

BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business **REPORT**

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IDEAwatch

Tips for Growing Your Business

■ **The key to better networking is asking better questions** — questions that encourage people to open up. Go beyond the typical questions “Who are you? What do you do?” Ask thought-provoking questions such as: What’s special about your company? What do you like most about your work? And, what would make someone a good prospect for you? This last question can open a fruitful discussion about how you can help each other.

Source: *Sales Management Report*, 316 N. Michigan Ave., Chicago, IL 60601

■ **What are your employees doing with their time?** As a company grows, it’s difficult to stay aware of what everyone is working on and opportunities for teamwork can get lost. Maintain a “bird’s-eye view” by developing a system based on a weekly company “to-do” list. Every Monday morning, have employees make a list of their tasks or projects. Then, the lists can be shared with supervisors and read at a staff lunch. This provides opportunities for individuals to suggest new ways to approach problems and to create more synergy within the company.

Source: *Inc.*, 375 Lexington Ave., New York, NY 10017

■ **Develop winning headlines and marketing copy** by considering what really motivates people. According to direct marketing icon Bob Hacker, the seven key copy drivers — hot buttons — that drive human behavior are: fear, greed, guilt, anger, exclusivity, salvation and flattery. If your copy isn’t positively dripping with one of these, tear it up and start over.

Source: www.targetmarketingmag.com

STRATEGY

8 Steps to Set Your Business on Fire

All too often I hear comments like “I’m tired of putting out business fires on a regular basis. There must be a better way.”

Well, of course, there is, and we want to convert the energy that’s being spent on putting out fires to a more constructive use. Let’s talk about setting your business on fire — on purpose — by being smart. Set those fires yourself and plan in advance how you will leverage the energy that’s released.

If the energy is organized and has a mission or target, the chances of hitting the target (goal) will be a lot greater. (Consider a bullet in the cylinder, awaiting the trigger to release its energy). We want to get you and your business organized and focused so the energy you release will propel your business forward in the direction you choose.

Following are the steps that seem to work best if done sequentially, all with the specific purpose of setting your business on fire. Literally translated that means bringing in more revenue, more customers, more brand recognition.

1. Get your foundation in place. Without a sound business structure, you won’t be prepared to handle the surge in activity when your business takes off. Start by being really clear about what value you bring to the marketplace and making sure you are clearly communicating that value in a variety of ways that put you in contact with your target market. Set measurable, realistic goals and create a strategy and plan to achieve them.

2. Focus on sales. What’s the most important part of your business? Sales, of course. How much of your time are you spending on revenue-

generating activities? I find I need to spend at least 50% of my time on staying in touch with my market and interacting with clients and potential clients. A specific sales plan with timeframes will keep you focused and allow you to assess the results of your actions.

Convert the energy being spent on putting out fires into strategies that will ignite your company’s success.

3. Commit to being responsible for and accountable for your business results. Set goals based on research and strategic decisions. Commit not only to yourself, but to a coach or a colleague. This adds fuel to your commitment. Communicate your goals and make sure your team and staff know their role and responsibility in achieving desired results. Get their commitment as well so everyone will be adding to the focused energy.

4. Develop strategic alliances. You know you can’t build a business without help from others. Strategic alliances are how smart business people are leveraging their connections to reach beyond what can be done alone. I use my connections to add expertise beyond my own for my monthly Lunchtime Telephone Roundtable conference calls. This helps everyone involved reach new targeted connections where we can share our expertise. I also use marketing and technology alliances to open new networks. Every time you add an alliance you are expanding your network exponentially.

5. Showcase your expertise. Every entrepreneur has expertise in something. The key is to identify and showcase yours. Your combination of training, experience, knowledge and

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■ **When a prospect says “I want to think it over,”** he often means “goodbye.” Give him a nudge back in the right direction with this technique. First, accept the decision gracefully and, as you prepare to leave, agree that it’s an important decision that shouldn’t be rushed into (this will cause the prospect to mentally relax). Then, in a curious tone of voice, ask “Mr. Prospect, you obviously have a good reason for wanting to think it over. May I ask, is it a question of money?” Remain silent — this is a critical moment. If he says yes, then you can discuss options. If no, you can use the response as an opportunity to probe for the true objection and suggest workable solutions.

