Tips FROM THE Top®

Business insights from those at the top for those at the top

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THE SERGEANT'S HALBERD (AN OBSOLETE MANAGEMENT TOOL)

THE ALTERNATIVE BOARD®
Achieve Success with Peer Advice and Coaching

JOHN DINI | TAB-Certified Facilitator and SBL-Certified Coach, San Antonio, TX

A FEW YEARS AGO WHILE IN AUSTRIA I had the opportunity to visit one of the world's finest collections of arms and armor. One section was entirely devoted to a display of halberds. The halberd is an axe on a long pole, usually with a spike or spear point at the tip. It was used as a military weapon from the middle ages to just before the 20th century.

It was a halberd from the late 1880s that caught my eye. Labeled a "Sergeant's Halberd"—it dated over 100 years *after* infantry troops were commonly outfitted with firearms. "Why," I wondered aloud, "would someone lead troops into a gun battle with an axe?"

A museum docent heard me and laughed. "You don't understand," he replied, "in those days the sergeant went into battle *behind* his troops. The halberd was to keep them moving *forward*."

Battles in the 19th century were horrific affairs. Armies utilized "Napoleonic tactics," marching blindly into one another across flat fields in huge formal formations. Black powder muskets were extremely loud and generated massive amounts of dense, choking smoke. Soldiers weren't told what the objective was or why they were fighting. Deafened, nearly blind, with friends dropping from the shots of unseen enemies, it's little wonder that the sergeant's job was to herd men forward.

> "'Why,' I wondered aloud, 'would someone lead troops into a gun battle with an axe?' In those days the sergeant went into battle behind his troops. The halberd was to keep them moving forward."

The military of today depends on technology and information, driven down to the lowest level of field combat. U.S. marines in Iraq utilize headsets with multi-channel radios and hand-held computers that can exchange real-time photos with aircraft overhead. Each soldier knows the objective, the rules of engagement and is prepared to step up into his superior's position if needed.

Unfortunately, many business owners are still using 19th century tactics to motivate 21st century employees. I hear "I have to push these people harder," or "I need to be on them all the time." Motivating workers by pushing them from behind is difficult, tiresome and requires a huge amount of energy.

Management books today use terms like "empowerment," "buy-in" and "team" to describe the process of moti-

(John continued on page 3)

INSIDE

SOLUTIONS & STRATEGIES

RESULTS-DRIVEN COMMUNICATIONS GET RESULTS

BUSINESS OWNERS, while they may possess many critical capabilities needed for success, all too often lack the key skills needed to motivate their employees. Results-Driven Communications will show you how to infuse your employees with passion and direction.

The principle tenet of Results-Driven Communications is building trusting, two-way communications. You can only do this by sharing your goals—specifically what you are trying to accomplish and why—with those who will play a critical role in achieving them.

This can be a difficult concept for some business owners to grasp. But without a strong understanding of your plans and desired outcomes, your employees cannot maximize their effectiveness in helping you accomplish your goals. The more knowledge your people have, the greater their buy-in will be and the more motivated they will be to provide the help you need.

Custom-tailoring your methods of communication

(Allen continued on page 7)

ALLEN E. FISHMAN
Founder & CEO
The Alternative Board®

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OPERATIONS

DO YOU WANT RESULTS ACHIEVED OR ACTIVITIES ACCOMPLISHED?

DO YOU SET YOUR OWN PRIORITIES based on the results you want or the tasks that keep popping up on your to-do list? Do your job descriptions define results that will move your business forward or just the duties they should perform? These questions can lead to a new way of thinking about the projects on which you choose to spend time and energy.

Consider the following questions:

- By what results are my performances measured?
- By what results would I be seen as a valuable team member or leader?
- By what results would my customers find me most useful?
- By what results would my family find me most valuable?

Similar questions apply to your employees. Do you have job descriptions that define the results you expect or do the job descriptions only list the tasks that need to be performed?

Ask yourself:

- By what results should I measure the success of my office manager, the sales staff, my accountant, etc.?

- Are my employees clear about the results they are expected to produce?
- Are my employees rewarded for results?

These questions and others were posed by a guest speaker at a recent TAB Board meeting.

