

SMALL BUSINESS SUCCESS



April 2009

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2009 Best of Small Business Success

Our very first issue of Small Business Success was published in August of 2003. Since then we've been proud to deliver hundreds of articles to help small businesses achieve success. We decided this month to choose some of our favourite ones - those about which we've received positive feedback and that we feel are relevant, important, and valuable in your success as a small business. For those of you who have been on our client list since that first edition (and there are a few), we hope you enjoy this little trip down memory lane, and that you'll find something fresh and new as you read them again. For those of you who subscribed in subsequent months and may have missed a few of these, we trust they'll provide some great ideas for your small business. Enjoy the read!

Mapping Your Mind January 2004

I've always known mind mapping was a valuable exercise in helping to brainstorm and create clarity around issues you are facing, but it's one of those tools I often put on the shelf and forget about. I recently started a new job, and to try to get my head around the organizational structure in order to see the big picture more clearly, my Executive Director and I spent a day away from the office at a mini-retreat. Our goal was to get some clarity around the roles and job assignments in the organization. Both of us knew that things weren't working – she was feeling stressed and overwhelmed and in the short time I'd been there, I could clearly see that the remainder of the staff was not working efficiently or effectively. We began the day by creating a mind map. In fact, we spent almost the entire day fleshing it out, and the results were staggering. The mind map showed us that the ED had been attempting to do almost two full time jobs (which is why she had been putting in over 70 hours a week), while others in the organization could barely find enough to do to fill up their day. From this mind map, we created a completely new staffing plan, reorganized job descriptions, and delegated many of the ED's

tasks to other staff members.

On our mind map, her tasks happened to be written in red, so we began calling it “the red list”. Her challenge over the coming months was to hold everything that came her way – every staff request, board request, community request – up to the red list. If it didn’t fall under the tasks listed there, she was to refer it on to another staff member. By the end of the day I could see a noticeable change in her. For the first time since I began the job, I saw her physically relax (she was even joking by the end of the day when prior to that I’d barely seen her smile). The mind map had shown her clearly why she had been feeling burned out and overwhelmed, and our resulting strategies for her new “red list” left her with a tangible, manageable workload that made sense with her strengths, and was more in line with the kind of global things she ought to be doing as the ED. In one day this little exercise took our organization from dysfunctional and distressed, to dynamic and determined. The atmosphere in the office changed almost overnight and the resulting strategy from the mind map has infused the team with a new energy, enthusiasm and productivity.

Mind Mapping was developed by Tony Buzan in the 1970’s. It is a concept that uses pictures and/or word phrases to organize and develop thoughts in a non-linear fashion. It helps people to “see” a problem and its solution more clearly. Mind Mapping can be used to generate new products, solve problems, plan strategies, or develop a process. The key to Mind Mapping is not to think logically. Generate ideas, and if one idea generates another, don’t stop to analyze it, just put it on the map. The crazier the association the better. True innovations often come from the wildest places.

A mind map consists of a central word or concept. Around that you draw 5 – 10 ideas that relate to that word. You then take each of those words and again draw 5 – 10 ideas that come from them. Once you’ve mapped all those ideas, you can use them to begin formulating the basis for your plan, finding the solution to your problem, or creating a strategy.

For many people, making connections that aren’t linear is very difficult, but it is the secret to the most creative minds. Expanding our ability to think in a non-linear fashion will open new doors to creativity and problem solving we never thought possible. Here’s how you do it.

Use a large white board. In the centre draw a small picture (or write a phrase) representing the issue you are dealing with (for example – new product markets). Using different coloured markers, draw 5 – 10 lines coming out from the main problem using a different colour for each line. Each line represents a different aspect of your main theme (maybe each line can represent a currently untapped market – toy market, food stores, boutiques, etc.). Along each line draw branches going off, write another five or six ideas that



come from the main branch. (Say you chose food stores – other ideas coming from that might be – form strategic partnership with a specific food company). Here’s an example of what a mind map might look like if you wanted to discover new markets for your sugarless low carb Belgium chocolates.

In our case, we used each different colour for a different aspect of the organization – operations, HR, executive responsibilities, programs, marketing, external influences etc. – and under each of those main branches, we wrote all the tasks and responsibilities that went along with it. From those lists we were able to create new job descriptions and reassign tasks to existing staff. It also showed us where the gaps were, which led us to determine we needed to hire one more staff person.

