



Business success toolkit





Introduction

Successful business owners are always looking at ways they can grow their business and maximize their profits. It can help to review proven growth strategies to get some fresh ideas.

If you're ready to take your business to the next level, this guide will help. It offers 11 strategies you can use to grow your business, plus tips to find the financing you will need to fund your growth.

Here's what's inside.

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Step 1

Build credibility

If potential customers can see that your business is trustworthy and credible, they'll be more encouraged to stay and more likely to try your products or services for themselves.

It's why brands use celebrities, testimonials and evidence to back up their claims; credibility helps reduce objections.

BECOME INVOLVED IN YOUR LOCAL COMMUNITY

You, your business partners and your employees are the faces of your business. If potential customers in your local area get to know you all personally, they'll gain a favorable impression of your business. Well-known people (like celebrities) attract a certain amount of credibility.

Make it your business's mission to become involved in the local community by:

- › Attending events and, if possible, speak at them.
- › Sponsoring sports competitions and having your branding visible.
- › Supporting local charities and having you mentioned in their communications.

RUN WORKSHOPS, EVENTS AND DEMONSTRATIONS

A series of workshops or a one-off event could be the opportunity your business needs to help achieve its growth goals. Showcasing your offerings at an industry or major event can be useful for attaining all kinds of business goals, such as:

- › Demonstrating your expertise and thought leadership.
- › Gaining new customers.
- › Educating your audience.

Increase brand awareness

Events can be a great way to convey your business's brand message. In fact, getting your message across is one of the most important benefits of an event.

You'll need to use all the channels you have available to put out the right message and shape consumers' ideas of your business the way you intend. People will form opinions within seconds so even consider testing your strategy on potential customers before the event takes place.

BECOME A THOUGHT LEADER

A thought leader can be either an individual or a business that's considered the 'go-to' authority on certain areas of specialization or expertise. They're informed opinion leaders and trusted sources who can inspire your business to turn its ideas into reality.

All successful businesses have knowledge on their market and their own unique intellectual property (IP). Being able to communicate what your business does well to your target market is one of the keys to being viewed as a thought leader.

Thought leadership involves more than just content, it's:

- › Your business's opinion
- › Leadership
- › Innovation in your area of expertise

Find an exclusive area of expertise

Think about what your business does best or some critical knowledge that it understands better than your competitors. What do you want your business to be well known for?

Your business might have certain know-how over a range of different topics, so it's important to develop thought leadership with the most appropriate area.

Dominate the topic

You'll need to go further than your competitors and become the dominant voice in your area of expertise.

Try to create a story or some story lines around your unique knowledge. Break your story into a sequence revealing one part at a time. Channel your business knowledge through:

- › Blogs or e-newsletters – produced weekly or fortnightly to show you have a wealth of wisdom on your specialist topic. For example, if you own and run a travel agent, start up a blog for you and your staff to contribute their travel stories to help excite potential customers.
- › Social media – by interacting with your customer base and offering advice to help them solve issues and create ongoing sales.
- › A book – for example, if you began to consider yourself an authority on building eco-houses, is there an opportunity for you to write a book on your specialist topic?
- › Workshops – demonstrate your knowledge and skills by running a series of your own workshops.
- › Aim to get elected to a non-profit board – even better, your industry association.

JOIN BUSINESS NETWORKING GROUPS

Joining your trade or professional association is an additional way of increasing your business's credibility.

Many potential customers will check that a business belongs to a trade or professional association before making a purchase. This is because trade associations usually have certain standards or codes of practice that their members agree to adhere to.

BUILD RELATIONSHIPS ON SOCIAL MEDIA

Find out which social media channels are used by people in your target market. If you haven't already done so, establish a presence on these sites and use them to build relationships with current and potential customers. There are many different ways of doing this, including:

- › Inviting feedback from current and past customers.
- › Posting information that will be of interest to past, present, and prospective customers.
- › Offering free samples or free versions of your products.
- › Offering money-off coupons or other special offers.

Building up a loyal following by posting regularly on one or two sites will improve your business's credibility much more than if you try to post on lots of different sites on an irregular basis.

SUMMARY

There are many ways to build trust in your business. Although online interactions have become increasingly important in recent years, face-to-face interactions remain just as important. Make sure you engage in a wide range of online and off-line activities that will boost your business's credibility and inspire the trust of new customers.

