

... coping with change?

BUSINESS OWNERS are putting their ventures at risk by failing to adopt long-term managerial strategies, according to research by the Chartered Management Institute.

The study revealed a discrepancy between the areas that were identified as potential weaknesses and the strategies being implemented to overcome these.

Nearly two-thirds (60%) said skills and talent management was the key challenge facing employers but only 32% put 'developing talent' down as a significant issue.

Similarly, with a failure rate of 74% for IT projects, the number of respondents who thought that keeping abreast of technological change was a priority was just 24% and only 10% said effective use of IT and communications was a big challenge.

Other business priorities were protecting the company reputation (38%) and managing the impact of regulation, cited by 35%. The findings also revealed a worrying level of over-confidence in UK companies, with only 38% claiming managing risks was important in the current climate.

"Questions need to be asked about how UK organisations will be able to manage in the future if they fail to address key operational issues," said Jo Causon, director, marketing and corporate affairs at the CMI.

"Rather than simply focusing on 'what should be done today', the inability to plan properly might lead to questions of a more critical nature: 'what opportunities have I missed' or worse, 'how did the organisation not see that coming'."

The research did find, however, that organisations see themselves as up to speed when it comes to monitoring the competition (with 70% answering positively) and 65% said they were effective in identifying changes in society that could impact on the business.

"In the current economic environment the need for high levels of efficiency are all too apparent, so it is encouraging to see some positive signs," said Causon.

"However, it is not an excuse to become too comfortable with the situation as success depends on the 'principle of preparation': namely the ability to juggle tasks, manage change and meet market expectations." ■

SOURCENOTE: Press release

Credit crunch motivation

How to boost team morale on a tight budget

With a bleak economic climate, how do businesses keep their employees motivated?

AS THE CREDIT CRUNCH BITES, team motivation is more important than ever, but with every pound having to work harder and smarter how do businesses keep their staff motivated on a budget?

Jonathan Fitchew, founder of sales recruitment, development and training specialist Pareto Law, offers his top tips for motivating on a budget:

"The current credit crunch is forcing a lot of businesses to assess their expenditure, which in itself will impact on motivation. What you can't afford to do is forget your staff altogether. Think smarter and develop more cost-effective ways to motivate your team. It doesn't have to cost the earth and will help support you through any difficult times to come."

● Recognition Reaps Rewards — don't overlook the importance of public recognition in motivating members of your team.

The simplest things can create a real team spirit and enthusiasm that lifts performance. Keep everyone informed of company successes through regular communication. We send out a weekly motivational newsletter and also have an air horn in the office that the sales people sound when they win a new piece of business — no matter how big or small.

The 'horn' is very loud, attracting attention and applause from the rest of the team and management.

● Company awards — If you don't already, introduce company awards. These can be weekly, monthly, quarterly and annually, and don't need to cost you a fortune. Just to be awarded SALES PERSON OF THE MONTH, and to receive a token bottle of wine, for example, will motivate people and help encourage performance.

● It's the Little Extras — Where people are doing well, look for little staff

things to help them feel valued. You may no longer be able to offer them big bonuses, but you can implement things like letting them leave work early on a Friday, for example, or give them their birthday off. We also give our top performer each month a month of free lunches.

● Add some fun — As budgets tighten, the atmosphere in an office can slump. The secret is to add some life to it. We've used themed days for years and they create a real buzz.

When the schools went back everyone dressed in school uniform, when England played Australia in the Ashes we all came to work in cricketing whites.

From Olympic cold calling to tapas and pizza new business evenings, get everyone involved and the office will come alive.

● Personal support — This is completely free and can make a huge difference to individual motivation. Ensure each member of staff has a mentor to whom they can go and learn from, and encourage an open-door policy.

At Pareto, everyone can speak to a director at any time for advice and support, so make sure you encourage team feedback and then listen and act on it. Being seen to take on board individual thoughts and frustrations will help in tough times. ■

SOURCENOTE: Pareto Law — a past winner of the Sunday Times BEST SMALL COMPANY TO WORK FOR award



WORDS OF WISDOM
"A ball player has got to be kept hungry to become a big leaguer. That is why no boy from a rich family ever made the big leagues."
— Joe Dimaggio, American baseball player

WHILE SOME MOAN about tough times, others are galvanised into action.

Over the last month, I have heard several impressive success stories from people for whom change was (to begin with) not an option.

In one business, a new regulation wiped out their prime market, so they had to find another, which is thankfully now growing spectacularly.

A consultancy was very dependent on its founder but, as his network moved on or retired, the firm was forced to adopt a strategy of building new alliances.

Neither of these firms chose to change: they had change thrust upon them.

