

Management Strategies

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Small business owners have to be like those plate spinners in the circus ring. You've probably seen those jugglers: they toss plates atop spindly poles. As soon as one plate starts spinning, the next plate wobbles, ready to crash. Plate spinners rush from pole to pole, trying to keep all the plates aloft.

Juggling skills are essential for running a small business.

Balancing life and work is nearly impossible, especially with all our electronic tethers. Smartphones are cool, but they make it easy to work nonstop.

This chapter on management strategies features great ideas about how to manage through chaos. I'll explain why creating an informal advisory board is a great idea and how a company retreat can boost morale and productivity.

You'll learn how to hire great advisers, including attorneys, accountants, and consultants. We'll explore how to keep employees healthy and happy by creating a safer, "greener" workplace. You may be inspired to move your business into a business incubator and cross-train your employees.

All these great ideas were suggested by business owners, so read on.



Always Deal with Decision Makers

An entrepreneur's goal is to operate at the highest level possible. You'll increase the odds of making a deal if you pitch the decision maker, whether that person is another business owner or a corporate executive. Your mission is to get to the person who writes the checks and move on to the next opportunity if the answer is "no."

Even when The Applegate Group Inc., my multimedia communications and consulting company, was based in the dining room of our suburban Los Angeles home, I resolved to always deal directly with the top person. My strategy raised eyebrows, but as a financial writer, I was interviewing and profiling decision makers every day. Companies claim to empower employees and work collaboratively, but the truth is, someone has to say "yes" or "no."

It took courage to quit my prestigious job at the *Los Angeles Times* to write a weekly small business column, write books, and consult with big companies selling products and services to small business owners.

I was very lucky. My first client was American Express. The corporate card group wanted to sponsor a weekly small business report on National Public Radio. I was upset when NPR turned us down, because they already had a corporate sponsor for small business coverage, but we took the idea to CBS Radio. My syndicated *Succeeding in Small Business* report aired for about four years and launched my speaking and consulting career.

We've flourished through the years by pitching marketing concepts, television programs, business events, and independent films to the people who can "green light" a project. You might be thinking, "Well, it's easy because you are Jane Applegate and people know who you are." Not so. No matter who you are, it's worth aiming high. You have nothing to lose by sending a short and focused handwritten note (not e-mail) to the founder, president, or chairman of a company you want to do business with. Worst case, your note will be read by an assistant and may forward it to the appropriate person down the chain of command.

I know everything is moving online, but letters cut through the clutter. I once sent a story pitch via Priority Mail to the executive producer at *60 Minutes*. Two days later, his assistant called me. She said my letter was the only piece of mail on his desk. He read it and asked a producer to call me

right away. (They passed on the story, but I know it was considered, which impressed my client.)

And don't be shy about using all your contacts—even personal ones. For example, I was chatting with a neighbor who is executive vice president of a big bank. I mentioned that I was looking for companies to give this book away to small business customers. He passed along my pitch to his business banking team. No matter what happens, I know my proposal got to the right person, with a note from a top executive.

Remember, you have only a few seconds to make your pitch to a busy person. Focus on how your service, idea, or product can help their company beat the competition. If you don't get a response to your letter, call the company's main number early in the morning or after 5 PM. Ask the receptionist to connect you to the person's direct line. Powerful executives usually work longer hours than their subordinates and assistants. I've reached many top executives working at their desks during the lunch hour, too.

I should warn you that this "easier at the top" strategy has pitfalls. Even if the top person signs off on your project, middle managers may feel threatened. They will most likely sabotage your project. I've encountered this resistance to my projects many times, but most of the time, things work out if you keep the lines of communication open.

The "not invented here" issue can kill a good idea. I share this not to discourage you, but to emphasize how critical it is to have open and constant support from the decision maker who hired you. Keep in touch with that person and make sure they know how things are going.

Be creative and persistent. Find someone who knows your prospect and ask them to introduce you. Remember, people do business with people they know and like.



Never Work with Anyone Who Gives You a Headache or a Stomachache

This is my motto. Life is too short to work with people who make you miserable. You can't possibly do your best work when the people you have to deal with make you sick.

I know. I've tried. As a freelance writer and producer, I have worked on amazing projects for terrible people, including a greedy, obnoxious celebrity and the campus loony at an elite graduate school. The production company story involved a really famous person who misappropriated production funds raised by a nonprofit organization and is too upsetting to share. (I'll include it in my memoir.)

But lessons can be learned from my most traumatic work experience. In 2008, the Great Recession prompted me to accept what seemed like a dream job at a prestigious business school. I was hired to write white papers and articles, produce audio and video clips for a web site, and coproduce a lecture series on the future of television. Best of all, I was asked to write, produce, and direct a documentary based on interviews with top industry executives visiting the school.

My four-day schedule allowed me to still speak at Bloomberg TV-sponsored small business events a few times each month.

Unfortunately, six months into the job, I was suffering from blinding tension headaches and my stomach was in a twist. Every morning, as I walked past the security bars on the windows in the stairwell, I felt like I was heading to my prison cell. The chemistry between my boss and me was terrible. I knew I was toast when he called me into his office for a performance review.

He shut the door, sat down, and began listing my infractions: I walked too quickly down the hall, creating a "wake" that disturbed his secretary; at a staff meeting, my jacket accidentally brushed against her and I did not apologize. Worst of all—the day before our biggest public lecture (which drew a standing-room-only crowd of 250)—I left campus during my lunch hour to get my hair cut instead of helping her prepare the name tags.

I remember watching his mouth move but not hearing any sound. It was surreal. Not a word about my writing, public relations, or production skills. No mention of the interviews being conducted in the new studio funded by the dean's office. No mention of teaching students production techniques or producing a broadcast-quality film on a cable-access budget.

Of course, things went downhill after that. He desperately wanted me to quit, but I was not willing to give up this job without a fight. Naïve about academic politics, I met with the human resources director, the assistant dean, and an employee assistance counselor. The counselor told me my boss was well known for being "difficult and quirky," and my days were numbered. He also told me I was toast because my boss was a "rainmaker," who brought big money into the school. I begged the dean for a transfer to

another department—any department where I was not being tortured and disrespected every day. I was desperate to keep the job, having given up all my freelance work.

Magical thinking took hold. Maybe if I worked harder things would improve? Every morning, I was the first one in the office. I risked my life driving to campus in a blizzard. A few weeks later, he called me into his office, reluctantly turning down the volume on the yodeling music he loved. (Yes, yodels streaming live via the Internet from Switzerland.)

This time I was reprimanded for asking a colleague whether she was going to meet an agreed-upon deadline for completing a brochure that had been languishing in the art department for *two* years.

“Jane, here’s the problem,” he said quietly. “You focus too much on performance and production. But my priorities are process and protocol.”

Huh?

Slowly, he took away all my projects. I sat in an empty office for a few weeks waiting for the head of the department to return from a trip. It took sending a detailed letter to the dean detailing my former boss’s unprofessional conduct and violations of the academic code of ethics to finally qualify for unemployment benefits.

After that demoralizing experience, I swore I would *never* work with anyone who made me sick. No amount of money is worth the pain. Success will evade you if you work in a toxic atmosphere. If you have made bad hires and you dread going to work, you need to take action *now*.

Work with people who admire you, work hard, and make you laugh when times are tough.

G R E A T

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I D E A

Don't Be Afraid to Reinvent Your Business

In the late 1990s, anyone wanting Sandra Nunnerley’s elegant, custom-designed furniture had to have deep pockets as well as good taste. Long accustomed to serving the upscale market, with a single chair tagged at \$10,000, Nunnerley said she was

pushed into the retail market by copycats. “I started to notice that copies of my custom designs were appearing in retail outlets,” said Nunnerley.

