

# Tips from the Top<sup>®</sup>

Business insights from those at the top for those at the top.



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THE ALTERNATIVE BOARD<sup>®</sup>

Change Perspective. Improve Business. Enjoy Life.

## Inside this Issue

*Be Flexible With Your Customers* 2

*Email Harvesting* 3

*Get Outside Your Paradigm to Deal with Competition and Grow Your Business* 4

*Phone Etiquette* 5

*Why We Pay People What We Pay Them* 6

*Creating Your Own Web Site* 7

## CEO Leadership in Turbulent Times

**Don Schlueter**, TAB-Certified Facilitator, South Chicago, IL

As our economy begins a gradual and measured recovery, it is imperative that CEOs continue to provide the executive leadership, direction, vision and strategies to insure their company's return to sustainable profitability and growth. Having survived the depths of the recession, CEOs must NOW develop and implement the plans and actions necessary to capitalize on the emerging period of recovery and return to normalcy that lies ahead. The lists of necessary actions are many and include the following basic critical items:

- Develop your company mission, vision, strategies and Critical Success Factors with input from the leadership team and then communicate to all employees with Key Performance Indicators (KPIs) to monitor performance
  - Develop a 12-month rolling sales/marketing plan which drives a 12-month rolling budget with a resulting 90-day rolling cash forecast. Establish KPIs to track results which will enable prompt corrective actions for underperforming areas of the business
  - Establish a "Culture of Accountability" which starts with the CEO who MUST lead by example
    - Establish/refine job descriptions with performance metrics to delineate clear expectations
    - Do not accept mediocre performance or bad
- (Continued on Page 2)

## Creating a New Look From the Inside

**Kevin Hartig**, ESC Engineering, Fort Collins, CO

We recently moved into a new building and had not yet decided on how to decorate the blank walls. An employee had an idea to use photographs from company staff to give our office a personal feel. We established an internal contest where employees could submit "gallery type" photographs as opposed to "snapshot type" photos with content to be landscape, travel, urban, etc. We received over 150 entries for 25 spots!

We enlarged them and had them framed, with the top three selections being super enlarged and having prominence in location. It turned out great with the entire company very proud of the space and we intend to renew the art using this method annually. We continue to get positive comments from our clients with some wanting to try the idea in their office.

## Finance

### *Be Flexible With Your Customers*

**Randy Smith**, *FORUM Systems Group, San Antonio, TX*

The recent economic slowdown caused many of our customers to fall behind in their payments. We offered a bi-weekly payment schedule that would allow them to catch up on their payments over a few months. Not only did every one of them keep to the schedule, they thanked us profusely for being one of the only vendors who tried to help them out.

### *Business Insurance Annual Tip Insurance Companies Don't Teach You*

**T.J. Allen**, *Allen Commercial Industries, Euless, TX*

I frequently re-shop our insurance company providers by using a thorough evaluation sheet that has saved me over \$18,000 (40 percent)! My insurance has gone down from \$45,000 to \$27,000, while at the same time doubling my coverage protection.

When re-shopping, I tell the various companies to not give me bids that are five lines long and have no details. I've saved \$1,000 to 2,000 in each of the subsequent bids and added more coverage.

Not only has this evaluation sheet brought me cost savings year-after-year (\$21,000), but also serves as an evaluation of the quality of the insurance agent. Their response is a key indicator of the customer service they will provide if there is a claim. A high quality agent will point out any holes in coverage, ideas for cost savings and offer additional coverage.

## Human Resources

### *Factor in the Soft Costs When Considering Upgrading*

**Mark Richman**, *Skeleton Key, St. Louis, MO*

There are many opportunities and strategies for making improvements to your company's processes in a depressed economy. When doing so, don't forget to factor in the soft costs of implementing change, such as internal project management time and buy-in by the staff for use of the system. Make sure to evaluate both tangible and intangible benefits, while also considering the opportunity for both fixing deficiencies as well as laying new foundations. Be sure to seek out appropriate expertise and counsel before making any final decisions.

## CEO Leadership (continued from cover)

attitudes at any level—too many outstanding people are available to replace marginal performers

- Maintain team building and excellent communications at all levels on plans/goals—seek employee input of specific ideas and areas of concern
- Apply the 80/20 rule to everything—largest/highest margin customers, highest margin products, expanding markets, key employees, greatest ROI priorities, etc.
- Expand marketing and sales initiatives—get back to basic, low-cost programs to expand revenue by:
  - Listening to your customers and determining how you can better meet “their needs”
  - Developing “overt benefit statements” and the supporting “reasons to believe” for all products/services, then—incorporate them in all your marketing literature
  - Developing methods/messages to expand sales of existing products/services to established customers—make certain your customers are fully aware of your complete offerings
  - Introducing new products/services to existing customers with whom you have a strong relationship and rapport
  - Taking existing products/services to new target customers/markets that look like your most profitable high-volume current customers
  - Developing programs to introduce new products/services to new customers

Substantial, sustainable profitability and growth can be achieved during the current emerging period of economic

recovery for those companies with a CEO who provides the personal courageous leadership to establish the mission, vision, strategies and accountability culture necessary for the management team to achieve the desired goals and objectives.