Try to express your expertise and thought leadership on the products or services that you provide. The idea is to establish yourself as an expert in your industry, so that customers feel comfortable with your goods or services. The better your credibility, the more you'll see an increase in sales.

Step 2

Expand your business model

The business model you've chosen will depend on what kind of business you're running.

Review what your business does – retail, service, or a combination – and then consider whether any of the following models would suit your business and promote profits and growth. Identify if there are other business models you can adopt to expand your reach.

BUSINESS MODELS

The franchise

Businesses that successfully become franchises are those that have robust and efficient systems in place. If your business runs like a well-oiled machine with great systems and streamlined processes, including well-trained staff, then there's a good chance it can become a successful franchise.

The reseller

Resellers find products or represent brands and generally make profit based on the difference between the price they sell a product for and the price they pay to buy it. Consider if you can find additional products from other businesses that your customers would buy.

Affiliates

Getting people to re-sell your product or service gives you the ability to reach more customers than you could on your own, usually through affiliate programs which are similar to selling on commission.

The broker

The broker essentially brings buyer and seller together and takes a transaction fee. This category has exploded with the growth of online platforms that make bringing buyers and sellers together from anywhere in the world much easier. Amazon and all the other online product platforms are good examples where they don't always buy or hold stock. They just broker the deal.

The subscriber

The internet has facilitated an explosion of subscription-based businesses, where customers are charged a monthly fee to access a service or product.

A subscription model has the potential to work for nearly any type of business, provided your customers are willing to commit to recurring payments in exchange for defined products or services.

The license/royalty model

With this model, if you've developed an innovation which you then protect through a patent, copyright or trademark you have created intellectual property. You would then license the innovation or technology to a second party whose responsibility it is to commercialize the innovation. As compensation for allowing another party to use its intellectual property, the licensor will receive a royalty.

The manufacturing model

This model involves manufacturing products to be sold to distributors, retailers, etc. As a manufacturer, you have the capabilities to mass produce products and you'll build up relationships with distributors, wholesalers and retailers.

The advertising model

Online media sites and publishers often use this model because it's difficult to get users to pay for content that they can find for free in most cases. The idea is to present news, information or feature articles that attract an audience and then sell advertising space to businesses that have a message for that audience.

The contracting model

This is pretty much what it sounds like. Your business is one that pitches for contracts and is commonly used for industries such as construction. These mostly operate for B2B businesses, and with the rise in the number of businesses outsourcing many different projects, the contracting model is becoming increasingly popular.

CHANGING YOUR BUSINESS MODEL

A change in your business model can bring substantially more income – sometimes for less work and lower overhead costs. Look for a new business model to complement your existing business and see where it takes you. You could:

1. Sell unused capacity

- › Start contract manufacturing for other businesses. This could fill your capacity, increase profitability and offer leverage to get better buying prices since your volumes have now increased.
- › Produce your goods under different brands (for instance, a premium brand and a 'house brand') and let other distributors sell them to the market.
- › Hire out part of your facilities to others.

2. Go to the market

- › Instead of waiting for customers to come to you, can you take your business to them?
- › A coffee shop could buy a mobile coffee cart to use at meetings and events. They're now in the mobile event business.
- › A bakery could start charging a small fee to download unique recipes from their website. They're now in the online licensing business.

3. Offer pre-paid services

If you provide services, can you introduce fixed-rate service agreements rather than charging fees by the hour?

The fixed-rate business model aims for predictable cash flow in advance. Customers paying by direct debit eliminates invoicing costs and debt collection issues.

- › An accounting firm offering accounting services at a fixed fee per month, regardless of the activity level. The firm gains a reliable revenue stream and is betting that many businesses won't use all the services each month.
- › An IT business is offering 24-hour help desk service for a monthly fee per month, regardless of whether the service is used or not. The IT service is now in the insurance business.

TIP

The power of free samples

For years businesses have given away small samples to entice customers and the internet has greatly expanded this model. Businesses now give away significant samples intending that a small percentage of customers will buy additional products.

Your 'give away' could be some valuable information offered online through various websites which attracts interest and leads to sales opportunities.

SUMMARY

A strong business model should also consider additional ways to make money and to grow, so flexibility is important. For example, many businesses learn that a combination of models is right for them to achieve peak growth. The process for determining a business model is really an exercise in understanding the classic models and determining the best fit for your idea through a process of elimination.

