

Profit Builder

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Special points of interest:

- The business of serious fun
- Steam heat—the 1% that makes a difference
- Your customer—that special someone
- Please sir. I want some more—meeting with your financiers

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5 steps to create a promotions strategy that works

Many small businesses shy away from promotions thinking they can't compete with the advertising, public relations and promotions budgets of their larger competitors. But promotions don't have to break the bank, nor do they have to be time-consuming.

Develop a promotions plan that is a part of your overall business plan. Here are the steps to making your clients want what you have to offer:

Identify your target buyer

Consider what kind of customer you want to do business with and to whom your product or service is most likely to appeal. Take into account things like age, gender, location, marital status, lifestyle and why they buy what they do and when.

Distinguish your product or service from all the rest

This has to be meaningful and accurate, otherwise you'll lose credibility with your customers. First, you'll need to know what

features, benefits and brand attributes your target buyers consider when making a purchase. For example, if you're a local nursery, your target buyers might take into account return policies on plants that don't survive, quality of plants in store and availability of informed people who can help them with their choices and directions for caring for the plants.

Create a strategy and make it clear

Write down who your target buyers are, what your competitive environment is and what your meaningful differences are. This is called your *positioning strategy statement*. You must develop a consistent message, look and feel in all of your promotional campaigns.

Think about the personality of your business in relationship to your target buyers. Is it a young, hip, friendly, casual environment? Is it a more

reserved, traditional and slightly more conservative environment? These characteristics will inform the look and tone of your business, as well as promotions.

Create a clear, concise and memorable message that impacts your target buyers

Identify the unique features and benefits that your products or services offer. From this list, find out what matters most to your target buyers, and you'll be well on your way.

Take this information and brainstorm potential slogans and key words and build these into all your marketing messages and visual images.

Consider your budget

Promotion doesn't have to cost big bucks.

Creating a mix between word-of-mouth, customer referral programs, public relations and advertising will save you a lot of money. Imagination and relationship building are the keys.

But why?

Those of you with small children will be familiar with this question, no doubt, but as the saying goes—from the mouths of babes.

When communicating anything to your team—be it a new process or a policy change—it's important to explain why as well.

A report released by Melcrum Publishing gave the following example:

"Communicators at UK retailer WH Smith launched a campaign to explain the reason behind key business messages. The campaign dictated that every piece of internal communication had to have the "Why?" stamp of approval, with the reason for the message built in to the message... Advantages of the initiative included better employee understanding about

why certain tasks were important, as well as the reduction of unnecessary messages as managers began to ask themselves why they were communicating."

The benefit of this approach then is two-fold — by clearly stating "Why?" you not only get buy-in from your team, you're making sure your message has genuine purpose.



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"The successful man is the one who finds out what is the matter with his business before his competitors do."
Roy L. Smith

Don't laugh! This is serious business!

Do you and your team like coming to work or is it a necessity? Most of us at some point have been less than thrilled to be at work, and most likely our output was less than thrilling too.

But it is possible to get the most out of everyone in your team. Through having fun!

The phrase 'fun at work' is enough to send some people running for the hills. But fun is serious business. It's apathy's antidote. It has the power to energise and motivate employees, not to mention keep them. And an energised workforce is a productive one. Plus it can be an important way to set your business apart from the competition.

Bottom line? Fun is transformational. If you can catch the energy, you can release your the full potential of your company and your team—not to mention your customers' spending!

Katherine Hudson, CEO of Brady Corporation, has spent the last 7 years transforming the conservative culture of the company to a more relaxed, open and fun experience. She

identifies 6 principles of serious fun:

1. People aren't always as stiff as they seem.
2. Laughter is an international language.
3. You can still cut up during stiff times.
4. Fun can be institutionalised.
5. Fun can be ad hoc.
6. The CEO sets the tone.

Brady Corporation is a leader in identification, safety, and material solutions with products ranging from high-performance labels, signs and tapes to software, printers and data-collection systems. In the last 7 years, Brady's sales doubled, and net income and market capitalisation almost tripled. While this is not solely attributable to the fun culture, it speaks to the power of fun.

A company can be fun and be fierce with its competition. CEO Hudson says, "In fact, the fun has made us fiercer, by making the organisation more flexible and dynamic and our people more creative and enthusiastic."

The authors of Fish! outline 4 fundamentals to capturing the energy of a fun workplace and releasing its potential:

1. Everyone chooses the attitude they bring to work.
2. Play is critical to creating a fun environment.
3. Make someone's day.
4. Be present.

They used the Pike Place Fish Market in Seattle, Washington to illustrate their point. It's hard to imagine a more unpleasant job than handling cold and smelly fish all day, standing on your feet and dealing with busy crowds for more than 8 hours. While there are other fish markets within Pike Place Market, none of them draw the crowd or have the energy this place does. Workers have chosen to make the most of their situation and to have fun *while they work*.

Work with your team to look at ways to integrate a sense of humour and fun into your daily routine. Everybody wants to be where there's fun to be had—be it you, your team, or your customers.

Questions questions questions...

