

## Issue Seventy Seven

### LAUNCHPAD

#### Leading the charge

There is a saying that your biggest market is the one you currently have - most of your sales are likely to be repeat business from existing clients. The reason these clients keep coming back may be partly about what you sell, but chances are that customer service plays a big part. The people you employ can greatly affect the business you do.

You can guide your team to greatness. Here are a few simple steps:

#### Teach adaptability

Every client is different and this means being flexible. Instil in your team a desire to learn, listen and roll with the punches. Not only is each customer different but so too is every employee. The same adaptability can prove beneficial in the workplace and encourage good relationships amongst co-workers.

#### Promote work ethic

When no job is too big or too small for your staff, it reflects in their customer service. Clients will appreciate the effort put in to each transaction. Good work ethic in a team is a huge positive - if all cogs in the machine are keen to turn together, you create a great team culture.

#### Encourage knowledge

Knowledge is power. It's also persuasive when customers see that your team know about your products and services and can explain how they can meet client needs. They should expect nothing less and it's also a great way to build trust, growing the relationship between your business and your clients.

#### Walk the talk

At the end of the day, you guide your team. Make sure that your team understand what's going on at all times. Demonstrate friendly, professional customer service and clear communication. Show your team how you want them to interact with you, with each other and with your customers.



#### FYI... VCFO

VCFO stands for Virtual Chief Financial Officer. A VCFO can provide specialist assistance to businesses. They are particularly useful in situations where the business is not large enough or cannot afford a full-time Chief Financial Officer. They will provide regular reports on how the business is doing financially, flag potential opportunities or challenges and provide accounting and/or financial expertise. This may be particularly helpful to start-ups or to businesses who want to embark on a growth phase. The scope of the role is flexible, negotiated in agreement between the client business and the VCFO provider.

#### INDEX

Leading the charge	1
FYI... VCFO	1
Keeping the momentum	2
Growing great leaders	2
Leadership development 101	3
Communication and leadership	4
Running on Empty? Running at a loss and what to do next	4
Professional advisors – who can help?	4



## Keeping the momentum

We all go through times during the year when we feel less productive and less motivated than normal. As an employer, it can be frustrating to try and keep motivation levels high amongst your team. Whether you've noticed a slump in productivity, or simply want to prevent it, here are some tips.

### Training

When people know more about something, it ignites their passion. The more your team understand and have knowledge of your business, products and services, the more likely it is that they'll push for its success. It also increases the feeling amongst team members of being valued. By sharing information and encouraging your team to upskill, you'll spark their renewed enthusiasm for the business.

### Recognition

Always recognise and reward good work. It doesn't need to be a grand gesture, but acknowledgement is compelling. By showing your team you're aware of their efforts, you're both rewarding the drive they've already demonstrated and encouraging them to greater heights. In recognising individual and team achievements, you create a powerful feedback loop where positive inputs create positive outputs.

## Avoid micromanagement

No one likes having someone watch over their shoulder. What's worse is when someone has put a lot of effort into something, only for every detail of it to be picked apart or altered. This is not only demeaning but also incredibly demotivating. It's hard to step back from micromanaging, to delegate effectively and trust the capabilities of your employees. Remember, they're there for a reason and are doing the job they know best. By refraining from micromanagement and putting some trust in your team, it will also free up your time to do the things **you're** best at and to focus on moving the business forward.

## Resources

There is nothing more disheartening to an employee than to have inadequate resources. In order to function correctly, your team need to have the right tools. It's one of the first and most regular questions you need to be asking, 'do you have the right resources to perform your role adequately?' and if not, 'how can we fix it?'

## Don't hold back

Don't assume that just because some team members are not very demonstrative or are older or a bit reserved, that they don't need just as much encouragement, support and direction as others. Everyone likes to be appreciated. You might have to modify your style a bit but taking time to discover what makes everyone in your team tick will yield dividends. (Quite literally, sometimes). Take the time to reach each member of your team and let them know you value their contribution to the business – it's a key motivator.

The most important point to remember is communication - being open, clear and positive with your team creates the right environment to motivate them.

## BUSINESS SATELLITE

### Growing great leaders

Imagine being able to step away from your business and take a much needed holiday. What if you had the chance to work minimal hours, or even none at all? Before you take that step, you need to be confident the business will stay on track. Take stock.

Do you have full confidence in your team to run the business the way you really want it to be run, without your having to be there 100% of the time? If the answer is 'no' or 'not yet', what would it take for the answer to be 'yes'?



## Growing great leaders (cont'd)

If your answer is better systems, better communication, better performance or more resources, these are all gaps you can address. You can develop a plan and work through a process to make it happen.

But what about if you answer that it would take more self-starters, greater initiative, and better decision-making in the team? You're pinpointing leadership qualities. Do your team have what it takes to be great leaders? Yes! Well ... sometimes. Not everyone has the desire to lead and not everyone has the skill. People who have leadership potential don't always know it and business owners can sometimes overlook people whose potential has not yet been awakened. But almost everyone can benefit by being encouraged to grow and show more initiative. As a leader, you can help to develop existing leadership capability and awaken sleeping leadership potential in others.

