

SMALL BUSINESS SUCCESS



September 2007

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Maximizing Your Networking Efforts

Making Sure No Contact is Ever Wasted

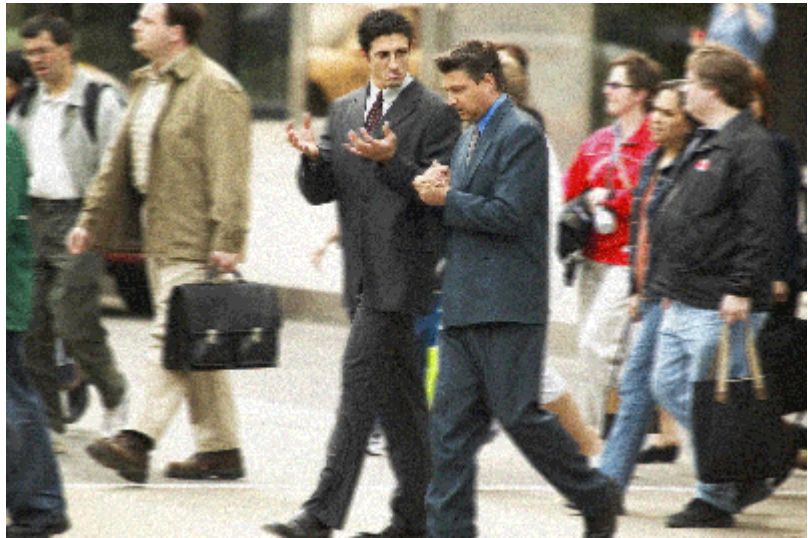
I'm sure you've had this (or something like it) happen to you. You're invited to a dinner party and you really connect with the couple sitting next to you. It doesn't take you long to find out that Joe is the technical engineer for a large corporation in your town. He tells you that their entire company is upgrading their computer system and that they are going to be in the market for a large computer buy in the near future. Since you own a computer shop, you immediately see dollar signs and pepper him with questions. At the end of dinner, you mention to him that you would love to get together with him next week to discuss whether you could meet the needs of his company, and he agrees. Since it is a social gathering, neither of you has business cards, so you scribble his name and phone number on your napkin and tuck it into your back pocket. You get on with your week and on Tuesday, you remember about your conversation with Joe. Except you're wearing different pants than the ones you wore that night at the dinner. You phone your spouse and ask them if they can pull out the number for you, only they tell you that your pants were just dropped off at the dry cleaners yesterday. In a panic, you call the dry cleaner, but they say your pants have already been processed. No number. No last name. Your prospect is all but out the window. You immediately phone your dinner host and ask them for Joe's number, but they tell you they don't really know Joe all that well - he was a guest of the woman they invited. They have a home phone number for him but don't know the name of his business. Now you are faced with the choice of calling Joe at home and appearing unprofessional, or losing what could be the biggest sale of your year.

As a business owner, you are networking all the time. Every time you go to the bank, take a cab, meet someone for lunch, volunteer with a non-profit, or go to a dinner party, you are meeting potential customers. While most business owners are fairly good at prospecting and keeping good

records of contacts in that department, many are not nearly as good at recognizing how important it is to do the same as you network your way through your day. Imagine every person you meet is a potential customer. Your hairdresser, your kids' soccer coach, the butcher who sells you steaks at the meat market, your spouse's best friend . . . you get the point. Recognizing that your customer base is much larger than you think, and treating your daily contacts as efficiently as you do your prospects, may help you to increase the number of connections that go into your sales hopper each month. Here's how.

1. Always (and I mean always!) carry your business card. You never know when you're going to meet someone who could be the biggest account you'll ever have - chatting with someone at the grocery store, pumping gas at the gas station, going to a parent-teacher meeting - even family gatherings.

It's almost inevitable that people eventually ask you what you do, and when you tell them, you never know who they know that's looking for exactly that product or service. Having your business card readily available to give to Aunt Sue when she tells you someone in her building is looking for a brand new computer ensures you won't lose out on a potential customer because either she, or you, forgets to follow up. One tip is to put a pile of business cards in your car's glove compartment, so that if you find that you don't have any on you, you can nip out to the car and get some.