LARRY ROWLAND
TAB-Certified Facilitator,
Denver, CO

FAMILY BUSINESS

TOUGH LOVE

IN A RECENT TAB BOARD MEETING, one of my fellow board members was describing a situation where the son of the owner lacked a basic understanding of the financial end of the business and disregarded the owner's policies on many margin-related issues. The owner remains committed to finding a leadership position for the son in the business. I suggested that even though the owner had sent the son to school and to seminars on finance and he had still not grasped the basics, she should try changing his bonus structure to align more closely to the bottom-line of the whole company and not just to the department for which he was responsible.

Additionally, I suggested that she give him responsibility for reporting and analyzing the financial results and projections for the company. She should provide him help as requested and required, but hold his feet to the fire. If he works at it long enough and hard enough to finally "get it," she can then give him the leadership position she has in mind. If not, she is only setting him up for continued failure.

CHUCK CRAWFORD
ACW Corporation,
Wilmington, DE

CEO'S INTENT

WE ALL KNOW THAT EFFECTIVE COMMUNICATION is a critical component of leadership. But, how often do we need to reiterate our expectations of our employees for their daily responsibilities and in their interaction with customers? Do we assume that by telling them once, they will remember? What if I am gone for an extended period and they can't get a hold of me for direction? How do we define their authority and latitude in daily decision making?

My company, Regents Health Resources, is a national healthcare consulting firm, which specializes in medical imaging planning and development. At the suggestion of our TAB-Certified Facilitator, Dick Wallace, I set out to develop a statement of CEO's Intent. The purpose was to put our expectations and commitments in writing so that our direction would be clear in the event of my absence, and so employees would have a reasonable understanding of what is expected of them at all times. We also involved a select group of senior staff members to help draft the statements. It worked better than anticipated.

In drafting the CEO's Intent, we started with the reaffirmation of the mission and vision statements of the company. This sets the standard for our commitments to customers and one another. We also chose to provide guidance on regulatory compliance and business ethics issues. We defined the reality of our business, our dependence on repeat business and the value of satisfied customers as a reference for new clients. We asked, "How must we treat our customers when they need help or are in need of a quick response?"

We also defined employee responsibilities. These are statements that define appropriate employee behavior in keeping with our business objectives and ethics. They are also expectations that are critical to providing timely completion of projects and maintaining company profitability.

For Regents, the CEO's Intent is captured on two pages. It is now the first pages of our employee handbook and is posted prominently throughout the offices. Now, whenever anyone has a question about customer service or employee responsibilities, everyone knows to check our CEO's Intent statement first and more often than not, it's already answered. It is not a static document—it can be changed periodically, which presents an opportunity for reiteration. Our employees are pleased to have this direction and autonomy.

Every CEO's expectations and standards are different. If you create your own "CEO's Intent," it will make you think long and hard about what's important to you and your organization. And, it will also help you do a better job in communicating those values to your employees—and ultimately to your customers.

"The purpose was to put our expectations and commitments in writing so that our direction would be clear in the event of my absence, and so employees would have a reasonable understanding of what is expected of them at all times."

BOB MAIER
Regents Health Resources, Inc.,
Brentwood, TN

EVEN OUT YOUR MONTHLY CORPORATE CASH FLOW

Managing cash flow effectively is an issue for all companies. Payroll is one of the largest expenses for many companies. If you are paying your staff bi-weekly (26 pay periods per year), you can eliminate monthly spikes in wages/salary cash flow by switching to paying your staff semi-monthly (e.g., 15th and last day of month—24 pay periods per year). Thus no more three-pay-period months twice a year—which can strain corporate cash flow.

CAMERON INGLIS
Germinate Inc.,
Winnipeg, MB

(John from page 1)

vating employees. What it all boils down to, however, is you have to lead today's employees from the front. Each has to understand the objectives and be prepared to act independently if necessary.

Halberd management revolves around discipline, write-ups, tough performance reviews, documentation and negative reinforcement. Leadership is based on teaching, mentoring, communication, support, guidance and celebrating when an objective is reached.

The next time you feel you have to push your employees harder, think of the Sergeant's Halberd. It's a management technique that belongs in a museum.

