

Special points of interest:

- Winning words—how to get that job!
- What's the magic word? An oft neglected phrase
- Enjoy the trip—take in the landscape to success
- Keeping an ear to the ground—listening to your front line

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The early detectors of business decay

Financial Statements. Nasty thought, right? Or at least, that's the view many business owners seem to take.

Aside from dealing with daily financial issues, many owners neglect the valuable information their financial statements provide—information that can be used to manage their businesses successfully now and optimize their future health.

To understand the current state of your business and plan for the future, you need to understand what your financial statements tell you. For instance, they:

- keep an eye on your cash flow requirements and determine any financing needs
- monitor your business's financial health

- identify pitfalls and negative trends in your operations early on so you can avoid a disaster later
- observe periodic fluctuations in wealth
- check your actual performance against your financial plan.

Here's an outline of the 4 basic types of financial statements you need to be aware of, and the kind of information each gives you.

The Income Statement—also referred to as the Profit and Loss Statement. This is a report of earnings, or a statement of incomes and losses. It tells you income earned, costs and expenses incurred and net profit during the defined accounting period.

The Balance Sheet—here you'll find your company's assets, liabilities and owner equity. You can use this as a statement of your company's relative wealth or financial position.

The Position Statement—explains how your company spent and earned money.

The Statement of Changes in Owner's Equity—is used to clarify any discrepancies or changes in the amount of owner's equity from the beginning of a designated accounting period to its end.

Your financial statements are just the beginning of your financial analysis, and used properly they set off early warnings, giving you the opportunity to act well in advance of impending dangers.

Magic numbers for your business

Did you know...?

- A change of just 5% in customer retention can produce a staggering 125% change in profits.
- 68% of customers leave because of perceived indifference.
- Most businesses spend 6 times more to attract new

customers than they do to keep the ones they've got.

- Each unhappy customer tells at least 9 others about their bad experience.

Sobering stuff.

While you're in business to make a profit, managing a business only for profit is like playing tennis with your eye on

the scoreboard. The 4 purposes of your business are to:

- Create new customers
- Keep them coming back
- Turn them into advocates for you, and
- Have fun!

Don't aim to satisfy your customers. Aim to delight them!



*“Let’s explore.
If we do not find
anything pleasant,
we will at least find
something new.”*

Voltaire

Writing proposals that work

A lot of proposals end up in trash cans. Almost as bad, many proposals end up not achieving what they set out to do.

The reason is simply because so many proposals are laid out entirely the wrong way. They all seem the same. They achieve results, but few achieve the result you want. Even fewer convey the feelings you want them to.

In fact, most proposals are little more than listings of services, products, and prices. Invariably, they give the reader or potential customer more reasons *not* to buy, than reasons to buy. And often, they force the potential client to focus on the wrong things—like price, for example, compelling the reader to get other quotes and compare your price with someone else’s.

Clearly a recipe for disaster!

That said, a key point to writing successful proposals is to get the price out of the way early. Putting price at the end means it’s the last thing your reader remembers. Putting it at the

beginning is a ‘no surprise’ approach, and means the reader focuses on all the benefits—the value—of dealing with you.

When preparing your proposal, it’s important to get as much information from your prospective customer as possible. Listen for what their needs are and what they want to achieve.

Your proposal should include these key areas in order:

Purpose

Briefly cover the objective of the proposal, i.e. what your prospective customer will achieve when they accept your proposal.

Background

People other than those you spoke with may also be reading your proposal, so use this section to briefly talk about who you’ve had discussions with and the key points that came from them.

The Needs

This is where the main ‘selling’ is done. Tell them what they

told you. It shows you’ve listened and understood what they want to achieve. Ideally, you should bring out emotional areas as well as factual ones.

The Investment

Deal with the pricing (or investment) in this section right after *The Needs*. And when you get it out early, give the total figure first then break it down as appropriate.

Fitting the Needs—Achieving the Purpose

Describe your product or service in terms of what’s in it for them. So, how you will meet their needs, and how they will benefit.

The Implementation Schedule

This is where you leave your readers with the actions they (and you) should now take so all the benefits you’ve mentioned can start to flow.

Proposals don’t have to be hefty volumes, but if you follow this approach and write from the reader’s point of view, your proposal is much more likely to get read and acted upon.

An often overlooked phrase

Did you ever go into a store and have someone say “Hi...thank you for dropping in.”? Probably not.