Mind Mapping can assist you in making connections you would normally not have made, leading you to more ideas and ultimately coming up with solutions to your problem or issue. If you’re not used to thinking creatively, this process might help you practice getting there. Map your mind and see where it takes you!

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Taking One for the Team
 HR Lessons from the Football Field
 December 2005

I am what most people would call a football fanatic. Canadian football is one of my passions, and during the season my friends know never to call me when there’s a game on.

My children clear the room for three hours, knowing whatever they ask will have to wait until after the game. My husband and children give me several hours of space if my team loses before they approach me with any request and know that anything they want will probably be granted immediately if we win. Over the years I've agonized over losing seasons, become livid with coaching decisions, grieved over traded players, and become involved in the lives of the guys on my team. I've sat in outdoor stadiums in minus 20 degree weather, endured games in the pouring rain, and even traveled to where the team was having its training camp. We hung out, met some players, watched them train, and came home with photos to prove it. Having been an avid fan of the game for years, I've recently been struck by some parallels of what it takes to be a great football team, and what it takes to run a great business. Even if you're not a fan, there are some lessons you can learn from the football field to create a great business team.

Lesson #1 – Understand the importance of your Quarterback

In football, the Quarterback (or QB) is the key position on the team. He (I'll use this gender for ease of reading, but your QB might well be a woman) engineers or executes all the plays, watches what the other team is doing on the field and makes adjustments, rallies and inspires his teammates, and often takes on the responsibility for whether the team wins or loses. Depending on the size of your business you may be the QB, or you may have a key manager who fills that role. Recognizing how important the QB is in your business is paramount to your success. The QB must understand all aspects of the business and be able to create workable plans to deliver your product or service. He must be able to inspire others to work hard, and to contribute to the team effort. The QB must know the industry and what your competitors are doing and how they are doing it. He must also understand future trends and how to maximize your business potential. It is a coordinating position, but it is also an action position. The QB must know how to execute the plan, but he must also be active in its execution. The QB is the team leader, and all the players look to him for guidance, support, advice and leadership. If you fill the QB role in your business, are you doing that with integrity, knowledge, and consistency? If you have a manager in that role, do they inspire the kind of "play" from your team that you need to win the business game?

Lesson #2 – Play players in their areas of strength

As in any other game, football has different positions on the team where a variety of strengths are required. Your running backs need to be fast and agile. Your receivers must be able to reach for balls that seem impossible to catch. Your defensive backs need to be strong and nimble, and able to tackle, and your offensive line needs to be big, strong and tough to protect your QB. Your "special teams" players have very refined and specific skills and are used in circumstances where that particular skill is required. Everyone on the football team has strengths and a job to do, and is placed in the game where they can use those strengths to do the job required of them. In your business, you also have people with various strengths. To have the best team you must use those people where they are most gifted. Too often small business owners don't recognize those strengths and are not using their human resources in the most effective way. You may have hired Sandy as your bookkeeper, but she's fabulous with the customers, and she's discovered she loves to serve them. Use her in your business where she

can most contribute to your success. You can always find another bookkeeper, but when you do, make sure he/she loves bookkeeping and is gifted in that area. You will rarely find a huge offensive lineman lumbering down the field to catch a pass. Nor would you put a small running back on your offensive line to block the oncoming offense. Look around your business and see whether you are using your people to the best of their ability and in the areas of their greatest strength. Sometimes, a football team will have players who are versatile enough to fill two roles. You may have people on your team who can do that as well. Make sure that when you hire, and when you assign tasks, you are matching the job to the talent. Then watch your team blossom.

Lesson #3 – Balance a great offense with a strong defense

There are two key parts to a football team – a defense and an offense. The job of the offense is to score points. The job of the defense is to prevent the other team from scoring points. Both are essential to winning the game. In your business, you have people who are on your offensive team – they're your salespeople, your customer servicepeople, they're out on the front line scoring points with your customers. You also have a defensive team. They're manufacturing your products. They're ensuring quality control. They're dealing with HR issues. They're making sure that no one can damage the efforts your offense is making. Your defensive team is delivering great products and services. Your offensive team is selling them. Using both is essential to business success. Special teams are a third, but very important component of the game. Think of your highly and specifically skilled team members doing a job only they are trained to do. These are your special team players.

