

Have you ever thought about...

...what marketing media you should be using?

HAVE YOU EVER been confused about where to invest your marketing budget for the best effect?

Have you struggled with choosing whether you should advertise in your local newspaper, in the Yellow Pages, or even on the radio?

If you have, you're not alone. Most small business owners struggle with how to allocate their precious marketing budget among the many available media choices.

Before you choose to invest in any marketing media you should step back and ask yourself three basic questions:

1. Who is my target market?

This question sounds simple enough, but it's essential that you answer it clearly in order to choose the right media. It would be ridiculous to advertise your new care home on a pop music station, for example.

To get a good feel for who your target market is, you should start by analysing your existing customers and draw some conclusions about what type of person is buying from you already. For example, if you find that lawyers make up a large part of your sales, you could consider investing in media that specifically targets lawyers, such as local legal newsletters.

2. What media in my local area does my target market watch, listen to or read?

Once you've determined who your target market is, the next step is to do some research into what specific media they pay attention to. The best way to do this is simply to ask. Ask your prospects the names of the publications they subscribe to, the associations or groups they belong to, the radio stations they listen to and the television programs they watch.

3. How can I measure the return on my marketing budget?

Your 'return on your marketing expenditure' (ROME) is your most important consideration. NEVER choose a media or develop an advertisement that doesn't allow you to precisely track and calculate your results.

Don't make the mistake of relying on asking your prospects where they heard about you. It's been demonstrated in studies that people can't accurately tell you where they heard about you and if you rely on this type of information to allocate your marketing budget, you might be making a big mistake.

You can use these suggestions to smartly narrow down your choices of media that will work for you. However, the only way to know for sure which media is best for your small business is to test, test, test, in order to know with accuracy what works and what doesn't. ■

SOURCENOTE: Enterquest

BUSINESS

ALERT!

"Practical advice that works"

Vol 6 No 4

Does your business advisor lean over backwards to help you?

by Kathy Szpakowski

Choosing a business advisor can be one of the most crucial decisions of your business career. If he will not lean over backwards to provide you with solutions — find another business adviser!

AS AN ENTREPRENEUR, hiring an expert can be one of the most efficient ways to turbo-charge your business. However, thousands of consultants flood the Information Highway and each one promises to positively impact your bottom line.

How do you know which expert has the right combination of smarts, skills, experience and personality to move your company in the right direction?

It's no small feat to allow a consultant to make decisions on your behalf. Empowering a consultant to advise changes can bring up feelings of doubt and fear.

To help you choose the right expert for you, here are 6 cautionary tips.

● **Pay attention to the expert's commentary after you've stated your vision.** Do you feel understood? Does he or she 'get' it, or do you feel like you need to keep on explaining?

If, during the initial conversation stage or in the project outline stage you feel your vision is not completely understood or that there are areas being overlooked or under-valued, consider finding another expert who is more in alignment with your point of view.

● **Observe if the expert incorporates your thoughts and ideas into the conversation.** Do you feel a sense of collaboration or do you feel shot down?

While working with an expert, there will be times where you might take his or her well-substantiated advice and

whole-heartedly agree with certain recommendations, while at other times, you might mildly agree or not agree at all.

Based on your discussion, get a sense as to whether this person will be open to a collaborative arrangement, or might be intolerant of feedback or suggestions.

● **Assess if the expert understands the term 'within budget'.** Rather than have an expert initially tell you all of the wonderful things they can do for you, then fall over from shock when you receive their proposal and their terms, tell them the budget you need to stay within. A consultant should not be writing from your check book. What is important is your budget; not their price.

● **Agree a mutually acceptable time frame.** In order to ensure that the two of you are on the same page, establish timelines to determine when you want to get started, as well as how long it will take before you can expect to receive recommendations, implement the recommendations and see results. Make sure there is also a way to measure the results.