A reliable line of succession is a priority so that not only do you have a 2IC but your 2IC has an up and coming offside. But wouldn't it also benefit your business to have all your team show just a bit more drive, be just a bit better at problem solving and decision making?

Large corporates usually devote resources to leadership programmes and incentives. It's more challenging for small and medium sized businesses but just as vital.

So think about it. If your business had a leadership programme, where would it focus?

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**'A leader is one who knows the way, goes the way, and shows the way.'**

John Maxwell

### Leadership development 101

So... you'd like to implement a leadership development programme but aren't quite sure where to start?

Start with your business' strengths and weaknesses in terms of succession.

#### Your backup

If your business has a pretty flat structure, and you are the key person, do you have a reliable 2IC who could step up if you were away for a while? Is there someone backing **them** up who could also step up?

If you do, consider these people in terms of their leadership qualities. Would you like to see them stretch further? If so, you already have the bones of a leadership programme – why not talk to these people about how you see their development and listen to what they have to say. Together, you can put together a development plan to strengthen the immediate leadership succession.

#### The team

Widen your focus to take in the rest of the team. Do you spot obvious leadership qualities? Maybe there's some potential there but it's not exactly blossoming yet?

Go back to your business' strengths and weaknesses. Are there weak spots where you want to lift performance generally or where there's always a drama if someone goes on leave? Consider whether it is feasible to give people a chance with aspects of the business they haven't previously experienced. Is there room for rotation or job sharing? This can broaden team members' vision of the business and their skill base. Develop their self-confidence along with their competence and see if growing initiative and leadership capability follows. Share information about the business and actively seek your team's ideas on the business. Be open to creative approaches to decision making and problem solving.

The aim of a leadership programme is not to push people in at the deep end. Sink or swim is a sure way to flatten most people's confidence and keep their aspirations close to the ground. And it poses an unacceptable risk for your business.

Trust your team. Encourage them to take on more responsibility and give them feedback on how they do with it. Have systems in place that they can refer to. Support and guide them so that you're not pushing them in at the deep end. Once you have your team on track, you might just be able to trust them enough to step back for a moment and enjoy a little time to yourself.



## ENGINE ROOM

### Running on Empty?

What do you do when you've been through all your incomings and outgoings for the quarter and you're running at a loss? It can give you the flutters but it's not uncommon for business owners to find themselves in this position, particularly in the start-up phase. It can also accompany a growth spurt in the business before the business has really stabilised at its growth targets.

When you have more money going out of the business than is coming in, if you can't pay your bills, you're running at a loss. You may have a big order in the pipeline that will cover you but you might need to seek out a loan to cover you until the money comes through. You can distinguish temporary cashflow issues from larger issues but either way you need to act.

### Running at a loss: what to do next

Most people starting up a business need to allow for a period when they have more money going out than coming in. If you have a loan, it's a good idea to keep an eye on your business plan to see whether you've allowed for a period of running at a loss and have a realistic amount of capital to keep you going through that period.

If your plans weren't realistic enough or you've been hit by an unexpected downturn, you may have to consider raising further finance. Your bank manager will be looking at your cashflow forecast for three to six months ahead, to run reality checks on the kind of costs you face. Plot this out before the loan interview.

## Communication and leadership

Communication is fundamental to leadership. As a leader yourself, your clear communication is the foundation to inspire, challenge, inform, guide and advise. How you communicate is one of your most important tools to model leadership for your team. It's important that you're open, willing to listen to your team, fielding queries and suggestions. Your team will need to try things out, stretch and develop, take risks with tasks and techniques they may not have tried before. Be there to help them assess the likely risks in what they're doing, point out things they may not have considered and encourage them to aim high.



## Check check check

<input type="checkbox"/>	Check your financial records and make sure they are accurate and set up so that it is easy to keep track of income and expenses
<input type="checkbox"/>	Are your bank accounts set up so that your business bank account is only used solely for the business and there's no bleed through to personal expenses?
<input type="checkbox"/>	Do you have a separate account to put aside taxes and levies?
<input type="checkbox"/>	Check your invoicing. Are you on top of your debtors, invoicing work on completion and chasing up late payers?
<input type="checkbox"/>	What does your budget look like? Have you set one and are you on track with it?
<input type="checkbox"/>	Take a look at your expenses. Are there any you can trim? Is it possible to approach your creditors and set up time payment arrangements?

## Professional advisors – who can help?

Lastly, are you trying to do all of this yourself? We understand that when money is tight, calling on a professional advisor might seem like a luxury you can't afford right now. However, sometimes you can't afford not to. If anything described above rings alarm bells but you just don't know how to fix it, please let us know. We can help you put together a plan of action.

### 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.

