

Small Business Success

March 2011



Fresh ideas for your Small Business

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Small Business News:

Small-business program wins support - One of Industry Canada's key small business lending programs helped pump \$957-million into startups and other small and medium-sized



We hear a lot these days about authentic leadership but what is it really, and what does it have to do with your business? Leadership fads, movements and philosophies have changed over time, but the principles of authentic leadership appear to be causing a major shift in how leadership is demonstrated, from large corporations to small businesses.

Here are some current definitions for what authentic leadership is and what it looks like. The Centre for Authentic Leadership

enterprises last year. The program essentially encourages traditional lenders such as banks and credit unions to make loans to small businesses, by providing a government guarantee to cover 85 per cent of their losses if there is a default.

[Click here to read more.](#)

No easy answers on premium

credit card fees - Small business owners are challenged by the high fees they must pay when customers use premium credit cards. Back in December, partly in response to the complaints from the business community, Competition Commissioner Melanie Aitken launched a legal action against credit card giants Visa and MasterCard because she thought those companies were being anti-competitive in their business practices. Aitken recommended that credit card companies be mandated to stop forcing retailers to pay high acceptance fees on the premium cards and that retailers be allowed to charge an extra fee to customers who pay with a premium card.

[To read perspectives on both sides of this issue, click here.](#)

Small business optimism holds

on - Are you feeling optimistic about the future of your small business? According to the Canadian Federation of Independent Business, small and mid-sized business owners appear confident as they take the future into their own hands, improving efficiencies as opposed to relying solely on consumers for growth. The improvement in optimism that unfolded late last year appears to be carrying over into 2011, the CFIB said.

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(<http://www.authenticleadership.com/>) suggests that the measure of a man or woman is more than the sum of their words or deeds. It is the impact of who they are being as they speak and act that leaves the greatest imprint on others. Another definition of an authentic leader is a person who chooses to live a life of integrity - honest in relationship with others but most importantly, honest and true to themselves (<http://www.ahigherself.com/>). Authors David Irvine and Jim Reger, in their book, *The Authentic Leader (It's About Presence, Not Position)*, say this: "Authentic leadership begins with an authentic journey. The journey is a path to finding your voice, discovering your highest aspirations and purpose, to living an honest life and to bringing your passions and gifts to the world in the form of service to others." An authentic leader, by following their true path and thus living an authentic life, naturally inspires and guides others on their own authentic journey.

These definitions sum up the aspects of authentic leadership. They involve, primarily, being true and honest to oneself and others, living with integrity (consistency in word and deed), inspiring and serving others, and being connected with and true to your own life purpose. So what does this have to do with your business? Authenticity is becoming a major factor in the decision-making of consumers. The 'Experience Economy' arises from the needs of a community where people talk to one another about their experiences, and as a result there is increased demand for the authentic experience. Our ability to share our experiences immediately and on a grand scale through the recent revolution of social networking activity has changed business in a multitude of ways.

In their groundbreaking book, [Authenticity: What Consumers Really Want](#), James H. Gilmore and B. Joseph Pine II say this: "In our increasingly experience-driven world, consumers crave what's authentic. It's a paradox of today's Experience Economy: the more contrived the world seems, the more we all demand what's real. As reality is qualified, altered, and commercialized, consumers respond to what is engaging, personal, memorable - and above all, authentic. If customers don't view your offerings as real, you'll be branded inauthentic - fake! - and risk losing sales."

Gilmore and Pine refer to authenticity as "the new business imperative." In other words, if you want to be successful, authenticity is mandatory! Now that the Experience Economy has supplanted the Service Economy, businesses must be aware that consumers are making decisions based on different criteria than they did even a few years ago. This shift has required businesses to develop a fundamental new competency.

Previously, consumers made decisions on 3 primary factors - availability (a reliable supply), cost (an affordable price), and quality (product performance). This new Experience Economy requires the addition of a fourth factor - authenticity (conforming to self image). In other words, the question consumers are asking is how does this product or service conform to or fit with my own sense of what matters to me; what defines me? "What they (consumers) buy must reflect who they are and who they aspire to be in relation to how they perceive the world - with lightning-quick judgments of "real" or "fake" hanging in the balance." say Gilmore and Pine.

