

## Managing difficult interactions

**Difficult interactions are work behaviors or interactions you feel have the potential to lead to undesired outcomes.**

Difficult interactions are, like beauty, often in the eye of the beholder. Behaviors often seem difficult when they're different from ours or they get in the way of meeting our needs. To get the best possible outcomes then, it's important to understand the root causes of these interactions.

While it is important to maintain good working relationships, not all relationships or interactions are of equal importance.

As you think about improving work relationships, keep in mind the importance of each relationship to you—over the long and short term.

Here's a basic strategy for how

to approach difficult situations in your business to achieve a successful conclusion:

### Identify the root cause

Difficult interactions can arise for a number of reasons. It may be because two people perceive a behavior, issue, or situation differently, they may be

**“Keep in mind the importance of each relationship to you.”**

motivated by different interests, or have different work styles. Or it may be a case that one person's behavior promotes negative behavior in someone else.

### Select a strategy based on a root cause

Try to understand the difficult interaction from the other person's perspective. Ask open-ended questions to uncover the other person's motivations.

### Implement the strategy

Learning to manage difficult interactions carries enormous benefits, but it requires hard work. Be sure to identify and manage potential barriers to your solutions early on.

The barriers to successful resolution range from failure to recognize the problem, to incorrect beliefs, to psychological fear of certain situations.

### Monitor your strategy's effectiveness

Listen carefully during the implementation and give the other person a chance to respond.

## A closer look at online marketing

**Electronic communications of all sorts have shown explosive growth, with Internet traffic doubling every 100 days.**

One way to take advantage of this new technology and establish an online presence for your business is in the form of direct marketing emails. Things like electronic newsletters, special product offers, reminders of upcoming promotions, and announcements for special

events often work well.

Online consumers tend to place great value on information, while at the same time responding negatively to messages aimed only at 'selling', so be sure to keep this in mind when preparing your materials for release.

Remember, you'll need to ask customers' permission before sending e-mail offers to avoid being labeled as a "spammer". If you have an electronic

newsletter, consider having a 'Subscribe Now' option on your website to help generate new leads and create a sense of community amongst your customers and prospects.

As technology continues to evolve and consumers become ever more savvy, you'll need to constantly examine your online strategies. Those who can adapt to changing conditions with fresh and creative thinking will dominate.

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## Principles of effective delegation

**Delegation isn't simply a matter of offloading what you don't want, or don't have the time to do. Done properly, it helps teams work more efficiently, helps individuals develop their skills and reduces managerial burnout.**

When you delegate, you not only transfer responsibility to another person, but also accountability for maintaining established standards.

It's important you establish the right tone and environment for effective delegating. The most successful managers follow these guidelines:

Encourage your team to be proactive in sharing with you their special interests and time availability for new projects. Building a sense of shared

commitment within your team is an important part of the delegation process.

Avoid dumping only tedious or difficult jobs on your team. Delegate projects and tasks that spark their interest and can be enjoyable.

Provide possible career opportunity for a team member by delegating projects, tasks, or functions that involve high visibility with your management team or with customers.

Delegate to people whose judgment and competence you trust. Your ability to select the right person reflects your skill in making decisions and setting goals.

Recognise that delegation is a learning experience for you and

your staff, and offer training or coaching as needed.

Develop trust in a less skilled staff member by delegating very structured assignments and providing the support needed for the person to develop increased competence.

Whenever possible, delegate an entire project or function to increase motivation and commitment.

Create clear guidelines for follow-up and feedback and maintain open lines of communication.

Clearly define goals, expected outcomes, and measures of success to minimise wasted time and resources and ensure the task, project, or function is completed successfully.

***"We cannot change anything until we accept it. Condemnation does not liberate, it oppresses."***

***C. G. Jung***

## The challenge of contemporary leadership

**Leadership used to be viewed as innate. It was seen as a mystical blend of courage, charisma, and perhaps even a flair for the dramatic.**

These days, we think of leadership differently—as much a skill to be acquired, as a talent you either had or not.

Leadership still calls for charisma, courage, and decisiveness. But the changing nature of business today—organizational structures, the growth of alliances and joint ventures between companies, and so on—all these trends call for new approaches to leadership.

So, what are these new approaches?

They have less to do with formal

authority and the power to control or command, and more to do with using influence—especially communications and conflict-resolution skills, and diplomacy and motivational skills—to keep teams on track and aligned with your overall business vision.