JOHN DINI opened The Alternative Board® (TAB) in San Antonio in 1997, and has overseen its growth to its current status as the most successful TAB chapter in North America with 100 members and facilitators in 11 Boards. John has over 30 years of experience in entrepreneurial management. He has owned and operated start-up or turnaround companies for the last 21 years, and consulted for start-up organizations for 10 years.

John is a member of Jim Blasingame's "Braintrust," a group of business experts who appear regularly on the Small Business Advocate, a nationally syndicated radio show. He is also the author of *103 Tips for Better Hiring* and co-author of *11 Things You Absolutely Need to Know About Selling Your Business.*

INCREASE SALES TO CURRENT CUSTOMERS

An easy and effective way to make sure you're not leaving money on the table with existing customers is periodically to send them an order renewal form with the details of their last order and perhaps a small promotional product, such as a pen, to use in filling out the re-order form. It's a simple idea, but surprisingly one that several of our board members admitted they don't do often enough. It's resulted in a 25 percent response rate for me.

VALERIE HAYMAN SKLAR
Corporate Specialties,
West Bloomfield, MI

E-RECRUITING

Virtually every business has a Web site or should. Do you use yours for recruiting? Always have a button or link for "job opportunities." The savings can be substantial, especially if you reduce your newspaper help-wanted ads with ones that only check your Web site.

JOHN F. DINI
TAB-Certified Facilitator,
San Antonio, TX

Check out the TAB member yellow pages by logging on at **www.TABBoards.com.**

HOTLINE

From time to time, questions arise in a TAB Board meeting that are outside the realm of experience of the group. When this occurs, the TAB-Certified Facilitator can share this question with all other facilitators through the TAB Hotline. The Hotline is a resource for trading knowledge and advice across the entire TAB community. The following question, chosen by the managing editor, highlights one particular issue discussed over the Hotline.

QUESTION:

My member owns a full-line appliance center (new sales, parts and service) and wants to create and hire an office manager position to take over administrative functions. They have a total staff of seven people—four are inside people who schedule service calls and handle parts, counter sales, stock room and showroom sales. We also, they have a part-time bookkeeper.

We would like feedback on the following:

1. Just how much authority should the office manager position have? It could range from being a glorified file clerk doing various odds and ends that clutter the others' work-day, to a general management job with supervisory control of the inside functions. Also, do we let this position have financial responsibility, i.e. keeping the books with full visibility to the P&L, thus replacing the part-time bookkeeper?
2. What experience have others had with temporary staffing agencies, especially for something like this? The owner would like to "try out" candidates before a final hire, as he has had problems in the past with new hires ending up as disappointments.

(We also put this issue in front of our board. Ironically while we did get good feedback, we also reviewed the July Tips from the Top® article on hiring the wrong people—it sent the other members back home wondering just what their office managers were up to!)

RESPONSES:

To lessen the possibility of a "wrong hire," your member may want to contact a reputable employment agency that specializes in temporary-to-permanent placements.

Your member can provide a job description that covers the basic clerical functions and a potential growth opportunity for the additional administrative and management functions. The agency can then provide the range for such a position in the local job market, place advertising, perform screening and provide resumes of potential individuals for you to interview.

Using an agency allows you to "pull the plug" on any individual who is not working out and will be able to supply other candidates as job requirements, skill sets and aptitudes are re-defined through this process. When you find a suitable candidate, you have the ability to add more responsible functions during this temporary period of time.

BARRY ARNOLD
TAB-Certified Facilitator,
York, PA

How comfortable is your member with giving added responsibility to this new hire office manager? In the past, I have brought in temps to try them out. First, you may want to do a behavioral assessment and also ensure that the terms of the temp agency allow him to hire the right person on reasonable terms. Then, make a serious evaluation of the temp and if not right, go back to the agency and get another temp until you find the right one. Do any of your members have a referral for this position? If so, be sure to do the behavioral assessment before hiring.

BILL MARTINEC
TAB-Certified Facilitator,
Ft. Collins, CO

For many clerical-level positions, I like to use temps on a temporary-to-permanent type of deal. If they work out, you hire them after a few months. If not, you don't have all the drama and problems of firing a full-time employee.

As far as the scope of the job goes, you can either write a job description and hire to fill it, or you can hire someone (a temp) and see what they are really capable of performing. This latter approach would involve progressively giving the new hire more and more responsibility as they master each job function.