Step 3

Find more cash

In general, cash ebbs and flows into a business. Bills, on the other hand, tend to come due on a regular basis, requiring payment regardless of how much business is about to come in. Better management of your cash flow can help you keep your business afloat during leaner times.

FOUR WAYS OF GENERATING EXTRA CASH

1. Internal savings

Take the opportunity to review your budget to see where you can cut costs. You may be able to renegotiate with suppliers for a lower rate. You will be surprised how much money you can save if you simply ask. Here are some changes you can make:

- › Get new quotes for all supplies (such as insurance, printing, and office supplies).
- › Get quotes for utilities such as electricity, heating, telephone, and Internet services. Don't forget about courier, shipping, and postal services.
- › Contact existing suppliers to renegotiate lower prices and extended credit terms.
- › Implement "just-in-time" inventory methods to help reorder stock as you need it.
- › Look to work jointly with another business also looking to share resources (such as equipment and staff).
- › Hold a sale to move surplus stock.
- › Identify and sell underused assets—you can rent most things instead of buying them.
- › Consider discounting your outstanding customer invoices or use a factoring company.



2. Raise more funds

The obvious way to raise more funds is to add in your own capital. If you are convinced the business will succeed, it may be the only choice. If you don't have any more of your own money, approach your credit union or other financial institution to discuss available financing.

Consider these moves to free up funds.

- › If you are currently paying a loan, speak with your lender about postponing capital repayments and paying only the interest portion of your loan until your business situation improves.
- › Invest more of your own money in the business. For example, raise more money against an asset such as a property you own. Be sure to consult with your personal financial advisor and accountant to make sure you can afford to inject your own funds into the business.
- › Raise cash from relatives or friends.
- › Sell part of your business to key employees. You may not favor this tactic during good times, but when money is tight, it can increase your working capital and increase the motivation of key employees. Their money is now on the line, too.

3. Seek outside investors

Investors will typically want an equity stake in your business before they part with any funding. They will also want to see a clear 'value proposition' in the form of a business plan and full supporting financial documents before they consider supporting your business with funds.

4. Cut personal expenses

As the owner, cut down on your expenses through the business and reducing your own salary. Look at the bare minimum you'll need for your own living expenses and cut your salary down to that amount. Look at what withdrawals you've been making from the business, especially on a personal level, and ideally eliminate them.

5. Extract equity from property assets

Borrow on the equity you've built up in property, whether it is your home, your business premises or any property you've invested in. If you're confident that your growth plans will pan out, then you'll be able to rebuild that equity.

6. Borrow assets

You don't have to purchase all the equipment you need to get your business moving. Think about what items you might be able to borrow over the short term.

Draw up a list of your asset needs and make a determined effort to borrow what you can, while shopping online for second hand items that will save your business money. Are there people you know that are already in business who could lend you equipment or machinery long term?

7. Work from home

Depending on the type of business you're beginning, you may be able to use a workspace that costs little or even nothing.

Work from home using a spare room or the garage. It might even be possible to use a café or similar public place. Build up your clientele before paying expenses you don't really need straight-away. Don't forget many employees may prefer to work from home and be more efficient.

8. Crowdfund

Having gained popularity over the last few years, crowdfunding lets you receive funding on the Internet to help get your business idea off the ground. You can offer people incentives to encourage them to get behind your business.

Described as 'democratic finance', crowdfunding is particularly useful for younger entrepreneurs and potential small business owners with ideas that aren't bankable in the minds of traditional lenders.

Get expert advice before you do anything.

9. Apply for grants and subsidies

You may be eligible for government grants or subsidies. Certain industries and regions are supported by government programs.

Your local business support agency will be able to advise you about grants available to you.

Step 4

Get paid

A golden rule in business is to collect money owed to you quickly. That's why it's important to have the skills to handle the people who owe you money well, especially if you want to avoid having to take them to court. So what are the best ways to collect debt without upsetting your customers?

