

Special points of interest:

- Here are just some of the business issues we can help you with:
- How to work **ON** your business, not **IN** it—following the E-Myth.
- What it takes to create the perfect turn-key operation.
- How to develop your essential business skills.
- How to create the ideal marketing plan.
- How to build a business that works by itself.
- How to get extraordinary results from ordinary people.

Inside this issue:

- Questions for Improving Your Power on the Web 2
- Basics for Annual Record Keeping 2
- Office Humor: A Dog's Job 2
- Romancing Your Customers 3
- Strategic Partnerships 3
- Avoiding Policy-Making Pitfalls 3
- Let Your Customers Know YOU Care 4

Does a Small Business Need Leadership or Management?

Both. Experience has shown us that businesses with too many leaders fail from their inability to manage and implement day-to-day business issues.

Likewise companies with excellent managers fail because they did not innovate, motivate change nor watch for strategic threats.

It's important to develop managers that can lead and leaders that can manage. What's the difference?

Think of it like this: you want to *manage things* and *lead people*. For example businesses manage costs, inventory, cash flow, processes, information systems, facili-

ties and operations. Great businesses *lead* their people, drive the company vision, guide their employee and customer perceptions, and ultimately generate a positive and productive corporate mindset and culture. As the business owner, you are responsible for leading your business to success and getting your people excited about your vision.

Too often leadership is seen as defining a step-by-step business strategy and expecting people to follow the steps or suffer the consequences.

This model fails you, your employees and your business. People will

learn to do just what they have to so that they can meet expectations and not lose their job.

True leadership is the art of understanding and rewarding your employees' and customers' needs so that they are motivated to make your business a success.

Consider your business. Are you managing and leading? Do you have people that you entrust to run your business while you lead it in the right direction?

For more information about successful management and leadership strategies, please feel free to contact us.

A Checklist for Writing Your Vision Statement

Writing your vision statement is just as important as conceiving a vision.

A written statement acts as an ever present reminder of where your business should be heading.

Here are 8 criteria for success when writing your vision statement:

- Conveys what the business will look like

- Appeals to the long-term interests of the business owner/s, team and customers

- Is realistic and attainable

- Qualifies and quantifies key elements so they are measurable

- Can be used as a guide when making critical business decisions

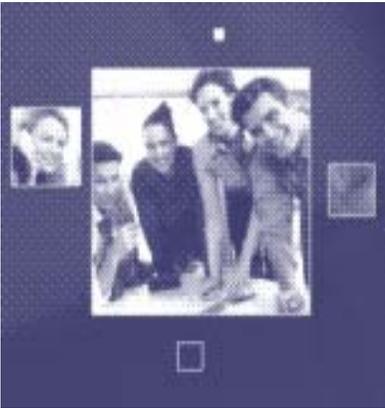
- Is not so rigid that it stifles innovation or initiative, but has a strong set of guiding principles

- Is easily communicated to and understood by everyone in your organization

- Makes strategic sense and does not cause dysfunction

For assistance with your visioning process, please contact us.

6 Questions for Improving Your Power on the Web



Does your site cover all your markets? Do you have several categories of clients? Is your site content designed for each of these?

Is it engaging? Does the content clearly state why your visitors should care and what's in it for them?

Do you clearly state features and benefits? Have you used case studies, sample client lists, and testimonials?

Do you speak with authority as a leader in your field? Consider writing articles on important issues in your industry.

They will be picked up by search engines, and you can offer them to publications that your target markets read - always with a link back, or reference to your site, of course.

Do you have a call to action? Think strategically on every page. Invite the visitor to take a quiz,

or go to the next page.

Just make it easy and obvious.

Are you considering all avenues? Explore all ways of promoting your site: creating articles with a link to your site, advertising in e-zines, appending a signature file to your e-mail, including your site address on email signatures and business cards.

Look to future editions for more information on web tactics.

*"Vision without action
is a daydream. Action
without vision is a
nightmare."*

Japanese Proverb

Some Basics for Annual Record Keeping

1. Total all ledgers. Compute yearly totals for sales, expenses and payroll.

2. Prepare income statement. This will reflect the sales, expenses and profit for the year.

3. Prepare balance sheet. This will indicate the financial position of the business at the end of the year.

4. Prepare cash flow statement. This will indicate the cash activ-

ity and ending position of the business at the end of the year.

5. Send out 1099 forms. Complete and mail a 1099 form (Statement for Recipients of Miscellaneous Income) to each independent contractor who earned more than \$600 from you in the previous year.

6. Assemble tax papers. Pull together all the documentation you're going to need for filing your

7. Meet with your accountant.

Turn over your tax documentation and set up a time to discuss your financial condition and tax strategy for the coming year.

9. Set up new books. Prepare for the coming year by setting up your ledgers.



Office Humor: A Dog's Job

An ad appeared in the paper. "Someone to take dictation, type fast and speak 1 foreign language." Personnel was so surprised when a dog came into the office with a sign on his neck

which read "I want to apply for the job." Okay said personnel, "If you can do the requirements of the job, you have got it." The dog took 120 words of dictation a minute and typed 100 words a

minute. Now said personnel, "If you can speak a foreign language, the job is yours." The dog goes meow.

PS The dog got the job.

Romancing Your Customers

Here are some guidelines for engaging your customers and keeping them coming back.

Offer an appropriate incentive for repeat business. A free service or product after a certain amount of purchases or visits.

