what you see on your screen when you use proprietary stationery, may not come across to the recipient if they don't have that same software. It can cause words to fall off the page or go on to a dark colour that makes it extremely hard to read. And, any images contained in your stationery may not appear on someone else's email. Save the cute stuff for your personal email, and stick to the plain, standard, professional process.

***Attach attachments*** - if you are planning to add an attachment make it a habit to attach it first, before you start writing the message. There is nothing more annoying than to receive an email that should have an attachment requiring your immediate attention only to find it isn't there!

These are just a few things to consider in order to use email more effectively. Your primary concern should be to represent yourself professionally to those outside your business, and to maintain professionalism inside your business.

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## The CNA - Your Sales Executive's Best Friend

*How many times have you been sold something you didn't need by a sales executive who convinced you that you did? How many times have you bought something that you thought would meet your needs, but in the end didn't? How often have you not received what you thought you paid for? All of these scenarios involve someone not taking the time to find out exactly what you needed, and matching their product or service to meet your needs. It's easy in the sales business, to get so caught up in "making the sale", that you forget who it's really about. Sure, in the short term you may make the sale and that feels really good. But in the long run, if your customer doesn't feel they got what they wanted or needed, they won't come back, and your short-term gain will have cost you a long-term customer. One of the best ways to determine what a client needs, is to do a Customer or Client Needs Analysis (CNA). Not only does the CNA give you an accurate*

*snapshot of your customer's needs, it really puts them at ease as they see you working hard to find out what's important to them.*

Whether you sell to the public, or whether you sell to businesses, you can use the CNA to gather important information that will help you to assess your customer's needs. Here's an example of potential questions for a business client CNA:

### ***History/Company Info***

How did you get started in this business?

What is the greatest misconception people have about your company/product?

What are the most important things people should know about your company/product?

What are the benefits of buying from you?

### ***Customers***

Who are your best customers?

Why do they buy from you?

Where would you like to grow your customer base?

### ***Sales and Events***

What are the names and dates of your major sales events?

What are your two strongest events and why are they successful?

### ***Market Position***

Why do customers come to you?

What do you offer that competitors can't or won't?

What makes your business unique?

### ***Major Competitors***

Who are your major competitors?

Why do customers go there?

What is their greatest competitive advantage?

What is your single greatest competitive advantage?

What is your single greatest competitive disadvantage?

### ***Suppliers***

What do you look for in a supplier?

Which are your favorite suppliers and why?

What is your reputation with your suppliers?

What problems have you had with suppliers in the past?

### ***Overall Image***

How would customers describe your overall image: i.e low price, large inventory, good service, etc..?

How would you like customers to think of you? What is the image you desire?

### ***Averages and Seasonality***

What is your average sale?



How much does your company hope to gross this year?  
What is your budget for (whatever you're selling)?

### ***Marketing***

What is the biggest marketing problem you face today?  
What have you tried to accomplish with advertising?

I'm sure you can see the advantage of having the answers to all of these questions. At a glance you could quickly determine who they are, who their customers are, where they are strong, where they are weak, and how you might be able to meet their needs with your product or service. If these questions are too generic, create some of your own that are more customized to your industry. The point is gathering information, so you can offer the best product or service for their needs.

If you sell to individual customers, you'll have to create a CNA of your own that is customized to your industry or even your particular product. Let's say you own a car dealership. It could look something like this.

### ***History***

When was the last time you purchased a car?  
How much did you spend?  
How often do you purchase vehicles?  
Do you usually purchase new or used?  
What is your price range for a vehicle right now?

### ***Preferences***

What did you like about the best car you ever owned?  
What have you liked least about cars you've owned?  
What things factor in to your purchasing decision?  
What is the most important factor in purchasing a vehicle?  
What is the most frustrating thing about purchasing a vehicle?

### ***Market Info***

Why did you come to this dealership?  
Where else have you shopped? What was your experience like?  
Do you have any preferences in terms of make or model (i.e. are you looking specifically for a Toyota Camry)?  
Who will be primarily driving and/or riding in the vehicle? (you may choose something different for someone who is teaching a new driver, and someone who is carrying small children)

Can you imagine how different an experience it would be for someone to take you aside and ask you these important questions when you get to the dealership, as opposed to swallowing you up on the parking lot? The customer will immediately feel like you have their best interests at heart, rather than just trying to meet your monthly sales target. Be creative and use the CNA as a tool to really get to know your clients and customers. You'll be amazed at how powerful information is in making the right recommendations for them. And if you do, you can be sure they'll be back!

