

Small Business Management: Essential Ingredients for Success (Best Business Books)

By BizMove Management Training Institute

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Table of Contents

- [1. How to Make Your Business More Profitable](#)
- [2. Essential Ingredients for Your Marketing Success](#)
- [3. Twenty Seven Tips to Increase the Effectiveness of Your Delegation](#)
- [4. How to Reach Your Goals Faster](#)
- [5. How to Deal with Changes in The Market](#)
- [6. How to Build a Winning Team](#)
- [7. How to Make a Good First Impression](#)

1. How to Make Your Business More Profitable

Making a profit is the most important - some might say the only - objective of a business. Profit measures success. It can be defined simply: Revenues - Expenses = Profit. So, to increase profits you must raise revenues, lower expenses, or both. To make improvements you must know what's really going on financially at all times. You have to watch every financial event without any kind of optimistic filter.

This chapter is a series of questions with comments to help you analyze your profits, their sufficiency and trend, the contribution of each of your product lines or services to them, and to help you determine if you have the kind of record system you need. The questions and comments are not meant to be definitive presentations on the subjects. They are meant to point to areas where further study might be - well - profitable.

Are You making A Profit?

Analysis of Revenues and Expenses

Since profit is revenues less expenses, to determine what your profit is you must first identify all revenues and expenses for the period under study.

1. Have you chosen an appropriate period for profit determination?

For accounting purposes firms generally use a twelve month period, such as January 1 to December 31 or July 1 to June 30. The accounting year you select doesn't have to be a calendar year (January to December); a seasonal business, for example, might close its year after the end of the season. The selection depends upon the nature of your business, your personal preference, or possible tax considerations.

2. Have you determined your total revenues for the accounting period?

In order to answer this question, consider the following questions:

What is the amount of gross revenue from sales of your goods or service? (Gross Sales)

What is the amount of goods returned by your customers and credited? (Returns and Rejects)

What is the amount of discounts given to your customers and employees? (Discounts)

What is the amount of net sales from goods and services? (Net Sales = Gross Sales - Returns and Rejects + Discounts)

What is the amount of income from other sources, such as interest on bank deposits, dividends from securities, rent on property leased to others? (Non-operating Income)

What is the amount of total revenue? (Total Revenue = Net Sales + Non-operating Income)

3. Do you know what your total expenses are?

Expenses are the cost of goods sold and services used in the process of selling goods or services. Some common expenses for all businesses are:

Cost of goods sold (Cost of Goods Sold = Beginning Inventory + Purchases - Ending Inventory)

Wages and salaries (Don't forget to include your own- at the actual rate - you'd have to pay someone else to do your job.)

Rent

Utilities (electricity, gas telephone, water, etc.)

Delivery expenses

Insurance

Advertising and promotional costs

Maintenance and upkeep

Depreciation (Here you need to make sure your depreciation policies are realistic and that all depreciable items are included)

Taxes and licenses

Interest

Bad debts

Professional assistance (accountant, attorney, etc.)

There are of course, many other types of expenses, but the point is that every expense must be recorded and deducted from your revenues before you know what your profit is. Understanding your expenses is the first step toward controlling them and increasing your profit.

Financial Ratios

A financial ratio is an expression on the relationship between two items selected from the income statement or the balance sheet. Ratio analysis helps you evaluate the weak and strong points in your financial and managerial performance.

4. Do you know your current ratio?

The current ratio (current assets divided by current debts) is a measure of the cash or near cash position (liquidity) of the firm. It tells you if you have enough cash to pay your firm's current creditors. The higher the ratio, the more liquid the firm's position is and, hence, the higher the credibility of the firm. Cash, receivables, marketable securities, and inventory are current assets. Naturally you need to be realistic in valuing receivable and inventory for a true picture of your liquidity, since some debts may be un-collectable and some stock obsolete. Current liabilities are those which must be paid in one year.

5. Do you know your quick ratio?

Quick assets are current assets minus inventory. The quick ratio (or acid-test ratio) is found by dividing quick assets by current liabilities. The purpose, again, is to test the firm's ability to meet its current obligations. This test doesn't include inventory to make it a stiffer test of the company's liquidity. It tells you if the business could meet its current obligations with quickly convertible assets should sales revenue suddenly cease.

6. Do you know your total debt to net worth ratio?

This ratio (the result of total debt divided by net worth then multiplied by 100) is a measure of how company can meet its total obligation from equity. The lower the ratio, the higher the proportion of equity relative to debt and the better the firm's credit rating will be.

7. Do you know your average collection period?

You find this ratio by dividing accounts receivable by daily credit sales. (Daily credit sales = annual credit sales divided by 360.) This ratio tells you the length of time it takes the firm to get its cash after making a sale on credit. The shorter this period the quicker the cash flow is. A longer than normal period may mean overdue and un-collectible bills. If you extend credit for a specific period (say, 30 days), this ratio should be very close to the same number of day. If it's much longer than the established period, you may need to alter your credit policies. It's wise to develop an aging schedule to gauge the trend of collections (without adequate financing charges) hurt your profit, since you could be doing something much more useful with your money, such as taking advantage of discounts on your own payables.

8. Do you know your ratio of net sales to total assets?

This ratio (net sales divided by total assets) measures the efficiency with which you are using your assets. A higher than normal ratio indicates that the firm is able to generate sales from its assets faster (and better) than the average concern.