Fueled by the middle-class housing boom, Nunnerley teamed up with furniture giant Lane Upholstery to design a line of elegant sofas, beds, chairs, and tables.

Her furniture and interior designs, the subject of an upcoming book and featured in *Architectural Digest*, appealed to Lane Upholstery president Arthur Thompson.

“Sandra is a designer of remarkable talents, one who has consistently responded to a discerning international clientele,” Thompson remarked when the line was launched. “Her simple, sophisticated designs fill a void in the marketplace for furniture that meets the demands of modern living without sacrificing elegance, style, and tradition.”

Although her line for Lane was lucrative, Nunnerley said in 2005, her research showed that the U.S. housing boom was about to become a housing bust. “I did very well with Lane, but I could see the market changing, and by the end of 2005, I said this cannot last . . . this thing is a bubble.”

“I saw the train coming and knew we had to rethink the company,” said Nunnerley. “We were really making a profit on our high-end residential work, so I decided not to continue with designing products.”

Colleagues who kept serving the mass market furniture, including Michael Smith, the Obama’s interior designer, “got into a lot of trouble.”

Since moving back to serve the highest end of the market, Nunnerley said the company has “never been so busy.” The Manhattan-based firm has grown from 6 to 10 employees.

“At the level I work now, it’s only for the very rich,” she said. “That’s the reality of it. We’ve become a boutique high-end residential firm, doing everything from interior architecture to design.”

Her clients own multiple homes, boats, and airplanes. To keep them happy, she often commissions other designers to create one-of-a-kind pieces.

“We survived and have never been busier,” she said. “Unfortunately, the architects are walking the streets. We advertised for an architect and received 700 resumes.”

Nunnerley urges other business owners to “move with the times.” She said, “You have to constantly rebrand, especially in this global market. It’s a whole new world.”

Looking back, she knows she did the right thing by moving away from manufacturing. “If I continued, I would have been out of business.”

While Nunnerley saved her business by returning to the highest end of the market, long-time restaurant owners, the Ghios, continue to update the menu and operations at Anthony’s Seafood Grotto in San Diego. The restaurant won the local best seafood restaurant award 14 years in a row.

Years ago, when they dropped the zabaglione cake from the menu, Rick Ghio told me he feared his dear, departed grandmother, Catherine, would send a lightning bolt down from heaven in protest. “We did it because we were throwing away more cake than we were selling,” recalled Ghio, referring to the traditional sponge cake served with a rum custard sauce.

Dessert sales perked up when Anthony’s started serving tiramisu and fresh fruit tarts. After 50 years in business, Anthony’s dropped rosé from the wine list, switching to white Zinfandel. The Ghios continue to make changes every year. But why would a business founded in 1946 make changes?

“We were losing our market share,” he said. “Our reputation was still strong, but people were not dining at Anthony’s as frequently as they did in the past.”

Families still booked tables for major celebrations and holidays, but the younger families and couples did not consider Anthony’s a hip place to eat.

“Competition is fierce, relentless, and unforgiving,” said Rick’s brother, Craig, now responsible for business development. “Diners have more choices than ever, and tradition is no longer enough to keep them coming back.”

The Ghios admit that making changes to an iconic eatery is a “scary process,” especially since “there’s a huge risk in saying goodbye to some of the things we had been doing, but we have been truly blessed by the response.”



Add Spirituality to Your Business Life

Peter Oppermann studied mechanical engineering in Germany, but was always drawn to the arts, design, and Eastern philosophy. He moved to New York to marry a yoga teacher and started teaching yoga, but when the marriage ended, he followed his passion to create simple, elegant designs.

Today, he owns Shoji Living, a company that designs and manufactures Japanese-style sliding doors out of sustainable materials.

Oppermann said he's been inspired by *The Diamond Cutter*, a book written by Michael Roach, a Buddhist monk turned millionaire businessman. In fact, Oppermann teaches classes in "Karmic management," based on the book's principles, to ex-convicts learning new skills at the Osborne Association's Green Career Center in the South Bronx. (For more on hiring ex-cons, see Great Idea #145.)

Integrating his spiritual and work life is a top priority for Oppermann. In 2010, he took it a step further by joining a group of spiritually minded entrepreneurs who meet monthly. Together, they explore ways to integrate spiritual practice into their business and personal lives. The group calls itself Spirit Bus and is comprised of a former hedge fund manager, a former advertising executive, and two marketing consultants.

"Being an entrepreneur can be a little lonely," said Oppermann. "So, we get together once a month to exchange ideas, inspire, and support each other."

Taking a more spiritual approach to business is appealing to many business owners. Rabbi David Baron, founder of Temple Shalom for the Arts in West Los Angeles, said he started writing sermons about how the Bible relates to business issues as a way to connect with more members of his congregation. He said most business owners want their companies to reflect values they cherish.

But it's tough for busy business owners to incorporate key values into their day-to-day management decisions. Yet a truly successful business relies on the behavior and ethics of its owner and employees.

For instance, if you cheat your customers, you shouldn't be surprised if your employees do, too. If you tell white lies about why you were late or missed an appointment, your employees will think it is okay if they do the same. "The more I got into [these topics], the more it resonated with businesspeople," Baron told me. In one of his books, he asks readers to consider why God chose Moses for such an important leadership role when he was hardly management material.

"Imagine hiring a manager whose profile reads: reluctant to lead, stutters, distant, prone to long mountain-top vigils, temperamental to the point of smashing corporate mission statements, strikes out instead of speaking, settles disputes through swift violent means, and never reaches his ultimate objective."

Pretty funny.

If you are interested in exploring how business and spirituality align, check out Michael Roach's book, *The Diamond Cutter*, published by Doubleday Religion. Roach recently sold his diamond business to Warren Buffett for \$200 million. A book about religion and business may inspire you to reconnect with your spiritual side, even if you haven't been to a church or synagogue in years.



Ask for a Quick “Yes” or “No”

Through the years, I've learned that a quick “no” is as important as a “yes” when it comes to dealing with clients and customers. While we all love to bring in new business, too much time is wasted in discussion and fruitless negotiation when people are reluctant to just say “no.”

If someone isn't interested in buying what you have to offer, it's painful but better to know the truth and move on. The challenge is this: Most people don't like to say no, so they waffle, stall, and mumble. They don't return your phone calls, texts, or e-mails. This creates stress and frustration and wastes your time.

One strategy I've found to be extremely effective for getting a timely answer is to set a deadline for response. You may think this takes a lot of nerve, but it works in most situations. We set response deadlines on proposals submitted to the biggest Fortune 500 companies.

Setting a deadline is a grown-up way to do business. We ask our corporate clients, who usually need a lot of time to make a decision, to just tell us where they are in the process. Keeping us in the decision loop creates a respectful and honest relationship.

Of course, if someone asks for more time because they can't schedule a meeting or have to complete a new project, we wait for an answer. The goal is to manage the decision-making process in a professional, nonconfrontational manner.

Be polite and clear. Tell them you truly want to work with them or close the sale, but you believe a “no” is as important as a “yes.” Try it.



Say Goodbye to Corporate Life

People leave their corporate jobs to start small businesses for all sorts of reasons, financial and emotional.

Liz Clarke was working for IBM as an organizational consultant when her son, Dana, died in 1994. To rebuild her life after his traumatic death, she moved to South Strafford Village, a tiny town in south central Vermont. Clarke purchased a couple of extra acres adjacent to her home, cleared the brush, and planted raspberries, blueberries, and currants.