ESTABLISH EFFICIENT SYSTEMS

As with most things, prevention's better than cure. If you have good processes in place for collecting debt, the less likely it is that you'll have to chase debtors. Key factors to keep in mind are:

- › Age of the debt – the longer you leave it, the tougher it'll be.
- › Avoid large debts – have customers pre-pay in installments/ pay deposits.
- › Make sure you have a credit agreement each new client signs (and check their credit history; it's much easier to find out early if they have a record of poor payment).
- › Improve your invoicing – customers won't pay until they've been invoiced, so the sooner you invoice, the sooner you can get paid.
- › Revise your terms – there's no need to stick to the tradition of 'payment by the 20th of the month following invoice date.' Changing your payment terms to 'payment within x days' may help improve cash flow.
- › Reconsider statements – repeated end of month statements simply summarize what the customer owes. This extra administrative step costs time and money, so eliminate it if it is not effective.
- › Don't be afraid to cut off credit – adopt a consistent policy of refusing to supply customers who are seriously overdue and who haven't responded to your follow-up. Insist that the outstanding debt be settled before you supply more goods.

TELL-TALE SIGNS OF A RISKY CUSTOMER

You might be tempted to offer the same credit terms to everyone, but it's better to be choosy when you're deciding who to accept. In particular, be wary of:

- › Large orders – it's not usually a good idea to offer this to a new customer. You'll expend time, money and resources fulfilling it, which will all go to waste if you wind up not getting paid. If you do decide to accept the order, ask for a deposit or progress payments, and of course, make sure you've checked their credit rating.
- › Try not to rely on one customer – it's safer to have a number of smaller customers than one large one. Customer diversification is important to small businesses.

- › Don't be a target – shady customers who've been blacklisted by other businesses may target you as their next unpaid victim. Again, credit checking is essential.

Do you need to offer credit at all?

Depending on the type of business you run, you may be able to reduce the number of credit accounts you offer and if possible, avoid extending credit at all.

- › Getting payment at the point of sale improves your cash flow and eliminates the possibility of having to chase people for payment.
- › Accepting credit cards can be a straightforward way to offer your customers credit.

COLLECTING YOUR MONEY

Despite your best efforts, chances are you're going to have to chase up debt at some point. There are three main ways to do this:

- › Personal visits – this is the most effective form of debt collection, but is really only practical if the debtor is close by. It's important to be well prepared for a personal visit. Be clear in your own mind what you want to achieve, and how.
- › Phone calls – this is still a direct and fast method. You're making personal contact and maintaining your relationship by discussing what options are available.
- › Letters and email reminders – this is the most common because it's non-confrontational. It's also the least effective. It works with customers who intend to pay, but it slipped their mind. It's less successful with habitually late payers.

WHY IT'S IMPORTANT TO HAVE MULTIPLE PAYMENT OPTIONS

If you give your customers the options to pay on the spot, using the latest technology, they're probably going to use it and enjoy the convenience. It means you do not have to spend time sending invoices and waiting for payment – the money's in your account and can be reinvested in business growth.

Payment in advance

Some businesses, such as ones operating over eBay or other auction sites, require payment in advance to provide protection against online fraud.

Customers first pay the purchase price (including shipping costs) into your bank account. You then wait for the payment to clear before sending the goods or supplying your services.

Payment by installments

These can be useful if you're working on a lengthy project, such as a building or a software development program.

Payments made at key stages of the project serve two important purposes:

- › They provide a regular cash flow to pay running costs.
- › They protect you against total loss if your client goes bust.

Normal practice is to build staged payments into contracts, based on measurable milestones.

Early payment discounts

Early payment discounts can encourage people to pay on time. They're more useful on higher margin products or services as the discount will have less impact on your profits than thin-margin products.

Contracts and debit orders

Businesses that offer regular services such as a gym or an accounting firm can benefit from offering customers a set annual (or longer) contract. The attraction for the customer is a price that's typically lower than paying for each visit or service.

ACCEPTING PAYMENTS SECURELY ONLINE

Accepting online payments is beneficial in several ways, both for you and your customers. Some of the benefits include:

- › Less stress – it eliminates the need to worry about getting paid on time and chase up outstanding invoices. Giving customers the option to pay online means they're more likely to pay promptly.
- › Greater convenience for your customers – online payment method options are beneficial to your customers, many of whom prefer to pay immediately.
- › Open up new markets – the ability to accept online payments also opens a whole new market of customers. If you sell physical goods, you can sell beyond your local service area.
- › Improved cash flow – By offering online payments straight away, the whole payment cycle is complete.

SUMMARY

As with anything else in business, handling debt and making sure you get paid on time is about having good systems and processes in place. The better they are, the more likely you are to get paid on time and the less likely you are to offer credit to customers who could turn out to be a problem.