● **Trust your instincts.** Believe in your intuition. If your instincts and experience in your business tell you to go in a different direction, do it. If you don't feel 100% committed to the recommendations, or have a 'gut feeling' that you and the expert are not on the same page, **stop.**

Ignoring these feelings and going along with any recommendations that you are not committed to, or are convinced will not work, will only make you right.

● **A word of caution:** after a positive experience with one expert, entrepreneurs often have a tendency to get lax when evaluating additional experts to assist in other areas of their business.

When talking with other experts, it can be easy to fail to completely communicate one's vision, the importance of integrating one's ideas, the necessity to stay within budget and on schedule, and the absolute need to know that your new expert gets it!

Hiring the right expert can be a huge asset to your business, however, you are the only one who will know which expert is ultimately right for you. By applying the advice from the tips above, you can minimize your doubts and fears, as well as create a strategy to find an expert who can truly help you maximize your growth. ■

SOURCENOTE: Kathy Szpakowski is founder of KBS Group, an organizational development consulting company.

Get the most from your suppliers

STRONG TIES with your suppliers are essential. Without them you simply cannot operate.

Yet by keeping suppliers on your side you can improve your margins and delivery times — thereby giving your business a major boost.

“It’s worth sitting down and working out what your ideal supplier would be like,” advises Rob Maguire, head of business consultancy **PERFORMANCE CONSULTING**. “So if you’re going to need access to them 24 hours a day and on weekends, for example, it would probably be best to choose someone local. You should draw up a job specification and then only speak to those who match the profile.”

Moreover, if your business depends on supplies of a certain raw material or other specialised product, then your costs would be lessened if your business is near your source of supply, such as where it is produced or near its main distributor.

Shop around for quotes

But don’t limit your options too much. Make sure you shop around for quotes from a number of people. This number may vary depending on your type of business, but as a general rule, says Maguire, “three is too few and ten is too many”.

Another important point to consider is how your suppliers make their profits — this could help you negotiate better prices.

“Remember that the lowest price someone quotes you is the highest price they think they can get away with,” points out Maguire.

If your suppliers won’t reduce their prices, don’t be afraid to ask them for a reason, as they may include extras they think you need, such as warranties. Taking these out can help cut the price dramatically.

Be prepared to negotiate

Even once you have lined up your suppliers it is essential to keep on negotiating. Try to invite rival quotes from time to time to give you room to negotiate, but, advises Maguire, don’t keep getting them from the same people.

“Good customer-supplier relationships are about loyalty, but you also need to keep adding pressure — their prices will never change otherwise.” ■



Mark Gluck

The way I see it...

How a local bookseller found his niche with the 80:20 rule

A second-hand bookshop used to buy and sell any and every classification of book.

It had no focus and as a result much of the proprietor’s stock remained unsold for years, taking up valuable shelf space.

So he changed tack. He worked out what kinds of books people were buying most and what kinds of books were staying on the shelves. The 80:20 rule applied.

He had thousands of books in over 50 categories. But of those 50 categories, less than 10 accounted for almost all of his sales.

He started to specialise in sourcing those books that suited his market and stopped stocking those that didn’t.

Now stock moves much faster and his till rings far more often.

His was a simple 3-stage approach:

- (1) Segment the books into categories.
- (2) Match amount of stock held, by category, against the sales made.
- (3) Focus on the most profitable 20% of categories.

Using the 80:20 rule on your business

The bookshop proprietor used the 80:20 rule to analyse and rethink his product line. You can do the same with your product line, your customers, your marketing activities, your sales staff and your time.

The 80:20 rule helps you group or segment customers, products or activities. The bookseller’s strategy was to focus on his best performing products; to develop his own niche.

He analyzed his product line and then used 80:20 thinking to develop a plan that could take his business forward.

Your approach might be different. You might decide that you don’t want to focus simply on your most profitable 20% of customers. You might instead focus on trying to convert your less profitable customers into more profitable customers.

The strategy you take will depend on your business’s key goals, the factors that determine the success of your business.