2. Carry a notebook. When you do make a connection that you feel is a strong prospect, make sure you ask them questions that will help you to get to know and remember them. Then, when it's appropriate, transfer the information to a small notebook tucked in your jacket or purse. Jot down the person's name and contact info (or ask them for a business card) and where you met them. Write down what you think the potential is for your business, and anything you need to follow up on. "Met Joe Smith at Bryan's dinner party. Works for ABC Corp. Upgrading their computer systems. Joe loves to play golf at XY Country Club and drinks red wine. Potential bid for upgrade work. Call Joe Monday afternoon to set up appointment."

3. Log the information in your prospect database. When you get to work, transfer all the notes from your notebook into your database, and transfer your to-do's into your calendar. You will be amazed at how large your prospect list will grow if you practice this regularly. Organizing your daily networking contacts as if they were prospects, will automatically give you a new perspective on them as potential clients. Even if the contact doesn't require immediate action, having them in your database makes you ready the moment they do. Aunt Sue says she'll talk to Mr. Lawford next time she sees him. It takes her two months to get back to you

letting you know he is interested in talking with you, but when she does, you already have Mr. Lawford's information in your system and you can immediately move into prospect mode with him.

4. Follow up faithfully, no matter how peripheral the contact may seem.

It's easy to prejudge people and their readiness to buy, but that decision can often cost you customers. So you talk to Mr. Lawford and he seems really unsure about what he wants. In fact, you feel like he doesn't have a clue what he needs and really isn't all that ready to buy. He asks you to call him back in a week, and you say you will, but it's so low on your radar that you forget. A week later, he walks into your competitor's store and buys a computer system from them.

5. Look at the world as your potential customer. The most successful business owners I know look at every person they meet as a potential customer. Or if not them, someone they know. Go through your days with that kind of perspective and you are sure to build that prospect database. The more prospects you have, the more sales you make, the bigger your customer base gets. It's simple math. It's networking, and it works.

6. Be genuinely interested in people. If you look at this concept as simply another "how to", you may miss the boat. Although the previous five strategies are an important part of changing the way you do business, you also have to be genuinely interested in people in order to be successful with them. If they feel like you care about nothing more than getting their "details" for your database, they won't want to do business with you. Remember Joe from the dinner party? You noticed that he liked red wine and wrote it in your notes. After a successful lunch talking about the potential of working together, you send a bottle of his favorite red wine to his office with a note, thanking him for taking the time to meet with you. You know what his favorite wine is because you took an interest in him during lunch - took the time to get to know him a little bit above and beyond just business. Do you think Joe will remember you? If it's at all possible, don't you think he'll do business with you? All the tricks of the trade are great, but if you don't care about people first, they'll never become your customers.

Remember these six strategies as you go through your day, and see whether you can double your prospect list in the next six months. You may not immediately double your sales, but you'll make a lot of friends along the way, and in the end, if you do it right, those friends will become customers, and send even more customers to you.

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Creating a Positive Idea Culture in Your Business

So much has been said in recent years about "thinking outside the box", it's become cliché. Although most businesses would like to think that they do this regularly, you'd be surprised at how many workplace cultures do not truly encourage creative thoughts and ideas. It's

insidious, and negativity can slip into your office like a fog. Before you know it, you're hearing tongue in cheek remarks like, "Good luck with that!" when someone suggests a new project. Or "Great idea, but we don't have time or personnel to implement anything like that." And what about the ever ready, "We tried that once. It didn't work." If you truly want your business to be a place where innovation thrives, you have to be proactive about creating a culture that not only pays lip service to great ideas, but also works hard to encourage, affirm, and implement them. Here are some ideas!

