

Have you ever thought about...

... Cutting perks?

DON'T CUT PERKS; share their cost.

Suppose your company needs to trim the costs of employee perks, yet you don't want to further demoralize valuable staffers already confronted with a shrinking list of options.

If you're in this predicament, one alternative is to ask employees to contribute toward the perks they use.

Check out two tactics you may be able to apply:

• **Limited-enrolment educational programmes.** Let's say that you've had to cut back on large-scale training programmes.

However, you've heard from small groups of employees in highly-specialised positions that they want to improve in certain areas of their work. Consider asking these groups to contribute a small amount to help subsidise these optional educational programmes. The organisation will save money while still benefiting from raising your workers' skill level and from showing flexibility in meeting their requests.

• **Recreational clubs.** Another approach is to sponsor, but not entirely subsidise, a network of recreational and personal development clubs, such as skiing, investing, or career advancement clubs, with employees contributing towards maintaining the clubs they belong to. Your organisation can both hold down its costs and encourage employees to feel more of a stake in the programmes provided.

• **Think ahead about implementing cost-sharing.** If your organisation hasn't tried cost-sharing before, note that advance communication and employee involvement are crucial. Before requiring contributions, your company needs to explain the need for doing so.

Then, solicit employees' ideas for implementing the programme.

Involving employees not only builds support for the programme, but it can also be a great source of innovative ideas, which are exactly what you need to cut costs fairly and effectively. ■

SOURCENOTE: manageBetter daily insights

Brain storming

PERSUADE EMPLOYEES to take notes at the next business presentation they attend.

How? Use this pitch from sales guru Og Mandino:

People forget about 90% of what they hear 10 minutes after they hear it — unless they write it down.

BUSINESS

ALERT!

Hands-on help that works

Vol 10 No 4

Interim executives

Interim executives achieve goals 20 times faster

Board level interim executives achieve crucial goals on average twenty times faster than permanent company directors and senior managers.

THAT IS ONE of the key findings from research carried out by management transition consultancy Corporate Insights Limited.

Corporate Insights received questionnaire responses from 650 interim managers and executives and conducted extensive one-to-one interviews with 20 of them.

"For most permanent appointments, senior or board level executives have the first 100 days to manage their transition and prepare for action — typically, interim managers and executives do it in five days," said Anton Fishman, of Corporate Insights Limited.

"An interim executive — who has joined a business at perhaps as little as a week's notice — will learn 90% of what he needs to know in his first day in the job. By the end of the first week that interim would have learned 99% of what he or she needs to know.

"They possess an innate ability to employ forensic discovery. They will not make assumptions. They will establish credibility, they will kill rumours about why they are in a business, they will build relationships and engage key staff — all in the first few hours of their assignment.

"By day two they will be deep into the process of diagnosing the issues a business may have, identify the root causes and scope the issues. By mid-week they will be clarifying the way ahead, will be seen to be making a difference and will be identifying and delivering quick wins.

"And by the end of their first week they will more than likely be re-writing their own brief and going through 'the flip' from analysis to action.

"Interim executives do not see themselves as being special or different in operating in this way, they simply cut through, focus and make things happen."

But what enables them to hit so hard and fast?

Nick Robeson, Chief Executive of Boyden, said: "A lot of business people simply cannot absorb the new. Interims can. They go out and learn fast, they arrive at their assignments massively well-researched in the market, the audience, the competition, the influences, the product or service — and that business and its people as well.

"They learn with alacrity and they get to the heart of the matter rapidly, with no guesswork.

They remain independent from politicking whilst being acutely politically aware — they have the skills, but don't use them.

"They have intense toughness and resilience, but great authenticity and self-awareness — being themselves and not playing a part is a crucial marker for observers and participants in their assignment.

"But the most striking trait is the sheer pace at which they get things done.

"Businesses hire interims because they have — for any of a number of reasons — simply run out of time and need a rapid rate of change to address a challenge, a problem or an opportunity."

Of more than 620 respondents to a question relating to how crucial to the success of an assignment were an interim's actions on his or first day, 582 (93.12%) said those actions were vital, very important or must be well done; 99.2% said getting the first week right was vital, very important or needed to be well done.

However, 70.68% of respondents said that clarifying or re-contracting their brief from the business to which they had been assigned was vital or very important to the overall success of the assignment.



Concluded on page 2

Attitude — If I were really important...

IN ONE OF HER DARE TO CONNECT workshops, trainer Susan Jeffers gave her students this assignment: participate full out in your jobs for an entire week.

She asked them to act as if all their actions really made a difference to the people around them.