Step 5

Improve efficiencies

Good business systems will make your business stronger, more efficient and easier to run. They will also make your business far more attractive to future buyers because if you have developed clear operating and procedures manuals the business will be seen as an independently viable unit and less dependent on you.

Think for instance of what makes franchises so successful: it's because they are designed so that people can buy a proven system and operate it after minimal training. They can do this because the business procedures are captured in simple, clear operating manuals.

Here are five steps to better systems:

1. Good record-keeping and bookkeeping will help you keep on-side with the IRS as you'll have more accurate records.
2. Good business planning will help you set goals for your business, with specific steps on how to achieve these goals.
3. Good cash flow forecasting to anticipate possible problems.
4. Good creditor and debtor controls.
5. Realistic pricing and costing.

IMPROVING PRODUCTIVITY

From effective systems and procedures, to creature comforts and progressive workplace practices, there are ways your business can improve the productivity of your staff.

How to be a progressive workplace

A progressive workplace is one that focuses on customer service, staff and technology. You'll need to have the right balance of reinvestment in your staff, which could include:

- › New technologies to make work easier – like mobile devices with access to online systems and ergonomic office furniture.
- › Regular exercise and social activities – to take mental breaks, reward staff for their hard work, and provide opportunities to know each other better.
- › Flexibility – many staff members have other commitments like family and sport. Flexibility with work hours, to take a child to a sports match or to visit the dentist, will create an environment of give-and-take. They'll appreciate the way their life can fit around their job.
- › Effective procedures for customer care – these should be clear and consistent, so your staff know exactly what to do in each situation.

MAKE USE OF TECHNOLOGY

The right use of new technology can give you a competitive advantage if you:

- › Review payment solutions.
- › Automate tasks like newsletters, social media posts and your accounts.
- › Update client details for legal compliance and business efficiency.
- › Remove old customer data that's unlikely to be used again.

With the rise of online technology and increasingly fast and mobile browsing, small business owners have more options than ever before to improve their businesses' capabilities with online technology.

There are many businesses that already run their entire operation online, while most have a web presence of some kind. Some of the tools that your business should consider adopting include:

- › Financial tools – software where your accounting information is stored in the cloud, invoicing and receipt tracking tools, and card readers for mobile payments are huge leaps in technology.
- › Communication tools – free internet calls and video conferencing software like Skype has changed the game. It's now cheaper and easier to speak with your suppliers, partners, customers and distributors.
- › Tools for collaboration – online project management and content management software is abundant. Some can be free, such as Trello, while others require a subscription like ProWorkflow. Hosting files in cloud storage, where other staff can access and contribute to them, is a growing trend.

FOCUS ON PRIORITIES

Few people have the time to do everything, so it's important to focus on priorities. If you want to allocate your time effectively, you need to set goals and spend most of your time on activities that help you to achieve these goals. Base your plans on your priorities, taking into account your way of working. You might find it useful to plan first your week, then your day:

- › Identify which tasks will help you achieve your goals, and allocate your time accordingly.
- › Get small, urgent tasks (for example, dealing with email) out of the way.
- › Delegate work if other people can do it as well, or more quickly, cheaply or effectively.
- › Make sure other people know what they need to achieve each day.
- › Divide the principal tasks for the day into achievable blocks of work.
- › Tackle them one at a time.

Delegate

Trying to do everything on your own is a common mistake. Aim to delegate jobs that are routine, require no special skills or are time-consuming. Also delegate any jobs that someone is keen to take on – delegation can be good training and an opportunity for people to make progress in their careers.



Efficiency Checklist

	Already sorted	Action now	Consider later
Manage your money			
Ask your accountant about preparing for accounting deadlines in advance			
Maintain records and backups as you go			
Streamline accounting by automating bookkeeping tasks			
Forecast and review your cash flow for efficient cash management			
Implement clear payment terms and a rigorous payments process			
Manage workloads			
Prioritize and delegate your work			
Decide which processes to outsource			
Set clear expectations and goals for employees and suppliers			
Manage processes			
Document each step of your key processes			
Eliminate unnecessary and time-consuming jobs to improve efficiency			
Delegate work to those that are best qualified for, or suited to, the task			
Develop templates for everyday documents like invoices			
Encourage staff to evaluate their work quality and make improvements			
Regularly monitor			
Identify your key business indicators and track them regularly			
Match your progress to internal benchmarks to improve efficiency			
Set benchmarks relative to your industry with the help of advisers			
Check that overall progress is matching your business goals			
Use technology to your advantage			
Review payment solutions			
Automate tasks like newsletters, social media posts and accounting			
Update client details for legal compliance and business efficiency			
Remove old customer data that's unlikely to be used again			