And yet, if it happened, you’d be taken aback because it’s so unusual. A ‘thank you’ is an often-overlooked phrase, yet it’s a powerful one for building relationships with your customers and suppliers.

Some of the things you can say ‘thank you’ for can be:

- An order
- A phone call
- A letter
- A payment
- A good meeting
- Just for being a customer

The ‘thank you’ can be verbal, a written card or letter, or it can be something a little different that makes your business stand out in people’s minds.

An owner of a roast chicken store in Brisbane, Australia gave out silk flowers to every customer one Christmas. He ran a small ad with the headline “Fancy Getting a Flower from a Chicken Store.” In 3 days, he gave away 3,000 flowers. Better yet, the following January when most people were away for holidays, he had record sales.

Thank you very much!

Being a great coach

Coaching is an opportunity to contribute to another person's development. It's a 2-way partnership where you both share knowledge and experience in order to maximize the coachee's potential and help them achieve their goals.

Good managers use coaching skills as part of their repertoire. The focus is on cooperation and facilitation of the other

person's professional development.

Effective coaching skills involve two steps:

1. *Understand your team member's skill level and behavior patterns*

To do this, you need to:

- observe without judgment
- listen actively

- ask questions (inquire).
2. *Facilitate your team member's professional growth by creating a comfortable environment where action plans can be developed together.*

To do this, you need to:

- advocate your opinions
- give and receive feedback
- build agreement.



Give your team a shot in the arm!

Try these ideas for building an awesome team:

- Offer an incentives for bringing in the right kinds of customers.
- Have "team breaks", for instance, once a month call a brief break, have a cake or ice cream for

everyone, and play some team building games.

- Have interesting business cards and give some to every member of the team. Just like you, they meet all sorts of people at all sorts of places, many of whom might be potential customers—or even team members!

- Respect your team's understanding of your customer's needs, and give them some decision-making powers.
- Say "Thanks!"—the words "thank you" are often absent in business, and it's surprising the difference it can make.

"We make a living by what we get. We make a life by what we give."

Winston Churchill

Smell the roses

Do you ever keep working long past exhaustion? You're determined to get a task done tonight, so you press on, with little to no progress.

And you'll have had times where you've thrown your hands up, cried "That's it!", and sent yourself home to rest, leaving the problem for tomorrow.

How often have you found the next day the problem seems so much smaller and you resolve it in half the time?

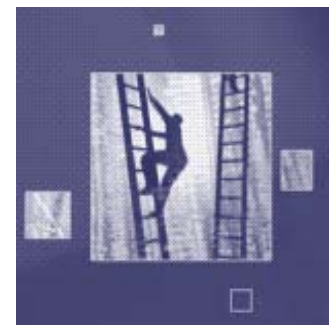
It's true that you're more productive when you've had quality time to relax or be with loved ones. These are the things that keep you full of life and motivated. They help you better appreciate what you're working toward.

While you work hard to reach your goals, remember to recharge yourself every now and then.

Involve the most important people in your life in your goals

and projects. They are the ones who'll give you support and help you get where you want to go. Especially at times when the pressure's really on!

Remember, the destination is only part of the equation. It's important to enjoy the journey as well, so stop and smell a few roses on the way.





Listen to those who know best

Strong leadership, firm parameters and clear direction are necessary for a business to succeed, but that doesn't have to equal an oppressive workplace. If your team aren't having fun at work—that is, they aren't engaged in the process and treated with respect—your business will not be successful.

A healthy work culture is simply a function of a few guiding principles: honesty, trust, dignity and respect. These 4 principles go together; reinforce one another, and when they are constants in a business, people become engaged in their work.

They'll care, they'll talk, they'll laugh, and fun will happen

quite naturally. In short, people are happy when they feel they are making a difference.

As an added bonus, significantly reduced employee turnover, increased productivity, decreased sick days and workers compensation claims will fall out of an improved culture.

As is such a common mantra in the issue of leadership these days, cultivating honesty, trust, dignity and respect becomes quite possibly the most important job of the leaders.

In order to learn from your employees, beef up internal communication.

That doesn't just mean sending information to your team, but

listening too. Take feedback seriously and respond thoughtfully. It's crucial in cultivating a culture in which people feel motivated and secure.

To get the best from your team, and your business:

- Enlist the support of your team if you want to realize dramatic and lasting results in a short timeframe.
- Involve your team, listen to them, learn from them and share with them.
- Keep communications flowing and work hard to build trust and mutual respect.

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