Source: Brian Tracy, www.brokeragentnews.com

■ **Motivate yourself to reach that lofty goal** by sharing it with peers so they can hold you accountable. When Steven Reznikoff, a partner at MicroSystems Automation Group in Falls Church, Virginia, wanted to jumpstart his progress on several major targets, he agreed to meet regularly with several other executives from non-competing industries. The peer group meets the first Tuesday of each month, and all members make sure to email their new monthly goals to each other several days before the meeting. That way, they can grill each other about the progress they’ve made.

Source: *Manager’s Edge*, 1101 King St., Alexandria, VA 22314

■ **Get a big response from your direct mail** by placing this line on the outside envelope: “Gift Certificate Enclosed.” Certificates for your products or services are one of the best bets for getting your envelope opened because they have such a high perceived value and are considered more upscale than coupons. Yet, certificates are inexpensive to print and can even be printed on the lower third of your letter if space allows.

Source: *Direct Marketing*, 224 Seventh St., Garden City, NY 11530

Pay-per-call TV advertising

What if you could advertise on television and only pay for results? Similar to the popular pay-per-click programs on the Internet, a model exists for television known as pay-per-call advertising. While not yet widely available, this model may change the face of performance-based advertising as it provides a powerful way for advertisers to generate leads while building mass brand awareness for their products and services.

Here’s how it works: A media broker sets up the deal with various television stations. Commercials are tested to determine which ones provide the best

response. The commercials direct the viewer to call a toll-free number or visit a website in order to receive discount coupons, free samples, etc. The advertiser only pays for the tracked responses while also building brand awareness.

Theoretically, offers that have universal appeal and application should generate sufficient response to qualify for pay-per-call placement. Examples include household items, health and beauty products, home-based business opportunities, dating services and pharmaceuticals.

Source: WebProNews, November 12, 2004

Bankrupt firms suing their creditors

Imagine that you are almost finished with a client’s project when you find out they’ve gone bankrupt. While still lamenting over the fact that you’ll never get a final payment, you receive a letter saying you’re being sued for the money they’ve already paid you!

Thousands of businesses have been hit by similar lawsuits filed in the names of bankrupt companies by lawyers working for contingency fees. The preference actions, as they’re called, seek to reclaim money the debtors paid out in the 90 days before they filed for bankruptcy. They’re based on the centuries-old legal principle that no creditor should get preferential treatment, especially those who were paid when the dead-

beat company was about to go to court. Such suits are growing fast. Last year they totaled some 60,000 — nearly three times as many as in 1999, according to the Administrative Office of U.S. Courts.

Why the sudden increase? Thanks to advances in technology, it’s getting easier to pursue claims as lawyers will now go after amounts as small as \$500. Because of the wave of cases, businesses are getting more leery about giving credit. What’s more, they’re backing away from giving struggling customers extra time to pay because the law, perversely, guts their defenses if they have made an exception to their usual payment terms.

Source: *BusinessWeek*, November 15, 2004

Part-time help is on the way

There’s good news for small businesses that need help but can’t afford to hire a full-time employee. The number of people working part-time is on the rise. From January to July 2004, the ranks of part-time workers grew from 24.3 million to 25.5 million, according to the Bureau of Labor Statistics. And from June to July 2004, there was an increase in workers who were working part-time because they wanted to, not because they couldn’t find full-time work.

Increased preference of part-time work isn’t short-term, says Don Schackne, President of Personnel

Management & Associates in Delaware, Ohio. He believes it’s due to the appeal that a reduced schedule has for seniors and Baby Boomers at or near retirement. Parents who have interrupted careers to care for their children but still want to work are also part of the boom.

The increased availability of part-time workers can lead to big savings for small businesses since employer-paid health insurance and other benefits — which few part-timers receive — add costs equal to more than 50% of the average employee’s gross earnings.