Then, with scientific precision, she taught herself how to make jam, jellies, and *coulis* (a super-refined jelly). In the fall of 2010, she began selling U.S. Department of Agriculture (USDA) fancy-grade products under the Morrill Mountain Fruit Farm brand.

Clarke told me that digging in the dirt, driving a tractor, and picking berries cleared her mind. Slowly, she felt happier and brighter.

Across the country, Adam Dawson leveraged his experience as an investigative reporter into a successful small business. Dawson spent 12 years as an aggressive investigative reporter for the *Daily News* and the *Orange County Register*. His beat was white-collar crime, and he was relentlessly competitive. (I know because we battled it out covering federal court stories every day when I was a reporter for the *Los Angeles Times*.)

By the time Dawson was in his 40s, the newspaper industry was faltering and he was ready for a change.

“I could buy a toy like a sports car, have an affair, or reinvent my job,” said Dawson. “I couldn’t afford to buy a toy and my wife wouldn’t let me have an affair, so I thought about what else I could do with the skills I had.”

The attorneys and cops he worked with every day encouraged him to become a private investigator. Intrigued, Dawson looked into what it would take to obtain a license. He learned he needed 6,000 hours of investigative experience to qualify. Luckily, the director of the state licensing agency granted him credit for his many years of investigative reporting.

In 1989, Dawson passed a state exam and has since parlayed his reporting skills into a lucrative PI business based out of his Santa Monica, California, home.

He avoids marital cases (“too emotional”) and hires other investigators to handle surveillance. Mostly, he focuses on what he did as a reporter: unraveling complex frauds and following the money trail. Still passionate

about helping to put the bad guys in jail, he's making six figures a year and having fun.

Dairl Johnson was at the peak of his career and managing a product line with \$1.5 billion in sales at IBM, when he “suddenly realized I was taking just as big a risk staying in my corporate job as I would if I left.”

In the early 1990s, IBM was cutting staff. “The whole idea of the company being there forever was no longer true,” said Johnson. “It rocks your whole perspective, and you suddenly say, ‘there’s no such thing as job security. I would rather trust my own skills and abilities.’”

He wasn't sure what his next step would be, but first he had to deal with a serious problem. Stressed out from too many hours at the computer, Johnson had developed a painful “executive slouch.” Years before, he had injured his back when he bailed out of a Navy fighter jet and was hit by the ejection seat.

One day, his doctor suggested he visit a Relax the Back store in Austin. Johnson forked out \$5,000 for a recliner chair, lumbar supports, and other back savers. Amazingly, his back pain eased.

Sensing a business opportunity, he checked out the franchise, cashed in his pension fund (see Great Idea #40), and maxed out his credit cards to purchase a Relax the Back franchise in Santa Monica for \$184,000. “That business did \$1 million in revenue in its first 10 months,” recalls Johnson. “I knew there was really something going on here.”

With southern California sales soaring, he started thinking bigger. “I said to myself, ‘you know, I want to take this nationwide, and the only way I can do this is to purchase the entire company.’”

Turning to institutional investors, he raised \$6 million to buy the operating company. The company now owns about 100 stores across the United States.

Back care is a growing field, since most sufferers are 60-year-old Baby Boomers with high-stress jobs and money to spend on relief. Relax the Back stores sell scores of products ranging from inexpensive massage oils to high-end mattresses and reclining chairs.

Looking back at his life as an executive, Johnson said he has no regrets about leaving the corporate life. “The most important thing is to be prepared for the risk,” he advises. “It’s a real free-fall, and sometimes you can’t find the rip cord.”

He said that once you make a decision to go into business, “you can’t put one foot on the boat and keep the other one on land. Failure is not an acceptable alternative. Doubt and fear are okay but not failure.”

Before you take your job and shove it:

- Do extensive research on businesses and industries that appeal to you.
- Speak to as many entrepreneurs as possible to get a sense of what it's really like.
- Work part-time for a similar business or be the world's oldest unpaid intern.
- Make sure you have enough money saved to live on for at least a year.
- Be sure you have the support of your spouse or significant other.
- Be aware that starting or buying a business is extremely stressful.
- Accept that things usually take three times as long and will cost you at least twice as much as you expected.

**Create an Informal Advisory Board**

The largest companies in the world have all sorts of advisory boards, but entrepreneurs are often reluctant to ask outsiders for help. An advisory board made up of industry leaders, deep thinkers, and trusted colleagues can steer you and your company through the choppiest waters—at very little cost.

Unlike a board of directors, which has legal and fiduciary responsibilities, advisory boards can be set up as formally or as informally as you like. You should offer to pay people a modest sum, perhaps \$1,500, to attend one meeting every quarter or twice a year.

Years ago, I served on a small business advisory board created by the American Express Corporate Card group. About a dozen movers and shakers in the small business world met once or twice a year to brainstorm about new Amex financial products and services, review existing products, and share our insights with company executives.

When times were good, we met in five-star hotels. Warm cookies, cold milk, and monogrammed robes welcomed us when we checked into our rooms. During lean years, we met at a hotel across from the office and ate sandwiches. No matter where we met, we enjoyed the experience while providing valuable services and making our own business connections.

So how can an advisory board help your business? If you run a manufacturing company, for instance, invite representatives from your major suppliers, a marketing expert in your field, a retired executive with experience in your industry, and perhaps your accountant or attorney. (Be prepared to pay your advisers their regular fees to attend meetings.)

Meeting at least once a year in person is ideal. But if you have to meet via conference call or online, set a detailed agenda. Start by providing a brief overview of what's happening at the company. Before the meeting, send out a package or links to financial information, including a current balance sheet, marketing materials, and anything else to bring your advisers up to date.

After you've presented a brief overview, listen to their comments and suggestions. Don't get defensive. You want your "kitchen cabinet" to keep you on track and hold you accountable.

Seek out advisers who will help you take the pulse of your industry and monitor your competition. There's nothing better than feeling supported by a group of people who believe in what you're doing.

We rely on a core group of advisers to keep The Applegate Group Inc. on track. My dearest uncle, Steve Coan, a retired partner in a major Wall Street brokerage, is one of the smartest and most intuitive people I know. He's a whiz with numbers and terrific when it comes to solving sticky personnel problems.

One of my best friends, Kathy Taggares, is a successful entrepreneur and skilled strategist. She always has a fresh perspective to share. Although she's in the food processing business, she's media savvy, plugged into popular culture, and makes me laugh no matter how bad things are.

My husband, Joe, is my most trusted adviser. He's my ethical adviser, responsible for weighing the ramifications of every project I accept. He also calms me down when I start choking on what he calls "emotional hairballs." He reminds me not to take professional setbacks personally.

Whereas this kind of informal kitchen cabinet is essential for helping you make better decisions, consider establishing a more formal customer advisory board. A survey by Dr. Tony Carter, a professor of sales and marketing at Columbia University's Graduate School of Business, found that 21 of the 70 Fortune 500 companies surveyed had customer advisory boards. Nineteen of 21 said the boards were extremely useful.

In the 1990s, Swissôtel and Avis (now AvisBudget) both formed women's advisory boards to tap into the growing women's travel market. Based

on recommendations from its board, Swissôtel began offering special services to women business travelers, including prime seats in hotel restaurants serving lighter, healthier spa-style cuisine. They extended health club hours to fit the women's busy schedules.