Step 6

Lead and manage

Fine tuning how you manage and lead is one of the most important business investments you'll ever make. To succeed in business, you need to:

- › Work well with your people (whatever their skill-level or the situation)
- › Help your people perform well
- › Know how to effectively delegate

You don't have to be a business dynamo to lead well. Today, empathy and trust are among the most important skills you need to successfully lead a business. Find out what good leadership looks like, why it's important and fine-tune your skills.

FINE-TUNE YOUR COMMUNICATION SKILLS

Good communication underpins every aspect of being an effective manager or leader.

Check the way you give staff feedback. Make sure people are able to act on what you say: if someone has done something well, let them know what you liked so they can do it again. If somebody needs to improve, make sure you convey how.

Make sure you're getting messages across clearly. That people understand what you're trying to say, and you're using the best tools.

How to communicate

Employees are more likely to respond positively to what you're saying if you have their trust and respect.

Keep it short and sharp

Whatever you say, people generally remember three to five points. When writing or speaking, open and close with the things you most want people to remember.

Avoid jargon

Every business has it. It's ok to use industry shorthand when you're confident employees know what you're talking about. But be mindful to avoid technical terms when you're speaking with new members of staff.

Give people a chance to ask questions

No matter how rushed you are, making time for employee questions will prevent mix-ups and save time in the long run.

Follow up meetings with an email

When it's important that employees take on board what you're saying, summarize what you've talked about face-to-face in an email. It gives people something to refer to. It's also a clear record if a member of your team doesn't do something you've asked.

Remember to listen

Communication should be a two-way street. Limit distractions and give people your full attention. Listen to check people have understood and for reactions to what you're saying.

Think about your audience

Consider who you're talking to and adapt how you communicate to suit their personality, knowledge and skill level.

When in doubt talk face-to-face

Emails lack context, tone and nonverbal cues. It's easy for people to misinterpret information or take offence.



DOS AND DON'TS

DO

- ✓ Understand different preferences and work styles in your team. Personality tests are a great place to start.
- ✓ Identify your go-to leadership style and practice adopting the traits of others.
- ✓ Think about what motivates different employees.
- ✓ Be clear what you expect from people. Be sure they know what's appropriate in your workplace and brief them clearly when you delegate tasks.
- ✓ Agree on goals that benefit both your business and your employees.
- ✓ Invest in people's learning. Let them own projects, help them grow and apply new skills.
- ✓ Give employees ongoing feedback instead of once or twice a year.
- ✓ Focus on coaching and developing your employees.
- ✓ Motivate people to keep performing well or raise their game.
- ✓ Check you're not getting in the way of great employee performance.
- ✓ Focus on writing fair, accurate role descriptions when hiring new staff.
- ✓ Motivate people to keep performing well or up their game.
- ✓ Make a real effort to turn under performance around — it's better for your business and for workers.

DON'T

- ✓ Shy away from delegating because you think it's quicker and safer to do tasks yourself.
- ✓ Be too prescriptive about how people do things long-term.
- ✓ Forget to confirm actions and responsibilities when making decisions as a team.
- ✓ Give people more responsibility than they're ready for, or they'll feel out of their depth and demotivated.
- ✓ Rely too heavily on financial rewards. People can come to expect them, and they don't work for everyone.
- ✓ Distance yourself from your people — when you're growing a business it's difficult to always be there, but it's important to find a way to regularly connect.
- ✓ Review the performance of people you have little contact with day-to-day. Ask for feedback from other team members, customers or clients.
- ✓ Be too negative. Make sure your feedback is motivating and will help employees improve and grow.
- ✓ Discount individual differences. When it comes to motivation, one size doesn't fit all.
- ✓ Assume an employee is solely responsible for making sure their job is done well.
- ✓ Expect employees to perform well in areas not covered in their role description.
- ✓ Underestimate the financial time cost of finding new employees and getting them going in a role.

Different situations need different styles

No leadership style is effective one hundred percent of the time and in all situations. The key is knowing your default setting and being able to adapt it based on what's needed at the time.