9. Do you know your operating profit to net sales ratio?

This ratio (the result of dividing operating profit by net sales and multiplying by 100) is most often used to determine the profit position relative to sales. A higher than normal ratio indicates that your sales are good, that your expenses are low, or both. Interest income and interest expense should not be included in calculating this ratio.

10. Do you know your net profit to total assets ratio?

This ratio (found by multiplying by 100 the result of dividing net profit by total assets) is often called return on investment or ROI. It focuses on the profitability of the overall operation of the firm. Thus, it allows management to measure the effects of its policies on the firm's profitability. The ROI is the single most important measure of a firm's financial position. You might say it's the bottom line for the bottom line.

11. Do you know your net profit to net worth ratio?

This ratio is found by dividing net profit by net worth and multiplying the result by 100. It provides information on the productivity of the resources the owners have committed to the firm's operations.

All ratios measuring profitability can be computed either before or after taxes, depending on the purpose of the computations. Ratios have limitations. Since the information used to derive ratios is itself based on accounting rules and personal judgments, as well as facts, the ratios cannot be considered absolute indicators of a firm's financial position. Ratios are only one means of assessing the performance of the firm and must be considered in perspective with many other measures. They should be used as a point of departure for further analysis and not as an end in themselves.

Sufficiency Of Profit

The following questions are designed to help you measure the adequacy of the profit your firm is making. Making a profit is only the first step; making enough profit to survive and grow is really what business is all about.

12. Have you compared your profit with your profit goals?

13. Is it possible your goals are too high or too low?

14. Have you compared your present profits (absolute and ratios) with the profits made in the last one to three years?

15. Have you compared your profits (absolute and ratios) with profits made by similar firms in your line?

A number of organizations publish financial ratios for various businesses, among them Dun & Bradstreet, Robert Morris Associates, the Accounting Corporation of America, NCR Corporation, and the Bank of America. Your own trade association may also publish such studies. Remember, these published ratios are only averages. You probably want to be better than average.

Trend Of Profit

16. Have you analyzed the direction your profits have been taking?

The preceding analysis, with all their merits, report on a firm only at a single time in the past. It is not possible to use these isolated moments to indicate the trend of your firm's performance. To do a trend analysis performance indicators (absolute amounts or ratios) should be computed for several time periods (yearly for several years, for example) and the results laid out in columns side by side for easy comparison. You can then evaluate your performance, see the direction it's taking, and make initial forecasts of where it will go.

17. Does your firm sell more than one major product line or provide several distinct services?

If it does, a separate profit and ratio analysis of each should be made:

To show the relative contribution by each product line or service;

To show the relative burden of expenses by each product or service;

To show which items are most profitable, which are less so, and which are losing money; and to show which are slow and fast moving.

Mix Of Profit

The profit analysis of each major item help you find out the strong and weak areas of your operations. They can help you to make profit-increasing decisions to drop a product line or service or to place particular emphasis behind one or another.

Records

Good records are essential. Without them a firm doesn't know where it's been, where it is, or where it's heading. Keeping records that are accurate, up-to-date, and easy to use is one of the most important functions of the owner-manager, his or her staff, and his or her outside counselors (lawyer, accountant, banker).

Basic Records

18. Do you have a general journal and/or special journals, such as one for cash receipts and disbursements?

A general journal is the basic record of the firm. Every monetary event in the life of the firm is entered in the general journal or in one of the special journals.

19. Do you prepare a sales report or analysis?

(a) Do you have sales goals by product, department, and accounting period (month, quarter, year)?

(b) Are your goals reasonable?

(c) Are you meeting your goals?

If you aren't meeting your goals, try to list the likely reasons on a sheet of paper. Such a study might include areas such as general business climate, competition, pricing, advertising, sales promotion, credit policies, and the like. Once you've identified the apparent causes you can take steps to increase sales (and profits).

Buying and Inventory System

20. Do you have a buying and inventory system?

The buying and inventory systems are two critical areas of a firm's operation that can affect profitability.

21. Do you keep records on the quality, service, price, and promptness of delivery of your sources of supply?

22. Have you analyzed the advantages and disadvantages of:

(a) Buying from several suppliers,

(b) Buying from a minimum number of suppliers?

23. Have you analyzed the advantages and disadvantages of buying through cooperatives or other systems?

24. Do you know:

(a) How long it usually takes to receive each order?

(b) How much inventory cushion (usually called safety stock) to have so you can maintain normal sales while you wait for the order to arrive?

25. Have you ever suffered because you were out of stock?

26. Do you know the optimum order quantity for each item you need?

27. Do you (or can you) take advantage of quantity discounts for large size single purchases?

28. Do you know your costs of ordering inventory and carrying inventory?

The more frequently you buy (smaller quantities per order), the higher your average ordering costs (clerical costs, postage, telephone costs etc.) will be, and the lower the average carrying costs (storage, loss through pilferage, obsolescence, etc.) will be. On the other hand, the larger the quantity per order, the lower the average ordering cost and the higher the carrying costs. A balance should be struck so that the minimum cost overall for ordering and carrying inventory can be achieved.

29. Do you keep records of inventory for each item?

These records should be kept current by making entries whenever items are added to or removed from inventory. Simple records on 3 x 5 or 5 x 7 cards can be used with each item being listed on a separate card. Proper records will show for each item: quantity in stock, quantity on order, date of order, slow or fast seller, and valuations (which are important for taxes and your own analyses.)