Susan Stautberg, a New York City consultant who helps companies create advisory boards, said Avis tried to make women feel more welcome by lowering sections of the check-out counters. In 2010, based on customer feedback, AvisBudget started offering the services of local drivers for an extra fee when you rent a car in certain cities. What a great idea that is, especially for people like me who hate to drive, especially in big cities where I don't know my way around.

So think about inviting some savvy experts and customers to provide invaluable advice to you and your staff.



Move Your Business into an Incubator

If you think incubators are just for babies and chicks, think again. Incubators offer entrepreneurs financing, real estate, mentoring, inspiration, encouragement, and a mix of compatible neighbors.

There are about 1,500 business incubators in the United States and thousands more abroad, according to the National Business Incubation Association, in Athens, Ohio.

Shapeways, an innovative company that provides rapid manufacturing or 3-D printing solutions to build low-cost product prototypes, began its life in an incubator in Eindhoven, Netherlands. The company, founded in 2007, was invited to participate in a "lifestyle incubator" operated by Royal Philips Electronics.

Life in the incubator meant low-cost office space and free, weekly counseling sessions with one of the incubator's managers, according to CEO Peter Weijmarshausen. The companies were all start-ups working on high-tech concepts. One company was developing a system to help patients manage their hospital stays. Another was perfecting an electronic gadget that tracked a person's movement throughout the day.

In September 2010, Shapeways announced it was ready to fly the coop. The company raised \$5 million in Series A funding backed by Union Square Ventures in New York, which invested in Foursquare and Twitter, and London-based Index Ventures, which successfully backed Skype and Last.fm.

“Now, with the help of investors, Shapeways will be able to take the democratization of production to the next level,” said Weijmarshausen. He said Philips plans to retain its investment in the company, but he would not disclose the amount.

Shapeways moved its headquarters to New York because most customers live in the United States. He said the company will spend the money raised to upgrade and improve the web site and hire more staffers to ramp up the marketing efforts.

Is Life in an Incubator Right for Your Company?

If you are thinking of moving into an incubator, take a tour and meet with other tenants. Then, get answers to the following questions:

- How long has the incubator been in operation?
- What kinds of businesses have occupied space in the incubator?
How long do most businesses stay?
- What are some of the incubator’s success stories?
- What specific services and support does the incubator offer tenants?
- Does the incubator intend to take equity in the businesses it houses? For how long?
- What financial resources are available to tenants? Access to loans? Introductions to private investors?
- Are there any hidden fees or charges?
- Do you require a contract? Can you move out sooner if your business grows too fast or fails to grow?

For more information, visit the National Business Incubation Association’s web site at www.NBIA.org.

“We are revolutionizing personal production,” he said in an exclusive interview. “If you think of a new product, you can put it on the market within a day.”

The company 3-D prints more than 10,000 unique products every month, up from 600 a month in January 2009. (See more about how to design prototypes with affordable software in Great Idea #87.)



Organize a Company Retreat

An annual or semiannual retreat is an excellent way to measure the pulse of your business and tackle small problems before they turn into big ones. You don't have to book a Caribbean cruise, rent a fancy hotel suite, or even get on a plane. Instead, reserve a private room at a local restaurant, gather around a picnic table in the park, or go to someone's home. Hire a temp to answer your phones for the day. Tell customers and clients about the retreat. Believe me, they'll be impressed.

We planned our first retreat after signing a contract to produce a syndicated small business radio report for CBS stations. I knew the report, sponsored by American Express, would raise our profile and attract new business, so we needed to do some big thinking. I flew the key members of my team—all three of us—to Tucson for the weekend. We checked into a modest but comfortable motel, brainstormed at the pool, ate great Mexican food, and had some fun along the way.

If possible, hire an outside facilitator so you can participate. If you can't afford it and have to lead the discussion, that's okay.

Be sure to prepare for the retreat in advance. Decide exactly what you want to accomplish. Overall, you will want to review all customer accounts and current policies, and set specific goals. Create an agenda with space for notes.

Use flip charts or a white board to summarize the information and key points. Then open the meeting up to discussion. Go around the circle to encourage everyone's participation.

After you discuss what's happened in the past year, review what's working and what's not. For example, my colleagues told me that my tendency to micromanage projects was making them crazy. They couldn't do their work

because I was constantly inquiring about their progress. This was painful but important criticism. I owned up to the problem, forced myself to stop hovering, and became a better manager.

Take time to discuss all those annoying behaviors, quirks, and patterns that interfere with productivity. Divide goals into short-term and long-term categories. Some tasks, like sending collection letters to clients, can be accomplished in a week; other jobs may take a month or a year. The most important thing is to make sure everyone agrees on what needs to be done, then set priorities and reasonable deadlines. At the end of the day, brainstorm about some pie-in-the-sky goals.

Try to inject humor into the discussion, especially if you are dealing with serious issues. Remember, listen more than talk.



Create a Greener and Safer Workplace

Creating a greener, safer workplace can improve health and morale while boosting your bottom line. It makes sense because the Environmental Protection Agency estimates that every year indoor air pollution costs U.S. businesses more than \$1 billion in medical bills and \$60 billion in lost productivity.

Here are some great ideas to implement without spending a lot of time or money:

- *Design/landscaping:*
 - If you are building a new office, make sure your architect orients the building to take advantage of natural light to reduce lighting bills. Design a building that cuts down on unnecessary heating or cooling expenditures.
 - Landscape with native plants that require less water and suit your climate. Try to avoid the use of chemical pesticides and fertilizers to protect the local water supply.
- *Building materials.* Use materials that reduce indoor pollution. Avoid pressed wood products that are glued together or treated with formaldehyde or other toxins. Be sure your building is well insulated with

recycled, nontoxic materials. Look for materials with a high R-value; the higher the number, the better the insulating properties. Reduce drafts with double- or triple-pane windows.

- *Lighting:*
 - Take advantage of sunlight whenever possible. Buy motion sensors that turn on when you enter a room. Replace incandescent and fluorescent bulbs with LEDs. One LED can last up to 60,000 hours. Use local, “task” lights rather than general overhead lighting. Install dimmers to reduce energy use.
 - Work with your local utility company or an independent energy auditor. Ask about rebates and other government-funded financial incentives available to business owners.
 - Keep computers out of direct sunlight to avoid glare and tilt monitors away from the window. Buy blinds with a silver coating on one side to reflect sunlight. Whenever possible, install glass above partitions to allow light to filter through the office.
- *Equipment:*
 - Look for “Energy Star–rated” copiers, computers, and other equipment that power down when you aren’t using them.
 - When possible, print on both sides of the paper. Avoid printing out e-mail messages or documents whenever possible.
 - Check out the Energy Efficiency Rating (EER) and operating costs of appliances. Purchase a model that doesn’t rely on chlorofluorocarbons (CFCs) to operate. These chemicals deplete the ozone layer.
- *Office supplies.* Whenever possible, buy nontoxic highlighters and dry-wipe markers. Buy recycled paper folders, notebooks, pencils, and pens.
- *Recycled products:*
 - Try using 50 percent recycled paper for everything from your printing to restroom needs. Reuse office paper for scratch paper.
 - Recycle all the paper you can: white paper, newsprint, and cardboard. Experts say it takes one-third less gross energy to make one sheet of recycled paper compared to “virgin” paper.
- *Recycling programs.* Paper is not the only office supply to recycle. You can recycle carpets, computer batteries, computers, printer cartridges, construction-site waste, floppy disks, glass, lightbulbs, holiday cards, light ballasts, and packing materials.

- *Telecommuting/transportation.* Encourage your workers to carpool, bike, or use public transportation. Try telecommuting at least one day a week to save time and fuel. Offer transit vouchers or other incentives to offset the cost of commuting.