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# Eat the Frog

## Effectively Setting Priorities

*This may seem like an unusual title for a business article, but bear with me. This is the title of a book by motivational guru and author, Brian Tracy. Brian suggests that if you eat a live frog every morning, you can be pretty confident it will be the worst thing you'll do all day. It's all downhill from there. Tracy uses the frog metaphor to suggest that if you tackle your most difficult and challenging tasks first thing in the morning, the remainder of your day will be more productive, and you'll always be on top of the most difficult tasks on your list. But sometimes the hardest part is deciding which frog to eat - in fact, many days you feel like you've got a whole pile of frogs and you don't know which one to eat first. Here are some things to remember when trying to prioritize your tasks.*

### **Being busy isn't necessarily being productive**

Recently, I consulted with a sales manager who was frustrated about her level of productivity. Sally told me that she is so busy she doesn't have a spare minute in her day. She's at work early, stays late and often takes work home. Yet she still felt behind all the time. When we examined what she actually did all day, we concluded that she spent most of her time putting out other people's fires and not focusing on her own tasks. She mistakenly thought that because she was so busy, she was being productive. We discovered that at least half her day was consumed by interruptions from her staff. She also realized that she had enabled her staff to use her by continually solving their problems. After some thought, Sally decided to split her day in half, and to be available to her staff every morning until 1:00 pm, but that the afternoon was her time to attend to her tasks. Her productivity changed overnight. Her staff realized they had to start doing some problem-solving on their own - and to Sally's surprise - they could actually do it! And once her door was closed in the afternoon, she was able to drown out distractions and finish her tasks - she ate a lot of frogs! If you feel like you're running non-stop and getting nothing done, analyze how you are spending your days and where you can reduce your distractions to get at those frogs!

### **Ask yourself 3 questions**

When you're looking at a pile of frogs and can't decide where to start, ask yourself these 3 questions.

#### ***What is the most important thing for me to be doing right now?***

The key words in this question are "right now". Today. This afternoon. This hour. You may be working on a project because you're enjoying it, but it's not what you need to be doing right now because other things are more important.

#### ***Which of these tasks has a deadline?***

When decisions need to be made, deadlines always win. That's just how business works. Make sure when you're looking at your stack of frogs, that you recognize which ones have deadlines. They swim to the top of the pile.

#### ***What will happen if I don't do this?***

This is perhaps the most important of the 3 questions. We sometimes find ourselves doing tasks that in the end - don't really matter. So what if it's on your to do list - what happens if it doesn't get done? If the answer is "nothing", or not a whole lot, that's a very minor task. This might just be the easiest way to get to the bottom of what's really important. You might try placing all the information pertaining to these tasks low priority in a drawer in your desk. If after several weeks no one has come to you asking for results and the work hasn't crumbled around you, you can throw the pile away and start a new one! If they do, you have the information to hand.



### **Be at your best**

Have you ever tried to make a decision when you're under a lot of stress? When you're really tired, or hungry? Some people find that their brain turns to mush if they haven't had their protein in the morning, or 8 hours of sleep, or when they're on overload. Prioritizing is decision-making, plain and simple. And if you're trying to make decisions when you're stretched emotionally or physically, you're probably not doing a very good job. Know yourself well enough to know what you need to keep you mentally alert, physically healthy and emotionally in control. If you can't function on less than 8 hours - make sure you don't stay up to watch the late show. If your body reacts badly to skipping meals, stop and eat. If you're feeling stressed, get out and walk around the block or use some other stress-reduction strategy. Trying to make decisions when you're less than at your best usually ends up in the wrong decision being made. To better prioritize, take care of yourself so you're at your best most of the time.

### **Seek advice**

Sometimes, no matter what you do, you get stymied when facing conflicting priorities. It's OK to get advice from someone who isn't staring at those frogs all day. Ask someone to take a fresh look and see whether they can see things more clearly.

