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LAUNCHPAD

Business Networking without the cringe factor

Does going to a business networking event sound like the worst possible punishment to you? Try out these tips to make your business networking experience worthwhile and enjoyable.

Set some goals before you go, for example, *I'm going to make four new contacts tonight*, and make them happen. If you can, select a few people in advance to whom you'll introduce yourself.

Be forthright in introducing yourself and stay away from the usual boring questions. Ask something interesting like, *what has been your biggest business achievement this year?* And make sure you give out your business card.

Don't monopolise anyone's time. If you have a quick but meaningful conversation and then move on politely not only will you achieve your goal faster but you can leave sooner!

Focus on what you can do to help them and when you return to the office the next day, make sure you follow up your conversation with an email thanking them for taking the time to speak with you. This will help continue the relationship past the event.

Most of all, smile, remain positive and don't complain about the event, parking, the weather or the food. Just focus on achieving your goal and enjoying yourself.



Profit Improvers

Have you considered instigating a marketing system to get the best out of every lead that your business receives? One way to significantly improve your business' performance is by the implementing a 'business building matrix' to improve your business' sales. You need to measure the following five key components necessary for increasing sales and profitability:



- § Increase the number of enquiries
- § Increase the number of conversions from enquiries to sales
- § Increase the average value of sales
- § Increase the number of times people buy from your business
- § Increase the gross profit percentage

We can assist you in undertaking a review of your business procedures to determine profit improvers. If you would like a copy of our Profit Improvement Potential Workbook, please contact us.

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Detroit, Motor City – A hard lesson in diversification

In 1950, the population in Detroit, Michigan was 1.8 million. Now it's 770,000.

1,000 residents leave every month despite the fact that the average house price in 2009 was \$7,100. Large industrial areas have lain abandoned for decades and nearly 30 percent of the city is 'Urban Prairie'. But what happened?

In the 1900s, the popularity of Henry Ford's affordable motor car skyrocketed the population of Detroit from 265,000 to 1.5 million by 1930. Immigrants flooded into the city to work for the 'big three' (General Motors, Ford and Chrysler) or the businesses supporting them, and Detroit became one of the largest cities in the US.

After the US joined WWII, the city changed from automobiles to tanks and bombers - a relatively niche market, but a profitable one nevertheless. The post-war era led to constant production of large luxury cars and a golden era of American motoring.

But it all changed in the late 1950s. In the coming decade the city would lose more than 100,000 jobs due to plants and factories being closed and moved. White folks moved to the suburbs and black neighbourhoods lost production plants. The race line became drawn throughout the city, leading to race riots in the late 1960s. Detroit never recovered. The city's only other major industry, the MoTown record label, moved to LA.

The 1973 oil crisis had a major impact on automobile sales and by 1980 full-size luxury cars were no longer being produced in the US. This led to Japanese car manufacturers developing smaller, more efficient vehicles and selling them as an alternative to the 'yank tanks'.

The cost-effectiveness of the non-unionised Japanese manufacturers meant cheaper cars and by the 1990s the Detroit Three were being outstripped by Toyota, Nissan and Mazda.



Detroit's complete dependency on the US motor industry for employment and business meant that the city's businesses and workers were so specialised, that unemployment was the only other option.

Thankfully the low housing prices and vacant industrial spaces are starting to encourage entrepreneurs back into the city. Redevelopment and rejuvenation are starting to be felt, but the city is unlikely to be back to its mid-century glory days anytime soon.

Detroit based not just its business but its entire economy on the full-size luxury car market, and no one could foresee its downfall. It was a hard lesson in why not to base everything on a specific industry.

In the current economic climate we all need to consider where our business is coming from - is it one major client or business? One core, well-selling product can be a great business model, but sometimes it is worth considering adding complementary products to your range. One major client can be a dream come true, but if that client were to move on - could you survive?

If you have one client who supplies over 50% of your business, or you only offer one product or service, you may wish to consider diversifying. If you would like to discuss your ideas with us please call or email - we can talk to you about both business planning and risk management.



Why invest in developing leaders in your organisation?

The Mercer survey Future of Talent Management Survey for Asia Pacific July 2010 found that leadership succession tops the list of talent management priorities over the next three to five years.

The survey received close to 500 responses through Asia Pacific, with 87% of businesses planning changes in leadership training. 48.3% considered leadership succession one of their top three priorities.

“It’s no surprise that leadership tops the list of priorities,” said Brenda Wilson, Asia Pacific Leader of Mercer’s Talent Management Consulting. “The impact leaders have on business success and organisational effectiveness is huge, and right now organisations are not sure that they have the quantity and quality of leaders they will need for the future.”

Leadership is critical to any business’ functioning well today and having clear direction for tomorrow. You know who the leaders are in your business today but it’s also important to know that there are people coming up in the organisation behind you who can take up the leadership challenges emerging in five years’ time. It’s a key part of your succession plan.

Of course, leadership is just part of a bigger picture in human resources.

There are a number of key points to consider. An Australian survey of business concerns of 2010 identified the following over the next five years:

- § skills shortages will increase in critical roles and industries
- § staff turnover will be a significant cost and
- § leadership development will be the main priority for employers

The third forecast, if seriously implemented from top management down, will critically influence and minimise the negative effects of skills shortages and staff turnover.

‘The successful leaders of today must understand that their power rests with the people for whom he/she is responsible. To tap that power, the leader must abandon the old baggage of dominance, control and self centredness’.

- Don Argus, BHP Billiton Chairman, *The Australian*, 25 March 2010

Managers and supervisors who are good leaders know how to retain staff by creating the environment in which people and teams normally work together to efficiently and effectively achieve common goals. They also understand that, like good health, good leadership is preventative in that it greatly lessens the ‘illness’ of a negative workplace occurring in the first place.

Unfortunately, whereas it is difficult to convince managers that leadership development is an investment in ‘preventative medicine’ many are willing to pay for cures by having managers and supervisors attend conflict resolution training which is focused on trying to remedy the problems after the ‘illness’ has done its damage.

Build a profile of the leadership skills of your supervisory and management staff, e.g. managers, superintendents, supervisors, team leaders, foremen, or equivalent, who have authority over others in an organisation. Identify if there are any gaps at key points in the organisation. Is it time to start thinking about your business’ leadership profile in terms of leadership development or recruitment? Call us if you would like to discuss this in more detail.



Business Plans - Questions to Consider

Staff Development

Many businesses miss that there might be a connection between their business plan and their staff development plan. Some of the questions you might consider in reviewing staff development as part of the preparation of a business plan:

- § Do you have a staff development plan?
- § Do you encourage your staff to develop their own skills?
- § What additional skills would you like your staff to develop?
 - Time management?
 - Selling?
 - Marketing?
 - Motivational and attitude training?
 - Leadership?
 - Computer software usage?
- § Do you think you delegate properly?
- § Have you developed a staff training manual?
- § Do you involve your staff in developing your business' Business Plan?

Call us if you'd like to discuss further how your plan for the business could drive your staff development programme.



What's it Mean?

Taxing Of Trading Income

There are two forms of taxing trading income depending on whether the business is assessed on a:

- § *Cash* basis - businesses are assessed when payment is received or
- § *Accruals* basis - businesses are assessed when a legally recoverable debt arises, usually at invoicing

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

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