The 80:20 rule isn’t prescriptive. It simply helps you stand back and think about which of your products, customers, efforts and tasks really contribute to your profits and end goals. ■

Meetings

Manage your meetings with skill and style

AS SOON AS SOMEONE SAYS “let’s get together to talk about this,” you have a meeting.

Studies show that managers spend over half their work time in meetings. Unfortunately these same studies indicate that meetings score within the top five of time-wasting activities.

Causes of meetings

Meetings, per se, are not a problem. It’s when meetings are called for purposes that are best served in other ways that they become a time and energy drain. Look out for three types of meetings to avoid:

- **The social meeting.** Have you ever attended a meeting designed primarily to allow people to socialize? There is no set agenda except perhaps to “talk things over.” When you leave, you have no notes, no work Assignments and no problems solved.
- **The habit meeting.** “We always have a work group meeting on Friday.” The reason for holding a meeting shouldn’t be because you always do. Think carefully in advance if it’s really necessary.
- **The copycat meeting.** Just because the work team down the hall meets twice a week doesn’t mean yours has to.

Meetings are the most useful and productive when called with specific reasons in mind.

Meeting successfully

The success of a meeting can be greatly influenced by how much pre-work or planning you do as the organizer. Keep these points in mind:

- Focus on the purpose of the meeting and what the desired outcomes are.
- Invite only those who are needed.
- Create an agenda and distribute it in advance.
- Limit the length of the meeting and, when necessary, place a time limit on each agenda item.
- Be sure the meeting site is organized. Are the seating arrangements appropriate? Can the speaker’s visuals be seen by everyone? Is all of the equipment available and in working order?
- Stay on time and on track. Keep tangential issues to a minimum and control interruption.

Skillful meeting management not only serves to keep participants on track, it is also an important skill for a manager to master. ■

SOURCENOTE: Odette Pollari is author of 365 WAYS TO SIMPLIFY YOUR WORK LIFE



WORDS OF WISDOM

“You are not mature until you expect the unexpected.”
— Chicago Tribune



Mark Gluck is an Accredited Associate of the Institute for Independent Business



"...Money makes the world go 'round... the world go 'round..."

BUSINESSES EXIST to make money — regardless of an owner or manager's motivation for setting up on their own.

If a firm does not generate sufficient revenue it will fail. In today's economies, the importance of managing profit margin levels has never been more important.

The price businesses charge for their products or services can have a huge impact on the success or failure of an enterprise.

Charge too much and a business may lose customers, charge too little and profits will be too low for survival.

In order to help business owners and managers strike the right balance, find the optimum price and maximise profit margins, a leading international business finance firm has developed the following top tips:

(1) Reduce operating costs

— Look at where your business spends its money in producing its product or service.

Are there any areas that can be cut back without having a negative effect on profits?

(2) Review your supplier base — Is the business paying for external suppliers to provide a service that could be carried out more cost-effectively internally?

(3) Examine expenditure — Carry out an internal audit of your costs encompassing everything from staffing to stationery orders.

(4) Learn to negotiate — Talk to your key suppliers and ask about early settlement discounts or loyalty bonuses — you don't get it if you don't ask!

(5) Shop around — Research your supplier's competitors and find out what prices they charge and what discounts they are prepared to offer.

(6) Buy in bulk — Consider buying raw materials and supplies in bulk at a cheaper price per unit.

(7) Diversify your product range — Try to sell new lines to existing customers as well as attracting new ones by adding to your product range.

(8) Know your worth — Are you charging enough for your products or services?

Review your pricing to ensure that you are keeping up with inflation and the broader market.

The power of Visualizing

Picture your way to success

by Jeff Keller

In a television interview, singer Celine Dion was asked if she ever thought she'd sell millions of records and be on tour, singing in front of tens of thousands of people each week. The singer replied that none of this surprised her, as she had pictured the whole thing since she was five years old.

WHAT SHE LEARNED at an early age was her ability to tap into the power of holding a vivid, powerful image ... and to become the star that she always pictured.