Authenticity in business is becoming a differentiating factor. Those who can provide authentic experiences for their customers are winning out over those who are competing on the old model of supply, cost and

Sask., NFL to top growth among provinces - Saskatchewan and Newfoundland and Labrador will be the fastest growing provincial economies in 2011, helped by booming commodity prices, according to a report by the Conference Board of Canada. Elsewhere across the country, government efforts to reduce debt levels will restrain government spending and drag on growth. Does this surprise you?

[Click here to find out why.](#)

Canadian family business faring better than global peers - Tahir Ayub, Canadian leader of PwC's Private Company Services, says "Family businesses are good at focusing on long-term relationships-with employees customers, suppliers and service providers such as banks-and those relationships carry them through the tough times." The fact that Canadian family businesses fared better during the downtown than their global counterparts, with two-thirds expecting to expand over the coming year, is good economic news.

[Click here to read more.](#)

quality. Gilmore and Pine refer to authenticity in business as a discipline - something you must learn and commit to.

If you want your business to succeed in this new economy, do some research on this new consumer demand. Be willing to consider how you can demonstrate authenticity as a leader in your company, but also provide authentic experiences for your customers. This trend is just beginning to flower, and is likely to impact customers for a long time to come. Be aware of what this means for your business, in your industry, and you'll stand out among your competitors and gain a loyal customer following.

Be Thankful for Complaining Customers



Recently, a friend (I'll call her Mandy) told me about a terrible customer service experience she had. She had hired movers to come and assist with moving her elderly and ill father from a two to a one-bedroom apartment in the same building. When she initially called, she asked if they would like to come to the apartment in order to do an estimate, but the company told her they could do it over the phone. They provided her with an estimate, and she booked the date. She took the day off work to assist her dad with the move and arrived at 10am.

The movers did not show up until 2pm, with no courtesy call to let her know they'd be late. The attitude of the guys doing the move was less than exemplary. They complained about everything they were asked to do,



made fun of her father's belongings, did not use caution with the delicate items, and treated her rudely. At one point, Mandy called the moving company to complain about the behaviour of their employees in her father's home. The company said they'd take care of it, and ten minutes later one of the movers confronted her and asked her why she'd complained to his boss about him - saying that he'd been "just kidding around" with his earlier comments and that she'd gotten him in trouble. Mandy was mortified that the company would mishandle the situation so badly and put her in an awkward place, but time was ticking on and the move had to be completed that day.

At 6pm, the movers told her she had only paid for 4 hours and that there were only a few things left in the apartment. She hastily paid them, but when she went back she discovered 30 more boxes in the apartment and hallway. In a panic, she contacted some friends and they worked until 11pm that night to get the move finished.

Mandy called the company the next day to talk to the manager. She expressed her dissatisfaction about the service they had provided and that she wanted some of her money back. After all, they did not complete the move, put her in a stressful situation, and the service they provided was terrible. To her concerns, the manager replied, "They're movers, they don't have masters degrees in customer service." He advised her that she got more than what she paid for and refused to refund her any money. He did not even offer an apology for all the stress she had to go through in finishing the move herself and defended the behaviour of his employees.

I was appalled when I heard this story and couldn't believe any company claiming to be reputable could treat their customers this way. Mandy lamented that she shouldn't have bothered phoning because she didn't get any satisfaction and the lack of results just made her more angry and upset.

Guy Winch, Ph.D., psychologist and author of *The Squeaky Wheel* identifies 3 fears customers have that result in them not expressing their dissatisfaction to a company from whom they've purchased something. They are:

- the fear that complaining will be too much of a hassle
- the fear that complaining will not help and they are unlikely to get a satisfying resolution
- the fear that the company does not care and the Customer Service Representative or Manager might even retaliate by sabotaging them

"These three fears operate so powerfully they create 'complaining learned helplessness' - a psychological mindset in which dissatisfied customers feel so passive and hopeless about getting a satisfying resolution they never try complaining to the company." says Winch. Mandy experienced that reality, and the more times someone experiences results like this, the less likely they are to complain.

Why is it so important that your customers DO complain when they are unsatisfied? Because their complaints are your opportunity to make things right and keep them as customers. It's the ones who don't complain you have to worry about. They will quietly slip away, tell a dozen or two of their friends about their experience, and never come back. Had this moving company apologized for the behaviour of its employees rather than justifying it, had they offered even a token of compensation, Mandy's attitude toward the company would have been different. It wouldn't have changed her experience, but it may have made her willing to try them again.