With hindsight, the partners and owners are now very happy about this, though they did not appreciate the scary times during the transition. (And what of those who left it too late to adapt? Who is telling *their* stories?)

I often wonder: why not declare the challenge and throw down the gauntlet before the wolf appears at the door? It might seem like masochism — even insecurity — but surely there is ultimately more security and well-being in looking for new markets ahead of a crisis, rather than when it washes over us?

We have recently published a white paper on this, covering:

- a) typical contexts in which businesses decide to develop new markets;
- b) some of the common pitfalls that show up;
- c) telling the story, when the story is still in development ... “building the road while we walk on it”;
- d) making use of alliance-partners to accelerate progress;
- e) deciding when to call it a day versus when to keep going;

It's a bit long to duplicate here so, if you would like a copy, email me at john@success121.com and we will email it back to you. ■

Sourcenote: Success121.com



Graham Walton

The way I see it...

All you have to do is believe and ask

When Tulane University Professor Jeffrey Barach ran for a seat in the U.S. Congress, he asked a noted political consultant what it took to run a successful campaign.

The consultant replied, “One word: ask!”

Candidates must have the ability to ask for money, votes and help.

“So, also, with leadership,” adds Barach. “Commanding is a form of asking. When a leader personalises a vision, he or she is asking others to share it.”

Yet, asking is hard for many people. For example, some salespeople fear asking for an order.

How is the fear of asking overcome?

A successful college fund-raiser once advised Barach that people cannot ask for donations if they think the would-be donors are doing them a favour.

Of course, in a sense they are and fund-raisers should be grateful and solicitous. But they also should recognise they're offering donors an opportunity to do something for

themselves.

“The solicitor has to believe that the donors' gift solves a problem for them,” Barach maintains, “or the tone of voice will not be right.”

The same principle applies to selling anything. A student in one of Barach's summer courses sold knives, mostly to college girls as part of their hope chest.

His classmates criticised him for hawking expensive knives to young women with low incomes.

He countered that they were great knives, and the smaller sets were a good value, although he agreed that he shouldn't sell them his big ticket (\$200) sets.

Later in the summer, however, that student told the class that he had come to believe that the larger sets of knives also were a good value, that his customers would appreciate them in the long run.

What amazed him, he added, was that as soon as he came to that conviction, his sales of the larger sets increased radically. ■

Managing

How to survive and thrive on chaos

This is a time of chaos. Recently, one airline has cancelled 3000 flights (yikes!) and three airlines declared bankruptcy. We all know about the mortgage crisis and problems in the housing market.

CHAOS REIGNS! And winners will find a way to thrive on it.

The most effective people in the new century will be those who thrive in a world of chaos. They do not believe the world is actually ‘chaotic’ because the laws of cause and effect still apply. You still get results based on intelligent action and focused effort.

But they understand we live in a world that ‘seems’ chaotic and they thrive on it.

Peak performers in the 21st century will be comfortable with ambiguity. They know they will never have enough information. They know the rules are constantly changing and yet they play ‘flat out’ because they expect to win.

They know that action and calm, purposeful effort in the midst of the storm are still the keys to success.

I'm intrigued by how easily disrupted our lives are. I was in an airport this week, and the variety of responses was mind-blowing. Thousands of people were upset, angry, tense or confused. But, here and there, little clusters of people were getting work done.

Sure, they were tired and sometimes hungry, but they were on their computers or cell phones. Or they were taking naps, reading, playing cards or talking with other stranded travellers.

In the midst of chaos, winners do not fall

into overwhelm and dysfunction.

They get things done. As the old cliché says, “When life gives them lemons, they make lemonade”.

Several things are necessary to thrive in the midst of chaos:

● **Exceptional boundaries.** Winners structure their own lives and refuse to get caught up in other people's drama. They know how to close their doors and ignore disruptions. They know where they are going and they tolerate few, if any, distractions.

● **Exceptional vision.** They know their priorities and their desired outcomes.

They know what they want and they can see, taste, smell and even touch their results in advance. They have goals rather than mere hopes or dreams.

● **Exceptional self-direction.** Winners are in charge of their lives and chaos around them is merely someone else's drama swirling nearby. They maintain their inner calm. They are not easily lost or confused. They know their priorities and their direction, even when their flight is cancelled.

● **Exceptional optimism.** They see chaos as opportunity. Chaos ‘stirs the pot’ and opens doors. Rather than annoying or frustrating them, they love it! ■

SOURCENOTE: poweredbypeople.blogspot.com

RECENTLY, I WAS INVITED to play golf in a new foursome.

The course was gorgeous, we moved along at a nice clip and everyone was having fun.