In the end, it's your time to manage, and the better you do it - the more effective you'll be in your business.

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## **Better Business Letters**

*How much time do you spend reading a business letter that crosses your desk? If you're like most of us, you'll take about 5 seconds to read the first sentence, scan the remainder and then determine if you'll take the time to read it. That's not a lot of time to make an impression and convince someone to hear your message. Too many businesses use long wordy letters that lose people in those five seconds. It doesn't matter how passionate, well written or motivating your letter is - if it doesn't get read, it's all for naught. Effective letter writing boils down to three*



*simple things - knowing why you're writing the letter, understanding who you're writing to, and clearly expressing what you need to say. Knowing how to write a good letter is invaluable in helping you communicate your message effectively to your reader, and receiving a positive response to that message. Here are seven tips to assist you in giving your business letters more impact.*

### ***Listen to Your Reader***

Before you begin writing, take some time to get into the mind of your reader. What are their primary needs? What are their perceptions about your business, your product or service, and your industry? What do they need to hear? People are always asking the big WIIFM - what's in it for me? If you don't answer that question in the letter, chances are they won't be interested. Speak to their needs specifically. Telling them you're available 24 hours a day isn't nearly as effective as telling them that if their furnace goes at 4 AM, you will be there within the hour to fix it.

### ***Execute a Strong Opening***

Just as with anything else you read - a newspaper or magazine article, a novel, or a non-fiction book - what happens in the first paragraph affects your decision about whether to read on. The same is true for a business letter. Execute a strong opening sentence and paragraph to convince your reader the letter is worth reading. No matter how great your offer is, if your opening is weak and boring, your reader is less likely to persevere and get to the message.

### ***Talk in Simple English***

There's nothing worse than receiving a letter that's full of "industry-speak" or technical language that the average reader doesn't understand. Don't talk down to the reader, but make sure the language you use is clear, concise and not too "in-house". Getting someone from outside your industry to give you feedback on your letters can be very helpful.

### ***Tactful Delivery***

This is especially important when you're writing a letter about a sensitive issue, or when responding to customer complaints. Make sure that no matter how rude someone has been to you, your response is courteous. In your opening, acknowledge the issue and state the need of the reader as you understand it. Then let the reader know it is your intention to deal with the problem to their satisfaction. An old proverb says, "A harsh word stirs up anger, but kindness turns away wrath". Keep your cool and make sure what's on the paper is truly what you want to say. Often stepping away from your letter and giving yourself some time to cool off gives you a new perspective on what you've written, and more often than not you will realize there are better, kinder ways to say what you need to say.

### ***Energize with Brevity***

Nothing loses a reader more quickly than a long, wordy letter (that's usually called a proposal!). Whenever possible, try to keep your letter to one page. Cut all unnecessary words and make your message short, punchy and to the point. The less time your readers have to invest in trying to get to your point, the more likely they are to find it.

### ***Read and Reread for Accuracy***

Your letter will make an impression on the person who reads it, so it is vital that you are careful with things like misspelled words, grammatical inaccuracies, and typographical errors. If you don't put in the effort to produce an accurate and correct letter, what would make them think you could provide a quality product or service? Work with a proofreading buddy. Two pairs of eyes are always better than one. And don't depend on your spell check. While it may catch typos, it won't catch duplicated words, or words that are spelled write, but aren't right!

### ***Send a Strong Closing Message***

Your close is almost as important as your opening. Don't leave your reader guessing about what you want them to do. Make it clear in your closing paragraph. "Call 1-800-888-8888 before March 20, 2008 to order your Mighty Widget for \$14.95." "Please call our office to let us know that you have received this letter and to confirm your attendance at the special gala evening." Or, "I understand this has been a difficult process for you, and would appreciate a letter from you in response to my comments. Please address the letter to ....." Issuing a call to action lets your readers know what is expected of them, and ensures a more likely response.

By the way, you may have noticed that the first letter in each of these tips spells the word LETTERS. If you have trouble writing good letters, write the acronym out and put it by your computer where you can refer to it often. You write letters to communicate a message. Using these tips will help you make your message more effective.

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