It should be your business to make it as easy as possible for customers to complain. In fact, if you foster a culture in which customers are heard and problems are quickly and consistently resolved, you'll likely find you have less complaints! Be the kind of company that listens; even more, the one that CARES about your customers' experience and wants to make it right. You'll build customer confidence and you'll always know where you stand with them. You'll rarely have customers who leave you for a competitor because they were dissatisfied, and will almost always have the opportunity to go above and beyond to make it right.

It may seem backward to WANT customers to complain, but in fact it's a strategy that can help you build trust, stronger relationships and customer loyalty. Encourage complaints, resolve them quickly, and you'll have fewer complaints and happier customers.

Looking for Work? Looking for Sales?



As a career assessment coach, I'm in the business of teaching people how to more effectively look for work. As a small business coach, I'm in the business of teaching entrepreneurs how to look for sales. I had always thought these two aspects of my business were very different, but recently I was struck by the parallels between them. Looking for a job and trying to generate sales for your small business are really quite similar. The context may be different, but the activities are the same. People in career transition want to make themselves attractive to potential employers. Entrepreneurs want to make themselves attractive to potential customers. The job seeker is selling him or herself

and their skills and experience; the entrepreneur is selling his or her product or service. A small business owner can apply the same principles to generating sales for their business. Here are the steps a job seeker takes in finding a new job, and the steps a small business could take in finding new sales.

Step 1 - Update your business resume (your marketing tools)

Job seekers these days are taught to keep their resumes crisp, clear, professional and current. When you are trying to generate new sales, you need to ensure that your marketing tools are also up-to-date and reflect your products or services accurately. This means your print materials are not outdated, that your website is accurate and current and, that your advertising is targeted. Nothing says "shoddy" like marketing that is out of date or inaccurate.

Step 2 - Network like crazy (tell everyone what you're up to)

I coach job seekers to use every event as an opportunity to network. When you are trying to generate new sales, it's as important as ever to make sure you are using your networks effectively. Attending networking meetings and events, talking to existing customers about your offerings, getting together with other business owners to generate new leads, working with complementary businesses to generate reciprocal referrals - these are all vital activities for generating new leads and more sales.

Step 3 - Customize your search (know what your customers want)

Every job seeker is looking for a perfect match between their skills and experience, and the employer's needs - someplace they will "fit". Understanding what your customers want and creating a "fit" between their needs and your offerings is really at the core of the sales process. If you don't know what's important to your customers, how can you possibly create a match with your product? Engage in market research often so you can keep your finger on the pulse of your customers' needs, wants and expectations.

Step 4 - Target your search (qualify your prospects)

Targeting your job search means you are only applying where you know there will be a good fit between you and the employer. In sales, qualifying your prospects saves you hours of time that could be wasted trying to sell to people who will never buy. Know who your customer is, and don't waste your time on people who are not a good fit for your business. Not everyone is your customer, so spend your time finding the people who are.

Step 5 - Prepare for the interview (review your sales presentation)

Being prepared to answer all kinds of interview questions is an important part of the job search process. So is being able to confidently talk about yourself and your skills. Don't get lazy. Make sure your sales presentation is current, interesting, error free, and engaging. Your capacity to clearly talk about your business offerings creates consumer confidence, and that leads to sales. Practice, review, and be ready!

Step 6 - Follow up (make an impression)

Regardless of whether a job seeker gets the job, I advise them to follow up with a note of thanks for the interview or the opportunity. When you don't get the sale, do the same thing. Send a note thanking the

prospect for spending time with you, and let them know you'd love to hear from them if anything changes. When you do get the sale, show the client your appreciation for choosing your business. Either way, you make an impression that could lead to more sales down the road.

Think about your sales process as you would approach looking for a job. In a way you ARE looking for work with your business. A job seeker is looking for an employer who will pay him for his skills and expertise. You are looking for a customer who will do the same.

5 Rules of Management



In Richard Templar's book, [The Rules of Management](#), he offers 100 rules for effective management. This little book is more than worth its price as the advice is based on common sense and solid business principles, and is practical and doable for anyone in management. Some of the principles are about managing others, some of them are about managing yourself; all are great for small business owners as they consider how to effectively manage their businesses. In this article you'll find five of Templar's Rules.



Know what you are supposed to be doing, and what you are actually doing.