They also have to do with being alert, agile, and enterprising; with recognizing an opportunity—a gap in terms of what the market offers—and responding rapidly, and creatively. Or identifying a performance gap within your business, and being able to explain the external consequences so your team sees the broader context of their work and understands that it's worth doing some things differently.

Managing and leading remain distinct but complementary tasks. While managing involves coping with complexity; leadership is about coping with change. Here are some examples:

### **Managing versus leading**

Planning and budgeting *versus* setting a direction

Organizing and staffing *versus* aligning people

Controlling and problem solving *versus* motivating and inspiring

Management will always be essential, but as change has become the watchword of contemporary economic life, managers are increasingly being called upon to be leaders as well.



## Cost-containing strategies for your business

**Running a tight ship is an important part of keeping your business afloat amidst the economic tides of today's business world. Assessing your cost containment strategies now can help sail your business successfully into the future.**

### Analyze financial data to assure cash flow

Keep regular tabs on your books or your statements from your accountant. If you're unsure of something, never hesitate to ask questions.

### Make changes to improve cash flow

Consider making any regular payments early if a discount is offered for early payment. Implement check verification/guarantee services or a collection agency to reduce bounced check fees.

Whenever possible, get competing bids from suppliers and don't hesitate to negotiate. Review costs and see what can be reduced or eliminated.

### Track expenses

For long-term containment, consider tracking costs by work order or job cost. This lets you prepare an income and expense statement for each job rather than losing details in the overall picture. Audit major operating expenses regularly. Consider working with alternate service providers who may offer you a better deal.

## Analyze market opportunities—consumers

**The marketing process begins by identifying the market opportunities that will best help your business achieve its mission, given the products or services you have to offer.**

Through research and evaluation, you can gain an understanding of who your target customers are, and their buying behaviors. Armed with this information, you can then develop an appropriate strategy

for your business.

Here are some approaches you can use:

Review your company's internal sales and order information to reveal existing customers' buying patterns and characteristics.

Gather marketing intelligence—through reading newspapers and trade publications; talking with customers, suppliers, and

team members; checking Internet sources.

Perform market research—either by an internal research team or an outside firm through devices such as market surveys, product-preference tests, focus groups, and so forth.

Use secondary data sources—such as government publications, business information, and commercial data.



**Don't be afraid to take a big step. You can't cross a chasm in two small jumps.**

**David Lloyd George**

## Flight of the bumblebee

**There's a story Walt Disney recounted about being asked if he still drew Mickey Mouse.**

"I had to admit I do not draw anymore," he'd answered, "'Then you think up all the jokes and ideas?'. 'No', I said, 'I don't do that'. Finally, my questioner looked at me and said, 'Mr. Disney, just what do you do?' Well, sometimes I think of myself as a little bee. I go from

one area of the Studio to another and gather pollen and sort of stimulate everybody. I guess that's the job I do."

In a way, this 'flight of the bumblebee' is another way of looking at the concept of working ON your business, instead of IN it.

By continuing in this approach to your business, you're in a position to take the time to plan

for future growth, development and success.

The legacy (the bits of pollen, if you will) that Disney left behind was one of empowered people sharing a truly magic culture and passion for what they do. What sort of legacy do you see yourself leaving for your business?

## Capital budgeting makes purchasing decisions easier

**When it comes to money, your business, and your budget, being well organized and thorough pays off.**

Some purchases require extra care and investigation. If an item or project will last longer than a year, you'll probably want to spend some time analyzing the costs and determining the value. This activity is known as capital budgeting. Some businesses identify a certain dollar amount—depending on what makes sense for the business.

The amount can range from \$1,000, \$10,000, or any other amount that makes sense. Anything below that amount would be treated as a normal budget expense, but anything above it would deserve separate, careful study.

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As a small business, you'll need to pay particular attention to the numbers. Always do a thorough analysis of major expenditures or investments and consider the advice of an experienced advisor.

### ***Being well prepared pays off.***

If you're seeking financing, banks will require a fairly detailed analysis, so being well prepared pays off.

It's important to think of capital

budgeting as a tool for making calculated risks and not just jumping through hoops to appeal to a financial institution.

While it won't give you a guarantee of success, analyzing a major purchase gives you a sense of the future—it's less of a crystal ball and more of a map to guide your business by.

Examining the costs, benefits, and risks involved with a major purchase helps you determine what projects and ideas are not likely to realistically succeed. Then, you can concentrate on those with the least risk, combined with the greatest potential payoff for your business.



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