Then, after our round ended, one of the guys asked me to join him for a beer. So we walked into the bar and, after a while, the two of us started talking business.

He works in an industry that I have lots of experience in and he eventually asked me what I do. "I help growing companies with their marketing" I answered and his eyes lit up.

But when he asked for my card, I discovered that I had just passed out the last one at a networking event the night before. "That's OK", I said to myself, "I'll just get one from my briefcase."

But then I realised I didn't bring my briefcase.

To make a long story short, I was more than a little embarrassed to say to him "I'll have to email you", instead of handing him my card right then.

This, in my opinion, is the No 1 Cardinal Sin of Marketing...running out of business cards.

Why? Because when an interested party asks you for a card, they are "opting in". They WANT to start a relationship with you.

I should have followed my own advice, found in **THE MARKETING TOOLKIT FOR GROWING BUSINESSES**, which is to put a stash of 20 cards in your car's glove compartment.

That way, if you run out of cards in your wallet or purse and forget to bring your briefcase, you're still covered.

Today, I stocked my glove compartment with 20 cards and I'm good to go. And the contact I met this weekend?

We've since emailed. But I'm lucky; he and I spent 5 hours together, so he overlooked my small business marketing misstep.

I may not be so lucky the next time. ■

SOURCENOTE: Jay Lipe, Emerge Marketing LLC

Mentoring

When mentors fail to go the distance

The question of what to do with a mentor you have outgrown has recently played out all over the political landscape.



by Saj-nicole Joni

HILLARY CLINTON FIRED her long-time pollster and adviser Mark Penn over potential conflicts of interest, while John McCain wrestled with the endorsement of John Hagee, a minister with some controversial views.

And, perhaps most publicly, the messy struggle of Barack Obama and his former pastor Reverend Jeremiah Wright has touched a chord with leaders everywhere.

The problem is ancient and has been discussed through the ages – for example, when Shakespeare's Prince Hal finally becomes Henry V, he must cast aside his mentor, the outsized, devil-may-care giant, Falstaff.

In the weeks since Senator Obama fully repudiated and rejected Wright's rhetoric, many CEOs and top executives have wanted to talk privately about it – because they, too, have faced these kinds of wrenching choices and they understand what's at stake. In essence, it's a defining moment of leadership.

What should you, as a leader, do when you are deeply indebted to a mentor but you are sensing that he should no longer be part of your inner circle? If you don't distance yourself from the mentor, you risk his behaviour slowing your rise, maybe even setting you back. It's not just about you – it's about your commitment to your team, your commitment to results and your commitment to your organisation.

And yet, your mentor is someone that you care about, someone who is likely to be hurt and angry. This is the hard part – the part they don't usually teach in business school or in your company's mentoring programme.

Here are five of the common signs that it's time to leave your mentor:

- Your mentor has become increasingly controversial, perhaps for reasons unrelated to you. And he is doing things that show poor judgment. You are aware of the situation, but you keep putting it to the back of your mind because of your deep friendship.

- You go to your mentor for input less and less often. You just don't believe the advice you're getting is valuable on certain matters. Or, perhaps, you deliberately leave some things unsaid. You sense a growing tension as you want to move out on your own but you're concerned about possible repercussions.

- You're too entwined with your mentor emotionally. Perhaps you and your families have become friends. You are protecting his feelings, because you really do care.

- You're not getting to the bottom of things in discussions with her anymore. You don't want to know everything that's going on in her realm and you don't really want her to know about you either.

- While your relationship with your mentor has changed, the perception of it within the organisation has not and that is becoming a liability for you. People aren't coming to you with information you need because they don't trust your mentor and they are not sure where you stand.

Each of these signs points to a critical moment when you are going to have to act. You must exclude the mentor from your inner circle or risk derailing your leadership. How can you minimize the pain and the risk?

A few suggestions for this difficult rite of passage in the life of a leader:

- Make it a clean break on the business side, but signal that you would like to maintain the friendship. This is difficult to do but it can work and everyone gets to save face. And, sometimes, the friendship can be saved.

- Be fully prepared to lose the friendship and yet do everything possible not to have that happen. Think deeply about examples of other relationships that have successfully weathered cycles of closeness and distance. Make a commitment to the relationship that reaches beyond the need for space right now.

- Create a ceremonial moment. Tell your mentor, "You've seen me through so much. I'm ready to take it on my own. I'd like to celebrate my 'graduation' with you." Then give him a gift over a celebratory dinner.

- If you have the authority, create a new role for your mentor, one that takes her out of day-to-day contact with you, your issues and your teams.

