

Praise vs. Criticism—achieving balance

In today's competitive world, criticisms will nearly always outnumber praise and a shortage of time often leads managers and parents to give both at the same time—not an effective strategy for encouraging or discouraging behaviors: e.g. "You did a great job on the dishes but your bedroom's a real mess!"

Since there is no perception without contrast, praise is diminished without criticism and vice versa. We need a mixture of both.

Here are some tips on how to praise:

1. Give specific praise and avoid meaningless generalizations.
2. Always praise better than expected results or actions.
3. Use 'stand alone' praise

- and don't mix it with any criticism.
4. Praise as close in time to the person's action as possible. Waiting until long after the event has less impact.

There is no perception without contrast.

5. Be authentic. Don't praise simply because you think you should or only on special occasions.

...and how to criticize:

1. Criticize the action not the person. This is more dispassionate and less accusatory.

2. As when praising, give specifics—it's the examples and details that contains the 'learning'.
3. Offer suggestions on what the person can do to improve. These are the keys of constructive criticism.
4. Invite the other person to join you in thinking of ideas to improve.
5. Be assertive in your criticism in an honest straightforward way. Avoid half truths, gossip and bringing in other peoples names.
6. Most importantly, always criticize in private. Public criticism will humiliate the person and bystanders will often take sides - and it might not be yours!

Steps for identifying and prioritizing goals

Setting goals helps create a long-term vision for your business and gives you and your team the motivation to get you there. And it has the added benefit of helping you decide how you want to focus your resources and spend your time.

Here are some simple steps to help you and your team set meaningful goals:

- Once or twice a year, review your business's activities and your team's roles, looking for

possible high-value goals. Include relevant customers, and your team in the process.

- Identify criteria for prioritizing your goals, eg. Which goals will contribute the most to revenue growth?
- Using the criteria you've defined, review your list of goals rank them as A-, B-, or C-level priority. Add the ranking to the goal.
- Reassign your Priority B goals into Priority A or Priority C—

they're either worth your time or not. Those that are now on your Priority A list are your final goals.

- Review your Priority A goals separately and rank them according to importance.
- Goals on the Priority C list can be delegated, set aside for a later date, or discarded altogether.

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Stress level checklist

Change, even positive change, involves stress. Below is a checklist of just some of the things that can add—and compound—stress in your life.

Personal Changes

- Personal injury/illness/handicap
- Change in financial status
- Pregnancy (your or partner's)
- Ending a relationship
- Quitting smoking or other substance use
- Life changes (such as a significant birthday or milestone)
- Dieting
- Values conflict

Family Changes

- Partner changing jobs
- Family member(s) leaving home
- Illness/healing of a family member
- Marriage, birth or death in the family
- Separation/divorce
- Trouble with in-laws or other family members

Work Changes

Change in workload

- Team members starting or leaving
- Competitors entering or leaving the market
- Merger with or acquisition of another company

- Change in relationships at work

Environmental Changes

- Natural disaster (earthquake, fire, flood)
- Moving to a new climate
- Moving to new premises; or a new house
- Remodeling
- Crime in neighborhood

From this list, look at the ones that apply to you, adding other factors relevant to you. Add them up to give you a total picture of your current stress level and some of its sources. From here, you can select strategies that will help you manage your stress levels and keep them under control.

“If the other guy's getting better you'd better get better faster or you're getting worse.”

Tom Peters

Creating a volunteer mindset

Some people live to work. Others work to live. In most businesses you'll find people at both ends of this scale. Somewhere in between lie team members who are an ideal blend of being engaged, committed, enthusiastic and generous team contributors who are neither obsessive workaholics nor indifferent slugs. These people have what has been described as a 'volunteer mindset'. They're people who love to come to work.

When they get there they love to contribute positively to the workplace environment. They relish the opportunity to help their co-workers and they delight in celebrating the wins that the business experiences. They are loyal

to a tee and always unselfishly come up with ideas to better achieve the vision of the business.

Building a team of volunteers isn't about luck. It's about creating the circumstances that allow ordinary people to excel. These circumstances are:

- Vision—a clear vision gives people a sense of purpose and direction.
- Real jobs—that is, they understand how what they do contributes to the success of the business.
- Positive environment—with a focus on things that are going right, rather than on those that are going wrong.
- Trust and respect—without it,

it's impossible to maintain a positive environment.

- Innovation and continuous improvement—great ideas for improvement emerge from the collective wisdom of many people willing to make a real contribution
- Team culture—great ideas will go nowhere unless without a wholly committed team to implement them

Volunteers 'own' the results and will bust their gut to achieve the business's targets. And there are few things more rewarding in life than the pursuit of a challenging goal as part of a team and being able to say on its accomplishment: Yes. We did it!