Get to know your regular customers and make it easy for them to patronize your business. A hairdresser with a client who wants to try something new but is frightened by anything too dras-

tic would be wise to suggest a temporary color wash.

If you offer prospective customers a free gift or some other incentive, consider offering it to existing clients.

Find ways to acknowledge repeat visitors. Send a thank you note or a coupon.

Create a wall of fame area to hang photos of customers.

Give customers a way to give you

feedback—a suggestion box, a wall in a restroom, a corner of your web site, an organized meeting with a facilitator.

You have to commit to responding to the feedback, implementing an idea or offering a plausible and reasonable explanation as to why something can't be done.

Remember to always thank your customers for their time and valuable feedback.



Strategic Partnerships that Bring Better Business

Strategic alliances with other companies and professionals give you a step up in your ability to serve clients. They can also increase referrals and extend market reach.

For example, a hair salon might team up with tanning parlor and offer a "spa package." You may want to consider mutual referrals, where you negotiate agree-

ments to recommend a suitable company to your customers in exchange for the same courtesy. These alliances can provide inexpensive ways to reach new customers.

Developing strategic alliances extends your market reach and provides a wider range of choices for your customers as well as to increases conven-

ience. But before you run out to every area business, think strategically.

What businesses seem like a natural partner to your type of business?

For example, a contractor and a lumberyard or an architecture firm and an engineering firm are logical partnerships.

"The path to success is to take massive, determined action."

Anthony Robbins

Avoiding Policy-Making Pitfalls

There are two important ways to avoid policy-making pitfalls.

One is to **involve your team as much as possible**. When they are involved in the process and have input, they are much more likely to abide by the policies.

This does not mean anarchy. It simply means you will have to be

creative in finding ways (meetings, suggestion boxes, informal lunches) for them to contribute and provide feedback.

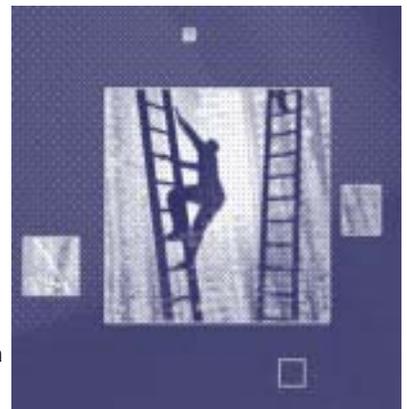
The second critical component is **making sure there is a sound business justification for a policy**.

When a person understands why

something is the way it is, s/he is much more likely to accept it.

Your policies and rules are a means to achieving your vision.

They should reflect your business' core values. Regularly reviewing your policies should be a part of your routine.



Let Your Customers Know YOU Care

The best way to let your customers know how seriously committed you are is for you, *the business owner*, to tell them. Make it a point to have customer contact and ask about their experiences. People are impressed when they see that the business owner is taking important time out of his/her busy schedule to address an issue. Here are some ways you can let customers know how seriously you are taking their needs and concerns:

Create a suggestion box and place it in a prominent and visible location in your business. Periodically stand by the entrance for an hour or so. Introduce yourself to clients and direct customers to the box.

Create a personalized customer commitment with your team. You may decide to have 10 commitments instead of commandments (i.e. 1. An employee who receives a complaint “owns” the complaint, 2. We adhere to uncompromising levels of professionalism, hygiene and friendliness 3. We promise an immediate response detailing actions to be taken to correct any problems).

The point is to identify and make explicit your guiding rules to customer satisfaction, for customers and employees. Once you have defined your guiding principles, make the most of them by posting them in visible places and including them in communications to customers.

Conduct a feedback session whereby a qualified facilitator takes your customers

through a meeting and elicits the kind of information you want to know. Send thank you notes with your signature to all of the participants explaining the outcome of the information you gathered the actions that will be taken as a result.

Don't forget to thank them. Remember to delegate. You do not have to write the notes, but it should be your signature.

Take note, people are most impressed when they see a change as a result of their time and effort. To really be committed to excellent service is to take the feedback seriously. One of the fastest ways to send your customers scurrying to your competitors is to ask them to take the time to give you information and for you to not do anything with it.

About Our Consulting Services

We are not your 'average' accounting firm. Far from it.

We are members of the Principa Alliance, an international network of consulting accountants.

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.

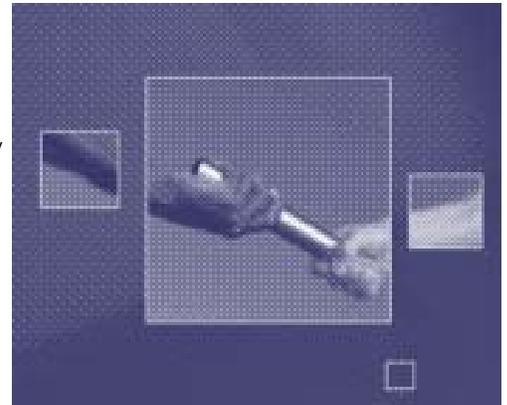
Combining our knowledge of your business,

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 as a result.

We can 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.



principa | alliance
MEMBER



O'Dell Cross, A Professional Corporation
5001 California Avenue, Suite 122
Bakersfield, CA 93309

Phone: 661-716-1160
Fax: 661-716-1166
Email: rblanton@odellcrosscpa.com

www.odellcrosscpa.com