World class athletes also incorporate the power of imagery to reinforce in their mind exactly how they want to perform. Whether it's a figure skater completing a difficult jump or a tennis pro aching the perfect serve, many top competitors mentally envisage a successful outcome before actually achieving it in "the real world."

Your 'mental movies' at work

Visualization, however, is not something reserved solely for singers, athletes, or movie stars. In fact, it's something you've used since childhood to create the circumstances of your own life.

Author Adelaide Bry has described visualization as "movies-of-the-mind," "inner pictures," or "images." Each of us stores pictures in our minds about the type of relationships we deserve, the degree of success we'll attain at work, and so on.

We begin to develop our "mental movies" early in life. If we were criticized as a youngster, we record the events (and the feelings associated with those events) as images in our minds.

Because we frequently dwell on these pictures (both consciously and subconsciously), we tend to create life situations that correspond to the original image. For example, you may still hold a vibrant image of being criticized by a teacher in school. You felt humiliated in front of the whole class.

Later on, when you were tempted to offer your opinion again in school or before a group of people, you held back and kept quiet, remembering (even if only on a subconscious level) how painful it was when you were criticized. The picture remains in your mind, and exerts tremendous influence over your present actions.

Revise, relax and visualize

Unfortunately, many of us have not updated or revised our childhood movies, so we are continually producing results that fall short of our full potential. We need to take time out to change the pictures in our minds for the better.

Here's an example. Let's say you always dreamed of owning a beach-front house. Picture the white and peach-colored house. See the green palm trees slowly swaying in the

gentle breeze. Smell the salt air. Feel the warm sand between your toes. Can't you just taste it?

Remember that those images associated with strong emotions have even more power, so be sure to add positive feelings to your vision. For instance, when visualizing your ideal job, combine the vivid mental picture and the physical senses with the terrific emotions of pride and satisfaction you'll have working in that new position.

Finally, don't be concerned with the quality of your images at the outset. Some people can create lively color pictures while others have trouble getting anything more than a fuzzy image.

In any case, don't worry about it. Your images will become sharper over time. The key is to spend several minutes each day running these new movies in your mind.

There you have it — some suggestions for creating and benefiting from your own mental pictures. Remember, if you don't take control and develop your own movies, you'll continue to replay the old ones. If the old movies are serving you, that's great. But, if they're holding you back in any way, get started today and use the incredible power of your mind to picture your way to greater success.

It's your turn

Here are some techniques for using the power of visualization to improve virtually every aspect of your personal and professional life.

- Take responsibility for the pictures you are playing in your mind. No matter what the source of those images, you're the one who keeps playing them. Let's try a short experiment. Think about an ice cream cone filled with your favorite flavor of ice cream.

Now think about an elephant. Can you see it? Change the color of the elephant to pink. In a fraction of a second, you probably formed an image of the pink elephant. Can you bring back the picture of the ice cream cone? Of course you can. You have full control over the pictures that occupy your mind.

- Accept what happened in the old movie — but change its meaning. It doesn't serve you to deny what happened in a past experience, no matter how painful or disappointing. You can't, for instance, change the fact that you were criticized by the teacher. You can, however, alter your interpretation of the event.

- Create new pictures to move you toward what you want. We can create new mental movies whenever we choose to do so. And, when we develop (and concentrate on) new images that evoke powerful feelings and sensations, we will act in ways that support those new pictures.

- Relax and involve your senses. What's the best method to use when concentrating on your new images? Sit down in a comfortable chair at home, close your eyes and do some deep breathing exercises to clear your mind and relax your body. Now, strive to develop images that involve as many senses as you can. ■

SOURCENOTE: Jeff Keller, motivational consultant and speaker, is the founder of ATTITUDE IS EVERYTHING.

The Institute for Independent Business

FOUNDED IN 1984 in the UK, the Institute for Independent Business (IIB) is now one of the world's largest international networks of business advice providers.

As of 31 October 2005, 3400 carefully-selected men and women had been accredited as IIB Associates worldwide.