Think Ergonomically

I'm usually the last one to urge any entrepreneur to spend money on fancy office furniture. In my previous life as a white-collar crime reporter, I quickly learned the glitzier the office, the worse the criminal who owned the company.

But with repetitive-motion injuries costing U.S. business owners hundreds of millions of dollars in lost productivity and millions more in workers' comp claims each year, it's important to make sure you and your employees are sitting on good chairs behind the right kind of desk. (Every year, there are more than 500,000 cases of repeated trauma disorders, such as carpal tunnel syndrome, affecting workers from white-collar executives to meatpackers.)

Providing a safe and comfortable workplace will boost morale as well as help you avoid lawsuits and complaints filed with state labor officials. So don't be cheap when it comes to outfitting your office.

"The most important investment you can make is in a chair with adjustable lumbar support and height features," said Mark Dutka, founder of a San Francisco design firm specializing in office furniture.

Rebecca Boenigk, chief executive officer and chairman of Neutral Posture Inc. in Bryan, Texas, is very familiar with comfortable, adjustable office chairs. Her father, Dr. Jerome Congleton, is a professor, national expert on ergonomics, and the person who designs most of the company's popular chairs.

"If you don't have proper support, you'll go home hurting every day," said Boenigk. "We want you to change the position of your chair all day long and make it easy to do."

Recognizing that too many expensive chairs are not properly used, her company produces online videos and includes instruction booklets with

every chair. “Some people think a \$200 chair is expensive,” she said. “But the chair is the most important part of the workstation.”

Boenigk said treating a minor carpal tunnel injury, caused by too much typing or repetitive wrist movement can cost a company thousands of dollars in medical treatment and physical therapy. A serious injury can run into hundreds of thousands of dollars and may result in a lawsuit.

The market for comfortable office chairs is fueling the industry. There are about 100 ergonomic chair makers, with big companies like Steelcase selling more than \$500 million worth of furniture and equipment a year.

“We are never going to be as cheap as chairs from China,” said Boenigk. “If you go to a big box store and buy a \$99 chair, six months later you are going to be throwing it in the trash can. We have 7,000 chairs that have been at UPS for 16 years. We wish they would replace them.”

Being small and nimble helped Neutral Posture weather a 50 percent drop in industry sales during the 2008 recession. They cut costs and worked smarter but, rather than hunker down, hired a consultant to craft a three-year marketing and growth plan. “We rebranded the company with a new logo, new web site and new products,” said Boenigk.

It worked. At a major industry trade show, the company’s booth was mobbed with customers. Neutral Posture, with offices in Bryan, Texas, and Ontario, Canada, is a small player, but is considered a leader in its field.

How to Be More Ergonomic

- Hire an ergonomics consultant to visit and inspect your office.
- Determine what equipment you need to reduce back and wrist problems.
- Start by buying the low-budget items: back support pillows, wrist rests for keyboards, footstools, copyholders, and good lighting.
- Work your way up to buying new workstations and high-quality chairs.

G R E A T**12****I D E A**

Make Meetings More Productive

In this high-tech era, it's a bit surprising to learn that face-to-face meetings are still the most popular form of business communication. In fact, 44 percent of executives surveyed by Office Team, an office staffing service, said they preferred to communicate with people in person. E-mail ranked second, with 34 percent; paper memos, 12 percent; and voice mail, 7 percent.

Still, too many meetings drag on and accomplish very little.

"In these days of rapid change, time is precious, and you can't afford to waste it in meetings," said Dr. Mark Goulston, a Santa Monica psychiatrist, author, and business coach who works with both big and small companies.

One of Goulston's great ideas is to give a quiz at the end of a meeting. "We ask whether everyone really understands what was discussed," said Goulston. He also suggests asking, "What are you going to do differently and why?"

This strategy avoids "collusion" between meeting leaders and participants who sometimes just pretend to be listening or interested—or, worse yet, agree with their bosses to gain favored-employee status.

Here are some other tips to make your meetings more productive:

- Schedule meetings just before lunch so people will act quickly.
- Send out an agenda before the meeting.
- Invite the fewest number of people possible. Only meet when absolutely necessary.

G R E A T**13****I D E A**

Meet Clients in Elegant Public Places

The greatest thing about working at home is being able to spend more on high-tech, high-productivity office equipment, travel, marketing, and entertainment. But the challenge is where to meet with a client or customer?

If kids, dogs, or family members preclude you from inviting people to your home office, make reservations.

No matter where you live, you can meet in an elegant restaurant or hotel lobby. Be sure to scout out the location before you schedule the appointment. Check out the parking situation. Better yet, look for a place with valet parking.

Reserve a quiet table far from the kitchen. Make it very clear to the *maître d'* that your meeting is very important to your professional success. When you arrive and are shown to your table, be sure to give the *maître d'* a generous tip (\$10 to \$20).

Another classy idea: If sharing a meal isn't an option, invite your client to join you for tea or cocktails at a luxury hotel. Late afternoon is an excellent time for a leisurely business meeting because it doesn't interfere with lunch or dinner plans.

If your client prefers to skip the food and drinks, just meet in a secluded section of a fine hotel lobby. If you are well dressed and quiet, no one will ask you to leave. My favorite hotels for meetings are the St. Regis and the Regency in New York City. Poolside at the affordable and funky Sportsmen's Lodge in Studio City, California, is the perfect meeting spot for my film projects or auditions.



Work the Phones or Walk the Floor

Publishers Weekly named Elaine Petrocelli, co-owner of Book Passage in Corte Madera, California, bookseller of the year a few years ago. She's earned a national reputation by battling nearby chain stores and online book sales. Book Passage, with stores in Marin County and San Francisco, is known for its stellar customer service and educational outreach programs and events.

Every year, Book Passage hosts about 700 author events, seminars, and workshops. They keep in close touch with 40,000 customers via newsletters and via their web site: www.bookpassage.com. (I will be signing books at Book Passage's San Francisco Ferry Building location in April.)

The original store, which opened in Larkspur, California, in 1976, now fills 12,500 square feet in Corte Madera, California. Petrocelli shared a great idea that anyone who owns a retail store or small business needs to do: get out of your office and work on the floor. In fact, she had just been working the floor when we spoke.

“The company execs here are scheduled like everyone else to get out and sell books,” said Petrocelli. “Everyone here has worked on the floor as a bookseller.”

Dealing with customers while your employees take a break is a great way to stay in touch with the front line of your business. Sit in for the receptionist and answer the phone.

“We had a marketing meeting, and so much of the information came from people saying, ‘When I was on the floor yesterday . . .’” Petrocelli told me.

You’ll be surprised how much valuable insight can be gained by working directly with your customers. Being on the front lines can generate the ideas and ammunition you’ve been searching for to beat your competition.



Join or Create a Peer Support Group

Tight budgets and soft sales during the recession pushed savvy business owners to turn to each other for free advice rather than hiring consultants. What began as a cost-cutting measure is still yielding invaluable benefits as business picks up, according to members of three informal, peer-to-peer business support groups.

Members say they look forward to their monthly gatherings to share contacts, tackle tough problems, and brainstorm together to dream up marketing strategies. They also rely on each other for motivation and inspiration.

“We always ask, ‘How can we help each other and what information can we share?’” said Alison Raffaele, a makeup artist, beauty products entrepreneur and member of Beautiful New York. (Alison did my makeup for the photo on the back of this book.) “One member shared a contact that helped me get a \$20,000 loan guaranteed by the Small Business Administration.”