Lesson #4 – Create a winning attitude

I recently watched a playoff game where one player took a selfish and undisciplined penalty that negatively affected the entire team and I believe, cost them the game. Upon seeing the penalty, the coach immediately benched the player. He was a good player. An essential part of the defensive team, and his replacement was not nearly as skilled. But the coach wanted to deliver an important message – no selfish undisciplined play allowed on his team. Create an atmosphere in your business where the individual players on your team understand how important attitude is to the success of your business. Reward team members who display positive, selfless attitudes, and “bench” those who are caught gossiping or backbiting, or undermining the efforts of other team members. I've seen games where less talented teams have won because of sheer attitude. They never gave up and contributed 100%. Playing in their areas of strength they worked together flawlessly as a team. A winning attitude will create a winning team.

I'm counting the days until the new season to begins. Meanwhile, build up your team and take your business to a championship level!

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Increasing Your Global Perspective
Growing Your Business in Changing Times
June/July 2006

“Anyone who became qualified in their field twenty years ago - and has not evolved through education, is superbly equipped for a society that no longer exists”

Robert Jastrow

The world is changing at warp speed, and yet I constantly come across people that are living in the past. Really successful business people stand out, they get noticed; they are interesting, knowledgeable and have an uncanny knack for predicting future trends. They have an insatiable appetite for knowledge. They know what's going on in their industry and market; they know what's going on in the global economy, how the world is changing and what effect it will have on their business, their customers and their competition. The more knowledgeable you are about what's happening in the world, and the better you understand your customers and prospective customers, the more successful you will be.

Little Things Can Have a Big Impact

In 1956 the first shipping containers (little more than aluminium truck bodies) made the journey, via an old tanker, from New Jersey to Houston – 58 of them. This simple and inexpensive breakthrough in the transportation of goods changed the shape of the world's economy. Without the shipping container China would not be able to supply the massive amount of goods it does to the rest of the world. Today, stores are full of foreign products, and competition is global not local; all because of a metal box. Seemingly insignificant things can have a huge impact on our lives and the lives and buying habits of our customers and clients. Remember the big hullabaloo about Y2K? All our electronic equipment was going to fail on the stroke of midnight as the clocks ticked into the year 2000? We all woke up next morning to a world that wasn't a whole lot different to the one we left the night before. Y2K did mean that there was a massive amount of upgrading and remediation to be carried out on computers across America; it was tedious, boring work, however the convergence of the PC, Internet and fibre-optic cable meant that the work could be carried out anywhere in the world, growing the inexpensive trend of global outsourcing.

That's not all - these countries can supply products cheaper than we can in the west, and you can now have all your accounts and bookkeeping done in India for a much lower price than in Canada. Secretarial or executive assistance; cosmetic dentistry; dental implants; other types of surgery you don't want to wait months or years for - go to India and you will pay a fraction of the Canadian cost AND they will arrange a five-star hotel and a nurse to help you recuperate, and organize tours before or after your procedure (source: <http://www.mediescapes.com>).

So, global competition is a reality, increasingly so for many of us. Thomas L. Friedman in his book *The World is Flat: A Brief History of the Twenty-First Century* tells us that the world is becoming flatter, and that distance is no longer a barrier to the supply of products and services. In a changing world the successful will be those that recognize the opportunity not just the threat. Whatever industry you are in, someone, somewhere is talking about it. Experts are making predictions about the future, commenting on technological advancements, and discussing new competitors. It is wise to listen to them.

Changing Demographics

The Canadian labour force is growing extremely slowly; this, coupled with a declining birth rate, presents significant challenges to Canadian businesses. Are you ready for a radical change to your customer base? The Canadian labour force continues to experience less than 1% annual growth; this has led to an increased reliance on immigration to fill the gap. In fact, Social Development Canada (Federal Department of Human Resources and Social Development), says that it expects by 2011 that the entire net labour force growth will come from immigration! Yes, you read it right, the entire growth.

What this means to you is that you need to start to increase your cultural intelligence quota, and become familiar with the way people from other cultures shop, buy and do business. In many cultures, for instance, nodding is not a signal that the person wants to purchase what you are selling, but rather that they hear and understand you. Other cultures do not believe in mixing business and pleasure, so an invitation to a barbecue is not an invitation to pull your host aside and discuss the deal you are currently negotiating. How well we understand the changing world around us, and the changing people in it will determine our long term success.

The Consumer Revolution

Regardless of a changing cultural demographic, consumers in general are becoming increasingly sophisticated. They have access to more information about your industry, your product lines and your competitors than ever before, and those competitors are not necessarily the ones close to you. They can be half way across the world. The modern consumer has a thirst for knowledge and is increasingly likely to purchase goods and services online.