Other Financial Records

30. Do you have an accounts payable ledger?

This ledger will show what, whom, and why you owe. Such records should help you make your payments on schedule. Any expense not paid on time could adversely affect your credit, but even more importantly such records should help you take advantage of discounts which can help boost your profits.

31. Do you have an accounts receivable ledger?

This ledger will show who owes money to your firm. It shows how much is owed, how long it has been outstanding and why the money is owed. Overdue accounts could indicate that your credit granting policy needs to be reviewed and that you may not be getting the cash into the firm quickly enough to pay your own bills at the optimum time.

32. Do you have a cash receipts journal?

This journal records the cash received by source, day, and amount.

33. Do you have a cash payments journal?

This journal will be similar to the cash receipts journal but will show cash paid out instead of cash received. The two cash journals can be combined, if convenient.

34. Do you prepare an income (profit and loss or P&L) statement and a balance sheet?

These are statements about the condition of your firm at a specific time and show the income, expenses, assets, and liabilities of the firm. They are absolutely essential.

35. Do you prepare a budget?

You could think of a budget as a "record in advance," projecting "future" inflows and outflows for your business. A budget is usually prepared for a single year, generally to correspond with the accounting year. It is then, however broken down into quarterly and monthly projections.

There are different kinds of budget: cash, production, sales, etc. A cash budget, for example, will show the estimate of sales and expenses for a particular period of time. The cash budget forces the firm to think ahead by estimating its income and expenses. Once reasonable projections are made for every important product line or department, the owner-manager has set targets for employees to meet for sales and expenses. You must plan to assure a profit. And you must prepare a budget to plan.

[Go to Top](#)

2. Essential Ingredients for Your Marketing Success

One great need of small business managers is to understand and develop marketing programs for their products and services. Long term small business success depends on the ability to maintain a strong body of satisfied customers while continually increasing this body with new customers. Modern marketing programs build around the marketing concept, which directs managers to focus their efforts on identifying, satisfying, and following up the customer's needs - all at a profit.

THE MARKETING CONCEPT

The marketing concept rests on the importance of customers to a firm. All company policies and activities should be aimed at satisfying customer needs while obtaining a profitable rather than maximum sales volume.

To use the marketing concept, a small business should:

- * Determine the needs of their customers (marketing research).
- * Develop their competitive advantages (market strategy).
- * Select specific markets to serve (target marketing).
- * Determine how to satisfy those needs (marketing mix).
- * Analyze how well they've served their customers, and then return to step 1 (marketing performance).

MARKET RESEARCH

The aim of market research is to find out who the customers are, what the customers want, where and when they want it. This research can also expose problems in the current product or service, and find areas for expansion of current services to fill customer demand. Market research should also encompass identifying trends that may affect sales and profit levels.

Market research should give you more information, however, than just who your customers are. Use this information to determine matters such as your market share, the effectiveness of your advertising and promotions, and the response to new product developments that you have introduced into the market.

For once, small business holds an edge. While larger companies hire professionals to do their research, small business managers are close to their customers. They can learn much more quickly the likes and dislikes of their customers and can react quickly to change in customer buying habits.

What to look for, Market research should investigate four areas: customers, customer needs, competition, and trends. The research conducted should answer questions like:

Customers. Identify their:

- * Age
- * Income
- * Occupation
- * Family size
- * Marital status
- * Residence
- Interests and hobbies

Customers wants

- * Is the product needed for a limited time (diapers, for example)?
- * Are customers looking for quicker service?
- * Do customers want guarantees with the products?
- * Will customer come frequently (for example a grocery store) or seldom (a car dealership)?
- * Are customers looking for a wider distribution or more convenient locations?

Competition

- * What is the competitions' market share?
- * How much sales volume do they do?
- * How many similar firms exist?
- * What attracts customers to them?
- What strengths do they advertise?

Trends. Are there:

- * Population shifts? (Baby boom, for example) Legal or regulatory developments?
- * Changes in the local economic situation?
- * Lifestyle changes? (single parents, working women, smaller family size)

Where to get it

There are two general sources of information that can be gathered: data already available and data that can be collected by the business.

The following sources may provide already accessible data:

- * Local area Chamber of Commerce
- * Trade associations in the line of business
- * Professional market research services
- * Local library

Data can also be obtained by the business' own research efforts through the following means:

- * Telephone surveys
- * Local and national newspapers
- * Surveys sent by mail
- * Questionnaires
- * Local TV and radio stations
- * Interviewing
- * Customer service cards

Market research doesn't have to be sophisticated and expensive. While money can be spent to collect research data, there are many inexpensive ways to collect this data that are easily accessible to the small business owner. Several of these methods are:

Employees. This is one of the best sources of information about customer likes and dislikes. Usually employees work more directly with customers and hear complaints that may not make it to the owner. They are also aware of the items customers request that the business doesn't offer. They can probably also give a pretty good customer profile from their day-to-day contacts. Customers. Talk to the customers to get a feel for you clientele, and ask them where improvements can be made. Encouraging and collecting customer comments and suggestions is an effective form of research. By asking the customers to explain how the product could improve to fill their needs, constructive market research is done, as well as instilling customer confidence in the product.

Competition. Monitoring the competition can be a valuable source of information. Their activities may provide important information about customer demand that were overlooked, and they may be capturing part of the market by offering something unique. Likewise, small business owners can capitalize on unique points of their products that the competition does not offer. Company records and files. Looking at company records and files can be very informative. Look at sales records, complaints, receipts, or any other records that can show you where your customers live or work or how and what they buy. One small business owner found that addresses on cash receipts allowed the pinpointing of customers in his market area. With this kind of information he could cross reference his customers' address and the products they purchased. From this information he was able to check the effectiveness of his advertising placement.