They were to ask themselves all week: "If I were really important here, what would I be doing?"

Peggy resisted the assignment. She hated her job in a public relations firm and was just biding her time until she found a new one.

But she agreed to try it.

To everyone's amazement, Peggy walked into the seminar the next week with a revived energy level!

She told the group she started by putting a sign on her desk that read, "if I were really important here, what would I be doing?"

Every time she fell back into her old patterns of boredom and complaining, that sign reminded her of what she was supposed to be doing.

She started by brightening up her office with some plants and posters.

She paid attention to her co-workers. If someone seemed down, she asked if she could help.

If she went out for coffee, she asked everyone if she could bring anything back.

She complimented people.

She invited two people out to lunch.

She made a to-do list every day and worked hard to accomplish everything on her list.

"What a difference a simple question made in one short week," Jeffers says. "It made Peggy feel connected to everyone and everything around her." ■

SOURCENOTE: Jack Canfield, CHICKEN SOUP FOR THE SOUL AT WORK: 101 STORIES OF COURAGE, COMPASSION AND CREATIVITY IN THE WORKPLACE

Always treat today as if there is no tomorrow.



Ian McFarlane-Toms

The way I see it...

Thinks like an owner!

A WHILE BACK I was having lunch with a friend and we noted the extraordinary service our waiter was giving us.

He was attentive, friendly and available when we needed something. As we commented on it, George blurted out, "He thinks like an owner!"

In contrast, I recently played golf with a man who complained that he wasn't being "paid what I'm worth." He noted that he hadn't had a raise in a "long time," and that inflation made it "impossible to keep up."

I tried to be tactful, but pointed out that in the long run the only way to increase his income was to increase the value of his contribution.

Obviously, he may work for a lousy employer but, that issue aside, to grow your business or raise your prices, you must increase your perceived value in the market place.

Sometimes you can do that by education. Your customers may not know or understand

the benefits they are receiving from you. But more often, to increase your value you'll have to change either your product or the way you deliver it. That's where "thinking like an owner" comes into play.

As the owner of your personal company, what should you be doing more (or less) of? How can you improve the quality or quantity of your service? Almost certainly, someone, somewhere, is making more than you are for doing essentially the same job.

What, precisely, do they do differently? Do they call on more people? Do they provide some "extra" or bonus that customers appreciate?

When you think like an owner and are committed to providing slightly better service in every transaction, you'll make more sales and earn more money. Trust me, the waiter who served us lunch got a MUCH better tip than the average server.

Give yourself a raise by doing one thing better this week. ■

Compensation

Visible rewards are more effective

For your reward system to motivate employees, it must be visible, maintains GE executive Steven Kerr.

BUT, HE ADDS, "of all principles of effective reward, visibility is the one most often violated."

Visibility is negligible if only recipients know about the rewards they receive. If you add £1,000 to someone's pay and nobody else knows about it, the number of people you have motivated is somewhere between 0 and 1 —not an effective use of company money, Kerr points out.

Occasionally, even recipients are in the dark about their rewards. For example, some organisations' descriptions of their benefits package are couched in such actuarial double talk that most employees have little appreciation of their value.

On the other hand, the impact of rewards is multiplied when they are visible to people beyond the recipient. Yet, very few firms, other

than those organisations legally required to do so, make their financial rewards public.

This makes little sense. In firms where salaries are not disclosed, employees surveyed about how they're faring relative to fellow workers "invariably claim to be worse off than they really are," reports Kerr. In the absence of valid data, rumours circulate about inequities that don't really exist.

Yet opposition to publishing financial rewards is deepset. Until that taboo lifts, companies should certainly publicise non-financial rewards, such as appreciation for co-operating across organisational boundaries, the opportunity to attend a professional conference, or inviting a team to present an idea to the division staff or CEO.

SOURCENOTE: Steven Kerr, ULTIMATE REWARDS: WHAT REALLY MOTIVATES PEOPLE TO ACHIEVE

INTERIM EXECUTIVES ACHIEVE GOALS 20 TIMES FASTER — Concluded from page 1

Anton Fishman said: "We conducted this research after noting the wide variation in the speed at which senior managers and directors change or progress when presented with new challenges, new roles or new opportunities.

"What was deeply noteworthy was their ability to analyse and then mentally flip into action mode. Those are two very different

mental states, with very few business people having the ability to operate in both ways.