**Bio:**

*Don Schlueter is the TAB-Certified Facilitator and Strategic Business Leadership®-Certified Coach in*



*South Chicago, IL. Don has over 30 years of executive leadership as President/CEO and business owner of small private entrepreneurial companies, two*

*leveraged buyouts and major divisions of three Fortune 500 companies. Don has a bachelor's degree in engineering from Washington University in St. Louis, MO and a master's in business administration from St. Louis University.*

## Marketing

### *E-mail Harvesting*

**Delton Dunbar**, *Commonwealth Heating and Cooling, Virginia Beach, VA*

I'm in the heating, ventilating and air conditioning (HVAC) business and encourage my service representatives to request customers' and prospects' e-mail addresses with a \$1.00 bonus for every one recorded. A "thanks for your business" e-mail from me validates the submitted e-mail address and gives me an opportunity to touch my customer.

### *Design as a Business Survey*

**Manny Bonomo**, *Diamond Fasteners, Inc., Farmingdale, NY*

I've had my own interior design business for 25 years. I'm currently working through one of The Alternative Board®'s (TAB) proprietary tools, Strategic Business Leadership® (SBL) and there is an interesting parallel between what I do for my clients and what I'm doing with SBL for myself and my business. The parallel probably holds true for many businesses. Here's my approach when designing medical facilities:

- I seek first to understand their vision and key goals for the proposed project
- We decide whether to achieve the vision in one step or multiple steps (based on available resources, such as time, money and people)
- I complete a comprehensive needs assessment to determine a budget
- To do a great job, I need to understand what is specific to their field of work and what is unique to their particular business
- Good design improves staff efficiency and effectiveness with patients
- New and existing equipment and technology must be integrated into the design, while also planning for future upgrades or additional equipment
- All of the above help to focus on the client's return on investment—in the form of staff smiles and patient trust, as well as dollars and cents
- Finally, outstanding design can have the added value of attracting tech savvy associates to their practice, supporting the doctor's exit strategy and eventual retirement

By considering the "power of design" as part of their business strategy, a doctor or dentist can have the office they've always dreamed of. I believe the same attitude applies to my using the "power of design" (TAB's SBL process) on my own business.

### *Keep This In Mind When Purchasing a Company Domain*

**Chris Chapman**, *Snow Sports Deals, Lothian, MD*

When you purchase a domain for your company, make sure to also purchase the common misspellings. If you don't, prospective customers can easily end up on the landing page that will charge you for the pay-per-click to your site, or even worse—sends them to your competitor's Web site!

## Sales

# Get Outside Your Paradigm to Deal with Competition and Grow Your Business

**Tony Ursini**, *Taiga Air Services, Ltd., Winnipeg, MB*

Most helicopter charter companies use a standard method of billing clients at an hourly rate. When we face difficult times and fewer hours are available, the hourly rate comes down as the job will always go to the lowest hourly bidder.

In some cases, our competition was willing to take on a project for cost or even less. Our strategy was to develop in-house proprietary technology that set us apart from our competitors, for example, GPS coordinates linked to high-definition cameras that enabled pro-active mapping for floodways, Hydro electric lines and forest fire control. We then moved our pricing model away from an hourly rate to a rate-per-km/mile flow that includes both the helicopter and technology. The rate-per-distance flown translates into a much higher hourly rate with increased profitability. Our customers and employees are happy, our competition is not.

As business owners, can we get outside our paradigm to find another opportunity to beat our competition and grow our business?

## Human Resources

# Saving Time and Dollars

**Trace Blakely**, *United Parts Plus, Fond du Lac, WI*

In the past, our staff was involved in a lot of extra work to find old invoices so our salespeople could review them to find past items ordered by a customer with the price they were charged and terms that were offered. We needed this information when a customer would bring in a product requesting a refund to make sure they really purchased it from us and we could refund the price they paid.

We now put all invoices into our computer via an imaging system (other members of my TAB Board use scanning software to input to their systems as PDF files). Now, we can almost instantly get the information we need without wasting valuable time.

# Performance Management

**Steve Hellerman**, *Quality Blacktop, Long Island, NY*

Make it part of your standard management practice to update employee files with written records of any observed and discussed employee deficiencies associated with job performance. The written note should include the date the incident took place, the employee's name, the observed performance deficiency and the conversation result/action taken (conversation, warning, write-up, performance contract, etc.). This practice is helpful in the event you have to support or defend an employee termination.

