

This month we have decided to include some useful articles by business colleagues for you to consider their observations and experiences. You will also find out the valuable lessons that penguins can teach us about business !

The Business of Family

When it works well, the family in business together can be a powerful force - consider the worldwide success of the Packer and Murdoch dynasties for example. But thinking about some of the family relationships you know, you might wonder why members of the same family would ever want to work together...

And of course they don't have to any more.... As occupational psychologist Lesley Morris explains, "Traditionally, parents expected to pass the business on to their children - and the kids expected, or felt obliged, to join." But today, with improved transportation, communications and technology, the 24-hour global village, and moves away from manufacturing towards a service economy, our youngsters have an unprecedented range of career choices - and the family business may not hold any appeal.

While conflict within families and in business is hardly a revelation, the interface between family and individual expectations and well-being is not that well understood. Morris advises ensuring that children get a wider understanding of the business world before settling into a family company. "Let them achieve something first in a business where their name means nothing" she says.



When family members do work in the same company, the greatest danger often comes from partners "who get more than they give". Being born into the family shouldn't create automatic entry into the business. If a family member applies for a position, acceptance should depend on education, experience and qualifications - in other words, being the best candidate.

Should you work with anyone from your family?

Answer the following questions honestly to help you decide:

- Is your child / relative truly qualified for this job - and if other managers interviewed them, would they agree?
- Is working with your child /relative an opportunity or an obligation?
- Are you capable of working with your child / relative as an adult and employee, considering and valuing their opinions equally?
- Are you flexible enough to work with a relative in your management team? Power struggles are a major cause of failure in family business...
- Is it the right thing for you, the business overall and the other employees?

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If Penguins Can March - So Can We!



I just finished watching the amazing documentary "March of the Penguins" and could not help but think how incredible the animal world is. Even without an MBA or any other type of formal training, animals (in this case penguins) have somehow captured what many business owners fail to grasp, even after years of education and experience.

Over the years, these penguins have managed to evolve (read: continuous improvement) and adapt to the most brutal of all climates. Every year they leave the comfort of their home and march over 70 miles, overcoming enormous obstacles to gather in a place where every penguin for thousands of years has been born. According to the documentary, they endure temperatures of over 58 degrees below zero and winds in excess of 100 miles per hour. They do this while procreating their species in a manner that can only be appreciated by watching the movie.

We as business owners should observe these creatures and learn at least 2 valuable lessons from them. The first is the requirement to be continually improving our processes, and the second is to follow the processes with absolute precision.

Too many times, business owners run their company by "winging it." Though they may be successful for a period of time, the odds are overwhelming that eventually they will make a fatal mistake and all will be lost. Taking our cue from the animal world should be a lesson in humility for us. The animals probably don't understand why they do what they do; they just know that it works.

Entrepreneurs don't need to understand why developing processes and following them work, they just need to do it. Nature didn't happen by "winging it", but rather methodically through continuous improvement and doing what works, every time. If penguins can march - so can we.

To Your Success,
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Talk is Cheap

It has been my experience that most companies do not go far enough when it comes to communicating with their customers. Communicating effectively with your clients can be one of the most significant customer satisfiers in your arsenal.

I was working with a company that provided shipping services. The customer would call this business to pick up a package and process it via UPS or FedEx. As part of their process, they would record the incoming call from the client, schedule a pickup, leave the client a receipt for the pickup, and take the package back for processing. The next morning, all of the tracking codes for the packages that were shipped the previous day were emailed to the appropriate sender.

Over time the business began losing customers. As it turns out, the customers were contacting UPS and FedEx themselves, bypassing the business and paying more to ship their package. Upon investigating why the customers were defecting, the company was told that by contacting the carriers directly, they felt more at ease that the package was on its way because the carriers would give them the tracking number immediately.

The business made a simple change in its process and restored most of their customers. Instead of waiting until the next day to send the tracking numbers, they began sending them immediately after processing the package. In addition to this communication, they implemented another step that let the client know as soon as the package had arrived at the processing location following the pickup. By implementing these two simple communications they were able to eliminate the uncertainty their customers were experiencing.

Never underestimate the power of communication. It's an easy way to turn satisfied customers into loyal customers. Talk is cheap and a great way to gain customer confidence.

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Strategic What?

Business owners must not forget the BIG PICTURE. It is too easy to get bogged down in the day to day muck and bullets, whilst your business gets left behind.

STRATEGIC PLANNING done properly can give you that edge to grow your business, without it, your business dies. Just doing what you have always done is not an option in today's world.

What is it? Strategic Planning addresses the whole business, it is the big picture. Business Planning relates to the tactics for achieving your strategic aims.

- Whatever organisation you represent, if you want it to grow and prosper you need a plan, a strategic plan that has the support of the shareholders and staff.
- That is a key point for success, engagement and ownership from key staff.

How do you produce a successful strategic plan?

- We have learnt that your organisation's long term prosperity depends upon identifying the half dozen key issues, or "strategic elephants" that can make or break it in future years.
- That is a key fact, only six issues to focus on.
- Remember, if you get the big things right, the rest falls into place. Get them wrong, and the detail is irrelevant.
- You need a methodology that guides your chief executive and his strategic planning team through the jungle of data in search of these strategic elephants.
- To identify these key issues you need to view the sales history and contribution of each of your key products or services, project forward optimistic and pessimistic forecasts for the next 5 years, set minimum and acceptable targets, and analyse the gaps.
- If your forecasts fall short of your targets, you have a problem, you will miss your targets. When do the gaps become unsustainable? Next Year or in 5 years? This affects which strategies you choose.

- You can then do a SWOT analysis for the business. That is Strengths, Weaknesses, Opportunities, and Threats. If your Strengths outweigh your Weaknesses and Threats, you can afford some calculated risk strategies. If your position is threatened, you must pursue cautious or protective strategies. This is known as your "Strategic Flavour", and emanates from this analysis of risks and gaps.
- The top 6 issues then become clear, and team then needs to develop a set of strategies and action plans to deal with them, effectively.
- The planning method needs to be simple, easy to introduce, inclusive of all key staff, it must be practical and it must work.
- The Planning Team comprises your senior executives, chaired by the CEO, but also engages key employees at certain stages. Many clients accept the suggestion that an experienced outsider can greatly contribute to the efficacy of every strategic planning team who act as 'facilitators' to the process, and guide you through it.

Why do most organisations fail to produce a strategic plan that delivers growth and prosperity?

- They pass the buck by engaging strategic planning consultants to deliver the plan resulting in lack of ownership, therefore no "buy in"
- They don't engage key staff in the planning process, your most important resource
- They get bogged down in too much detail (wood from the trees syndrome)
- The plan sits on the shelf; it is not a working document, no engagement in delivery
- Their performance measures are not linked to the strategies, so it doesn't happen
- They don't know how to start!

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More useful information, advice and tips coming up next month