"Interim executives are much misinterpreted as a business and management talent — but there are many businesses and organisations who are dragging their heels through their decision-making: an interim could make a difference to their business in the time it takes that business' management to come to the conclusion that they need to act." ■

SOURCENOTE: Corporate Insights Limited

AS GROUCHO MARX SAID, "Outside of a dog, a book is a man's best friend. Inside of a dog, it's too dark to read."

It would appear that more Americans than ever agree with Marx, according to **THE NEW YORK TIMES**, which recently revealed the results of a report from the National Endowment for the Arts.

The report, titled **"READING ON THE RISE: A NEW CHAPTER IN AMERICAN LITERACY,"** bases its "good news" on the fact that, for the first time since 1982, there's been an increase in the number of adults claiming to have read at least one novel, play or poem over the past 12 months.

"At least one" novel, play or poem? That's all it takes?

Listen — if someone is only reading one of anything in a year, she's in trouble. And so is her future.

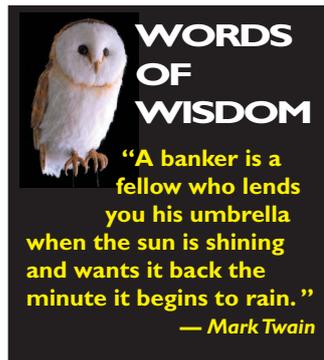
Reading is one of the best — and least expensive — ways to "live rich."

It can also make you smarter, help you improve your life, make you a more interesting conversationalist, help get you a better job, keep you in tune with your industry or help you begin a new career.

- If you're an Internet marketer, read books on Internet marketing. Read Gladwell and Godin and Masterson and Tribby.

- Sign up for e-newsletters by the best in your field.

- Read what interests you and read what's popular. Fiction and non-fiction. Poetry and plays, blogs and e-newsletters, magazines and newspapers. ■



Controlling people quiz

Are you Machiavellian?

Published originally in the 15th century, Niccolò Machiavelli's book, *THE PRINCE*, discusses the use of manipulation and power as a technique for controlling other people.

THE TERM "Machiavellian" has come to be used to describe devious, manipulative people who are motivated only by their own self-interest.

How Machiavellian are you? This test may help you find out. Respond to each statement below by using the following scale:

1 = Disagree strongly

2 = Disagree mildly

3 = Neutral; no opinion

4 = Agree mildly

5 = Agree strongly

ONE: the best way to handle people is to tell them what they want to hear.

TWO: when you ask someone to do something, it's better to give the real reasons than reasons that might carry more weight.

THREE: anyone who trusts anyone else is asking for trouble.

FOUR: it's hard to get ahead without cutting corners a little.

FIVE: it's safest to assume that everyone has a vicious streak that will come out if given the opportunity.

SIX: you should act only when your action is morally right.

SEVEN: most people are basically good and kind.

EIGHT: there is no excuse for lying.

NINE: most people get over more easily the death of a parent than the loss of a property.

TEN: most people won't work hard unless they're forced to.

Scoring: for items 2, 6, 7, and 8, reverse your score so that 5 becomes 1, 4 becomes 2, and so on. Then add up all ten numbers for your total score.

A score of 25 is average. A higher score, 38 for example, would classify you as High Mach.

A significantly lower score makes you a Low Mach. ■

SOURCENOTE: Richard Christie and Florence L. Geis, *STUDIES IN MACHIAVELLIANISM*, New York: Academic Press.

Communicating

Avoid spam and reach your reader

You probably dislike unsolicited mass-distribution email (spam) as much as the next person, so avoid sending e-mail that can be mistaken for it by people or their filtering software.

YOUR MESSAGES to potential or existing customers, vendors and employees at remote sites may not be spam or anything like it, but these days you have to prove it to suspicious minds and machines.

1. Avoid spam-like language. Both human readers and software filters are alert for mass-marketing language, so watch yours. For example, one airline ran a promotional contest that awarded tickets to customers who had given them permission to contact them. But the airline's email announcement to the winners included "You've won" in the subject line. That phrase apparently turned off so many recipients (who then deleted the message) that the airline had to choose new winners.

2. Avoid spam-like format. Even small details can signal spam to sophisticated readers and software. For example, subject lines using all capital letters are common in spam. Also suspect are ampersands (&) and other non-letter characters. Subject lines that announce the content of the email (thus being more up front with the reader) are generally less suspicious than subject lines that present a hard sell.

3. Don't over-push even permission communications. Your offers to send free newsletters can trigger antispam responses if they arrive daily or weekly.

Space out your messages, or follow up by phone. It's a matter of balancing persistence with a sense of what people — and their filtering software — are willing to hear. ■

SOURCENOTE: Adapted from the Crain's Chicago Business Web site

YOU, you, you

To reach your financial goals, write them down.