A FAQ—or Frequently Asked Questions—page can be a powerful sales support tool for your business.

How often would customers and potential customers call you with the same sort of questions on a regular basis? More than a few?

If you're nodding your head, consider adding a FAQ page

to your website. Here you can write common questions—and the answers to match—so your customers can get the basic information they need about your product or service.

From there, they can decide whether or not to call you for more information, or if they want to do business with you.

This doesn't mean you'll never get asked those questions

again, but it will considerably reduce their occurrence! In addition, you'll be more likely to get calls from people wanting to go to the next stage of doing business with you.

And as other questions become common over time, you can simply update your website to suit.



Build a winning vision

Having a shared vision is what can bring a team together and ensure everyone's working with the same end in mind.

Your vision needs therefore to be clear, focussed and well thought out. Here's a few important things to remember when developing a winning vision:

- What's your existing work environment or culture like? Does it need a 'clean up'?
- What's the current marketplace look like?

Think ahead to potential changes, and to your own future developments.

- Who's going to be affected? Remember to get their input when reviewing or formulating your vision.
- Set goals for your vision, and develop plans of attack.

The vision statement itself should include these elements:

Conceivability—clearly shows what the business will look like

Desirability—appeals to all those affected by it

Attainability—feasible and realistic

Measurability—so progress can be monitored

Focus—is a primary decision-making guide

Flexibility—adaptable to individual initiative in the context of the overall goals

Communicability—easy to explain and understand

Strategic—is strategically sound.



What does 1% mean for your business?

What's the difference between water and steam? At 99 degrees water is merely hot, at 100 degrees it turns to steam and can move locomotives. Just one degree—a one percent change—makes the difference.

It's a great metaphor for business. It's the little things that get big results. A 1% improvement in each of your business's 4 profit drivers (price, variable costs, sales volume and fixed costs or enterprise overheads) can

yield exponential improvements in net profit.

To increase revenue, most business owners focus only on getting new customers. They pay little regard to the customers they already have, and usually adopt the view that competition pressures leave them little control over price. They also believe that reducing costs is the way to build a profitable business.

The most profitable strategy is to aggressively price your products or services, elect to

deal only with those customers who see and accept the value you deliver, do not allow customers (or competitors) who are price sensitive to dictate your pricing strategy, and monitor the productivity of your fixed cost resources.

At the end of the day, profit is the only measure of success. Revenue does not pay the bills or give you the resources you need to grow—that comes from profit.

Lighten the mood— with your team, find a new way to make your workday fun.

Creating a difference—the added value mind set

Your customers buy differences they perceive, and they buy value. Value can be defined as the benefits your customer receives divided by price they pay.

To increase value, you've got one of 2 strategies—decrease the price, or increase the benefits (perceived or actual). We know that the former is an exercise in futility, so that leaves the latter.

What things can be added that your customers wouldn't ordinarily expect? And these don't necessarily need to be tangible items that can cost you more. What things do you add already that your customer may not be fully aware of? Sometimes just pointing these things out can help your customers understand the value of what they're getting from you.

Look at the simple activities you perform in the course of delivering your product or service to your customers. Do you give them clear, straight-forward advice and solutions to their problems? Do you follow them up in a timely manner? This gives your customer the perception that their needs are your priority, that they are important, and keeps them coming back for more.





What you should know before you request financing

Asking for money is never an easy task. When it comes to finding financing for your business, it can be even more difficult. So here's a few steps you can take to improve your chances of getting what you need as smoothly as possible.

Be prepared to explain to your potential lender why you need a loan or line of credit for your business. Come prepared with complete, accurate and up-to-date financial records.

You should have the basics with you—profit and loss statement, balance sheet, and projected cash flow.

Secondary documents you should have prepared include your current business plan, client list and appraisals of assets that may serve as loan collateral.

Be sure that your and your business partners' credit history is clean and in good standing. Be prepared to explain any irregularities or problems.

Your lender sees loans as serious business, and so should you. Review the terms, payment, interest and fine print of any loan agreement. If you can, consider having your

solicitor and accountant review the terms as well. Ask for the documents in advance so you have time to do this.

Finally, don't just settle for the first bank that says yes or the one bank you usually do business with. Shop around. Consider the terms and interest. This will improve your chances of getting the best terms and finding a lender that's right for you.

Take the time now to prepare and establish your business credit line so your business can grow responsibly and dynamically.

About our consulting services

We are not your average consulting firm. Far from it.

We are members of the Principa Alliance—an international network of accountants and business advisors.

So when you work with us to improve your business, you're gaining access to a global knowledgebase and a wealth of consulting experience that is much

more powerful than any one firm could offer.

Combining our knowledge of your business, the personal relationship we share with our clients and the consulting tools, support and networking power of the Principa Alliance, we can help you achieve more with your business than you imagined possible.

Our goal is to help you build a stronger, more profitable

business, and enjoy a higher quality of life and greater financial and personal freedom as a result.

We can and will do so much more for you than just 'keep the score'.

Contact us today to discuss how we can help you build a business that delivers on its promise.



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