Engage in Regular Brainstorming

If brainstorming with your team isn't a regular part of your business strategy, you're missing out on a lot of great ideas. You should be doing this at least once a month. It could be done over a pot-luck staff lunch, or a monthly pizza night after work. Be creative, and treat your staff to something in exchange for their time. Talk about all the different aspects of your business - there are so many - marketing, customer service, production, administration, leadership, and teamwork, just to mention a few. You could do a round-robin blitz where you go around the table and ask each staff member if they have any ideas to improve each of these areas. Or, you could pick one and use it as your focus for each brainstorming session. The point is to encourage ideas. This is not the time to strategize or determine whether the ideas are good or bad, or realistic or not; the crazier the ideas, the better. No "yeah, buts" are allowed. No ideas can be considered too crazy or "out there". All ideas should be recorded so nothing gets lost. Set up an atmosphere that's fun and that inspires motivation. Play a fun game together first, listen to upbeat music, have food, and stay focused. If you're facing a particular challenge in your business, bring it to the table for brainstorming as well.



Have an Ideas Box

Regular brainstorming is fantastic, but you don't want all those ideas that come along as a result of day-to-day work to get lost. Have an ideas box where staff are encouraged to regularly contribute their ideas on how to make your business more efficient, more positive, more customer-oriented, more profitable, etc. If you really want to motivate people, have a monthly award for the best or most creative idea. Then, put that person in charge of bringing you an implementation plan. You may be completely surprised at how many

problems you can solve just from having people contribute their ideas every day.

Allow Time for Digestion and Development

Paul Williams, freelance writer and business creativity consultant says, "90% of innovative ideas aren't simply blurted out in their final form. They need development to reveal their full potential." When you've brainstormed, or gathered ideas from the Idea Box, take a good look at which ones have really great potential for your business. Then gather a group of people who are interested in

fleshing them out. They can meet at their convenience and should be given the task of developing the ideas into workable plans. It's often a good strategy to sit out of this part of the process as your presence may hinder the free flow of ideas. Once the group comes back to you with a plan, you can become an active participant. Work together with them, providing feedback on their discussions, adding information they may be missing to come up with the final implementation plan. Your staff will be thrilled to see their creative work being put into action, and you'll begin developing a high work satisfaction ratio for them. They'll be so invested in your business they'll do anything to help you make it successful.

Realize that New Ideas will be met with Resistance

When you do come up with a plan to implement a new idea, be prepared for some resistance. Not everyone deals well with change, and many people are afraid of trying new things. Present your plan as positively as possible and let people know what all the potential ramifications of the new idea or project are. The more information they have, the more likely they will be to come on board. Be careful not to minimize their fear, but rather, acknowledge it and do what you can to provide assurances that deal with their fears. The more your business embraces an "Ideas Culture", the more accustomed your staff will be to new ideas and changes being implemented, and the less resistance you will find.

You can't lose by creating a positive culture for ideas in your business. It takes the pressure off of you to have to come up with all the ideas yourself, and it provides an opportunity for your staff to become more invested in your business. It's a win/win situation that will inspire loyal employees, and an opportunity for you to grow your business in a way you couldn't possibly achieve on your own.

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The Power of Words

Words that Sabotage Your Selling Efforts

Words are powerful - so powerful in fact that they have been known to take people to great heights of accomplishment, as well as tearing people down with defeating discouragement. Anyone who has ever been stung by a harsh word, or been inspired by encouraging words, will understand the impact our words have on others. In the business of sales, words are especially powerful because they carry with them associations that may be specific to each individual. In addition, the words we use, in and of themselves, do not always carry the message we want to convey. How you use words and how well you understand the subtle and often unintended messages they carry, may significantly impact your sales efforts. Here are some words that have

been proven to inhibit sales and some alternatives you might want to consider. You may never have thought of these as negative words, but research shows that they have the potential to turn off your customers. How many of these should you drop from your sales vocabulary?

Help - help is a word that implies weakness on the part of the person being helped. If you are suggesting that you can "help" your customer in any way, they are hearing that you think you are superior to them in some way, or that they have a deficiency. Helping is for doctors and nurses and counselors and social workers. Most customers don't think they need help, and your implying that they do only makes them suspicious and angry. *Instead, of saying* "I'd like to help you grow your business", *use a phrase like* "I'd really love to see your business grow and would be thrilled to be a part of that growth."