On one page list your short-term goals — things you want to happen within five years.

Use another page for long-term goals. Rank each goal including order of importance and put a price tag on each. Then eliminate goals you cannot afford, starting at the bottom of your list. Figure out ways to economise in other areas or increase your income so you can reach more goals.

Examples: Buy a less-expensive house ... postpone some goals ... work longer before retiring.

SOURCENOTE: Gern Detweiler, a leading credit authority and co-author of *DEBT CONSOLIDATION 101*

The Institute for Independent Business

FOUNDED IN 1984 in the UK, the Institute for Independent Business (IIB) is now one of the world's largest international networks of business advice providers.

As of 1 April 2009, 5,530 carefully-selected men and women have been accredited worldwide as IIB Associates.

Experienced professionals

Experienced senior business people in their own right, who have elected to become self-employed business advisers, Associates and Fellows of the IIB have received additional training to enable them to focus accurately and cost-effectively on the needs of clients and prospects.

This ensures that Associates' clients receive the "practical advice that works"—the Institute's motto in every country in which the Institute operates. ■

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WORDS OF WISDOM

"A beautiful woman should break her mirror early."
— Baltasar Gracian 1601-1658, Spanish Philosopher

Managing

More effective selling

Secrets of selling to the two kinds of customers

THERE ARE BASICALLY only two kinds of customers who should interest you:

● Experienced buyers who have most or all of the information they need to make a purchase decision and who want to buy quickly.

If you can't supply them promptly you risk losing them to competitors who can.

● New buyers who need to learn more before making a decision. They'll put off the buying decision for a while — *but to win their business you have to be responsive and helpful and make a positive personal impression.*

Strategy: Organise sales operations to satisfy both kinds of customers more efficiently. Provide informed buyers with electronic buying options. Enable them to obtain price quotes and product specifications and to place orders, through...

- Company web page
- Email
- Fax-back service
- Automated voice processing
- All of the above

Benefits: informed buyers will be able to quickly obtain basic information and place orders at any time, around the clock. And the company will

reduce sales-force labour hours spent processing information requests and orders.

Invest those hours in developing better ways of addressing the needs of new prospects. Focus personal sales contacts on those customers for whom such attention will make the most difference.

Key: The number of companies that provide sales information and take orders over the Internet is exploding—it rose more than 1,000% in 2008 over 2007. Firms that fail to make use of this new selling medium risk failing behind competitors. ■

SOURCENOTE: Kevin Davis, author of GETTING INTO YOUR CUSTOMER'S HEAD

YOU, you, you

Know the future you want and have a strategy or system to make it happen. Of course, life doesn't always turn out the way we hoped. Stuff happens. But winners are very precise about the future they want and they imagine it and work for it, every single day. You should, too!

Down-selling: the little-known psychological trick

TOO MANY BUSINESSES spend inordinate amounts of money trying to increase their profitability by attracting new customers, when all along they're allowing a goldmine of profits to slip by right under their nose.

If your customers are as concerned as you are about spending money unnecessarily they may decide that your product or service is something they can live without. Haven't you ever wanted to buy something but you just couldn't bring yourself to open your wallet or purse and give up the money?

So take advantage of this good relationship and offer them the down-sell.

Down-selling is based on the fact that if people buy respectable amounts of your high-priced product or service, they'll buy lots of the same or similar products or services at a much-reduced price.

Robert Cialdini, in his book **INFLUENCE: THE PSYCHOLOGY OF PERSUASION**, noted that people are magnetically attracted to a lower-priced version of a product or service — and more willing to buy it — once they've been exposed to a higher-priced product or service in which they've shown interest.

Always offer the higher-priced, bells-and-whistles version of your product or service first. If your prospect doesn't take the bait, present them with an offer for a scaled-down version that keeps the same fundamental benefits of the high-priced version.

People like to receive offers on products and services that interest them. All you're trying to do when you down-sell is make irresistible offers that your prospects can't refuse. ■

Have your say!



Add your voice to those of other business people on important business issues. Each issue of Business Alert will feature a statement on which you can voice an opinion. Simply select the view that reflects your opinion and email it to me. Your opinion will be submitted to the Institute for Independent Business for inclusion in its continuing business research.

The Statement:

"The biggest problem I face is keeping talented staff."

Please email me with the letter (A-E) expressing your opinion from the following choices:

- A. Strongly agree
- B. Agree
- C. Unsure
- D. Disagree
- E. Strongly disagree

MY EMAIL ADDRESS IS:

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