However, realize that this information represents the past. Present or future trends may mean that past information is too obsolete to be effective.

Your customers' addresses alone can tell you a lot about them. You can pretty closely guess your customers' life-style by knowing what the neighborhoods they live in are like. Knowing how they live can give you solid hints on what they can be expected to buy.

In addition, check returned items to see if there is a pattern. Check company files to determine which items sell best, and which sell poorly.

The key to effective marketing research is neither technique nor data it's useful information. Customers likes and dislikes are shifting constantly so this information must be timely. It's much better to get there on time with a little than too late with a lot.

A MARKET STRATEGY

With the research information gathered, the next step is to develop a market strategy. Use this information to determine areas where the competition doesn't adequately fill consumer demand or areas where a new product or different product promotion would capture part of the market.

A new business may capture a significant market share by aiming their market strategy on areas not focused on by the competition.

Some examples of the various areas of emphasis include offering a:

- * Better or wider distribution
- * Specialized instead of a broad product line (or vice versa)
- * Lower price
- * Modified product (improved)
- * Better value for the consumers money (quality)
- * More dependable product or service
- * Customer support service

As a new business can enter an industry and capture a share of the market, an established business can use the same strategies to increase their market share as well.

TARGET MARKETING

When the marketing strategy is developed, determine with which customer group this would be most effective. For example, a "better value for the money" may be more appealing to the "family" consumer group while a "wider distribution" would be more attractive to consumers who travel. Remember that different market strategies may

appeal to different target markets. Therefore, apply the collected data to choose the combinations that will work best. The market is defined by different segments.

Some examples are:

- * Geographic: Specialize products to customers who live in certain neighborhoods or regions, or under particular climates.
- * Demographic: Direct advertising to families, retired people, or to the occupation of consumers.
- * Psychographic: Target promotion to the opinions or attitudes of the customers (political or religious, for example).
- * Product benefits: Aim marketing to emphasize the benefits of the product or service that would appeal to consumers who buy for this reason in particular (low cost or easy access, for example).
- * Previous customers: Identify and promote to those groups who have purchased the product before.

THE MARKETING MIX

Before the marketing mix decision is made, determine what purpose these marketing efforts are going to serve. Are they to:

- * Deepen the customer base?
- * Increase the market share? If so, by how much?
- * Increase sales? If so, by how much?
- * Reach new geographic markets?
- * Increase customer traffic?
- * Sell remaining inventory to prepare for a new product line?

After these objectives are established, determine a date for accomplishing the objective. The marketing mix allows owner-managers to combine different marketing decision areas such as products and services, promotion and advertising, pricing, and place to construct an overall marketing program.

Products and Services

Use the product or service itself as a marketing resource. Having something unique provides motivation behind advertising. While the ideas mentioned under market strategy apply here, another option is to change or modify the product or service. Additional attention may be given to a product if it has changed color, size, or style, while a service may draw similar attention by modifying the services provided.

Remember sales and promotional opportunities are generated by product differentiation.

Promotion and Advertising

With a marketing strategy and clear objectives outlined, use advertising to get the message out to customers.

Advertising can be done through:

- * Online (Google Adwords, Social media, etc.)
- * The yellow pages
- * A press release
- * Sponsoring a civic event or activity
- * The newspaper
- * Billboards or posters
- * Flyers or handbills
- * Direct mail advertising
- *The radio

One element of advertising is promotional activities. These activities not only advertise, but they offer added incentive for customer patronage.

Some examples are:

- * 2 for 1 offers
- * Coupons
- * Special sale prices
- * Rebates
- * Sweepstakes
- * Give-aways

Try to reach the largest number of people with the money allocated to advertising and promotion. This may be accomplished by using several different methods of advertising. Remember to be creative and implement ideas.

Pricing

Determining price levels and pricing policies is the major factor affecting revenue. Factors such as the demand for the good, the market price, and customer

responsiveness to price changes influence the price levels. Other factors such as a convenient location or more personalized service may allow a small business to charge a higher price. Make sure your price is competitive, however, by checking to see what competitors' prices are.

Place

The manufacturer and wholesaler must decide how to distribute their products. Working through established distributors or manufacturers' agent generally is most feasible for small manufacturers. Small retailers should consider cost and traffic flow as two major factors in location site selection, especially since advertising and rent can be reciprocal. In other words, low-cost, low-customer traffic location means you must spend more on advertising to build traffic.

The nature of the product or service also is important in locational decisions. If purchases are made largely on impulse (e.g., flavored popcorn), then high customer traffic and visibility are critical. On the other hand, location is less a concern for products or services that customers are willing to go out of their way to find (e.g., restaurant suppliers). The recent availability of highly segmented mailing lists (purchased from list brokers, magazines, or other companies) has enabled small businesses to operate anywhere - and serve national or international markets.

MARKETING PERFORMANCE

After the marketing mix decision is implemented, the next step is to evaluate performance. With a detailed list of company objectives, monitor how well the decisions are developing.

Evaluate objectives such as:

- * Market share. Has the increased share been captured?
- * Sales Volume. Was the increase reached?
- * Strategy. Did the combinations of target markets and strategy work effectively? Which ones didn't?

