

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.
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Pricing and Ego Go Hand in Hand

When you're considering your pricing there are many important factors to consider – value, positioning, your return and more. But there is another that often goes unattended and that's this: never forget the very importance of ego! Some people will pay more simply because they have large egos! And you could be missing out on opportunities that come from actually *increasing* your prices.

Here is an example from a wine magazine. There is a winery in the Napa valley called Caleda. Their Reserve Pinot Noir used to be rated among the best in the US, and often fared well against the

best French Burgundies.

The owner of the winery has started to notice that his winery is no longer featured in "best of..." lists, and his sales have started to fall.

He did a study of the wines that have overtaken his and are being recommended by the experts and found that they were all more expensive than his wine. So this year, he has increased the price of a bottle from \$38 to \$71. He wrote to his regular customers explaining precisely what he was doing and why. Guess what has happened—his sales orders have **TRIPLED**, despite almost doubling his prices!

Now this doesn't say much for some wine drinkers perhaps, but it does illustrate the point about ego rather well.

Is it possible you're missing opportunities because your price is too low? Consider testing your pricing strategy and see what happens when you increase the price of a select item or service.

For more information about pricing strategies or for assistance implementing any of these ideas, please contact your Principa Alliance member.

Acing Your Tests

Testing the success of your business and marketing plan requires regular testing.

One great example of the value of testing is Steve Houghton, an Australian supplier of a personal alarm called "The Walkeasy Personal Alarm."

Steve used radio advertising to test different approaches, different prices, different commercial

lengths, different words, and even presenters of different sexes.

For example, he found that changing from a male voice to a female voice in the commercial doubled his sales. He found that moving from a 60-second commercial to a 45-second commercial, with a 15-second "tag" played later in the break, doubled his sales.

Steve made over \$1 million in

additional sales by exploring all the possibilities. In fact, when testing what price he should charge for the alarm, he discovered that the alarm he was barely selling at \$9.95/unit sold like hot cakes at \$39.95/unit!

Are You Keeping It Simple or Slow?



Use this list to consider areas of your business that could be simplified to better serve your customers and employees:

On average what is the turnaround time for resolving a complaint or concern at your business?

Are your customer complaint procedures clearly defined, incorporated in employee training and easy to use? Ask your employees. Reassure them that this isn't an exercise in humiliation but an

attempt to improve things.

Are job descriptions, duties and responsibilities clearly defined? Or is there a lot of everyone doing whatever whenever because it needs to get done? This is not always a bad thing, but there has to be clarification for who is responsible for what. This prevents disappointment, confusion and resentment and fosters retention.

When focusing on customer loyalty, be sure to ask the people on the frontlines how

they would improve things?

The people who deal most directly with customers are likely to have specific insights about the policies and procedures and have probably given a lot of thought about how their jobs could be easier if it was easier to please the customer.

Are there opportunities to share mistakes so they won't be repeated?

"Vision is the art of seeing the invisible."

Jonathan Swift

Some Questions when Writing a Mission Statement

When creating your mission statement, consider:

What are your company's history and traditions? How do they influence what you want to accomplish today and in the long term?

How do you characterize the management philosophy of the company? What input does management have in

the direction of the company?

What distinguishes your company from all the other companies that perform the same service or function? How do you already surpass the competition? What can you do to continue surpassing them?

What goals are realistic when considering the available resources?

Where do you need to improve in order to beat the competition? What are your competitors doing that you can imitate and improve upon?

Answering these questions are a good start to creating a strong mission statement.



Humor

A patient was at her doctor's office after undergoing a complete physical exam. The doctor said, "I have some very grave news for you. You

only have six months to live."

The patient asked, "Oh doctor, what should I do?"

The doctor replied, "Marry an accountant."

"Will that make me live longer?" asked the patient.

"No," said the doctor, "but it will SEEM longer."

Strategies for Employee Relations

1) **Orient new team members** - it's vital for management to explain the goals and mission of the organization to new members. Employees should know the organizational structure, where they fit in and what management's expectations are. Management should also highlight the learning and development aspects of working within the organization.

2) **Develop collaborative performance evaluations.** These

encourage team work, initiative and problem solving. Managers get to know their employees, and, in turn, employees feel valued and committed.

3) **Coach team members.** Adopt a coaching style allows workers to generate their own solutions while receiving regular and constructive feedback. This can be time-consuming, but ultimately team members become more self-directed and autonomous, thus freeing managers to get on

with managing.

4) **Encourage peer coaching.**

This allows team members who are willing and enthusiastic to assist each other. Of course, this can only succeed in an environment where coaching and cooperation prevail.

We understand that this is no easy task. For specific implementation ideas, contact us.