To tell you the truth . . . many people use this phrase to try to take people into their confidence, implying that they have something very important to share and that the listener is important enough to be told "the truth". The broader implication, especially in a sales scenario, is that everything you said previous to that statement, isn't the truth. This may be a completely subconscious leap, but it is there nevertheless. *Instead of saying*, "OK, I'm going to be honest with you here . . ." *use a phrase like*, "I really value honesty in a business relationship, and I hope you'll be honest with me about your thoughts, as I will be with you about mine."

Just - This little word has a huge impact. Whatever you place it in front of, minimizes its value. "I'd just like a minute of your time." implies that the customer's time isn't that important. "It's just a small increase from last year" gives the customer the impression that you don't understand the importance of their limited cash flow. You may have never considered how this little word can send a big message. If you're using it a lot, you may want to remove it from your vocabulary. *Instead of saying* "I'd just like a minute of your time", *use a phrase like* "I really value your time; my presentation will take ten minutes - do you have some time in your day for me to come and talk with you about my idea?"

Cheap - although you may be trying to convince your customer that you are giving them the deal of the century, do not do so by telling them they're getting what you're selling for cheap. Cheap implies poor quality. When you want to shop for cheap stuff, you might go to a thrift store. When you are looking for a quality product or service, you don't want it to be cheap; cost-effective perhaps, but not cheap.



Instead of saying "This package I've put together for you is really cheap." *use a phrase like*, "I think you'll agree that the package I've put together for you will fit your budget nicely."

Leading edge, industry-leader, state of the art, etc.

- while it may very well be true that the product you are offering is all of those things,

it sounds to the customer like a self-serving salesperson trying to impress them with stuff that's not really important to them. Even if you have that status at this moment, it's likely someone else in a

few months will overtake you. Your customer wants to know what it means to them, and is not interested in hearing you brag about your achievements. *Instead, use a phrase like* "We've been in this business for a long time and we know what is important to our customers; it's our goal to offer you the best quality/service possible."

NO - While this may be painfully obvious, you'd be surprised how many sales people still don't understand what a huge barrier this word creates in the sales process. You may also be surprised how often you use it without even realizing it. It comes in to play especially when you feel you are in a position of having to defend yourself. The customer says something like "You sales people are all alike - you don't care about what the customer wants." Your instinct might be to say "No, we're not", and then go on to explain how you are different. It would be better for you to skip the defense, and go right into the explanation. "I understand you may have had similar experiences with other sales professionals. I'd really like the opportunity to show you that I am different." This gives the person the same answer, but in a respectful, positive way. What about when a customer tries to undercut your bottom line and asks for your product at a price you simply can't offer? *Rather than saying* "NO", *try something like* "I'd really love to do business with you Mr. Smith. If you are unable to pay what we're asking, perhaps we could negotiate a smaller package for a price you CAN afford."

Take the time to consider how your words may be affecting your customers. Watch how they react to you and pay attention when it appears the sale is falling apart right before your eyes and you don't know why. You may be using words that send the wrong message. Become aware of what you say and how you say it, and your sales will benefit.

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Generating More Action on Business Offers

Marketing Using Auction Principles

Who nowadays hasn't been impacted in some way by the eBay phenomena? I'll bet that either you know someone who has made an eBay purchase, or you have done so yourself. If you haven't, I'll bet you're curious as to what all the fuss is about and why it has been so successful. Although the technology is new, the concept of auctions isn't, and in the end - eBay is really just an auction online. Using the principles of what appeals to people at auctions can help you to generate more action on the business offers you put out to your customers. Think about it. People sit at their computers watching that item they're bidding on for a week or so, and then in the final moments, are glued to their screens as bids come flying in and they're hoping that they will be the ones to place the final bid before the time runs out so that they can win the item. Why do they do this? What's the appeal?