ART MILLER
TAB-Certified Facilitator,
Oklahoma City, OK

HOTLINE

Your member needs to detail the specific duties that he considers "administrative" that fall outside of the realm of the part-time bookkeeper. He may well decide that a business his size could utilize one position for the office manager/bookkeeper role. A position and a half may be a little heavy for that size company.

A lot will appear obvious once he does his list. You and the TAB Board can review it with him. On the basis of previous hirings by my board members, I suggest you put together a procedures manual for the tasks you develop. At least a draft and a final version could be done by your member and the new manager later.

The member's CPA can also be a source of advice as to what's needed, as well as refer potential individuals to fill the spot.

Obviously you want to consider the behavioral and personality qualities that the position will require.

And, as others have already recommended—screen all candidates.

Don't forget the existing part-time bookkeeper—maybe he/she could do the job and would want to. But, most importantly, define the needs and what the job is before you advertise and interview.

As for question two—agencies can help, but beware of those that are only interested in putting a body in the position. Find a good one that can also help define the role.

JIM MARSHALL
TAB-Certified Facilitator,
Green Bay, WI

With the scope of the job, it will partially depend on the following:

- What is the minimum the member needs?
- What would their wish list be?
- How much can/will they want to pay in salary?

Most of my members have gone the route of hiring the most qualified person they could possibly afford and, thus, giving them the most responsibility—even access to the books. They don't have P&L responsibility, but do have some financial responsibility. Assuming most members want to grow their business, it would be important to hire someone with a capacity to grow.

TINA CORNER
TAB-Certified Facilitator,
Baltimore, MD

The authorities of the person should flow from what you have defined as their key responsibilities and accountabilities. Don't expect them to produce the results you expect if they can't make certain decisions. Use the TAB-recommended People Power seven-part job description to get everything on paper.

I see members using temp agencies and temp-to-hire in many situations for lower level employees, where they have a good management/supervision structure in place. I've not seen one where they did a temp-to-hire in a management slot. It might be better to clearly define expectations for two-, four-, six- and eight-week checkpoints so you can check progress during a probationary period.

MIKE PETRUSHKA
TAB-Certified Facilitator,
Chicago, IL

THREE-OF-FIVE RULE

A story I tell my employees is the same story I told my children as they became adults and started their careers. It is a rule I live by and believe everyone should live by. Here is how it goes.

If you get up in the morning and look forward to your day (weekday/workday) three of every five days, then you have a good job. If you get up in the morning and look forward to your day four days a week, then you have a great job. If you get up in the morning and look forward to your day five of every five days, then you are a very fortunate person.

Work as life is not about how much money you make; it's about enjoying your day and what you do each day. The real value is in what you accomplish, the friends you make, the environment you spend your time in and the fulfillment it provides you. Generally speaking, the money for the work will be fair for what you do, plus or minus 10 percent—the real paycheck is being happy. If you can only say to yourself you look forward to your day two days or less each week, you should find something else to do.

JEFF MATTSON
Black Box Resale Services,
Brooklyn Park, MN

LEAVE EARLY FOR A VACATION

For a scheduled vacation, plan to remove yourself from your normal daily tasks and supervision, before you actually leave the office (i.e., "leave" on your vacation a week early). This will have the effect of flushing out any latent problems that might otherwise not surface until you were half-way around the world and less likely to be able to deal with them while being away.

JACK GONCALVES
JMCC Cleaning and Maintenance Services,
Toronto, ON

PLANNING FOR A RAINY DAY

The time to advertise and promote your business is when you're busy and doing well; in that way, you have a good story to tell, have the funds to do it and will always have something in the pipeline to see you through downturns. It's also the best time to set up your bank line of credit—whom you have a good balance and don't need it.

JIM WOERNER
James Woerner Inc.,
Farmingdale, NY

Share Your Ideas and Tips!

If you have an idea for a tip or article, please submit the tip or article to your facilitator or e-mail it to **TipsfromtheTop@TABBoards.com.**

ZABA WHO?

In July '06, a new database became available free to the general public that displays your personal information (names, addresses, phone numbers, e-mails, birth dates, and the information goes back many years). This is more than simple contact information.