Resistance to Change

Resistance to change often stems from the extent to which the changes impact each worker personally. Remember that reluctance is often the product of insecurity or threats to one's feeling of competence. Some people feel comfortable with old systems and fear learning new systems. Complaining, camouflaging errors, withdrawal, apathy or overt anger are common

manifestations of fear and reluctance. Stay positive and focused during these periods. These behaviors are signs that your team is actually going through the change process. Address these behaviors head-on and make opportunities for people to *constructively* address their hesitation or reservation. Now is the time for support and encouragement. Some will need more than

others.

Look forward to more discussions about change in future editions of this newsletter.

If you're in the process of introducing change in your business, we are happy to assist.

"You will never do anything in this world without courage. It is the greatest quality of the mind next to honor."

James Allen

Funny Business—A Unique Core Differentiator

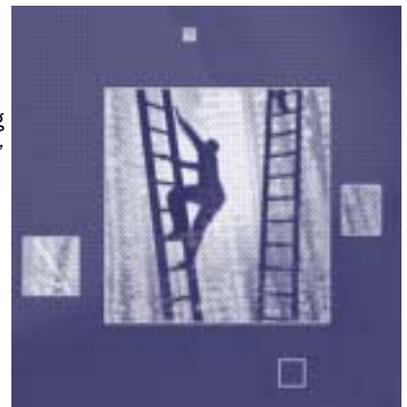
What makes your business unique and desirable? It could be that dealing with you is more fun than dealing with any one else. If that's the case, it should be articulated everywhere.

Consider, for example, the case of Greenlane Plumbing and Hardware, in Auckland, New Zealand. They observed that

when their customers came to see them, they would leave to go "up the road" to get some lunch.

The owners, Michael Currie and David Scott, wondered what would happen if they installed their own hot dog machine. The results? A 40% increase in their business from this strategy alone. (Perhaps they should now

be called "The Hot Dog Plumbing and Hardware Supply Company." This would truly be articulating their UCD as an integral part of all of their marketing!)



Diversifying Your Marketing Plan

One of the fastest ways to waste money is on a misguided marketing effort. Whether it's advertising or direct mail, one sole means of marketing is likely to deliver less than stellar results. The key to maximizing your marketing efforts and dollars is diversifying your marketing plan.

An important part of your marketing plan should include professional and association membership. This will put you in contact with people outside your industry, who might have a need for your products and services. It's not enough to just attend meetings. Participate in special events or join a committee. Personal contact, even in this age of high-tech, is still one of the best ways to market your business.

A regular part of your marketing plan should include reviewing your promotional materials from business cards, letterhead and envelopes to ads, promotional materials and anything that may carry your logo on it. If you haven't had a makeover in the last five to 10 years, it's probably time for a new look. Work with a graphic designer to develop a strong logo and then be sure to include it on all your promotional pieces including advertisements, Web pages and direct mail pieces.

A frequently overlooked part of a marketing plan is charitable and community giving. Good will marketing often has the longest and most lasting impact on the people you want to attract to your business. You may want to donate merchandise, contribute to fundraising auctions or sponsor an event for

a local non-profit.

Staying in touch with current customers should be a central component of a well-diversified marketing plan. You should consider a direct mail piece at least four times a year. This can include letters, tip sheets, postcards, newsletters, thank you notes, holiday cards or other informative, humorous or timely, soft-sell mailers.

Make sure you include an online component to your marketing campaign. Register your company domain name. Today's marketplace demands businesses have at least e-mail address and a one-page Web site. Start out small with one or two pages.

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 consulting professionals.

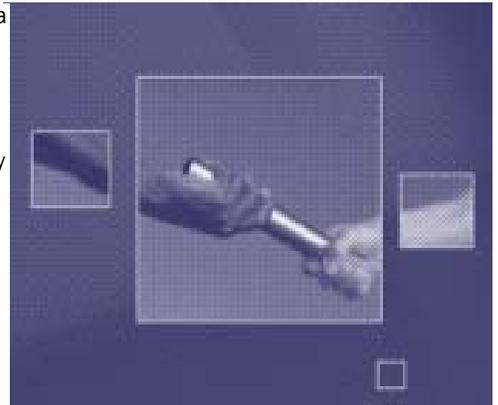
So when you work with us to improve your business you're gaining access to a global knowledgebase and a wealth of consulting experience that is much more powerful than any one firm could offer.

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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MEMBER



5001 California Ave, Ste. 122
Bakersfield, CA 93309-1671

Questions or comments:
Phone: (661) 716-1160
Fax: (661) 716-1166
Email: rblanton@odellcrosscpa.com

www.odellcrosscpa.com