For some, it's finding something rare, old, or unusual that can't be purchased in a regular retail store. That vintage guitar pedal you've wanted since you were seventeen, that collector's item bone china piece your toddler broke that has been discontinued, a piece of sports memorabilia that takes you back in time, an item that will complete your collection of . . . whatever! Someone out there has what you're looking for. Others look to eBay because it's easier and quicker to do a search online for a specific item than it is to phone a bunch of stores locally to get the same information. Others find prices on an eBay auction better than anything they could purchase at a retail store. Whatever the reason they're looking, eBay buyers do so partly also for the thrill of winning the auction. It can actually be quite addictive.

There are a certain percentage of your customers that these principles will appeal to as well. Some of your customers will enjoy knowing there's a "limited time offer", or will respond to the idea that they're being given a special opportunity to purchase something at a reduced rate. And most people do respond to sales offerings when a sense of urgency has been created.

I recently requested some information regarding a course I was interested in taking online. The package came to me with all the usual promotional stuff, but inside was also a gift certificate for \$50 off my tuition if I enrolled in the program. Nothing too special about that - nothing that made me jump up and say I should really do this now. Except that the offer was only good for a month. If I really wanted to take this course, and I really wanted to save myself \$50, I'd be motivated to register by the given deadline. Trade show organizers have been doing this for many years by offering early-bird discounts for booking booths several months, or even a year in advance of the show.

You can do the same thing with your marketing efforts. Here are some ideas to create more urgency and generate greater action on the offerings you put out to your customers.

1. ***Create a compelling offer*** - if you're going to make the most of creating a special offer, make sure it's compelling enough for your customers. Something must be offered at a significant discount, or with significant benefits (buy one - get one free, or buy now and get this other item as well), or it must be something special that you don't normally offer. Auctions work because people feel like they're getting something they can't get anywhere else for that price.
2. ***Always have a limited time on your offer*** - just like the school that sent me the \$50 gift certificate, whatever you're offering, always make it time sensitive. Have an actual deadline - "offer good until September 30, 2007" - rather than saying "offer good for 1 month". This gets people off the fence about making the purchase - especially if they feel you are offering them a really good deal on something they were seriously considering purchasing anyway.



3. ***Be prepared to enforce the deadline*** - if someone walks into your store on October 1st hoping to get in on the deal, much as it may hurt you to turn down the sale, you'll have to tell them NO. Of course you'll sell them the item at the regular price, but you can only honour the offer according to the deadline. This will make them much more likely to respond on time the next time you send out an offer. It will also make other customers who did get in on the deal in time feel like they really got something special. Once the auction is over, it's over. You can't get in one more bid.
4. ***Create annual or seasonal special offers*** - one of the best examples of successful businesses using this principle is Macdonald's. Remember the McRib™ burger? Or the orange milkshake at Halloween? Macdonald's only makes these for a limited time each year. Those who love the McRib™ and the orange milkshake look forward to it each year and take advantage of it during its special offer time. When it's over, they have to wait until next year. Why not think about creating an offer that comes once a season at a really special price or offering a completely new product that only comes out once a year? I'll guarantee a segment of your customers will look forward to that sale or offering and take advantage of it because they know it only comes once a year.
5. ***Make it easy to act*** - once you've given the compelling offer and created a limited time on the offer, make it easy for your customer to take advantage of it. If you've offered it in a coupon, make sure you have copies of the coupon in your store in case the customer forgets his/hers at home. Take as many forms of payment as possible. Have enough staff to deal with the volume of business you may generate. If your customers get frustrated at having to wait in long line-ups they may decide it's not worth it and walk away.

Use these principles to create compelling offers to market your product or service and expect great results!

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The Law of Empowerment

The Great Leader's Best Tool for Success

"The best executive is the one who has sense enough to pick good people to do what he/she wants done, and self-restraint enough to keep from meddling with them while they do it." (Theodore Roosevelt). That's a pretty good snapshot of leadership don't you think? Picking the best people to do a job, and leaving them alone to do it. In small business however, it is the entrepreneur's biggest weakness (and the most common one too) to either hire mediocre people, and spend all their time fixing the mistakes they make, or, to hire great people and micromanage them because they feel they alone can do it best. In "The 21 Irrefutable Laws of Leadership", John Maxwell suggests that this issue of empowerment is one of the keys to success in business and in life. Maxwell says "The people's capacity to achieve is determined by their leader's ability to empower." That's a pretty big statement. In other words, if your employees aren't achieving, you haven't been empowering. This may turn your thinking upside down, especially if you are prone to needing to control. But take a moment to consider how becoming an empowering leader will impact those who work for you, and ultimately, your bottom line.