The CEO of Starbucks recently estimated that it is possible to make 19,000 beverage variations based on the menus posted at any of their outlets. This incredible range of product was not created by Starbucks, but by you and me. My specials are a double-shot, extra-hot, grande latté and an Americano with an inch of steamed milk (no more, no less, or it's ruined!). People want to have a level of control. This is why the Internet is so popular - there are no sales people and the consumer can mix and match and create a product or service that meets all their needs and



expectations at a price they are willing to pay.

So, how do we cope with this new demanding generation of customer? We need to provide greater choice and offer our customers the ability to create their own product or service. There will always be a demand for 'off the shelf' solutions, especially when they are offered at a good price, but today's consumers want something unique, something that they have had a say in developing. More than this, we have to provide a unique experience, a personal experience. We have to show we care and understand our customers and relate to them as unique individuals. We have to expect them to be knowledgeable about what we are selling and respect their need to tailor it to their needs and possibly their culture. To do this we have to develop an awareness of our place in the global community, both in a business and a personal sense.

If you want to be successful in any business, you must keep up with the global economy, learn from it and search for ways you can take what you learn into your business to make it stronger and more attractive to the modern consumer.

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How to Keep Customers Happy When You Screw Up

March 2007

Imagine that your customers, Mr. and Mrs. Shaw are expecting their cabinets to be installed in their newly renovated kitchen in time for Christmas. On December 13, you realize that you ordered the wrong stain, and that the specialty stain they wanted is back-ordered well into January. You started to panic. This had been a huge contract for you, and an opportunity to move into a completely new market. There's nothing you can do except phone the Shaw's and deliver the bad news. As you expect, they are furious. How are they supposed to get through Christmas without cupboards? They are entertaining family from out of town and will have a house full of guests over the holidays. There is nothing you can do to appease them, and they have every right to be upset. You messed up, and your reputation is at stake. What you do next determines whether the Shaw's become your most loyal customers, or whether the bad news will spread to countless friends and family who will never come to you for kitchen cabinets. The following three steps should take you from fuming to fabulous in your customer's eyes and help you recover from even the most costly of mess-ups.

1. Fully admit and take responsibility for your mess

There's no getting around this. Humiliating as it may be, if it's your mess, make sure you take full responsibility for it. Customers can smell a cover-up a mile away, and even if you get away with it initially, if they find out down the road that you tried to deceive them, you've not only lost that customer for life, you've lost everyone they will talk to about you in the future. Even if the mistake was made by an employee, you are ultimately responsible for the outcome.

Accepting that responsibility takes courage, and integrity, and the initial fallout may seem enormous (you may hear a lot of yelling) but in the long run, this is the best way to regain any ground you lost. One more thing, apologize in person! Never do this over the phone if you can help it. It shows the customer that you take their business (and your mistake) seriously.

2. Find a way to make amends until you can fix it

It's not always possible to fix it right away. Your next step is to find a temporary solution until you can fix it. In the case of the Shaw's, you simply can't get them their cabinets finished in time for Christmas. What can you do to make it up to them and get them through this stage? Maybe you can't get them their stained cabinets, but can you install at least a few unstained sets (on your own dime of course) so that they have a place to put their pots, pans and dishes while they're cooking their turkey? It's not a perfect solution but at least it eliminates the inconvenience of dishes on the kitchen floor for the whole Christmas holiday.

3. Fix it and exceed their expectations on every level

Now it's time to show your stuff. This is your opportunity to make it right, and let your business shine. When those cabinets finally get there, they'd better be perfect. Your installers better be efficient, friendly and on time. They'd better not be paying more than what you quoted – in fact, if you could manage to give them a discount for the stress and inconvenience, that would be even better. A bottle of wine or bouquet of flowers with the delivery might be a nice touch. When you walk away from this job, you want the Shaw's to remember that you delivered what you promised with exceptional quality, integrity, service, and price, and that you went above and beyond to make them happy, not the fact that you almost screwed up their Christmas.

Mistakes are inevitable. You or someone in your company will make them, and eventually – you'll make a big one.

How you recover from that mistake will make or break your relationship with that customer, and with their network of family and friends. Recovery will probably cost you. However, the cost of the added installation of unstained cabinets, their removal and re-installation when finished, will pale in comparison to the cost of bad publicity for your business. The average dissatisfied customer tells 11 people about their experience. On average, each of those people tells six more people. That's a minimum 66 potential customers you will have lost because you were unwilling to incur the expense of making it right for one customer. If you are able to keep that customer in spite of the mistake, you can be guaranteed they'll be talking about you – in a good way – and others will hear about what you did to make good what was potentially bad. If you become that kind of rare company, customers will seek you out.

