

Hire the Best People For Your Small Business

In an economic downturn, small business owners change their behaviour when it comes to hiring. Ford R. Myers, authored a book titled "Get the Job You Want Even When No One's Hiring". It's written for job seekers having difficulty landing a good job after the layoffs and cutbacks that occurred during and after the economic downturn of 2008. The book provides strategies on how to understand the mindset of business owners in order to become more effective at getting the job. Myers claims that in a downturn, employers behave differently. In general, they tend to make do with the people they have rather than filling vacant positions, they take more time in hiring the right candidate as they tend to be more particular about their expectations, they look for opportunities to hire contractors rather than employees and they tend to fill positions with people who have very specific skill sets and who require very little training as opposed to hiring people with broader skills and experience but who might have a longer learning curve.

Whether you are doing business in an area that is currently facing a shortage of qualified workers, or there are a high number of workers unemployed in your area with fewer job vacancies, your hiring decisions are important. When you're facing a worker shortage, you may be tempted to hire anyone just to fill the position. Desperate hires are rarely good hires, and taking the time to find the right person may be challenging, but will pay off in the end. In an environment where there are lots of candidates for few jobs, you may be tempted to be too picky and pass over really great candidates who would be a good fit, in favour of exceptionally qualified (and sometimes overqualified) candidates who will, in the end, be a bad fit. Either way, bad hires are expensive and the cost of dealing with a few of these in a year can literally put you out of business. Here are some key points to think about when you're in the process of hiring, that will greatly improve your chances of making a great hire.

- **Don't expect to hire another you!** It's tempting, because you are after all, pretty great, but hiring people just like you means you'll never grow beyond where you are. Each person you meet and interview will be a living, breathing human, with their own experience, habits, mannerisms and even ideas! As long as their ideas and habits are not philosophically opposed to yours, get them on board! Because they're different from you, they'll see things you won't see. They'll think in ways you don't think. They'll contribute things you couldn't possibly imagine. Embrace those differences rather than being afraid of them, and your business will benefit greatly.
- **Know exactly what you expect from your new hire.** Before you advertise for help, sit down and write a job description. Be sure to concentrate on specific job-related descriptions so there's clarity around job tasks, but also take into account the kind of person you want working for you. Do you need someone who is really outgoing, or someone who's great at attending to details? Do you want someone who will enjoy interacting socially with your team, or who tends to keep to him/herself? Do you want someone with a lot of skill, or someone you can train and shape in the ways of your business? By spending time thinking through these parameters ahead of time, you are setting yourself up for a great working relationship and ensuring you'll find the right person. If you can clearly articulate the job requirements to the applicants, they will have the opportunity to determine if this is a mutually agreeable fit.
- **Determine what type of manager you are!** Be honest about your work and leadership style. If you say you want an independent thinker, but really do a lot of 'checking-in', you may end up with an unhappy employee. On the other hand, if you hire someone who needs a lot of feedback, you need to be sure that you are prepared for a mentoring role in the management process. Who you are and how you work with people is equally as important as the skills and experience you're looking at in a candidate. Write out your own strengths and weaknesses as a manager, and the types of employees who would work well with you, and factor that into your decision-making process.
- **Set aside time.** If it's the 4th of the month and you expect to hire someone by the 15th, you may be setting yourself up for failure. You can't always put a deadline on your hiring process. In other words, it usually takes longer than you think it will and rushing the process will generally lead to a

bad hire. Don't be afraid to wait until the right person becomes available - turning down the perfect candidate because they can't start for a month or two is a mistake. Plan to advertise, interview and train until you find the RIGHT person. Be committed to that and you'll win every time.

- **Be careful to hire the best candidate for the job not merely the most talented job seeker.** In other words, just because somebody has a more polished-looking resume or is more articulate at the job interview doesn't mean that he or she is necessarily a better worker. Some people are expert job hunters. They look good on paper, they present well at an interview, they are convincing and can answer all your questions - sometimes because they've been doing it for a long time. This is not necessarily an indication that their employers were happy about their work. Look past the polish to ensure the best fit. And of course, check references.
- **Conduct at least two interviews with a candidate, especially if the position is very important.** Candidates often relax and let their guard down somewhat during a second interview because they tend to think they've gotten the job. Many job seekers perceive a second interview as simply a confirmation that you've made the right decision. This might give you a chance to meet the real person if you haven't already. It is entirely possible that you will get a different impression of a candidate during a second interview. Sometimes, a candidate will even respond differently to the same questions asked at the first interview! Also, always have more than one person in on the interview. You'd be amazed at the different perspectives you get from different people.

The process of hiring can be daunting for a small business owner, but if you follow these steps you'll be in a better position to find the right person for your business.

5 Key Factors for Entrepreneurial Success

What does it take to be a successful entrepreneur? What kind of person do you need to be in order for your business to succeed? While every business is different, and every entrepreneur brings his or her particular strengths to their business table, there are certain qualities or characteristics that are common to successful entrepreneurs. Entrepreneurship is a mindset more than anything, and includes things like being a dreamer - having a big idea of how something can be better and different; being an innovator and demonstrating how an idea applied outperforms current practice; being passionate and able to express ideas so that they create energy and resonance with others; being a risk-taker - a willingness to pursue the dream without all the resources necessarily lined up at the start; being doggedly committed and staying with the idea through the peaks and valleys to make it work; and being a continuous learner, constantly exploring and evolving to ensure best practices in the business.