## Motivation Advantage

Like most companies, our company thrives on sales, repeat business and referrals. To get there, we build relationships and learn how to thank our customers meaningfully. Sometimes it just takes an earnest, hand-written card. Other times, it may be a dinner or a sporting event. But, the most lucrative incentive program we offer is the reward of travel. Our customers and sales staff get very excited about receiving a travel reward.

Our travel rewards program is linked directly to achieving sales targets, goals and objectives. Everyone with a stake in winning works harder and ultimately delivers more sales revenue. Our travel rewards program cost is from increased revenue, so it feels as if it costs our company nothing.

For now, this is the best marketing money our company spends.

**Dalih and Kenny Suchet**,  
*Finishing Touches Business  
Decorating, Nashville, TN*

## Staying Smart

When times are tough, potential partners, customers or vendors will think they can get a better deal because you're "desperate" to have a win. No matter the circumstance, it's critical to negotiate the best deal possible for the long-term health of the business.

**Salvatore Campitiello**,  
*East End Interiors, Saint James, NY*

## Creation of Incredible Logo Designs

There is a great new site that offers logo designs at affordable prices! Go to <http://logotournament.com>. The site allows you to enter a “tournament” where logo designers throughout the world compete for your logo design. You create an “award” of \$250 or more and the one you choose receives the “award”. I recommend you invest \$500 to get the better designers involved. In addition, you’re able to interact with the designers to make adjustments along the way. The results are spectacular!

**Paul Malinowski**, *Pillar Property Services LLC, Denver, CO*

## How Do You Measure Your Success?

If you are considering your business as an investment, then compare it to other investments. If you consider it as a business, then compare it to other businesses. You must be clear about your goals before you attempt to determine your level of success.

**Trey Noe**, *Richmond Neighborhood Laundry, Richmond, VA*

## The Negative Impacts of Price Dropping

Are your competitors dropping prices to close business these days? It is not uncommon. However, remember that customers pay for value. If you drop your prices, not only will you lower margins but you will set in motion a practice (one of devaluing your products and services) that may take years to correct. Find ways to offer more value—you may have fewer customers, but your cash and net profit doesn’t have to be down.

**Bonnie Griffin Kaake**, *Innovative Consulting Group, Golden, CO*

## Operations

### *Phone Etiquette*

**Gilbert Welsford**, *F.S. Welsford Company, Exton, PA*

Many of us are annoyed by getting caught in an electronic telephone answering system—and so are our prospects and customers. It sends the message that your prospect or customer isn’t all that important. At our company, a person answers the telephone in two rings and when they answer, they state their name and say, “How may I help you?”

There are times when it isn’t possible to answer the telephone and the call goes to voicemail. At our company, every employee records a new voicemail message every morning stating the date and offering information about when they can be contacted or will return the call. These two things send a clear message that you care about your customers. You need to begin to build customer loyalty as soon as the telephone rings.

## Marketing

### *Internet Sales*

**Jon Ostroff**, *Ostroff Law, Plymouth Meeting, PA*

People find your Web site but often do not do anything beyond looking at the site. New technology lets you reach out to the Web site viewer. You can set a time limit, say 45 seconds, from when the person lands on your site until a message box pops up. This message box says something like “Can we help you?” If the viewer says “yes”, they are prompted to fill in a telephone number and will then receive an immediate call. If you don’t have the employees to return calls right away, there are services that will call for you with information you’ve provided. There is no reason to lose potential sales because you let prospects drift away. Ask your Web staff about this technology and start capturing casual Web site viewers as customers.



## Human Resources

# Why We Pay People What We Pay Them

**Board 402**, West Hartford, CT

At a recent TAB Board meeting, several members shared their experiences of employees approaching them for money (stating they were in need of a raise, a bonus or an advance). We had a good discussion about how to deal with these situations resulting in a philosophy on compensation. We suggest using this guideline as a reminder of what we do and do not base compensation on.

Here is an example of how you could script this communication:

At XYZ company, we aim to pay competitive salaries that reflect what each employee brings to the table and the role they play in the company. The principles on which we make compensation decisions include:

- **Base pay**—when a person is hired or when we decide whether or not a raise is in order, our intent is to pay in line with the market for the position
- **Skills and experience**—what skills and experience do you bring to the table and how do you and your position impact the company?
- **Relativity of pay**—we look at the pay for people who perform similar functions to make sure that the top people in a particular job are paid the most and vice versa
- **Difficult times/recessions**—during difficult times like the current recession, we may reduce salaries in order to avoid layoffs
- **Bonuses**—bonuses are based on the performance expectations in the above bullets and any above-and-beyond expectations that lead to positive results for the company. Bonuses are contingent on overall company profitability—we aim to share profits with those who had the biggest impact on driving us to a profitable year

