



**SHEPHERD
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Business Consultants and
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Grow your

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Results Count!

It's no secret that the emerging economic recovery has been slow to appear in bottom line results. When this happens to professionals strategizing and implementing those strategies to create better results for their business, additional motivation and, often times, a new perspective is necessary to keep the focus. Each year we recommend stepping back and looking at your business from a third-party perspective to ask... "If I was a new CEO coming in to take over this company, what are the first things I would do to improve results?" It's amazing the clarity you can get when you step back from daily operations. The articles below can assist you in gaining clear direction using this new perspective.

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Editor

Your Competitive Edge – Is It Time For A Revamp?

The Japanese call it kaizen. Western management gurus call it continuous improvement. Most business people would best recognize it as 'not sitting on your laurels.'

The big question is: "How am I going to do this in an effective way?" And, just as important, "How do I make this renewal and improvement process part of business routine rather than one of events?"

There are several ways to institutionalize competitive improvement in your business. Most importantly, make time to look at your competitive edge from different perspectives. First, there is customer feedback. Many successful business leaders publicly state that the best ideas for product and service improvement came from customers. So it's up to you to ensure that your customers have some readily available way to contribute their views on your business, and that when they do submit ideas and suggestions, you personally thank them for their contribution. This way, customers will know that you take their suggestions seriously.

If you decide to act on a customer's suggestion, you should make sure the loop is closed; that is, you should write to the customer who made the suggestion and explain that it was

such a good idea that it has been implemented. No doubt this customer will tell others about their experience, and, as a result, the business is likely to receive even more new ideas and suggestions.

Second, you can introduce a system for finding out what competitors are doing. Your team may be able to make valuable contributions here by tapping in to what customers are being told by your competitors. Ask yourself the following questions:

- How much detailed information do I have on my competitors?
- How recent is it? What business initiatives have they taken in the last quarter?
- How will this impact my market position?

You could make it a point to update this information every quarter so you know what is going on, but we advise caution - keep your eye on your business first and foremost. Focusing on the competition can only improve your bottom line results when you act on your business activity. We urge you to be mindful that the percentage of time looking at competitors is very low when compared to your total time spent in reviewing your offering and effectiveness.



Third, and this is something few companies do, you can use the concept of ‘organized rebellion.’ Organized rebellion works like this: take your best people and put them in a room for two hours. Give them a sensible amount of pretend seed capital and tell them that they have just left the company. Armed with their capital, their task is to plan a launch against your business and beat it in 18 months.

If you have enough team members, give several teams the same task at once and make a competition out of it. At the end of the two hours, ask each team to share their competitive business plan - perhaps through a fifteen minute presentation. This way you will get a good idea of your company’s strengths and weaknesses; its vulnerabilities in particular. The next stage is to sit down and plan how you would beat such an attack by a new rival. In thinking how to beat this theoretical rival, you’ll probably come up with some quite innovative ideas that will raise the barrier of entry to new competitors.

This sort of exercise is best managed by an external facilitator who knows your business. The role of the facilitator is to ensure that all ideas are heard, to advise the groups when they need financial and other advice, and to make sure that management stays out of the process and doesn't kill ideas.

Helping Team Members Lift Their Performance

The uncertain economy has put many individuals through radical adjustments in their spending and working habits. With so much dissonance in the home and professional lives, business owners often encounter performance problems among their team members.

This can create quite a dilemma where you are uncertain what the real issue is. After all, everyone goes through periods of feeling down and they often aren’t business related. It can be an unsettling and embarrassing experience to set up a performance review for a team member only to find out they are going through a crisis at home. Nevertheless, whenever poor performance continues beyond a reasonable time you have to address it in some way.



While it may come, finally, to having to terminate the employee, it’s best to approach the situation knowing as many of the facts as possible and with the aim in mind of helping them lift their performance to an acceptable level. So the first step isn’t confronting them about their poor performance, but to impartially analyze the overall situation and try and assess just what might be at the bottom of their performance problem.

While any number of things can impact performance, here are some common ones to keep in mind.

Inability to do the work

When the person was hired, someone made the assessment that they could handle the type of work involved. But do they really have that ability? Look at their employment record to see if they’ve performed the duties of this job in a previous position. Then look at their basic abilities to see if they really match the job requirements or if you might not need to re-deploy them. Finally, look at your hiring process to ensure you are testing applicants for their ability before you hire them.

Not performing at the required level

The ability to perform various tasks underpins particular skills. For example, someone might know their math - that’s ability - but still need to learn a number of particular skills before they can be called a bookkeeper. Did this person bring the requisite skills to the job or do they need additional training to develop them? Will you offer to help them learn the skills or move them to a job more suitable to their real skill level? If they do lack the skills, how did it happen that you hired a person without the right skill set for this job – do your hiring procedures need looking at also?

Doing the wrong job

It’s possible that a person has the abilities and skills to do their job but hasn’t been given a clear understanding of how these skills should be applied in performing their role within the company. Determine if they know exactly what they should be doing or if their knowledge is incomplete and further explanation is needed. In this case, your homework may be to develop a clear set of job descriptions for your team. Clear job descriptions can help in choosing the right people to hire, getting them productive fast and keeping them focused on doing what they were employed to do.