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The Day of Contemplation

Out-of-the-Box Thinking for Performance Issues

August 2008

Sam Jeffries owns the most successful print shop in his town. He has a staff of six – a full-time office manager and bookkeeper, a part-time marketing person, and four full time sales reps. Sam has a desire to keep good people and offers a sales compensation structure that has

allowed him to keep more than other similar businesses in town. Devon has been with him for seven years. He is a top producer and by far, consistently outsells all the other reps in the company. While he brings the numbers to the table each month, he lacks discipline and has a bad attitude, often showing up for work late or leaving early, and trying to show up other members of the team. Sam appreciates Devon's way with the customers and his strong revenue generation, but he sees his team suffering because of Devon's attitude. The last few sales reps he's hired didn't last more than a few months and exit interviews showed it had to do with Devon. Sam has spoken to Devon several times about these issues, but there has been little change. Sam is beginning to wonder whether the value of Devon's ability to generate revenue outweighs what is happening to the rest of his team.

Sam's dilemma is not uncommon, especially in small business sales. When a company finds a strong revenue-generator, they are often willing to put up with a lot of behaviours they may never tolerate in other positions because the sales aspect of the business is so important, and because it's difficult to find really good sales people. And yet, the longer this goes on, the more the entire team is affected and soon – like Sam – the small business owner is faced with a difficult decision.

Traditionally, the way to deal with a problem employee like Devon is to begin the process of documenting performance-related meetings, watching for improvement, and eventually writing a letter of warning that could ultimately lead to dismissal. Recently, I read an article by Paul Falcone, who suggested another way. The article was titled "Days of Contemplation", and he suggested taking situations like this and putting them directly into the hands of the employee, empowering them to make a decision about their future with your company.

Falcone suggests that when an employer has a performance-related issue such as the one Sam faces with Devon, especially in the case of a long-term employee that the employer really hopes to keep – to consider giving them what is in essence, a decision-making leave. Unlike a formal suspension, this is a paid leave of one day, in which the employee is given some parameters to consider their future employment with your company. He says that making people accountable for their behaviour without negatively impacting their personnel file or payroll tends to catch people off-guard. Most employees expect to be treated punitively, like children, and when given the opportunity to behave like adults they generally respond positively.

Falcone suggests having a conversation something like this: "Devon, we've had a number of conversations about your conduct – leaving early and arriving late, and your negative attitude around your team members. Your behaviour is intimidating and demoralizing and we can no longer tolerate this impact on the team. I don't want to give you formal written warning, however, I am going to give you a one-day, paid decision-making leave. You will stay



at home on Wednesday this week to think about whether you want to continue working here. If you come back on Thursday morning and decide this isn't the place for you, I will be totally supportive of your decision and do what I can to provide support for your career move. If however, you decide you want to say, I'm going to ask you to come back with a letter, convincing me that you understand and take responsibility for what has been happening on our team, that you understand why these problems have occurred, and your assurances that we will never have to have this discussion again – in other words, what you are going to do to fix the problem. I will hold you accountable to the contents of that letter and will for now, keep it out of your personnel file. If however, things don't improve, it will form the basis of an agreement between you and this company. If you violate the terms of this agreement, you will in essence, be firing yourself. I consider this a serious agreement, and the reason I am willing to give you this once-in-a-career opportunity is that I truly value your skill and contribution to this company, and if we can resolve these issues, I would love to keep you on as an employee. Do you agree to take this leave with the parameters that have been set out for you?"

Putting this decision into the hands of the problem employee accomplishes two things. First, if the employee comes back with the letter, they will be far more invested in living out the agreement than if you had given them an ultimatum. It forces the employee to be introspective and self-critical without the trappings of formal progressive discipline. It leaves them feeling valued, and having choices about their own future. Second, it provides the employer with an opportunity to shift the traditional paradigm. The employer suddenly becomes the good guy who's giving them a really great chance, as opposed to the jerk who just disciplined them. While you certainly wouldn't want to use this approach with every performance-related issue, it might be a good tool to put in your arsenal for those difficult circumstances where you really feel you have a winner, or perhaps a very long-term employee whom you value and want to keep, but with whom you've run up against barriers in dealing with the performance issues. I think there's some real value in Falcone's Day of Contemplation. Don't be afraid to try this outside-the-box approach the next time you're faced with a similar performance problem.

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