Experienced professionals

Experienced senior business people in their own right, who have elected to become self-employed business advisers, Associates and Fellows of the IIB have received additional training to enable them to focus accurately and cost-effectively on the needs of clients and prospects.

This ensures that Associates' clients receive the "practical advice that works"—the Institute's mottos in every country in which the Institute operates. ■

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WORDS OF WISDOM

"Forget about the consequences of failure. Failure is only a temporary change in direction to set you straight for your next success."

— Denis Waitley

Motivation

Try these tips for motivating 'standoffs' to join the fold

Age, gender, race, religion, lifestyle, personality: Whatever the reason, some people just have a hard time fitting in with the group.

THAT CAN BE A CHALLENGE for managers trying to motivate individuals to work together as one.

Perhaps these suggestions can help you draw in the outcasts:

- **Reach out.** Invite every member of the staff—even those who "never" attend—to participate in group functions such as lunches, parties, volunteer projects, and sporting events.

And if they "never" attend, take the trouble to find out why. Perhaps there are babysitting issues, scheduling conflicts, or other logistical problems that make attendance difficult.

If you can change the time or find a way to include families, you may be surprised to find your standoffs are soon the life of the party.

- **Don't 'dis.'** Avoid gossiping about workers who aren't present at various get-togethers.

If word gets back, they may feel everyone

has been picking on them and deliberately choose to stay away from future gatherings.

- **Be honest.** Is it possible the rest of the staff is making the standoff feel unwelcome? People often avoid those who are different or who have annoying habits such as complaining a lot.

Make inquiries to learn whether the problem is with the outcast or with everyone else. If the staff is excluding someone who's different, sensitivity training is in order.

If the standoff has created the problem by continually complaining or engaging in some other unwelcome behavior, approach the individual privately to discuss the matter and search for a way to turn things around.

- **Celebrate differences.** The key to creating a viable team is to find a way to get everyone to work together so the team can benefit from the strengths of each individual.

Bad habits can be changed, but individual differences should be celebrated.

Encourage workers to develop relationships with those who are different, rather than encouraging those who are different to conform.

SOURCENOTE: Adapted from "HELPING ALL EMPLOYEES TO FIT IN," on the Hard@Work Web site.

Strategy

How to start up a business that's guaranteed to fail

There's no disputing the fact that the majority of new business start ups will fail within three years, with half of those failures inside the first six months.

SO WE THOUGHT we'd encourage a few more business failures by writing a checklist to help you start up a new enterprise that will end up on the scrap heap sooner rather than later.

1) Pursue the first idea that comes into your head.

Imperative. Once you've thought up a business idea or concept, don't waste a second and get it started without further ado. Why not start up a business you know absolutely nothing about, or even better look for those 'here today—gone tomorrow' business fads and ensure your new venture is gone tomorrow as well.

2) Avoid market research at all costs.

Essential to guarantee failure. Listen, nobody knows the market better than you, and what's a market anyway? You've spotted the opportunity and you'll only get rich quick if you get on with it and sell it to everybody you can.

You'll just end up getting bored looking for a market niche with genuine needs and demands that you could offer a service to.

3) Beat your competitors by selling at rock bottom prices.

Running a competitive business is just too easy. It doesn't matter how many competitors you've got, just make sure your prices are much lower than everyone else's. And don't worry about all that costing your product rubbish. If you sell enough at ridiculously low prices you will be the customer champion in no time at all, which is the fast track to profit-making. Isn't it?

4) Run a business that doesn't need any marketing.

This is what it's all about.—Your own brilliant ideas and keeping your friends impressed. Why start broadcasting the reasons why your service is so good or offers such an affordable solution to a particular group of people, when all that will happen is that you end up giving your competitors a chance to copy all your ideas?

5) Don't worry about the cash.

This is the best one. Everyone keeps telling you never to take your eye off your cashflow, but why bother with that when you've got the services of an accountant and a sympathetic bank manager?

SOURCENOTE: Enterquest

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