Choosing your style

Ask yourself:

- › Who am I working with? What are their motivations, personality traits, knowledge and skill?
- › What's required? What are my business objectives, what do I want to achieve?
- › How often do I see them? Do I see them regularly? Am I often away from the workplace? Are they? (For example, coaching someone who works remotely may be more difficult)
- › When do I want the work done? Do I have a tight deadline? Is it a crisis, a long-term plan, or somewhere in between?

MOTIVATE YOUR EMPLOYEES

Motivate your people and they're more likely to care about your business. Understanding employees' values is the key to motivating your team. If you want your business to fire on all cylinders, take time to discover what inspires your employees.

For example, an outgoing team member may value being thanked in front of the team. A more introverted employee may prefer an email or private word of thanks.

Some employees may feel motivated when you regularly check in to see how they're doing, while others may feel it's micro-managing.

How to motivate people

1. Manage expectations

Having to redo work because people have misunderstood what you've asked can chip away at your bottom line. It will frustrate employees too.

Give clear briefs when assigning projects or tasks. Be sure to consider people's skills and what motivates them as well as their level of understanding.

Be clear too about how you'd like your people to behave. What is and isn't ok in your business culture?

2. Demonstrate fairness

Cast a lens over every part of your business to make sure it's fair on customers and employees. Most people have an inbuilt sense of justice. If employees think you are running your business unfairly, it can seriously affect morale.

3. Set goals

People generally feel happier when they have purpose. Agree on goals that support both the aims of your business and employees' professional and personal aspirations.

4. Give people ownership

Feeling like they own projects can be a great motivator for many employees. You can:

- › Ask people to take part in business planning and strategy development.
- › Let them make decisions and take on more responsibility.
- › Encourage them to share ideas, like new ways to approach health and safety.

5. Promote learning

Give people the chance to grow. Ask them how you can help them achieve their personal and professional goals. It could kick start someone whose motivation is flagging, or stop a star employee from looking for work elsewhere. Your business will benefit from their new skills, as well.

If you send someone on a training course, ask them to share what they learn with the rest of your team. Remember to give them the chance to use their expertise.

6. Offer rewards

Aim to pay as close to market rate as you can. Your employees may feel undervalued if they're underpaid. Keep an eye on job advertising sites to see how you match up on rates.

If you can't afford to pay market rates, offer other rewards. Remember that your employees are likely to have a good idea of what the market rate is for their skills. Tread carefully with performance-related pay, e.g. bonuses. It doesn't work for everyone and can backfire. Some employees find the pressure to perform outweighs the benefit of getting the bonus. Others who are used to getting a regular bonus may come to see it as part of their wage — especially people working in sales.

7. Be there and be available

When you're stretched in many different directions, it can be difficult to always be around. But if you're never there, it's easy to become disconnected from your employees. When people don't feel confident enough to make decisions, work may slow down or even grind to a halt. Being around and visible helps you build relationships. It's a chance to walk the talk and get a sense of how motivated your employees are feeling. Let people know it's ok to talk to you about things.

SUMMARY

The best leaders:

- › Create a shared sense of purpose — clearly communicating their vision and taking people along for the journey.
- › Treat people fairly — giving credit where it's due and taking personal responsibility when things go wrong.
- › Commit to doing the right thing — accepting they have a moral duty to everyone your business affects, whether customers, employees, their families or the community.
- › Create a culture of continual learning — motivating their people in an environment where they can grow and learn.
- › Strengthen relationships — communicating clearly and respectfully, taking time to build trust and being consistently fair.



Step 7

Develop new products and services

No matter how good your products or services, they have a finite lifespan, so they have to be developed or replaced if you're to continue growing your business.

REDUCING THE RISKS

Try to identify the major risks of investing in product development to decide if it's worth the potential reward. Minimize the risk by:

- › Establishing the likely volume of sales, and the marketing and sales cost of achieving each sale.
- › Determining if your target market is growing or shrinking.
- › Identifying any foreseeable changes in your market that could affect the success of your product, such as new safety legislation.
- › Identifying any competing products already in the market.
- › Create a draft cash flow to determine the impact on your current business.
- › Have a solid and realistic marketing plan around anything new: you want to generate sales fast.
- › Ask potential customers, suppliers and members of the development team for feedback on the idea or a prototype.