The database is www.zabasearch.com. Type in your name—it is interesting to see all the names and information, until you realize this may be more information than you want available. If your name is in the database, you may want it removed.

If you want the info edited or blocked, you may e-mail info@zabasearch.com and they will e-mail you on how to edit or block your information. The State Attorney General's office recommends following up to ensure Zabasearch complies with your request and filing a complaint with the AG office if they do not.

RUSS HILL
Ultimate Lead,
Cleveland, OH

MARKETING

INCREASE BUSINESS—BECOME AN EXPERT SPEAKER

OUR TAB BOARD RECENTLY had a discussion on how to grow your business by becoming an expert speaker. Here are some tips:

1. Identify your Unique Selling Proposition (USP) to be identified as an expert.
2. Organize testimonials from current clients or customers and send them in a newsletter to your mailing list. (Constantly add to your mailing list.)
3. Write your own book, article or pamphlet. Use "author of" on your materials—it is unbeatable.
4. Use four different bio lengths and presentation lengths. Choose the appropriate one for your audience.
5. Use practical examples and stories when presenting. Audiences love practical advice in lieu of theory.
6. Know your audience and customize your presentations based on your research.
7. Have great materials ready, but do not hand them out at the seminar. Close with "contact me" options to give you more face time with potential clients.
8. Assemble a checklist of items to take with you on the day of the presentation (ex: projector, extension cords, etc.).
9. Place your speaking engagements on your Web site and ask the host of the event to place the presentation on their Web site as well.
10. Do a slideshow of your work to show or e-mail to secure potential speaking engagements.
11. Join toastmasters.
12. Have a Q&A period at the end of every presentation.

"Use practical examples and stories when presenting. Audiences love practical advice in lieu of theory."

TAB ENTREPRENEUR BOARD 310
San Antonio, TX

REVIEW YOUR BUSINESS LIABILITY INSURANCE

Often the greatest cost in a litigation is your legal fees. You may or may not ultimately be found liable for money damages, but legal defense always costs money. Liability insurers generally have two principal obligations—indemnification (paying the amount you owe on the claim) and defense (paying for legal counsel to defend you in court against the claim). The defense obligation is broader and harder for the carrier to disclaim than the indemnification obligation.

Most consumers of business insurance focus on the total amount of coverage provided by the policy, thinking only in terms of the aspect of indemnification for the ultimate amount of any liability assessed through court judgment or settlement. The astute purchaser of insurance will also ascertain whether the costs of providing your legal defense to the claim are included in the coverage amount or are in addition to it.

With the costs of litigation defense rising, this inquiry has become increasingly relevant and may affect the amount of coverage you choose to purchase.

RICHARD STRAUTMAN
TAB-Certified Facilitator,
Port Washington, NY

See a member company you'd like to know more about? Log on to your member site at **www.TABBoards.com**, and network with members worldwide via the yellow pages.

ACCOUNTS RECEIVABLE DISCIPLINE

SUCCESSFUL MANAGEMENT of accounts receivable begins with the state of mind that a good product or service has been delivered at a fair price, and the customer is under contract to make timely payments.

We back up this expectation with disciplined processes for tracking payments and ensuring collection. We treat all customers the same way—big or small. Our terms are net 20 days, and we make it clear that we expect to be paid. Each week, we print an aging report showing 20-, 40- and 60-day past-due accounts. Statements are sent out on the 20-day anniversaries, and we use a selection of stickers to alert the customers to payment status.

At 20 days, those customers who have a history of timely payments see a sticker that says, “We have looked everywhere for your check! Could it still be in your checkbook?” Less reliable customers see, “Friendly reminder. Your payment would be appreciated.” At 40 days the sticker is a bright red item stating, “Any reason why this account is unpaid? If so, please tell us.” Seven days later, we send out a letter advising that in a few days we will make a decision on placing the account with our attorney.

We state our awareness of the need for goodwill and the maintenance of good credit ratings, but our supply contract requires prompt payments and stipulates that the customer is responsible for collection and legal fees. The customer has ten days to make payment in-full to avoid initiation of the collection process.

If the amount is over $300, I call the customer with the objective of getting a check number and anticipated date of issue. If a customer is in trouble, I work out a trade for anything we could use or sell—there is always something they can pay.

