

Special points of interest:

- Getting the word out—tips for writing press releases
- How much are your customers really worth?
- Getting paid—a pre-emptive approach
- Capability plus—strengthening your team

Inside this issue:

How to Write a Press Release	2
Build a winning vision	2
Calculating the lifetime value of a happy customer	3
A different approach to debt recovery	3
Using the service profit chain to build customer loyalty and profitability	3
Building Team Member Capability	4

What's SWOT?

SWOT is an acronym for strengths, weaknesses, opportunities and threats. Doing a SWOT analysis for your business gives you a snapshot of where the business is now, and helps you develop a strategy for its future.

Strengths and *Weaknesses* are the internal factors of your business. Generally, these are things you and your team have control over. Things like your work environment, team capabilities, quality of products and so on may fall under one of these areas. You may find some issues are closely related, and may be both strengths and weaknesses.

Opportunities and *Threats* are the external factors affecting your business. These might be things like competition, customer preferences, industry trends, or legislation.

Once you've created a list of all your business's strengths, weaknesses, opportunities and threats—keeping in mind that some issues may fall under more than one area—rate each item on a scale of 1 to 10.

Focus on the highest rating issues first and brainstorm ideas for how to handle each one. For instance, do you adequately promote your greatest strength?

How can you minimize the effects of your greatest weakness? What can you do to maximize your greatest opportunity? How will you protect yourself from your greatest threat?

Now you can create an action plan and assign tasks to bring these thoughts and ideas into fruition. But don't rest on your laurels too long! Make sure you conduct regular SWOTs to make sure you always know where you are, and that you're on track for where you're going.

Simple steps for leading an effective team

When teams work well, the results can be extremely powerful. To get the best from your team, use the following approaches:

1. Lead your team with a clearly defined purpose

By leading with a purpose, you can set challenging, optimistic and realistic goals to motivate your team's performance. Be sure to publicize team goals, establish milestones to mark progress, and acknowledge a goal's achievement.

2. Have team members participate in determining how the team's goals will be achieved.

Give your team the authority it needs to participate in making decisions about how goals will be achieved and encourage them to solve problems that are within their realms of expertise.

3. Build consensus within the team

Assume team members will encounter conflict and assist them in working through it.

Encourage sharing of diverse ideas and opinions and help move them toward general agreement.

4. Direct the team's process to stay focused on agreed-upon goals

Be clear about expectations and directions. Intervene when necessary, or support them in how they plan to self-correct. Recommend alternative processes to help the team move towards its goals.



“The key to realizing a dream is to focus not on success but significance. Then even the small steps and little victories along your path will take on greater meaning.”
Oprah Winfrey

How to Write a Press Release

A press release is simply a brief article about something new or interesting about your business, written in the third person and released to the press—both print and broadcast media.

News and media editors have a limited amount of time to read the numerous releases they get on a regular basis, so it's important to make yours stand out.

Strong, snappy headlines, lead-in paragraphs that get right to the point and a succinct body—generally no more than a page in length—are fundamental to getting your release noticed.

Remember to write from the reader's point of view—in the case, the editor—and make it abundantly clear why the information in your release is important. Other essentials for your press release are:

- The date the release is valid from
- Where the release originated
- A contact for getting more information.

Other handy things to include:

- Your company logo—this will make your release immediately stand out to editors you have an established relationship with.
- A useable quotation from a key contact—helpful to editors who may not have time to chase down that information.

Here's a basic guideline for structuring your release:

- The headline—keep it snappy; grab your reader's attention
- The lead-in paragraph—give them a short summary of the whole article
- The "So What?" paragraph—tell them the benefits to be had or explain what makes the information you're imparting important
- The quote—this is optional; you can use this to build on your previous paragraph and give the editor something they can use right away

- The background paragraph—give a brief synopsis of what your business does and the benefits it provides

The most common way to send your releases out is via fax, so make sure you keep an updated list of contacts for all the relevant media channels, such as newspapers, magazines, radio stations and so on.

Periodically calling the various editors will help you make sure your information is still up-to-date and will assist in building a relationship with these people.

You won't always get your message out to the wider market, but keep persisting, remembering to always focus on the "what that means is..." in your message.

Now you're armed with the *how*, the next task is to brainstorm the *what* with your team. Think about what you can do or announce that would make good substance for a press release.

Build a winning vision

A shared vision brings a team together and ensures everyone is working with the same end in mind.

It's important then that your business's vision is clear, focused and well thought out. Whether you've already got a vision in place, or want to develop one, here are a few important things to remember:

1. What's your existing vision like (if you have one)? Is it everything you need it to be to lead your business to its goals? Keep in mind your existing work environment or culture.
2. What's the current

marketplace look like? Think ahead to potential changes, and to your own future developments.

3. Who's going to be affected? Remember to get their input when reviewing or formulating your vision.
4. Set goals for your vision, and develop plans of attack.
5. Be prepared to invest in the resources you need to support the vision so that everyone buys into, and contributes to, its success.