The members of Beautiful New York all make beauty or personal care products. Peace-Keepers Cause-metics sells natural lipstick and nail polish

and donates its profits to organizations helping women. Juara Skincare makes and sells Indonesian-inspired complexion products. Raffaele is a makeup artist who sells a line of concealer and foundation. The only rule is that members can't compete directly with each other. In fact, they look for ways to promote each other's products as well as share distribution channels and sales reps.

Raffaele said sometimes members benefit by asking if a vendor is reliable or whether a boutique pays its bills on time. "We are all looking to increase our distribution channels at a time when the channels have changed."

Metta Murdaya, cofounder and owner of Juara Skincare, which sells skin and body care products containing ingredients found in Indonesia and elsewhere, said she looks forward to the monthly gatherings because they "keep everyone energized."

"The one thing we have in common is that we are female entrepreneurs in the New York beauty space," said Murdaya. "We meet to share resources, sales reps, distributors, and press contacts." She said they've also held successful joint marketing events such as opening temporary "pop-up" stores. (Juara provided the first prize for our "Great Ideas" contest.)

Two Minnesota-based entrepreneurs have taken the peer-to-peer counseling model a step further by serving as vice presidents of each other's companies.

Michelle Massman owns a marketing and event management firm in Minnesota. Every year, she produces a popular women's trade show. She also worked with me to round up sponsors for my book promotion tour and crafted our social media strategy. One of her other clients is Shaun Johnson.

Johnson is the founder and co-owner of Tonic Sol-fa, LLC, an entertainment company that owns and manages Tonic Sol-fa, a super successful all-male *a cappella* group. Tonic Sol-fa performs at sold-out concerts, sells thousands of CDs and song downloads, and produces popular holiday specials for PBS. I attended their holiday concert in Minneapolis and it was fantastic. A blizzard the day before did not stop fans from attending the concert.

"When Shaun and I first met, we were inches away from being totally burnt out," Massman told me. "The first conversation we had lasted three and a half hours. After that, we started looking at each other's companies in a different light. It is great to have someone to help you dig in and work on new strategies."

Although Massman and Johnson initially worked together informally to solve business challenges, they now serve as vice presidents of each other's companies and pay each other for services rendered. It's worked out well for both companies, which managed to keep busy during the Great Recession.

If you prefer to join an existing organization, check out The Alternative Board (www.thealternativeboard.com). TAB is an international franchise organization with more than 3,000 members in the United States, Canada, the United Kingdom, and Venezuela.

Founded in 1990 by business author Allen Fishman, TAB hosts monthly meetings as well as providing consulting services. Fees vary depending on the location, so contact TAB for details.

Ladies Who Launch has more than 100,000 members across the United States. This active group has a dynamic web site and newsletters designed to encourage networking and bootstrapping among members. Chapters across the country host monthly luncheons, seminars, and workshops. LWL is a national sponsor of my *201 Great Ideas* book tour. For more information, visit www.ladieswholaunch.com.

The Women Presidents' Organization (www.womenpresidentsorg.com) has 82 chapters and about 1,500 members in the United States, Canada, and the United Kingdom. Members are required to have \$2 million in annual revenues (\$1 million if it is a service business). WPO members meet monthly with a trained facilitator. The basic annual membership fee is about \$1,650. Contact WPO for more information.

There are many other groups providing peer support and motivation for busy entrepreneurs. Joining your local chamber of commerce is a good place to start. Be sure to attend the monthly mixers and get to know as many members as possible. For more information visit the Chamber of Commerce of the United States web site (www.uschamber.org).

If you are interested in how politics affects business, join Women Impacting Public Policy (WIPP). The group tracks legislation and keeps tabs on elected officials (www.wipp.org).

Minority business owners can also contact the National Association of Minority Contractors (www.namcnational.org) and the U.S. Hispanic Chamber of Commerce (www.usbcc.com).

Franchise owners should consider joining the International Franchise Association. For more information, visit www.franchise.org.



Know When to Reach Out for Help

Every business hits a rocky patch once in a while; it's nothing to be ashamed of. But if you are worried about your business, please don't be afraid to reach out for help. If you don't set your ego aside, you could jeopardize everything—your business, your family, and your reputation.

This checklist will help you take the pulse of your business:

1. Are vendors or suppliers calling you and demanding to be paid immediately? YES NO
2. Has your banker reduced your credit line or demanded full payment of a loan? YES NO
3. Are you having trouble meeting your payroll? YES NO
4. Are you dipping into personal savings to pay your bills? YES NO
5. Are customer complaints increasing? YES NO
6. Do you have trouble sleeping and feel out of control? YES NO

If you checked more than one “yes,” you need help ASAP. Ask whether your current advisers can help you sort things out. Your accountant may be able to suggest ways to boost your cash flow. Your attorney can send collection letters, which might help you get paid faster. You need to eliminate nonessential expenses, but consider hiring a freelance marketing consultant to create a low-cost, short-term promotion aimed at bringing in new sales.

If you feel your business is in serious jeopardy, consider hiring a professional turnaround consultant. These highly skilled and experienced experts step into your shoes and take charge. They work quickly to negotiate deals with creditors and vendors to keep them at bay. They deal with your banker, your suppliers, and your landlord, convincing them to give you more time to sort things out.

Bringing in an outsider to rescue your company is a dramatic measure, but it tells the world that you care enough about your business to step aside—at least temporarily. Turnaround consultants are not cheap. A good one may cost thousands of dollars that you probably don't have. Often, your bank will force you to bring in professional help.

One turnaround consultant I know told me he found \$60,000 worth of checks tucked inside the desk drawer of a panicked controller. The moral of that story is: when your business is spinning out of control, it's tough to think clearly.

One caution: If you hire a turnaround consultant, you will have to relinquish day-to-day control. You can't disappear, though. You have to be available to answer questions and provide information.

For less severe problems, schedule some free or low-cost counseling at a Small Business Development Center (SBDC). There are about 1,000 centers around the country, jointly funded by the U.S. Small Business Administration and private organizations, usually colleges or universities. You can find the closest SBDC by visiting www.sba.gov.

And don't forget the free help offered by the Service Corps of Retired Executives (SCORE). SCORE has thousands of experienced businesspeople available to help you sort out any problems in person or online. Their services are free and their workshops affordable. Find a counselor who knows your industry at www.score.org.

Ignoring your problems is a sure way to kill your business. Send up a flare and save your company before it's too late. (Check the resource section at the end of the book for more ways to get help.)



Hire a Great Lawyer

One person who can help you in good and bad times is an experienced attorney. Save money when you can, but don't scrimp when it comes to getting solid legal advice.

Once you set up your business structure, you'll need a savvy lawyer to buy or sell real estate, form a partnership, create job applications, and write employee handbooks. (See the tip box on pages 28–29 for diversity tips.)

Working with a good small business attorney will help you avoid legal troubles involving staff, vendors, and customers. He or she can also prepare books and records when you are seeking outside investors or applying for a bank loan.

Finding a good attorney is not as challenging as you may think. There are about a million of them in the United States. The best way to find a

good lawyer is to ask other small business owners, your banker, and your accountant for recommendations.

You can also find a lawyer through a legal directory or at various web sites. Most large libraries have a copy of the *Martindale-Hubbell Law Directory*, which provides brief biographical information about lawyers in your area. State bar associations offer free referral services. Be prepared to pay a fee for an initial consultation, although some lawyers won't charge you.

Remember, you have to feel comfortable telling your attorney everything, so choose someone you can confide in. Very important: work with someone who knows your industry.