Also, evaluate the following decisions and others:

- * Did advertising efforts reach the target groups?
- * Were promotions timely?
- * Did customers respond to sales, coupons, or rebates?

Additionally, consider the following:

- * Is the company doing all it can to satisfy the customer?
- * Do the employees make sure the customer's needs are truly satisfied, leading to the vial repeat purchase and customer loyalty?

- * Is it easy for customers to find what they want at a competitive price?
- * If these objectives were not reached, what were the reasons?
- * If they worked well, what elements were most effective?

By evaluating performance after decisions, there is reference for future decision-making, based on past results. In addition, periodically assess customers' feelings and opinions toward the business and how well their needs are being satisfied. This can be done through surveys, customer comment cards, or simply by asking them, "How are we doing?"

Assessing performance and asking for customer input brings us back around market research again. Your marketing plan is a continuous effort to identify and adapt to changes in markets, customer taste, and the economy for the success of your small business.

[Go to Top](#)

3. Twenty Seven Tips to Increase the Effectiveness of Your Delegation

Derived from Latin, delegate means "to send from." When delegating you are sending the work "from" you "to" someone else. Effective delegation Skills will not only give you more time to work on your important opportunities, but you will also help others on your team learn new skills. Here are some tips that will help you improve your delegation skills - delegation of work .

1. Delegation helps people grow underneath you in an organization and thus pushes you even higher in management. It provides you with more time, and you will be able to take on higher priority projects.
2. Delegate whole pieces or entire job pieces rather than simply tasks and activities.
3. Clearly define what outcome is needed, then let individuals use some creative thinking of their own as to how to get to that outcome.
4. Clearly define limits of authority that go with the delegated job. Can the person hire other people to work with them? Are there spending constraints?
5. Clear standards of performance will help the person know when he or she is doing exactly what is expected.
6. When on the receiving end of delegation, work to make your boss' job easier and to get the boss promoted. This will enhance your promotability also.
7. Assess routine activities in which you are involved. Can any of them be eliminated or delegated?
8. Never underestimate a person's potential. Delegate slightly more than you think the person is capable of handling. Expect them to succeed, and you will be pleasantly surprised more frequently than not.
9. Expect completed staff work from the individuals reporting to you. That is, they will come to you giving you alternatives and suggestions when a problem exists rather than just saying "Boss, what should we do?"
10. Do not avoid delegating something because you cannot give someone the entire project. Let the person start with a bite size piece, then after learning and doing that, they can accept larger pieces and larger areas of responsibility.
11. Agree on a monitoring or measurement procedure that will keep you informed as to progress on this project because you are ultimately still responsible for it and need to know that it is progressing as it should. In other words-If you can't measure it don't delegate it.
12. Keep your mind open to new ideas and ways of doing things. There just might be a better way than the way something has previously been done.

13. Delegation is not giving an assignment. You are asking the person to accept responsibility for a project. They have the right to say no.
14. Encourage your people to ask for parts of your job.
15. Never take back a delegated item because you can do it better or faster. Help the other person learn to do it better.
16. Agree on the frequency of feedback meetings or reports between yourself and the person to whom you are delegating. Good communication will assure ongoing success.
17. Delegation strengthens your position. It shows you are doing your job as a manager-getting results with others. This makes you more promotable.
18. Delegation is taking a risk that the other person might make a mistake, but people learn from mistakes and will be able to do it right the next time. Think back to a time a project was delegated to you and you messed it up. You also learned a valuable lesson.
19. Find out what the talents and interests of your people are and you will be able to delegate more intelligently and effectively.
20. A person will be more excited about doing a project when they came up with the idea of how to do it, than if the boss tells them how to do it.
21. Be sensitive to upward delegation by your staff. When they ask you for a decision on their project, ask them to think about some alternatives which you will then discuss with them. This way responsibility for action stays with the staff member.
22. Don't do an activity that someone else would be willing to do for you if you would just ask them.
23. "Push" responsibility down in a caring helpful way.
24. Remember, you are not the only one that can accomplish an end result. Trust others to be capable of achieving it.
25. Break large jobs into manageable pieces and delegate pieces to those who can do them more readily.
26. Keep following up and following through until the entire project is done.
27. Resist the urge to solve someone else's problem. They need to learn for themselves. Give them suggestions and perhaps limits but let them take their own action.

[Go to Top](#)

4. How to Reach Your Goals Faster

Life is a journey. Not just any journey, but the most fantastic journey in the universe. Life is a journey from where you are to where you want to be. You can choose your own destination. Not only that, you can choose how you are going to get there. Goal setting will help you end up where you want to be.

-- When it comes to setting goals, start off with what's important to you in life. Take out a sheet of paper. Sit quietly, and on that sheet of paper, brainstorm what you want to accomplish between now and the end of your life.

-- Second step-use another sheet of paper, and this time consider yourself and your personal goals for the next 12 month period. Some key areas in which you might set personal goals include: family, personal growth, financial, health, social, career, hobbies, spiritual, and recreation. Write down the things that you plan to accomplish or achieve or attain during this one-year period?

-- Now, as a third step, go back and compare the two goal lists you have made. Make sure that the items on your short-term list will, as you attain them, be helping you attain your long-term or lifetime goals. It is important that what you are doing short term is taking you in the right direction toward your lifetime goals. Please rewrite your short term goals now if you need to.