Understand that, despite your best efforts it may get ugly, as recently displayed by Wright's acting out on a public stage against Obama, when he felt rejected. Be prepared to go the distance before you start.

If this happens, you must be ready to weather the storm.

This is a good moment to take inventory of your mentors and ask the hard questions. Don't wait until the costs threaten all you've worked for.

And, if you see any upcoming leaders who report to you and who are making this mistake, don't wait to confront them either. Intervene, give them real feedback and teach them these lessons before they are lost to you and the organisation.

Casting aside a mentor raises very personal questions about character, loyalty and commitment. Every leader faces a time when this must be done. How it is done will leave a lasting mark.

To do it well requires grace, inner clarity, the willingness to act decisively and a strong sense of compassion.

SOURCENOTE: Saj-nicole Joni is chief executive of Cambridge International Group.

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 30 April 2008, 5,197 carefully-selected men and women had been accredited worldwide as IIB Associates.

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 motto in every country in which the Institute operates. ■

BUSINESS ALERT

All recipients of **BUSINESS ALERT** are included on our free subscription private database to ensure continuity of ongoing editions.

This being a private list, their names are not and will not be used for any other purpose or in any other way.

Please advise me if you wish to be delisted and no further copies of **BUSINESS ALERT** will be provided to you.

Copyright © 2008 The Centre for Business Development. Printed and distributed under license.



WORDS OF WISDOM

"A certain portion of the human race has certainly a taste for being diddled."

Thomas Hood 1799-1845, British Poet and Humourist

Marketing

How to dominate your market

Some people argue that in today's price-driven world, there is no customer loyalty.

By Jonathan Jay

DOMINATING YOUR MARKET doesn't mean you have to be the biggest in a particular industry, profession, or marketplace.

Sometimes, it's actually better not to be the biggest, because being smaller allows you to be more agile and adaptable to change.

But to dominate your market, you have to position yourself as the 'go-to' business. If you're going to play to win you want to be the most successful business in your marketplace and there are certain things that you can do to position yourself in that way.

Firstly, you need to be totally clear about what your market is. You need to know your potential customers — their wants, needs, and behaviours.

It's a lot easier to dominate your market if you're very clear about what your market is and who your customers will be.

You then need to choose a specific niche market for your field, your product or service. The more specific the niche, the easier it is to be successful because when you niche your product or service several things happen:

- You know exactly where to focus your marketing.
- You know exactly where to find the customers that you are looking for.

When you do that, you become expert in that marketplace because:

- You have the same type of customers,
- You're providing the same type of service or product, and
- You become better and better at what you do.

You increase the number of referrals you receive because, when you are an expert, people will refer you to others.

When you are an expert in your niche — when you dominate your niche — your fees or your charges increase simply because people are willing to pay more for an expert than they are for a generalist. ■

SOURCENOTE: Jonathan Jay is the founder of SuccessTrack - Success Strategies for Business Owners, and author of The Marketing Secrets of A Multi-Millionaire Entrepreneur. Go to www.freemarketingbook.org for your free copy

Get your business noticed

MOST BUSINESSES throw into the marketplace a brand promise or tagline that simply bores the consumer to death and thus generates no excitement and no retention.

The good news for small businesses is that big business is too bureaucratic to understand that creating a stand-out line is an art, not a science.

You can create a tagline that makes your business stand out despite the amount of advertising clutter that bombards consumers daily. You only have to remember two simple words to create a compelling powerline for your business: **PERSONALITY** and **ATTITUDE**.

A universal consumer truth is that people buy from people. Consumers need to be given an emotional connection to pay attention to you and not the rest of the field.

There is (or should be) something fundamental about you and your business that is different and unique: your brand personality. Just say it in a few words and think of how to create word play and a distinctive point or attitude.

Here are two examples of taglines past and present that use personality and attitude to create memorable taglines:

- Apple — *Think different.* In just two words it got across the message that there was an alternative to Microsoft.
- Golden Flake crisps — *Always good. All ways.* Nothing fancy, but it gets the point across that crisps go with just about everything. ■

Have your say!



Add your voice to those of other business people on important business issues. Each issue of Business Alert will feature a statement on which you can voice an opinion. Simply select the view that reflects your opinion and email it to me. Your opinion will be submitted to the Institute for Independent Business for inclusion in its continuing business research.

The Statement:

"The biggest problem I face is local red tape"

Please email me with the letter (A-E) expressing your opinion from the following choices:

- A. Strongly agree
- B. Agree
- C. Unsure
- D. Disagree
- E. Strongly disagree

MY EMAIL ADDRESS IS:

graham.walton@talktalk.net

For more information, please call Graham Walton on 01388) 823996