My wonderful attorney, Cliff Ennico, is a small business expert, speaker, and author. He's kept me out of hot water for years. He not only drafts our contracts but provides excellent insights and legal advice. He's also one of the sweetest and funniest people I know.

Some attorneys who work with entrepreneurs may offer to provide legal services in exchange for stock in your company. That may be worth considering. The hourly fees you'll pay depend on where you live. Business owners based in New York City and Los Angeles generally pay higher legal fees than those living in Omaha, Nebraska.

Some questions to ask prospective attorneys:

- Are you a member of the state bar and licensed to practice law in this state? (If your company does a lot of interstate commerce, consider hiring an attorney who can practice in the federal courts as well.)
- What types of small businesses do you represent?
- How long have you been practicing law?
- Please provide three references for me to call. (If the person balks at this request, move on.)

How to Stay Out of Legal Trouble

Many business owners don't realize that federal rules and regulations affect them as soon as they have 15 or 20 employees. Julie Hickman, founder and CEO of Diversity Compliance & Testing Group in Shawnee, Kansas (www.diversitycompliancegroup.com), has created

several online training and compliance programs for business owners and employees.

Not knowing the law is no excuse for not complying with the Americans with Disabilities Act, Title 7 of the Civil Rights Act, the Lily Ledbetter Fair Pay Act, and a laundry list of state and federal statutes.

“Unhappy employees can go right to the Equal Employment Opportunity Commission and file complaints,” said Hickman. “Then, it can get ugly.”

She said part-time and full-time employees have rights that can’t be ignored. Her two-hour online training program for managers costs \$29.95. Regular employees pay \$19.95 and need to understand the material and pass a 25-question test.

G R E A T**18****I D E A**

Seek Help from a Restaurant Consultant

Isidore “Izzy” Kharasch is a skilled chef, but most of his clients don’t even know he can cook. “I’m more comfortable managing the business end of a restaurant,” said Kharasch, president of Hospitality Works, a Chicago restaurant consulting and turn-around company. Kharasch also teaches at Kendall College and has an MBA in hospitality management.

When I caught up with him, he was working with a tribal-owned casino in California. The Great Recession hit the restaurant industry hard, so he’s been very busy.

No matter what the economy is doing, about 27 percent of all restaurants fail after the first year, and 60 percent close down after five years, according to researchers at Cornell and Michigan State University. It was worse between 2008 and 2009, according to Kharasch.

“I have clients who have lost between 5 and 50 percent of their sales,” he said. “They only survived because they owned their property.”

Although people still went out to eat, most trimmed their spending by not ordering appetizers and dessert. “Even if they order less, you still need 100 percent of your staff to serve them.”

About half of his clients own struggling restaurants. The other half hire him because they want to open a restaurant. “Now, more clients are hiring me up front, before they start building,” said Kharasch, who charges about \$15,000 to review the demographics of the area and craft a realistic business plan. (Knowing how many prospective diners live near your restaurant is important.)

If you want him to manage your project from concept to opening, it will cost about \$100,000.

“Our goal is to either have you committed to doing it or abandoning the idea,” said Kharasch. “I teach people how to take general costs, like rent, and then figure out gross sales.”

A few years ago he was hired by a couple who wanted to invest \$1 million in a pastry shop in downtown Chicago. “By the end of the evening, I showed them that for them to make any money, they would need to have 600 people spending \$7 per person, seven days a week,” said Kharasch. “They were ready to sign a lease, but they spent \$300 for one night with me and walked away with their \$1 million.”

He said dining habits have changed dramatically in the past 10 years. In the past, he would figure out who was living within a few miles of the restaurant. Now, he looks at who would be willing to drive to the restaurant in 15-minute increments.

There are many reasons a restaurant fails. Leading the list are poor design, poor location, overstaffing, and lax cost controls.

As soon as he’s hired, he spends about three days “secret shopping,” visiting the restaurant to observe operations. He recalled one night when the host seated him, but he was completely ignored by the wait staff for 30 minutes. Turns out the manager didn’t believe in making table assignments for the waiters, so no one knew who should serve him.

“When I left, the host asked how I enjoyed my dinner,” Kharasch said. “What dinner? I had never been offered a menu or a drink.”

During these stealth visits he also reviews the quality of the food, portion sizes, and overall ambience. One of his recent success stories involved the remodeling and rebranding of Philander’s, a 30-year-old, “white tablecloth” restaurant in Oak Park, Illinois. Mike Fox, the owner, hired Kharasch when he decided the eatery needed a major facelift. Together, they transformed it into Barclay’s American Grille.

“We wanted to completely change the menu because people were not going out for \$35 steaks,” said Fox. “In 2009, we invested about \$600,000 in the space and closed down for 90 days.”

They updated the menu to include more casual, bistro food with an average tab of \$25 including food and a drink. “The chef came up with a new menu with 30 new items,” said Fox. His company, Fox Partners, is the landlord to 10 other restaurants, and he owns the Carleton Hotel where Barclay’s is located.

Fox made another change: he stopped booking nightly live entertainment when the restaurant reopened. Although long-time patrons loved the music, Fox said “they would come in and buy one \$5 drink” instead of ordering a meal. “The response has been very positive, although some diehards don’t like it,” said Fox.

Kharasch’s Tips for Restaurant Owners

- Reduce the number of managers you hire by reorganizing the staffing schedule.
- Make sure the kitchen is designed to let the chef easily supervise cooking and to get the food out to customers fast.
- Make sure your menu is easy to understand, and promote high-margin items like appetizers and desserts.
- Insist that bartenders measure the alcohol they pour. Bartenders who don’t measure “drain a restaurant of profit.”
- Be sure your staff is well trained and motivated to provide great, friendly service.

One more tip: The owners of the Lyndonville Freight House in Lyndonville, Vermont, collect menus from other popular restaurants to get ideas for their menu. “We printed out 60 to 80 menus and compiled a list of 40 dishes we wanted to try,” said Bonnie Paris, who runs the restaurant and a nearby farm with her parents and fiancé. “We try to use seasonal ingredients—heartier meals in the winter and lighter things in the summer.”

G R E A T**19****I D E A**

Thank Everyone You Work With

Here's a great idea that doesn't cost a cent. Thank everyone you work with, whether they are an employee, supplier, vendor, or customer. It sounds absurdly simple, but a simple, heartfelt "thank you" goes a long way. Just saying it boosts your feelings of gratitude.

You can't be successful on your own. You need all those people you deal with all day to make your personal dreams come true. Another low-cost management tip: people love to hear the sound of their own name. So call a person by their name whenever possible. I make a mental note every time I'm on the phone with a customer service representative, whether it is someone at my bank or someone I'm placing an order with. You can hear them smile through the phone when I say, "Thanks so much for your help, Mary."

G R E A T**20****I D E A**

Move Your Business into a Main Street Revitalization Zone

Paul Curtain, owner of Raymond's Jewellers in downtown Sioux Falls, South Dakota, needed a loan to remodel his store a few years ago. So he borrowed money, below prime rate, from a revolving fund set up especially for downtown merchants. "As a small retailer, I couldn't have afforded to do what I've done in a mall location," said Curtain.

Merchants are moving from malls to Main Street across the country. Small business owners are taking advantage of a variety of state, local, and federal Main Street revitalization programs. For example, the merchants of Skagway, Alaska, with a year-round population of 300, applied for state and federal help to build new sidewalks that mimic the original wooden ones.

"There is a new breed of merchants, and they live in Downtown, USA," said Kennedy Smith, former director of the National Historic Trust's Main Street Center program.