-- As a next step, looking at the goals that are on your list at this time, if there are any that you are not willing to pay the price for, go ahead and cross them out, leaving only those items you are willing to cause to happen in your life. This does not necessarily mean you have the money or the other resources for attaining the goal right now. However, when you do have it, would you spend it on or trade it for the goals you have on your list?

-- Now, on still another sheet of paper, create the job goals that are important to you during this upcoming 12-month period. Identify what outcomes you wish to attain or achieve during this one-year period in your specific area of responsibility and authority.

-- Some key areas in which you might consider writing job goals, if you did not already, include: quality, quantity, cost control, cost improvement, equipment, procedures, training, sales, financial, and personnel.

-- As a next step, look for the blending between your job or work goals and your personal goals. Anywhere you notice that you are attaining a goal on the job while at the same time you are attaining a personal goal, note this relationship: it is in these areas you will be most highly motivated.

-- For each of the three lists that you have just created, take an additional sheet of paper and list the activities that you must do to attain the most important goal that you have on each of your lists.

-- Now on another piece of paper titled "Things To-Do List" identify from the activities you just listed, the ones that you must do tomorrow to move you toward your most important goal.

-- Rewrite your goals in these categories at least every three months.

-- The only thing in life that is constant is the fact that everything is changing. It makes sense that our goals will change as we change.

-- Recognize how focusing on what you do want, what you do intend to accomplish, also defines what you choose not to do in your life.

Daily rewrite your list of "Things To-Do" after first reviewing your desired goals.

-- Success is defined as "the progressive realization of a worthwhile goal." If you are doing the things that are moving you toward the attainment of your goal, then you are "successful" even if you are not there yet.

-- Every step along the way to achieving a goal is just as important as the last step.

-- It is not the achieving of a goal that is so important, it is what you become in the process.

-- Set goals with your family also. Help children learn this process early in life.

-- Decide what you should be accomplishing and then stick to your knitting. Do not attempt to be or do all things for all people.

-- Dreams and wishes are not goals until they are written as specific end results on paper.

-- Written specific goals provide direction and focus to your activities. They become a road map to follow.

-- Being busy with activities does not pay, only results do. As in baseball you only get points for getting to the goal of home plate. Just making it to the bases does not count.

-- It has been said that the amount of information available to us is now doubling in less than 30 months. We must learn to focus on only what is truly important to our self and our job.

-- Be sure the goals and activities that you are working for are yours and that you really want and desire to achieve them. The commitment is vital to your success in achieving them.

-- When you have a goal that is exciting to you, the life energy flows through you. You are excited about accomplishing it because it is personally meaningful.

-- Create a time line or matrix chart on which you display your goals visually and the dates when you will have them accomplished.

- Continually look for ways to integrate or blend personal and professional goals.
- Setting a goal, that you believe is unattainable will result in frustration. To be challenging and motivating, goals must be perceived as realistic and attainable.
- Those people with dreams are the ones most likely to experience them.
- Set goals carefully for you will attain them. This also means if you set none, you will attain that.
- Goals, when thoughtfully set, can provide strong motivational direction.
- Clear cut, understandable and realistic objectives leading to the goal help to maintain the sense of realism and the hope of attainment of the goal.
- Establish measurement criteria to monitor progressive movement toward your goal. Then you will experience progress.
- Set goals that you will be proud to have achieved, then sense your having completed them.
- Have a vision that you know is unquestionably right and you will be internally driven to achieve that vision.
- A goal is "reasonable" when you can see the entire process needed to get to its attainment.
- Good planning assists in sensing reasonableness of challenging goals.
- Use picture goals.
- Develop an emotional reason why you should attain your goal.

[Go to Top](#)

5. How to Deal with Changes in The Market

The winds of change are building...reshaping business, government, educational institutions, not for profit groups, civic and professional groups, the military and all of our personal lives. Some people dig in their heels and try to resist change. Others ride the winds of change and seize the amazing opportunities it brings. Use these ten habits to recognize and maximize the gifts of change.

1. Accept the Certainty of Uncertainty.

Change scares a lot of people. Facing the unknown rattles our nerves and undermines confidence. Yet, our rapidly world is filled with ambiguity, shifting priorities, different expectations, unanswered questions, and new responsibilities. People with a high need for closure and structure find it especially difficult. The ability to cope with uncertainty and ambiguity are critical skills for success in our New World.

2. Become A Quick Change Artist.

Hundreds of thousands of years ago, this planet was inhabited by powerful dinosaurs. Then, something happened and in a very short time the great beasts perished. While scientists don't agree about what exactly happened, they do agree that whatever it was the dinosaurs simply could not adapt to the change. There are plenty of human dinosaurs out there today saying..."Don't rock the boat"...."why change what's working?....and "That's not the way we've always done it." Resistance to change is a dead-end street. Change requires that we abandon the status quo, overcome our attachments to comfort zones, and adapt quickly to new situations and ways of doing things.

3. Stay In School.

The most effective way to cope with change and find the opportunities it offers is to NEVER STOP LEARNING. We are the sum of what we read, hear and experience...the thousands of bits of information we pick up from many sources. Successful lifelong learners make it a point to learn something New everyday, to gain ideas from everywhere they go and everyone they meet. A great way to do this is to commit to the 30/10 RULE. Commit 30 minutes per day to actively seeking new information and then take an additional 10 minutes to decide how to apply this new information to your life. COACHU resources make the 30/10 Rule easy!