Running a small business requires activity. Lots of activity. But the activity isn't always moving you toward your goal, even though it may keep you busy. What is your end goal? A specific income level? A measure of business growth? Time for your family? Money to travel or to create a retirement nest egg? Be clear about where you want to go, and ensure that the things you're doing will get you there. Take stock of all the "activity" that goes on in your business, and measure it against your goals. If they are moving you forward, keep going. If they have little or nothing to do with your goal, stop doing them. Sometimes simply becoming aware of what you are actually doing as opposed to what you are supposed to be doing, helps you to prioritize and reorganize your tasks to make them congruent with your ultimate goals.

Be ready to unlearn. What works will change, and so must you.

Anyone who's been in business for any length of time will have experienced this. You do things a certain way and everything's working out fine, so you keep doing it. Until one day, for no reason that makes sense to you, it doesn't work anymore. Trying harder to do those same things will only result in frustration. Things change. People change. The economy changes. Your competitors change. Your industry changes. Sometimes success is in your capacity to unlearn what you've done successfully, and to find a new thing that works. "Don't get stuck in any ruts. Be ready to spin on a coin if you have to." says Templar. "Good management is about adapting to change rapidly and skillfully. If you don't, you'll go the way of the dinosaurs." Be alert to what's working in your business, and be ready and willing to quickly make changes when what used to work, no longer does.

See the forest AND the trees.

Some people are really good at seeing the big picture. Some people are great at details. Business owners must be good at both. It's imperative that you have a strong vision of your business from 10,000 feet up. You know what it's supposed to look like, and where it's headed. You also need to know how to make it happen, and that's in the details. It's in the choices you make every day, the people you hire, the directions you take, what you are willing and not willing to do. Seeing the big picture of your business is important, but you can't stay up in the air and be effective on the ground. You also can't put your head down and work the details without knowing what the big picture looks like. Develop your capacity to see the forest in its entirety, and get good at working among the trees as well.

Adopt minimalism as a management style.

According to Templar, minimalist management is about getting more by doing less. He is talking about simplicity, not laziness. Management should be simple and have great clarity. "Minimalism means not issuing lengthy reports, or sending out memos every 20 minutes. It means keeping the rules to a minimum and letting people get on with their jobs. It means mission statements that make sense and are clear and easy to understand." says Templar. If it takes you 10 steps to do something you should be able to do in two, or if you're spending more time explaining complicated processes than getting the work done, you're wasting valuable time. Minimalistic management means simplifying everything in your business so that it can be clearly understood by everyone, from your staff to your customers, and can be executed with clarity and simplicity.

Keep learning, especially from your competitors.

"Nothing teaches us better than a better competitor." says Templar. Are you the type of business that gets angry when a competitor steals a customer? Or do you ask yourself what that competitor did to make that customer willing to walk away from you? Templar suggests spending time each week examining what your competitors are doing. How are they being effective in the marketplace? How are they doing things better than you? How can you change what you're doing to earn a greater share of the marketplace? Competition grows the market, and if you don't embrace it and learn from it, you'll be left in the dust.

Apply these five "rules" and you'll see a difference in your business success. Do yourself a favour and pick up this international best seller to see how the other 95 rules can impact the way you manage your business!

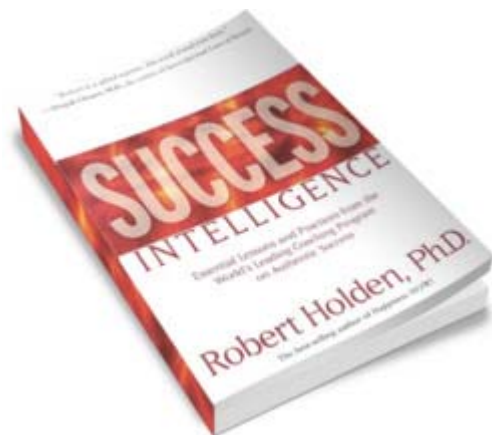
SBS Book Reviews



From time to time we run across business books that we think are worth the read. This month we'd like to share with you reviews on two books you may want to consider adding to your personal development list. Both are well written and provide thought-provoking, action-oriented content. One is a deeply personal journey that will challenge your ideas about success and what it means for you, the other is an outward journey that challenges the way you do business in a new business era. In an age where almost everything is digital, including books, we think it's still nice to wrap your hands around something concrete, turn the pages, make notes, and enjoy the "feel" of a good read. We hope you agree.