Of course, there's no way to absolutely guarantee your idea will be a winner. Help clarify if you're likely to make a reasonable return on your investment by finding out:

- › How many customers are interested in your product or service?
- › What products or services are likely to be competing against your newcomer?
- › Do you intend to sell your new offering over the internet? If you're planning on selling your new service or product over the net, it's crucial you conduct some research online.

Efficient manufacturing

If you intend to manufacture your product, develop your manufacturing plans at the same time as you develop the design of your new product.

- › Design new products so that the number of components are minimized.
- › Try to reduce the complexity of assembly to save time and reduce labor costs.
- › Use standard parts that are inexpensive and easy to source. See if you can use parts you already use in other products.

Finally, ask yourself if it would be cheaper or better to outsource the manufacturing process.

PROJECT MANAGEMENT

Create a team with all the skills needed to make the project a success and choose a team leader.

- › Give the team leader the authority to run the project (within an agreed budget and timetable) with the responsibility of reporting progress to you at agreed milestones.
- › Make sure all the team members agree on the main objectives, which should be based on the basic project specifications.
- › Celebrate achieved milestones as an effective way of maintaining morale.

Testing the new product or service

Once a prototype of the product has been produced, or a new service decided on, it needs to be tested. A soft launch done locally – such as products sold at a weekend market, or launching a new service during the weekends – is a smart way to test the waters.

Testing the feasibility

You're likely to be enthusiastic and confident about the prospects for successfully launching a new offering. But you'll still need to test the feasibility of your new product or service by treating your launch like that of a new business.

It's vitally important to test your new product or service in a sample market so you can get a clearer idea whether it's worth investing more time and money.

GAINING INSPIRATION WHEN YOU'RE OUT OF IDEAS

To come up with something new that solves a need for a specific market, you have to know where to look.

Google – your go-to online resource

The first and most obvious place to start is the internet. Look at third-party selling sites like Amazon or Ali Express, and trawl through the product reviews. You'll be surprised how many ideas you can get just by reading about what products people buy, and what they like and dislike about them.

The trick is to see if you can spot any patterns. At first glance, it might look as though a customer just enjoys complaining, but if their complaint is repeated by other customers, you'll get some valuable insight into how a particular product can be improved. The same goes for positive reviews.

It's also a good idea to make use of Google News. Entering a topic such as 'trends' or 'new products' into Google News will bring up news articles about trends that you can use as inspiration for your product ideas. If they have a regular blog or e-newsletter, then subscribe.

Also subscribe to any opinion leaders or people that resonate with you who are commenting about your industry or technology you may be using; you never know what may spark off a new idea.

Check out the competition

Search for businesses that are similar to yours. Review their products and services and look for ways you could improve on them. The idea is not to be a copycat, but to see what your competitors are doing differently from you and see if that provides some inspiration.

Specialist trend websites

A number of websites have specialized in identifying and showcasing current trends. Such sites focus especially on innovative or ground-breaking products. For example;

- › www.trendhunter.com
- › www.bestproducts.com
- › www.japanrends.com

SUMMARY

The key to gaining inspiration is keeping an open mind. When you're searching online or talking to people and you think to yourself "that's weird," think again and ask yourself if there isn't some inspiration in what you've just seen, read or heard. Use your imagination to refine what might have been a previously odd observation into something that could be a genuine problem-solver.

If you've produced a great product or designed a new service, congratulations! It's important, though, not to rest on your laurels. Your strategic planning should include a budget for research and development, because the development of new products and services is what will keep you ahead of the competition.

Successful businesses are those that are continually looking for ways to innovate. This is an essential component for achieving growth. Whether it's a new product or service, or one you've come up with that's designed to complement existing ones, make sure you consider all the above carefully, as this will maximize your chances of success.

What your business does and your main customers

List all your channels to market

Describe how you'll get new customers and the way you intend to keep them

Justify the fact that there is demand or evidence for what you do

Final Advice

During the first few years of your small business, success is not necessarily about profits—it's about staying in the game by making enough money to get to the next stage.

It simply takes time to build a successful business, and, statistically, the longer you stay in business, the more likely it will achieve profitability. Focus your energies on things that matter: selling to customers, assembling a quality team and improving business processes. And be sure to pay close attention to your cash flow so you have options as it fluctuates.

Focus on getting better in these areas and you'll soon reach your goals.

Have questions? We're ready to help.

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