Source: *Entrepreneur*, December 2004

■ **Capture your banker's interest** by making your next loan application more like a powerful marketing piece — let the reader know as quickly as possible what you're offering and how he will benefit. Every loan application should begin with a clear and concise summary of four things: 1) How much money you want to borrow; 2) What the money will be used for; 3) Over what length of time your company will repay the loan; and 4) How much of its own money the company is able to put into the venture. Then, the remainder of the application becomes merely an explanation how the loan will be repaid, e.g., collateral, marketing, operations, projected cash flow, etc.

Source: www.nfib.com

■ **The most important element of an effective banner ad** is a good call to action. Research conducted by Advertising.com discovered that call-to-action had the greatest impact on performance with an 85% lift in revenue compared to Web banners without a call to action. Other important elements are creative color (50% lift) and creative size (45% lift).

Source: www.netweek.com

■ **Heat up worker productivity by turning up the thermostat.** A study by Cornell University ergonomics professor Alan Hedge found that when workers get chilly, they do not work to their full potential. In this study on indoor environmental conditions performed at a Florida office building, Hedge found a 74% increase in typing and computer keystroke mistakes and a 46% reduction in keystroke output when office temperatures dropped from 77 degrees Fahrenheit to 68 degrees Fahrenheit. It was estimated that the decreased productivity resulted in a 10% increase in labor costs per worker, per hour.

Source: www.careerjournal.com

Which direct marketing method pulls best?

The Direct Marketing Association recently released its 2004 Response Rate Report. The study contains data on how 1,406 campaigns from 25 industries used 12 different media. Response rate information is broken down by the campaign's purpose, including direct-order purchases, lead generation and store traffic generation. Response rate data was gathered on both housefile customer and prospecting campaigns.

According to the 2004 report, telephone marketing received the highest ROI index (18.2) for marketers driving direct-order purchases. It is followed by email (16.0), dimensional mail (15.3), and direct mail (14.9).

In terms of response rates, telephone is also the leader (5.78%) as it was last year at 5.73%. This year, dimensional mail response rates ranked second at 2.3%, followed by catalog at 2.18%.

Regarding lead generation, telephone leads all media with the highest response rate of 5.53%. Dimensional mail was close behind at 5.28%, and email produced an average response rate of 3.39%.

Finally, dimensional mail pulled the highest average response rate for store traffic (10.04%) based on seven campaigns. Telephone followed (5.33%), as did catalog (4.49%) and direct mail (4.04%).

Source: *Research Brief*, November 10, 2004

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resources makes you unique. Who will care about that expertise and how can you best share what you have to offer? Some people look for speaking opportunities in front of their target market; some who like to write will create articles, newsletters, books, CDs. Give freely of your knowledge; share your unique perspective, focus on helping others accomplish their goals. You will attract those who relate to what you say and do.

6. Use the Web strategically. Most businesses today can benefit from using the Web. This may or may not include a website, but email is definitely a prime means of communication for most businesses. It's important to learn email etiquette and to stay current on the use of email for marketing. Search engine optimization has become a key strategy for websites. Changes happen so rapidly for anything that's Web-related that you'll want to consult with a Web marketing professional before undertaking any campaign.

7. Support yourself. You want to focus the majority of your time and energy doing what you do best in your business. That may mean product

development, marketing and sales or overall management. Enlist the support of others whose expertise complements yours. Consider whether you're better off doing that by adding to staff or through a strategic alliance. Sometimes bartering services can be a great way to get what you need and generate a client/customer at the same time. Keep adding to your team until you've covered all the gaps.

8. Begin to act as if your goal is already achieved. Thinking and acting "as if" magnetically pulls you to your goal. Success becomes easier when you're operating in success mode. And success begets more success.

Focus, like a laser, can set your business on fire. Follow through with these steps and watch your business heat up.

Marian Banker, MBA and Business Leadership Coach, publishes the monthly e-newsletter, *Small Business Leader*. Her focus is on bringing to the busy entrepreneur a quick look into the current world of small business from the perspective she's gained through coaching, consulting and training entrepreneurs in both service and product based businesses. To subscribe, go to <http://primestrategies.com/newsletter>.