Suffering poor morale

There are a number of factors that can cause someone who’s perfectly able to do a job well to perform their duties badly. Often, the underlying cause has to do with poor morale. There could be a conflict with other team members or resentment over some management decision. If the ability, skills and knowledge are all there, but the person seems to actually choose to perform badly, you need to unearth the reasons why. That’s best done in a tactful interview – preferably as

part of a formal performance review process.

Fluctuating performance level

For some team members there will be ‘good’ days and ‘bad’ days. But if the bad days occur on a regular basis, they have the potential of causing disruptions to the business and amongst other team members. You will have to plan a way to minimize any disruption they cause and manage any reduced productivity. You already know they can perform as the job requires so the question here is ‘why?’ It may require some sympathetic interviewing to establish this since it might touch on personality issues or a medical condition. Ultimately, you need to find out whether or not it is the sort of thing you can work around by offering flexible work arrangements or whatever.

External factors affecting performance

Things happening outside the workplace can have a significant impact on a person’s job performance. There could be family problems at home, substance abuse or other factors that are not visible during their time at work. You need to identify the cause and determine whether the business can take any action to address the problem in terms of getting the employee productive again. The engagement of a counselor may help the team member return to their previous level of performance.

Employees’ problems have a way of becoming the business’ problems, therefore, they need to be addressed quickly and effectively. It won’t always be possible to find a solution to the problem, but it’s definitely best to try to help a team member find a way to getting their performance back on track.

Responding To The Challenge of Change

With the clarity of how you would improve results often comes the challenge...to act or not to act? How do you see change? Is it a threat or an opportunity?

If you see change as a threat, you’re taking a ‘glass half-empty’ perspective. You may say, ‘I can’t keep up with this constant technological innovation. There’s something new to learn every week. It’s like I never left high school!’ You’ll be annoyed whenever there’s a new trend in management. You’ll wince whenever you hear of competitors introducing new business processes. You’ll see change as the slings and arrows of business misfortune.

On the other hand, if you see change as an opportunity, you’re taking a ‘glass half-full’ perspective. You may think, ‘Every time there’s a change, new niches open up.’ You know that some of your competitors will be slow to adapt and you’ll be the first to step in and relieve them of a few customers. You’ll say to yourself, ‘I’m a small business. I have a small, flexible and effective team. Adaptability is my

middle name. We’re the can-do people!’

While your larger competitors need to look ahead a year or more, you’ll change focus much more quickly. If you’re a manufacturer, you have smaller production runs, so you can customize to suit the needs of particular customers. Customers can reach you much more easily than they can a CEO of a large corporation - you’re responsive.

You look ahead with anticipation, not with anxiety. You think, ‘Well, some of my products are nearing the end of their life cycle. What’s the next big thing? How can I surprise and delight my loyal customers with something that they don’t even realize they want?’

If you take this attitude, business will become more of a game than a chore. You’ll feel freer to think creatively. And you’ll try to communicate this attitude to your team. You’ll do so with a frank and open management style, because honesty is the best way of helping people manage change. Fear of the unknown is one of the greatest impediments to change in the workplace.

You can also get people to feel positive about change by empowering your workforce. Reward people who have good and innovative ideas and let them have a say in implementing them. Offer both praise and monetary rewards for innovation.

Reassure people that change does not necessarily threaten jobs. If you run a small multi-skilled team, make clear that you value their adaptability and capacity to improvise, show initiative and get the job done. You won’t be firing them to hire a team of narrow, pre-programmed specialists.

As Dr. Spencer Johnson advises in his #1 bestseller, *Who Moved My Cheese?*, “Change means growth. We have the option in life to embrace change, to welcome it, to see it as an opportunity to learn, grow and improve our lot in life. The seasons change, the tides change, we change. Change is natural and good. It’s all in the way you see it!”

So, stay alert and well-informed. Look out for the winds of change. Seek advice. Stay in touch with your closest advisors who are likely to pick up on what new is on the horizon and pass it on to you. Scan the external environment specifically for your industry, as well as analyze the internal strengths and weaknesses of your business as part of the process. Yes, it may mean major change for your business, but view that change as opportunity for growth and improvement.

An Important Message

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Motivating Your Team

Your arrival in the office as well as the first moments you spend with team members each day have an immeasurable impact on their motivation and morale. It's important to start each day right. By sharing the goals and expectations for the day, you let your team know that today is going to be a great day - working together.

The quality and style of your leadership will be key to the motivation levels of your team members and to the success of any action you take to enhance their motivation. Team motivation, however, is only one factor affecting performance, so be realistic about your aims.

Some factors are likely to have a positive effect on motivation, while others tend only to have a negative impact. The key to keeping a team motivated is to be a positive and approachable leader.

Upcoming Seminars

This spring, take time away from your daily demands to work ON the future of your business with us. Watch our website for updated details on the following events:

Business Transition Planning

Presented by Terence J. Shepherd, CM&AA in three local areas each from 7:30 AM - 9:30 AM

Warwick, RI - 03/23

Beverly, MA - 04/06

Worcester, MA - 04/30

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Comments? Changes?

We all want to improve what doesn't work...but we need YOUR help! Share your improvement ideas and topics you would like to read in future issues with:

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