What we don't do:

- **You and the company had a good year**—raises will not be given and instead this is what bonuses are for
- **Personal financial situation**—we don't make pay decisions (raises or bonuses) based on an employee's personal financial situation. While we are empathetic to our employees' personal situations, we must keep our compensation practices in line with what is right for the business

## Human Resources

# Pay Cuts

**Jeffrey Matson**, Fernbrook Solutions, Inc., Plymouth, MN

In lieu of 10 percent pay cuts, if you have to make them, offer one day off without pay per pay period. Rotate this through the staff, including managers, so not everyone is gone at the same time. This approach gives employees something (time off) instead of the appearance of only taking things away.

## Get Re-Energized

Overwhelmed, frustrated, depressed? As a business leader, it's easy to let some of the emotions of running the business get in the way of things—and employees pick up on this. Here are a few simple things you can do to feel better, find your energy and convey optimism to your staff:

- Make a list of everything you have accomplished—you will find it is quite extensive
- Celebrate/be thankful for where you are and what you have (your health, a roof over your head, family, friends, etc.)
- Get moving—walk, run, bike, go to the gym—whatever works. Physical activity is essential to reducing stress
- Leave work at work! The work will be there for you tomorrow. Give your mind a break when you are away from the office
- Get away from things—a change of scenery, even if just for a day, can help re-energize you
- If you have the means, look at your net worth. Sometimes we think things are more dire than they are (don't do this if you haven't built up some wealth)

These are just a few ideas to help you clear your head, get focused and put the fun back into things!

**Jim Cillessen, Andy Klein, Tom Schmidt**, Interstate Electrical Contract, Wheat Ridge, CO, Accent Windows, Westminster, CO and Greenwood Advisors, Greenwood Village, CO

## Monitor the ROI on Marketing Initiatives

Like any other portion of your business, all marketing initiatives need to be measured for their effectiveness. Regardless of the emphasis, make sure you figure out how you're going to measure the success of your efforts prior to starting to work on the initiative. If you don't do this step, you will not be able to effectively assess what to continue and what to discontinue as you review your marketing plan and how to spend those precious marketing budget dollars in today's economic climate.

**John O'Connor**, *Midwest Insurance Agency, O'Fallon, MO*

## Shopping Coverages

When is the last time you shopped your coverage for services, insurance, benefits, etc.? It's good to frequently shop coverage and companies are being very aggressive right now so it's a good time to shop for different providers. However, if you have a provider you like and they ask for a personal guarantee, tell them you won't sign it and will go somewhere else if they won't drop this requirement.

**Tom Scholet**, *National Hotel Liquidators, Thornton, CO*

## Marketing

### Creating Your Own Web Site

**Paul Malinowski**, *Pillar Properties, Denver, CO*

After our last TAB Board meeting about Web design, I learned about software called Coffee Cup. It is an HTML editor that has two parts to it—one is the actual HTML code editor, while the other is a visual editor done in WYSIWYG. They “co-exist” side-by-side so you can switch between both. The visual editor gives you three options—design from scratch, pick from a variety of pre-formatted layouts or use a full-blown template. The program can be downloaded for free for a 30-day trial and is very low-cost if you do decide to buy.

### Give Them What They Want

**Ian Alpert**, *Tandem Medical Equipment, Smithtown, NY*

We often make assumptions about what employees want as a reward (usually money). You may be surprised at employee responses when you simply ask them what they'd enjoy as a bonus for good performance. By offering what's meaningful to them, we further enhance the likelihood they'll strive to achieve the reward.

## Sales

### On the Trail

**Mark Rubinstein**, *SpanDocs, Holbrook, NY*

I spend a lot of time honing our sales process and I've learned that sometimes a lead is not going to generate a sale—it's going to lead me to the decision maker who will. My sales team knows how to refine leads to make sure they're cultivating the right person in a potential client company.

### Tips from the Top®

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Collaborate with other business owners across our entire member base to share ideas and build relationships. The valuable Member Message Boards have been re-launched with the following implementations:

- The previous industry-specific message boards have been condensed into one single message board—the Business Owner's Forum.

Take advantage of this great tool by:

- Posting topics
- Collaborating with your peers
- Getting valuable business advice

Subscribe today by logging on to the member intranet, click on the "Business Owner Forum" announcement and watch the short video showing you how quick and easy it is to subscribe so you can further utilize the expertise of your TAB member peers around the world to help you overcome your toughest business challenges and achieve business success.

## Student Interns

Don't overlook the low-cost benefits of using student interns in your business. Check with the local colleges in your area for such programs.

**Norine Carlson-Weber**, *Alpha Source Inc., Milwaukee, WI*



*Change Perspective.*

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