Why Leaders Don't Empower

Most often, leaders who do not want to empower their employees have issues with insecurity. They really believe no one else can do it as well as they can. They believe that unless they control everything, things will go wrong. Or, they fear that if they give others opportunities, they may end up outshining them. If you sensed immediate resistance to the concept of empowering others when you read the introduction to this article, it may be worth taking a look at what fears exist inside of you that hold you back from adopting this form of leadership. Have you experienced past failures that you feel are the fault of others? Have you ever had employees that got so good, they made you look bad? Are you afraid that empowering others means giving up control of your business? Is your self-worth dependant on whether or not you are the sole contributor to your success? There may be other questions to ask, but don't hesitate to ask them! Uncovering your fears in this area may lead you to greater heights than you are capable of achieving right now.

How Leaders Do Empower

Some time ago I read this quote by Arnold H. Glasgow (U.S. Psychologist), and it made a big impression on me. It has governed many of the decisions I've made in life. It goes like this - "a great leader takes more than his/her share of the blame, and less than his/her share of the credit." When I first read it, it felt upside down to me. But as I've seen it work itself out in my leadership activities and the leadership of others, it became more and more true. It's a fact that entrepreneurs have more than their share of ego. That's part of how they're wired and what pushes them to succeed. They want to be acknowledged for their accomplishments. They want to be seen as successful and looked up to by others. But a powerful leader knows that this can only happen when they first lift up others to achieve their best.

Here's an example. Janet started a fledgling business doing sewing for others. It started when she mended a few items of clothing for friends, and soon word got out and she was working close to full-time from her home, mending clothes and sewing outfits from scratch. It wasn't long before Janet had to invest in commercial equipment, and thought about hiring a part-time assistant to help her keep up - especially in the busy summer season during graduation and weddings. She hired Sonja, who was going to university part-time and was interested in using her talents in sewing to earn a little extra money. It became apparent very quickly that Sonja had talent.



Although Janet had more experience, it pained her to admit that Sonja probably had more raw talent than she did. It irritated her when customers began asking specifically for Sonja to take care of their sewing projects. She was meticulous, and had a real knack for making things fit just perfectly.

Janet allowed her own insecurities to get the better of her, and became a critical, difficult boss. No matter what kind of job Sonja did, Janet had something negative to say. She rarely acknowledged Sonja's great work, and began to place unreasonable demands on her time. This caused Sonja to make mistakes as she tried hard to get all the work done in the minimal time she had. This gave Janet even more ammunition for criticism. It wasn't long before Sonja crumbled, and quit. Although she shouldn't have been, Janet was surprised at how many customers did not stay with her after Sonja's departure. In fact, she found out months later that Sonja finished school and started her own company - direct competition - and was doing better than Janet was.

If Janet had been a smart leader, she would have empowered Sonja to continue to grow and get better. She would have encouraged her for her fine work and acknowledged how much her customers loved her. She would have given her opportunities to grow and learn and become an even better seamstress. This would have grown her business, because Sonja was bringing in customers. In fact, it wouldn't have been all that long before she would have had to hire another person to deal with the client load. Instead, she allowed her business to suffer because she couldn't see her way to developing her employee.

If you want to succeed in your business, make sure you help those who work for you succeed. Although it's always possible that someone you invest in could turn around and stab you in the back, that's a risk worth taking. More often, people are loyal to those who inspire, encourage, motivate and help them to achieve their goals. And loyal employees who are high achievers are good for your business! In fact, if you're struggling in your business, I'd suggest looking around to see where you can empower others. It may just be the piece you are missing.

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