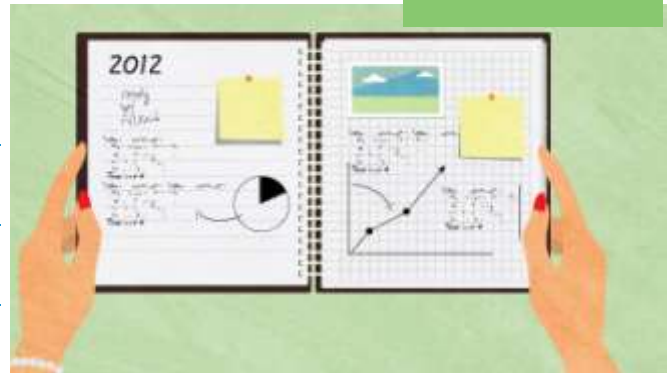


GROW YOUR BUSINESS

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Draw a Line in the Sand

Often our biggest constraint in business is ourselves. We try to personally take on the expensive tasks that would normally need to be outsourced so that we can preserve our cash resources for other needs within the business.

Although there is certain logic to this, the downside is that it means we have created our own artificial ceiling. We have set a limit on our firm's ability to succeed that is significantly less than what could be achieved.

When Stephen Gerber wrote in his bestseller the E-myth about the need to work ON your business he was referring to work of a strategic nature. He was talking about the need and effectiveness of planning and systemization.

Doing something that is not of a strategic nature or core to your firm because it can't readily be done by a team member is a false economy.

A business manager's time would be better employed doing the things that only they can do. Such

things as articulating their vision in a strategic plan so that all stakeholders, team members and suppliers have a clear understanding of what the firm is about and where it is going.

“Firms who invest their time in effective planning are far more likely to succeed and achieve their targets.”

Research shows that this applies irrespective of how small or large the firm is.

This is the perfect time of year for many firms to start planning for 2012 (if it hasn't been done already). To draw a line in the sand to determine where your business is today, where you would like it to be this time next year and the action plan (or business plan) that guides you through how to implement the necessary changes in order to make it a reality.

Because we believe this is the most significant obstacle that stops businesses from achieving their goals,

we have invested in resources to assist you through this process in a very cost-effective manner. It really is that important to get it right.



Don't Be Everything to Everyone

In order to thrive it is not enough to survive but grow. But a growth strategy doesn't necessarily have to be a high risk strategy. Too many firm owners embark on an unnecessarily dangerous journey by trying to be everything to everyone.

A highly esteemed business professor at Harvard by the name of Michael Porter expressed the view that there are only two ways a firm can gain a competitive advantage.

One way is to differentiate. The other way is by being a low-cost producer. By low-cost, Michael Porter wasn't talking about discounting.

To be a low-cost producer a business needs to be able to source key components of their product or service at a price that their competitors can't match.

This allows the firm to maintain a viable margin and therefore be able to compete profitably. Both of these views are in themselves interesting strategies that we will cover in more detail in the future.

However it is interesting to compare these ideas with common methods adopted by a significant number of small businesses.

One errant but all-too-common strategy is to try to be all things to all people.

From a high level this type of strategy does make sense. It's all about creating more clients and a sure fire way of doing that is to create more products and services to encourage them to buy.

“More products and services usually require a higher level of investment.”

This also increases the demands on the business to support and provide knowledge on these additions.

Another downside is that clients may start to see your business as something of a general store rather than a business that has carefully selected what it does and how it does it better than anyone else.

In some cases, the client will account for this perceived risk (real or not) by devaluing the price of the product and perhaps the value of your brand as well.

There are a number of ways to successfully grow a business. We can help you determine the pathway that will work best for your business.



Rewarding Long-Term Clients

Client loyalty is not to be overlooked - at any time of year - but during the holiday season it is opportune to show a little extra appreciation for those who keep your business alive.

Depending on what research you look at, selling a product or service to an existing client can be five to eight times more profitable than selling the same product and service to a new client.

Think about the contribution your long-term clients have made to your business over the period they have been dealing with you. It can be quite considerable. So it makes sense to try to keep your existing clients happy.

Take another look at your marketing priorities and make sure that you have allowed financial and time resources to properly care for your most profitable clients - your long-term ones.

Insert cards or vouchers with their regular purchases or even change the signature panel on your email template to include a holiday message.

Another tip is to forge partnerships with other local businesses, and offer service/product trades as a reward. If you sell paper, join up with an ink supplier and offer cross-business discounts or gifts as a holiday incentive.

“Small incentives will give you a better chance of keeping your clients in the wake of major discounts or offers from competitors.”

With these relationships you can not only improve relationships with your suppliers but also keep your long-term clients happy with something they were not expecting.

Start the New Year by promoting a carefully designed customer rewards system. We can help you here.

Offer your dedicated clients an incentive for their loyalty. With the technology available today these systems can be relatively easy to implement. Award points for purchases that can be redeemed at the end of a quarter for discounts or small gifts.

Factor in a small budget for the year that is dedicated towards the program and set aside inventory at the start of the year if necessary.



Protecting Your Firm Is In Your Hands

2011 has been a tumultuous year. We have seen plenty of evidence of nature at its worst and the economic decisions made by various parties haven't made for a jubilant time either.

If you haven't done so already we strongly recommend that you take a look at your firm and identify the areas of risk.

Which areas, if adversely affected, would have the greatest impact on your ability to conduct your business?

Disasters can be quantified in many terms. Some risks can be covered by insurance while others can be reduced by the manager working ON the business rather than IN it.

Start with the basics and protect your business records and inventory. Make sure electronic sources are backed up and stored safely in an alternate location. Losing documentation is usually detrimental. Stay up to date on your emergency protocols.

There are many resources on the internet that are specifically designed for smaller businesses allowing you to prepare for the worst case scenario.

Research and compile your own contingency plan. The more detailed your contingency plan the better and make sure the information is shared with your team.

“Financial crises, stock market crashes, and natural disasters can negatively affect a business.”

Businesses prosper based on what they do, how they respond to change, how they capitalize on opportunities and how they respond to challenges.

There lies the key difference between businesses that succeed in adversity and those that don't.

HINT FOR THE FESTIVE SEASON

It is the time of year when parties are in full swing and the atmosphere is filled with excitement for the upcoming holidays. Parties are a great opportunity to network and meet potential contacts for the New Year. It is also the perfect time to thank your clients, suppliers and team members for all their help and support during the year. A little bit of holiday cheer can go a long way.

KOPMEYER & TALTY, P.C.
Certified Public Accountants

On the anniversary of Pearl Harbor, I think of the sacrifice an entire generation made to protect our liberty. As we go into this holiday season, let's remember them in some special way. My father served in WWII and I think of him often. I recently visited the WWII memorial in Washington DC and learned that you can look to see if your veteran is registered on the kiosk at the memorial. You can also visit the website to see if they are registered. If they are not registered it is a very simple process to register them. The website is www.wwiimemorial.com. While most vets would not ask for this kind of attention to be drawn to them, as my father would not, it is important that we not forget them.

My holiday message is for us to take the time to think about all of things we are thankful for and also think about those who sacrificed so much for those gifts. Happy holidays and enjoy the season with those who mean so much to you.

Sincerely,

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