



GROW YOUR BUSINESS

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Business Mid-Life Crisis? Revisit and recharge

The mid-life crisis - people have them - and businesses do too. Small businesses often suffer from a stagnant work environment, but employing simple strategies can force your business out of the rut.

In the beginning, it was all about passion. A key ingredient to the success of a small business start-up, that passion may find itself dwindling through the years. That fire-is it still burning? Ask yourself - are you still passionate about your business? If not, work backwards and try to rekindle that passion.

Revisit your original business plan. Are you accomplishing the long-term goals? Where do you see weaknesses? Develop an action plan to target those weaker areas.

Tweak your strategies and adapt where necessary. Ensure you keep your core values and company mission intact.

Map out your vision for the upcoming few years. Limit yourself to two or three-year periods to remain specific, streamlined, and most importantly, focused.

Remember that attitude and communication are important contributors to a healthy working environment. Invest time to improve employee morale and client relationships.

“Avoid the business mid-life crisis - revitalize by going back to the basics.”

The basic principles of aesthetics and visual communication may be longing for revitalization.

Consider your business' 'look' from logo to web-presence- how are you presenting your company to the outside world?

Re-establish your target markets- if your niches have evolved, evolve with them.

Going back to the basics means taking time to identify what is working- an honest assessment of what works will give you a more realistic outline when reviewing your vision.

Reach out to some of your oldest and most loyal clients. Try to find fresh, positive energy and motivation in relationships that have been part of your business since its fledgling days.

The foundations of a successful business are rooted in the basics. A refresher course in Business 101 may be just the thing you're struggling sales numbers need to bounce back.

The foundations are built from excellent products, sales, customer service and employee engagement. Strong financial performance is the ultimate result. We can help.



Bigger Is Not Always Better - The Pitfalls of Expanding Too Quickly

Success breeds success. And after some good results it is common for small businesses to rush into rapid expansion. While growth is a necessary goal, it must be planned with precision and meticulously managed.

At one time or another, every firm goes through a growth spurt and, whether it's a multi-national corporation or a small enterprise, expansion can be a tough process to navigate.

Cash flow, customer satisfaction and employee communication are typically the first areas to suffer, and in the most extreme situations can lead to failure for an otherwise flourishing business.

Keep an eye on the overheads. During a growth spurt it is easy to lose focus on ensuring that the overhead structure remains efficient.

Track your margins- while an increase in sales is desirable, it can also come with unanticipated costs.

Your net profit margin ((net profit ÷ sales) = % NPM) will confirm if your business is really growing or is just running faster to stay in place.

Taking on too much debt is a common mistake when a business is growing. While expansion does require investment and available capital can be in short supply, accessing external funds to meet the day to day costs of a business is almost certain to lead to disaster.

Consider alternative funding methods. Enquire with local and central government agencies that support small business.

Ensure you create realistic projections of incomes and outflows when borrowing. Consider a number of best case and worst case scenarios and apply weighted averages to arrive at a conservative estimate.

Remember that it is more profitable to sell to an existing client than it is to acquire a new one. Ensure there are strategies in place to retain these profitable clients.

Make your clients aware of your plans and keep them informed- they will appreciate the heads up and will be more likely to be supportive during the small changes.

Developing relationships with new clients will demand more time and support. Encourage and reward your employees for their additional efforts.

Hire temp workers or consider outsourcing to cover demands during the peak periods.

“Remember to focus on the long term.”

Businesses don't fail because they grow. They fail because they don't manage their growth.



Classifying Your Clients

Despite folklore that talks about the client always being right, the fact is that all clients are not created equal. Some clients are more profitable than others while others hold the potential to be profitable.

Take the time to examine your client base to identify those who provide most of your income as well as those who contribute much less.

Classify your clients into four categories: A, B, C and D clients.

An **A** client is among your best. They are loyal to your services, pay on time, and buy from you regularly.

They may buy or utilize a large range of your products or services, are pleasant, friendly and provide the promise of growth and referrals to your business.

These are the clients you should be continuously focusing on. Offer deluxe or luxury services to these customers to show appreciation and work toward nurturing profitable relationships.

B clients can be qualified as those who may be lacking in one or two of the above characteristics. Perhaps they do not always pay on time or their purchases are not as regular.

“Take the right action for each individual client, while increasing your profit.”

These clients have potential - the goal here is to convert B clients to A clients. Resources should be focusing on B clients to try and find ways to nurture them into your A group.

C clients spend less and display little potential. However, when compared to the efforts of attracting entirely new clients, C's still have a part to play.

This group can be very useful in uncovering weaknesses in your services and identifying areas of the business that can be improved.

The last group, the **D** group, is the 'headache group'. These clients never pay on time, are price/discount focused and are not worth the time and energy spent keeping them happy.

The **D** list should be a short list. Consider cutting the clients that do nothing but tax your efforts.

Different clients have different needs. Targeting and nurturing these individual needs can help you make the most of your diverse client list and increase your overall profits.



Hints to Better Manage Your CRM Systems

Customer-driven applications have been in existence for years. Successful businesses have always utilized the principles of which Customer Relationship Management (CRM) systems now formalize.

“CRM is about the inter-play of strategy, tactics, processes, skills and the technology that supports these areas.”

As CRM's become more available allowing smaller businesses to benefit from these powerful solutions, many potential problems are being widely overlooked.

Firstly the CRM application is an enabler, not a substitute for human relationship. Don't use CRM systems as a substitute for personal contact.

Use them instead to identify client needs and opportunities and ensure they are well catered for.

Remember that CRM technology enables your organization to apply sound relationship development techniques in a systemized manner.

Once the system is in place and training has been implemented, remember the following tips:

1. CRM data must have ownership - one responsible for capturing data from both internal and external sources.
2. CRM data must be 'cleaned' regularly, that is, keeping the data up to date.
3. CRM data needs to have a detailed process of complete data input.
4. CRM data requires rules that should be implemented in order to maintain consistency (common spelling, abbreviations, etc.)

Work to improve the quality of the data being entered. Use drop-down lists/tables, specify field types and use formatting rules wherever possible.

These rules will assist in maintaining the share space that is the CRM and promote uniformity in information.

PERFECTING YOUR PRESENTATIONS

Take some time to brush up on your presentation skills. Presentations can make or break you, especially in sales. Small businesses can flourish with strong, clear and attractive presentations. Run a workshop so team members can also reap the benefits. Explore new methods and revisit the basics of powerful presenting and see definitive differences across the board.