4. Open Your Mind and Unhook Your Personal Prejudices.

A prejudice is a judgment or opinion reached before the facts are known or maintained long after the facts have changed. Prejudices severely limit our ability to respond to change. Prejudices stifle our creativity and innovation. Seek out diversity. Read books and magazines about subjects you have never been interested in before. Seek out new friends and acquaintances of different cultures, ages, and thinking styles and learn from them.

5. Become A Trend Watcher and New Idea Collector.

Opportunities abound in trends and change. Look at magazines, newspapers, the Net, and other sources for themes that show up on a regular basis. Pay special attention to feature sections in publications like USA Today and Entrepreneur Magazine. Start an Idea File.

6. Be Sure To Open All Your Gifts and Look For More.

It is so much fun to open gifts...especially ones we didn't know we were getting. We all have many gifts we have never fully used. Talents, abilities, and potential we have never exercised and developed. High achievers in a changing world use all their gifts and constantly seek new ones. For every gift you open, there are many more waiting to be discovered and used.

7. Cultivate and Maintain a Strong Resource Network.

Your Team 100, Circle of Ten or a Personal Advisory Board are all part of your resource network. Become a Master Networker. Your network is a gold mine of resources and support. Remember networking is a reciprocal process. It is about getting and giving.

8. Develop a Reputation as FIXER...not a Finger Pointer.

Every business, every organization, every community and even our own families need people who are willing to take care of problems, not merely point them out. People who are objective and willing to explore many options and solutions, rather than automatically opposing anything that even smells like change, become very valuable. Make it a rule never to complain without offering solutions along with your problem.

9. Lighten Up! Optimism is Contagious.

The benefits of optimism and a sense of humor cannot be overestimated in a climate of change and chaos. Negativity and its by-product, stress, cloud judgment and interfere with objectivity. On the other hand, a well-developed sense of humor increases optimism and helps us prevent blowing things out of proportion. We must consider how many other people take their cues from us. Do you lead others optimistically into change or do you somehow lead them into resistance? Optimism is contagious...spread it every chance you get.

10. Stop Waiting!

Many people can make an entire lifetime out of getting ready to do something...laying the groundwork...making plans...waiting until the time is "right." Change doesn't wait and in today's competitive world, waiting is a luxury we can no longer afford. We need to develop a sense of urgency ...coupled with action. The best insurance policy for tomorrow is the best use of today. CARPE DIEM!

[Go to Top](#)

6. How to Build a Winning Team

You've just been in a serious car accident. You've got massive internal injuries and a broken jaw. You're going to be in the hospital at least a month. Your jaw is wired shut so you can't use the phone. Will your business run easily and well while you recover? Will your customers be served while you are gone? If you've just experienced heart failure over this prospect, the following list is for you. The information below, if put into practice, will reduce your stress, increase your business' productivity, and give you the vacation you so richly deserve. Here's the top ten things you can do to make your business run as smoothly as possible.

1. Hire wisely

Most businesses hire bodies for particular jobs rather than people to help build a future. Your business is only as good as each individual employee's contribution to its functioning. Therefore, look for the three i's when you hire: intelligence, initiative, and integrity. For every position, from receptionist to packing clerk, hire only the best you can find. Conversely, if you have current employees who are not performing well, consider whether they are a wise investment of your money.

2. Build a team, not your ego

Many employers let their egos dominate their interactions with their employees. Stop the pattern. Instead, trust your employees to do their jobs. Make each employee feel that they are an invaluable member of the company team. Let each employee know they are an integral part of the company's end product. Set the example for positive interaction at all times between members of the team even when ideas or performance must be corrected.

3. Reward well

When you get good employees, reward them financially and emotionally. Be sure their pay is at least at market rate. Take time often to acknowledge each employee's contribution. The two biggest loyalty builders are two simple words-- thank you.

4. Be hands on

Know each employee's job and how to do it. This not only gives you an automatic reserve employee and trainer (yourself), but has an added bonus. If you show an employee that you are willing to learn or have learned his/her job, you are communicating that you believe their work has value. Every employee needs to know that whether they are emptying trash cans, setting the presses, or selling the large accounts, their work is worthwhile and valuable.

5. Make your employees versatile

In a small company, every employee should know how to do at least two jobs, particularly on the technical and service sides. For critical tasks, at least three employees should know how to do each job. Thus, you always have an on-the-premises reserve who can step in when needed.

6. Give away tasks, but not ultimate leadership

What is it you do best? Are you the idea man, the best salesman in your company, the

organizer? Find your best talent and then delegate all other tasks to your employees. Train them appropriately to do their job, let them know you have confidence in their ability to perform well, and then let them do their jobs. Adding responsibility with confidence will increase your employee's willingness to work and their pride in the company's end result. At the same time, you must maintain ultimate leadership. In any well run ship, the captain makes final decisions and you are still the captain, albeit a benign one.

7. Communicate, communicate, communicate

You must talk with your employees, solicit their suggestions, and positively correct their mistakes. Conversely, you must create an atmosphere where employees are willing and able to talk with you. The two best sources of information on how your business is doing and how to improve it are your employees and your customers. Pay attention to both.

8. Give your best and always and encourage the same in your employees

Pride in the company and its product or service always begins at the top. If you give a half effort or let a sloppily produced product go out the door to a client, you are sending a message to your employees that you do not respect your clients or your work. Your employees will adopt that view as well. If you set the example of giving the extra effort, pitching in when needed, caring about your fellow team members, working as a unit to be the best in your particular business, and taking care of the bottom line, your employees worth having and keeping will follow suit.