Success Intelligence by Robert Holden

I picked up this book and read the back cover, as I often do, to get a flavour of what the book was about. Here's what it said: "Success Intelligence examines how to enjoy real, soulful success while living in a manic, busy and hyped-up world." That was appealing. After all, manic and busy sure describe how my life feels a lot of the time, and who doesn't want to enjoy more success? A take-off from the concept of emotional intelligence, this book approaches success from the perspective that success doesn't just happen, and that what looks like success from the outside, is often not real success for you. You have to pursue success intelligently and purposefully so that your outer success matches your inner definition of success.



Key themes include:

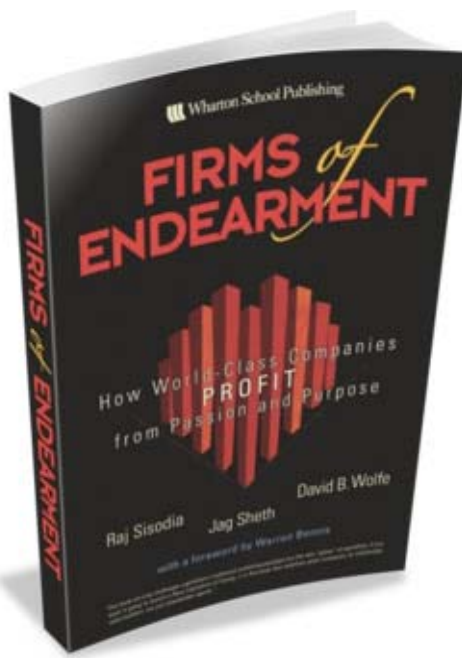
- **Authentic success** - creating a vision for your life, work and relationships that doesn't get lost in a hurry.
- **The REAL more** - identifying what the real you really wants, and discovering the real purpose for your life.
- **Your success contract** - freeing your mind, liberating your talent, and attracting more effortless success.

- **Unblocking yourself** - conducting a "busyness" audit, giving up "destination addiction", releasing dysfunctional independence and overcoming your fear of success.
- **Following your joy** - learning why happiness is the key to greater inspiration, creativity and meaningful success.

Holden addresses the issue of our pre-determined definitions of success and challenges the reader to actually think about what success means to them, personally. Success looks different to each individual, each business owner, and knowing what it looks like for you can make all the difference in how you try to achieve that success. Filled with concrete exercises at the end of each chapter that challenge you to look beyond your existing notions about success, you'll discover some interesting answers that may actually revolutionize the way you do business, and get you walking on a path to personal and business success you never even knew existed.

Firms of Endearment: How World-Class Companies Profit from Passion and Purpose

by Raj Sisodia, Jag Sheth and David B. Wolfe



Ten years ago, Jim Collins published his groundbreaking book, *Good to Great*, in which he aimed to describe how companies transition from being average companies to great companies and how companies can fail to make the transition. Collins' book has had a prominent place on business bookshelves for a decade and changed the way people looked at business. *Firms of Endearment* has been hailed as "the new 'Good to Great'". Philip Kotler, Professor of International Marketing at Northwestern University says, "If any book is going to launch a New Capitalism of Caring, it is this book that redefines great companies as stakeholder value builders, not just shareholder agents."

Firms of Endearment gets to the core of what creates greatness in a company - and that is becoming value creators, and generating every form of value that matters: emotional, experiential, social and financial. This new perspective, claim the authors, is the only path to long-term competitive advantage. *Firms of Endearment* are companies who love doing business. They are companies other businesses love doing business with, and they are companies people love to work for and invest in.

Content includes how to create value for employees, customers, investors, partners, society, and culture. The first chapter is titled "It's Not Share of Wallet Anymore; It's Share of Heart", and that phrase captures the essence of the book.

Sisoda, Sheth and Wolfe challenge the way people have thought about business for decades, and encourage companies of all sizes to consider changing the way they conceptualize business and deliver products and services and embrace what is working so well for some of the greatest companies in the world.

Packed with stories, examples, and so many idea shifts you may want to read it slowly, a chunk at a time, in order to really absorb it. It's well worth your time.

Call your local bookstore today and pick up one of these books. Sit down with a cup of coffee and dig in. Your personal and business development is important, so make it a priority.

Sagehill Community Futures Development Corporation

PO Box 10, Bruno, SK, S0K 0S0

TollFree: 1-888-732-8999 | Phone: 306-369-2610 | Fax: 306-369-4142

sagehill@sasktel.net | <http://www.sagehill.ca/>

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