The vision statement itself should include the following 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

Strategy—is strategically sound



Calculating the lifetime value of a happy customer

Follow this simple process to calculate the lifetime value of a happy customer. And share the results you get with your team—there's no better way to impress upon them the importance of loyal customers and the value of customer satisfaction and retention!

1. Identify an average customer of your business—if you serve different market segments, you may want to focus on one to start with and repeat the exercise for the other segments later.

2. Identify the number of sales you'd make to this customer in the lifetime of your relationship with them.

3. Multiply that number by the number of products or services they'd buy in each transaction.

4. Now multiply *that* result with the average price that customer pays per product or service.

5. From this, subtract the average cost of acquiring a new customer. This gives you the lifetime value to your business

of your average customer.

A simple estimator for the cost of acquiring a new customer

Divide your annual marketing and advertising costs by the number of new customers you acquire in one year.

Try this exercise again based on a loyal customer.

Remember, they'll be more likely to buy from you over a longer period, visit more frequently, and spend more with each visit. Plus they'll refer other customers to you.



A different approach to debt recovery

Here are a couple of ideas to help you manage one of the less popular jobs in business—collecting money!

Get paid up front!

It's been said the value of a service declines after delivery. It's not always possible, but you can still use this idea to help you break down some barriers and get creative.

Write a letter to accompany your invoice. A couple of key phrases that can help you

greatly when writing the letter are "Thank you in advance..." and "so we can keep our paperwork down...". For example "Thank you in advance for attending to this quickly. It really does help us both reduce our paperwork pile and so be even more productive."

Much nicer than some of the other techniques out there, wouldn't you say? If you can't write a letter with absolutely every invoice you send, a pre-printed note or stamp on the

statement works just as well.

Reconsider your terms

Including a readout at the bottom of your invoices that shows terms of 90 days, 60 days, 30 days and current, actually gives your customers a message that you're prepared to accept a term of 90 days. Are you?

Test either or both of these ideas next time you're sending out invoices, and measure the results. You may be surprised!

"People acting together as a group can accomplish things which no individual acting alone could ever hope to bring about."
Franklin D. Roosevelt

Using the service profit chain to build customer loyalty and profitability

Research across a wide variety of industries confirms the existence of strong links between profitability, growth and the following variables:

- team members' capabilities, satisfaction, productivity, and their ability to deliver good value to customers, and
- customer satisfaction and loyalty.

Hiring the right people, giving them training, support, latitude, and rewards promotes job satisfaction. When your team members enjoy their work and believe they're making a

difference, you get results. They tend to stay longer, and become more productive and knowledgeable.

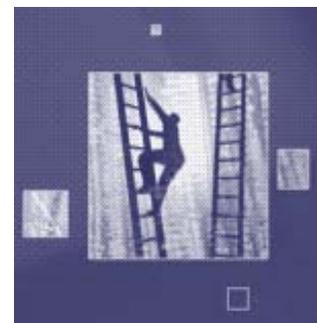
This in turn creates greater customer satisfaction. After all, customers are more likely to be happy when they're being served by motivated people who take the time to get to know their specific needs.

Happy customers tend to buy more and also to refer other customers to you. Thus, customer satisfaction breeds customer loyalty. There's a dramatic cause-and-effect relationship between customer loyalty and profitability: in some

industries, a small percentage of a business's most valuable and loyal customers can account for more than half of total profitability. Together, the mutually reinforcing connections described here form the "service profit chain."

The Service Profit Chain

In order for customer service to drive profits, every link in the chain must be strong, and that requires a lot of hard work and commitment. Your business must consistently deliver outstanding value to all involved—team members, customers, and owners.





Building Team Member Capability

Many businesses understand the need for training frontline workers to be polite, empathic, and knowledgeable. But great frontline service is simply not enough. Everyone in the company is responsible for delivering the results the customer wants.

As a manager, you have the power and responsibility to strengthen the first link in the Service Profit Chain: the capability of your team members.

Most managers sincerely want to make changes that would "turn things around," but good intentions often fall by the wayside due to the pressure for short-term performance. How

can a cycle of mediocrity be turned into a cycle of success? You can create the cycle of success by starting at the beginning.

Select for attitude, train for skills—skills can be taught, but it's difficult to train someone to have the right attitude.

Invest in training—make sure new team members receive training in the skills and tools they need to perform their jobs well. Training should include an appropriate mix of interpersonal and technical skills.

Provide tools and support—once you've hired winners, you must give them the chance to

"win" on their jobs. When you give your team the tools and support they need, they'll perform better.

Allow latitude within limits—micromanagement is demeaning and frustrating to capable people. A degree of latitude gives them the power and responsibility to make quick decisions and to recover decisively from mistakes.

Reward for results—recognize and reward your people for their ongoing contributions to service. Tie rewards directly to goals. Rewards should reflect the culture and values of your business and should take into account what motivates your team.

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.

principa | alliance
MEMBER

DISCLAIMER: Information provided in this publication is intended as general information only and should be considered carefully for your own business situation before use. This firm and any associated companies accept no responsibility or any form of liability from reliance upon or use of its contents.



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