9. Encourage innovation and creation

Give your employees a stake in the future. Once a month, have a meeting where the employees make suggestions on how to improve your product, service, efficiency, or bottom line. Give monetary rewards when the ideas produce increases to the bottom line. Give positive encouragement for the process.

10. Have a second in command

No general goes into battle without a major who can take over if he is felled by a bullet. You are your business' general and must act accordingly. Find someone you trust within your company who has the same goals, ideals, and a similar business style. Train him/her appropriately. Let others know he/she has your confidence and authority when you are gone. When that is done, leave on vacation and test the theory out. If you have completed steps 1-9 above, your business will run easily and well and you will have regained a healthy balance in your life.

[Go to Top](#)

7. How to Make a Good First Impression

We sometimes get only one chance to make an impression on someone either in our personal or business life. Therefore it is important to remember some basic things to do that will assure us of making the best impression possible. The following are ten of the most common things people can do to make the best first impression possible.

1. Appear Neat And Dress Appropriately.

Being neat in our appearance is something we can do regardless of whether we are trying to make a good impression on someone or not. In a *first meeting* situation for business, to show up in jeans, tennis shoes and with uncombed hair would be a big mistake. If the situation is social, dressing casual is fine depending on where you are meeting, but being well groomed is always going to make a good impression.

2. Maintain Good Eye Contact.

From the first time you meet the person until you part, maintain good direct eye contact with them. This usually indicates to people that you are listening to them, interested in them, and friendly. You need not stare or glare at them. Simply focus on them and their immediate direction the majority of the time. When talking, look at them also, since your new acquaintance wants to be sure you are talking to him/her and not the floor. It also will give you an idea of how the person is receiving what you are saying to them if you are looking at them.

3. Shake Their Hand At The Beginning And When Parting.

Whether it is a business meeting or a social occasion, most people appreciate or expect a friendly handshake. The best kind are firm (no need to prove your strength) and 3-5 seconds long. Pumping up and down or jerking their arm about is not needed nor usually welcomed. A *limp rag* handshake is not recommended unless you have good reason to believe shaking the person's hand any harder would injure them. Look at them in the eye when shaking their hand.

4. SMILE! :-)

A smile goes a long way in making a first impression. When you shake hands with the person, smile as you introduce yourself or say hello. Even if the other person does not smile, you can, and it will be remembered by the other person. As you talk or listen to the person speak, smile off and on to show your interest, amusement, or just to show you are being friendly.

5. Listen More Than You Talk.

Unless you are asked for your life story (in which case give a very abbreviated version) let the other person do most of the talking as you listen. Listening to your new acquaintance will give you information to refer to later, and it will give your new friend the impression you are genuinely interested in them, their business, etc. If you are asked questions, feel free to talk. If you are really bored, avoid 3-5 word sentence

replies to your companion's questions. Pretend at least to be interested. You won't/don't necessarily ever have to talk with this person again.

6. Relax And Be Yourself.

Who else would you be? Well, sometimes people try to act differently than they normally would to impress or show off to a new acquaintance. Putting on facades and *airs* is not recommended, as a discerning person will sense it and it will have a negative affect on how they view you. Just be yourself and relax and *go with the flow* of conversation.

7. Ask Them About *Their* Business And Personal Life.

Show that you have an active interest in the other person's professional and personal life. When an appropriate time comes, ask them to tell you about their family and their business if they have not already done so. People love to talk about themselves. They usually feel flattered and respected when others, especially people who have never met them, show real interest in their business and their personal life. It also shows that you are not self-centered when you do not spend alot of time talking about yourself and *your* life.

8. Don't *Name Drop* Or Brag.

Very few people you will meet for the first time will be favorably impressed if you start telling them you know Donald Trump, Don Johnson, or the CEO of Wigits, Inc. They want to get to know you and have you get to know them. Experienced and secure business people are not impressed by who you know as much as what you know. If someone asks you if you know *so and so*, then it's appropriate to tell them the truth. Unless they do, it sounds like you are very insecure and trying to really *impress them*. Bragging about your financial, business or social coups or feats is likewise in bad taste and not recommended. Just keep it simple and factual and be yourself.

9. Don't Eat Or *Drink* Too Much.

If your first meeting is at a function or place where food and alcohol are served, it is wise to eat and drink in moderation. This is especial true of drinking alcohol! You want to be able to listen well and remember what is said, and speak well for yourself. There is probably nothing that leaves a worse first impression on a business or social date than for their new *acquaintance* to get intoxicated and to say or do things that are embarrassing, rude, crude, or all three. Use good self control and eat as your new friend does, and drink only in social moderation or not at all. What is done one night under the influence of alcoholic merriment might be regretted for hundreds of nights in clear headed sobriety!

10. Part With A Smile, A Handshake And A Sincere Comment Or Compliment.

Regardless of how you felt the evening went it is simply common courtesy to shake hands when the evening is over, offer a smile and some sort of friendly comment or compliment. If it was a social evening and you had a great time, offer a sincere compliment and let them know you'd like to meet again. If it was a business meeting,

offer a smile and a sincere comment around how it was nice to meet them, get to know them, learn about their business etc. You may never have to see the person again, but they may know people who they will tell about their meeting with you who you *will* work with or need to meet down the road. It always pays to be kind and polite even if you were not treated that way or did not enjoy the time you spent with someone.

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[Go to Top](#)