It's not all about the money

It's wrong to think that the only thing your team members are interested in is salary. Salary is a given and even if you're paying way above market (which you need to do if you want to attract above-average people), it isn't sufficient on its own to attract and retain a quality team.

Things that people place very high on their needs list are: good co-workers, easy commute, challenging work, freedom to get on

with their job without being micro-managed, opportunity for learning and advancement, and flexible work hours.

In other words, your strategy should be to *build a fun place to work where good people understand where the business is going and the role they can and will play*. Your people need to be challenged and given ample opportunities to learn (and teach).

When you're hiring people,

spend time articulating the vision you have for your business, because that's what you're expecting them to invest their future in.

We also recommend that you involve your people in the hiring process—after all they are the ones who the new hire will be working with. In most cases your people have a much better perspective on attitude and potential ability in a new hire than you will.

“A woodpecker can beat its head against a tree 20 times a second for nearly an hour without stopping. But woodpeckers have a reason for doing it—business owners don't.”

Anon

5 questions about customer loyalty

The longer your customers stay with you, the more valuable they tend to become. But getting them to stay can be problematic—defection is more likely to occur just after the first purchase than at any other time. So how can you turn first-time buyers into repeat business? Here we address five common questions about customer loyalty.

1. Why do customers defect after their first purchase?

First-time customers are ‘triers’—they're looking for confirmation that they made the right buying decision. If their experience isn't what they expected or they have problems after the sale, they'll likely regret their decision and won't be back.

2. How can we cultivate cus-

tomers loyalty after their first purchase?

Track every step at which your business ‘touches’ your customers. When they experience every contact with you as seamless, they feel appreciated and reassured.

3. Do the different purchasing channels available offer opportunities to build customer loyalty?

Absolutely. Research has shown that the more channels you offer—eg. Toll-free numbers, websites, and stores—the more loyal your customers will be. Coordinating these channels also gives you the opportunity to monitor and evaluate your customers' experiences.

4. Does frequent follow-up contact with customers risk annoy-

ing them?

Definitely. Systematic follow-up is essential, but you need to make sure you're adding value each time you contact them. Your goal is to make them feel glad they took the time to speak with you or read your letter.

5. What do buyers value most about their relationship with a business?

Put simply, they value reliability—that you provide what you promise, and responsiveness—that you're willing to help them and provide prompt service. Keep in touch with their perceptions of responsiveness—and aim to exceed them.



Creating your business value proposition

When your business's value proposition is strong, you can afford to be more selective in the new customers you take on, and so concentrate your investment on the most profitable and potentially loyal prospects.

What is it?

Your Business Value Proposition, or BVP, is your business's expression of the benefit—perceived or real—to your customers of doing business with you.

Customers make decisions everyday about how to allocate their scarce dollars based upon what they feel benefits them, and they're often forced to make trade-offs. Whether you're dealing with individuals or businesses, their decisions are based on whether something meets their "perceived" needs.

Creating your BVP

There are three components to a BVP.

1. Obvious benefit

By focusing on the obvious benefit, you narrow in on what customers want. Describing your benefits clearly and succinctly makes it easy for potential cus-

tomers to pick your business out of the many alternatives.

2. Real Reason to Believe

Once you've told potential customers your obvious benefit, you still need to give them a very real reason to believe what you're saying. This comes down to credibility. The reason word of mouth is such a successful way

Successful businesses continually offer something that other competitors can't or won't.

to increase business, is that it's coming from someone who's neutral, which adds to your credibility.

3. Dramatic Difference

This is your ability to differentiate your product or service from the competition. If you're seen as being the same as your competitors, then you're just a "me-too" business. Me-too businesses provide a commodity and must compete chiefly on price.

And that leads to a downward spiral, until there are no profits to be had at all.

It's all about value

Successful businesses continually offer something that other competitors can't or won't. This lack of competition allows them to charge higher prices, and therefore maintain profitability.

The trick is that the "something" you are offering must be something that customers want. Moreover, it must be something they have the ability to pay for.

The equation then, is simple: businesses that know what their customers want and are willing to pay for will succeed, while those that don't will fail.

By creating products or services that meet the needs of your customers, and communicating the benefits to them through your Business Value Proposition, you're making it easier—and therefore more likely—for people to do business with you.

About our consulting services

We're not your average advisory firm. Far from it.

Our membership in the Principal Alliance means you have access to the collective knowledge and expertise of an international network made up of hundreds of professionals who specialize in consulting to small and medium-sized businesses, just like yours.

When you add to that our experience, support and guidance, you can be confident you'll have all the help you need to make your business truly extraordinary.

We can and will do so much more for you than just 'keep the score'.

Our goal is to help you build a

stronger, more profitable business, so you can enjoy greater financial freedom and a higher quality of life as a result.

Contact us today to discuss how we can help you build a business that delivers on its promise—to you, your team, and your customers.



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