“We treat all customers the same way—big or small. Our terms are net 20 days, and we make it clear that we expect to be paid.”

Active pursuit of payment has been very successful and very few accounts have been sent for collection. Effective A/R management gives us tens of thousands of dollars in working capital. As interest rates increase, this resource takes on added value.

MIKE MERRIMAN
Accent Purchasing Solutions,
Fort Collins, CO

INEFFECTIVE COMMUNICATIONS

I think e-mail has become a bottleneck to communication in many companies. All too often, I see someone struggle for 20 minutes on the computer to describe a situation for the person in the office next door. Even worse, the question involved only requires a “yes” or “no” answer!

I recently experimented with my own 30-day campaign against internal e-mails. I announced that I would not accept any e-mails from my own staff. They would have to contact me face-to-face or via telephone.

After only a couple of weeks, our communications are better, projects are moving faster, and my relationships with my direct reports have improved.

RANDY SMITH
FORUM Systems Group,
San Antonio, TX

(Allen from page 1)

will promote the best level of understanding and cooperation among your employees. Each person has unique and consistent personality traits that define them. It is far easier to adjust or adapt your communication style to the personality needs of others than it is to try and change the people with whom you interact.

Identify the specific personality traits of key employees and then, based upon these traits, decide what communication style will be most effective for creating trusting, two-way communications with the person. Make a consistent effort to use that style of communication whenever you are dealing with that employee.

Don’t let poor communications become fatal to the success of your business. Without establishing and maintaining open communications lines with those who are critical to achieving your goals, Results-Driven Communications are simply not possible. Transform a chaotic communications infrastructure to one of success by using the Results-Driven Communications methods of Great Entrepreneurial Masters.

THE ALTERNATIVE BOARD®

Achieve Success with Peer Advice and Coaching

TIPS FROM THE TOP®
1640 Grant Street, Suite 200
Denver, CO 80203
www.TABBoards.com

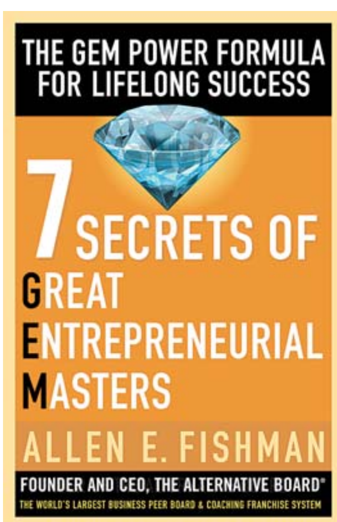
HEADACHE TAX

We all have customers that demand extra time and attention. Instead of firing them, I levy what I think of as a "headache tax" to compensate for the issues that they raise. If they leave, they leave. If they stay, at least we are being compensated.

FRANK KELLY
Kelair, Inc.,
Port Chester, NY

NOW AVAILABLE

1 best seller 800 CEO Read business book August 1st, 2006, ***7 Secrets of Great Entrepreneurial Masters: The GEM Power Formula for Lifelong Success,*** by Allen E. Fishman. Order today at www.amazon.com, www.barnesandnoble.com or follow the link at www.TABBoards.com.



Excerpt from *7 Secrets of Great Entrepreneurial Masters*:

NEGOTIATING TECHNIQUE—FIND THE DECISION MAKER

Goethe is quoted as saying, "The man who occupies the first place seldom plays the principal part." If possible, conduct your negotiations only with the party who makes the final decisions. This isn't always easy to do. The final decision maker may believe that his or her time is too valuable to spend with you until her or she has more facts and so will send a subordinate to feel out the situation. Many subordinates enter negotiations acting as if they have full power to negotiate a deal when, in fact, their power is limited.

If you are not sure, directly ask the person with whom you are negotiating if he or she has the authority to finalize the transaction in all respects. You will generally receive an honest answer, but unless you ask the question, the information may not be volunteered.

TO LEARN MORE ABOUT HOW TAB CAN HELP YOU WITH THE 7 SECRETS, CONTACT YOUR LOCAL TAB-CERTIFIED FACILITATOR.

Already read it? Write an online review today at www.amazon.com or www.barnesandnoble.com.