Thousands of deteriorating and abandoned communities have been revitalized by funds and technical assistance provided by the program. Since it began in 1976, more than 2,000 communities in the United States and Puerto Rico have received help.

Cumulatively, the commercial districts taking part in the Main Street program have generated more than \$48.8 billion in new investment, with 206,600 in building rehabilitations and a net gain of more than 391,050 new jobs and 87,850 new businesses.

Every dollar a community uses to support its local Main Street program leverages an average of \$25 in new investment, making the Main Street program one of the most successful economic development strategies in America.

Main Street offers a four-point revitalization framework appropriate for communities of all types.

Communities across the country are revitalizing their downtown areas in a variety of ways. Peekskill, New York, for example, has created a downtown area filled with art galleries and art schools. Affordable rent and remodeled lofts are luring many artists from Manhattan and other areas, city officials said. Venice Beach, California, revitalized an ailing business district by encouraging galleries to move in, creating a mecca for art lovers along Abbott Kinney Boulevard.

White River Junction, Vermont, once a shabby railroad town, now boasts one of the coolest boutiques in New England. Revolution sells amazing vintage and designer clothing, as well as hosting wild fashion shows with customers modeling the clothes. Co-owner and self-proclaimed “revolutionary,” Kim Souza hosts standing room only Oscar®-watching parties and lots of community events.

Down the street from Revolution, artists, printmakers, body workers, and health care practitioners coexist in the Tip Top Building, a former bakery, completely renovated by architect, actor, and filmmaker, Matt Bucy. The Tip Top Café, located in the lobby, offers delicious bistro cuisine and a cozy ambience that rivals the trendiest Manhattan restaurants.

For small retailers, moving downtown has many advantages. You can set your own hours and operate your store without being restricted by mall regulations. Rents are usually cheaper in downtown business districts.

If you are interested in improving your downtown area, here are some tips from the National Trust:

- Schedule a meeting with merchants, civic leaders, lenders, and restoration-minded citizens to start the conversation.
- Meet with public officials and city planners to gauge their interest in redevelopment efforts.
- Meet with a cross-section of community groups to enlist their support.
- Organize a downtown festival to focus attention on your downtown area. (We draw more than 1,000 people to downtown White River for one weekend in June for the White River Indie Film Festival.) David Fairbanks Ford, owner of the quirky and eclectic Main Street Museum, hosts parties and events year round. Tip Top Building owner Matt Bucy and Kim Souza of Revolution produce a fantastic Halloween street party and parade through the Junction. In 2010, the Tupelo Music Hall opened, bringing world-class artists to town (Imagine Dave Mason and Judy Collins performing in a small town in Vermont.)
- Visit other Main Street areas to see what they are doing to liven things up.
- Create a task force of business owners, property owners, and government officials to set priorities and make plans.

For more information and technical assistance, contact www.preservationnation.org.



Ask Your Staff to Evaluate You

Good managers are expected to evaluate their employees carefully at least once a year. These formal performance evaluations are used for awarding salary increases and promotions or for documenting problems prior to termination.

Great managers should be confident and open enough to reverse roles and let their employees evaluate them once a year. Asking your employees to rate your performance is not as scary as you'd think, and you will gain valuable insight.

In addition, human resources experts say that most unhappy employees quit rather than complain about their manager to their manager, so soliciting honest input from your staff may prevent a valuable employee from leaving.

The simplest way to collect honest feedback is to create a short evaluation form and ask employees to submit it anonymously.

Possible questions for your evaluation:

1. How would you describe my management style:
 - Tyrannical
 - Open to new ideas, inclusive
 - Rigid and uncompromising
2. Do I bring out the best in my employees?
 - Yes
 - No
 - Sometimes
 - Please elaborate:
3. What can I do to improve the way I manage the company? Please provide specific suggestions.
4. Would you recommend that friends apply for jobs here if their skills fit our needs?
 - If yes, why?
 - If no, why not?
5. Do I praise people publicly for their good work?
6. Do I often criticize people for poor performance in front of colleagues?
7. What is the best decision I've made this year?
8. What is the worst decision I've made this year?
9. How would you have handled the problem with _____ differently than the way I did?

Set a deadline for response, and remind employees that there is no need to sign their names. After you review the comments, schedule a staff meeting to discuss their suggestions for improvement and how you plan to respond.



Cross-Train Your Employees

With so many online options for buying office supplies, why would anyone pick up the phone, place an order, and wait for a Magee's truck to deliver?

“We have 25 trucks on the road every day,” said Peter Winslow, who bought the Randolph, Vermont-based company in 1963. Customers from 70 miles away rely on Magee’s to keep their shelves stocked. One way they compete with office superstores is by belonging to a purchasing cooperative that serves 250 small office supply dealers.

Another secret of their long-term success is cross-training all employees to do multiple jobs. That way, people can fill in for each other as well as understand what it takes to get every job done. “The more and different jobs you can do, the more valuable you are,” said Todd Winslow, Peter’s son, who runs the company with his father’s counsel but does not have a title.

“We don’t have job titles,” said Todd Winslow. “Everybody has a job to do, but they can all do more than one job. That’s how we survive during recessions.” (Bloomberg LP is another company that frowns on job titles.)

The Winslows also believe in rigorously testing people, from the time someone applies for a job to the day they leave the company. They rely on a variety of personality and aptitude tests, including Meyers-Briggs. “You never know what people are good at until you test them,” he said. “We tested a guy for a sales job but he ended up being great at collecting (money).”



Create a Disaster Recovery Plan

Nobody likes to think about the possibility of disaster, but that doesn’t mean you shouldn’t have a comprehensive disaster recovery plan for your business. You may not be hit with a hurricane, tornado, or earthquake, but even a broken pipe or minor fire can temporarily wipe out your business.

Big companies have committees and consultants to deal with recovery planning. Smaller businesses are finally recognizing the need for similar plans, according to Judy Bell, founder of Disaster Survival Planning Network in Southern California. She’s written several books, including *Disaster Survival Planning: A Practical Guide for Business*, available on her web site for \$19.95 plus tax and shipping. Her company offers a seminar to help small business owners prepare for disaster at a cost of \$6,000. The fee includes a software template to create your own plan.

“We see chief financial officers and company auditors wanting to do disaster plans,” said Bell. “People who lease space are also asking their building managers how they can prepare.” Bell, who has worked with hundreds of companies, said insurance companies encourage clients to plan for disaster recovery.

Check out a variety of do-it-yourself products offered on her site: www.disaster-survival.com.

Meanwhile, here’s a list of questions to ask before developing a disaster recovery plan:

- Where would you work if you couldn’t work in the office?
- Can you arrange to share office space with another business?
- How would you contact clients and customers?
- Do you have a list of every employee’s name, address, and home phone number?
- Do you have copies of your client or customer database at someone’s home?
- Do you have copies of your invoices and accounts receivable somewhere other than at the office?
- Are all your important business records, including corporate records, backed up and stored offsite?

As part of your plan, you should keep important records at your home or in another safe place. This includes tax records, returns, patents, training materials, policy manuals, personnel records, and payroll checks. Back up all data on thumb drives and give copies to one or two trusted employees. Be sure to include current phone numbers for your insurance agent, plus policy numbers and copies of your insurance policies.

Shoot digital photos of your computers and other equipment and create an inventory including serial numbers. This information will help your insurance company settle your claims quickly.

Before a disaster strikes, develop a plan for exiting your building quickly and safely. Install fire extinguishers and schedule a fire drill. Assign people to act as safety monitors. Speak to your insurance agent about buying business interruption insurance to keep the doors open after a crisis.

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