Seattle-area tech entrepreneur Naveen Jain, founder and CEO of Intelius Inc. believes true entrepreneurial success comes from superior execution, doing a great job of 'blocking and tackling'. In a recent article on Net.com, the CBS online business channel, Jain lists ten points that he believes are qualities that contribute to success for an entrepreneur. Here are five of those ten, along with the Small Business Success perspective on what this means for your business.

1. **Maintain focus on your mission.** Great entrepreneurs focus intensely on opportunities, says Jain, helping them filter out non-strategic activities and distractions. "Most companies die from indigestion rather than starvation", says Jain. "Companies suffer from doing too many things at the same time rather than doing too few things very well."
SBS Application: Take a long, hard look at your activities, and whether what you're spending your time doing is strongly aligned with your mission. Are you focusing on the priority activities that support your ultimate goal and are you executing those activities exceptionally well, or are you spread too thin, struggling to maintain quality in all areas? It's easy to get distracted, and entrepreneurs are especially prone to follow the next great idea, but maintaining your business focus is a critical component to business success.

2. **Trust your gut.** "Your heart and your feelings are your best guides to making more correct decisions", says Jain. "We've all had experiences in business where our heart told us something was wrong while our brain was still trying to use logic to figure it all out. Sometimes a faint voice based on instinct is far more reliable than overpowering logic."
SBS Application: Realistic planning and financial tools are still an important part of your business process, however, in the real world there are simply too many variables that cannot be put into a spreadsheet. According to Jain, spreadsheets spit out realistic-seeming results based on inexact assumptions, and that can give you a false sense of security. Good business decisions depend on an entrepreneur's best efforts to create a reasonable business picture based on logic and reality, balanced with a strong dose of intuition and instinct.
3. **Be flexible but persistent.** "Every entrepreneur has to be agile," says Jain, "continually learning and adapting as new information becomes available." Even so, he adds, "you have to stay committed to the mission of your business because sometimes success is waiting right across from the transitional bump that's disguised as failure."
SBS Application: It's critical to balance your ability to 'go with the flow' - adapting and changing as the business environment and economic conditions change - with a persistent pursuit of your goals. It's also critical to have the capacity to know when to hold on to those goals like a bull terrier and ride out the storms that threaten to derail you, and to know when it's time to readjust those goals, or let go of them entirely in favour of new ones that make sense, given the conditions. One without the other will leave you either flailing in the winds of change, or going down with a sinking ship.
4. **Rely on your team.** No individual can be good at everything. "Find the smartest people you can who complement your strengths" says Jain. Many entrepreneurs hire people who are like themselves, he says: "the trick is to find people who are not like you but who are good at what they do, and what you can't do."
SBS Application: Entrepreneurs who fail are threatened by talented people, or they may hold too tightly to a project and insist on doing everything themselves. Their insecurities may prevent them from hiring people who are better than they are, or hiring anyone to delegate to at all, and the result is that they get stuck where they are. They can never rise above the level of their own talent and expertise. The truth is, no one person can do everything; no one person is good at everything. A smart entrepreneur recognizes his or her weaknesses and doggedly pursues people who have strengths in those areas. This creates a synergy and success that could never be possible without taking that risk.
5. **Enjoy the journey.** The road to success is a long one. Most people will tell you to stay focused on your goals, but Jain says successful people focus on the journey, and celebrate milestones along the way. "Is it worth spending a large part of your life trying to reach the destination if you didn't enjoy the journey?" Jain asks. He says this culture will help your employees focus more on the journey more as well. "Wouldn't it be better for all of you to have the time of your lives during the journey, even if the destination is never reached?"
SBS Application: Too many entrepreneurs lose sight of this principle. Somewhere along the way they get so caught up in "getting there" that they forget why they're on the road in the first place. Are you still connected to the passion and love for your business you had when you first started? Are you regularly celebrating the successes, even the small ones, along the way? Are you approaching every day as an amazing opportunity, having fun as you go? If not, you've lost something critical to your success, and you may want to spend some time thinking about how to recapture your original vision.

Your small business will benefit from developing these characteristics. To read Jain's article in its entirety, [click here](#).

Creating Customer Value

What Can Your Business Do to Rise Above the Competition?

Creating customer value is a business's primary strategy to get and keep customers and stay ahead in a competitive economy. Real customer relationships result in a customer feeling a genuine sense of

loyalty to the business, and are based on a series of satisfying experiences with the company. When you put yourself in your customer's shoes you usually see things either quite differently or more clearly and this helps you to create value from your customer's perspective. Value in your product or service is almost always defined on your customers' terms. If your product or service is perceived by the customer as having value, then that perception will result in a purchase. Remember, today's consumers are much more educated and informed and tend to purchase products they feel have value. They tend to know exactly what they want to purchase, and expect value for their money. They demand an exceptional experience and won't waste their time with anything less. Therefore, if you want to gain a share of the market, you must learn to think like a customer purchasing your products or services.

Jim Barnes, Executive Vice-President of Bristol Group and Professor of Marketing at Memorial University of Newfoundland is a specialist in customer relationships. He advises clients in North America and Europe on customer relationship strategy and the measurement of customer relationship equity. Barnes says there is a difference between functional and emotional value that business owners need to understand. Functional value has to do with how the customers acquire and use the product or service. It's generated by price, convenience, access or technology. Unfortunately, competitors can most easily duplicate functional value. They can drop their price to match yours, they can stay open just as long as you can and they can install the same technology. Thus, according to Barnes, creating functional value offers a fleeting competitive advantage.

"Sadly, the view of value creation or value addition ('value added') has become one of the most popular marketing claims of recent times and is often limited to the creation of value for money." says Barnes. "Companies add new features to their products while maintaining price. Or, they retain all of the essential product features and find ways to reduce price. Or, in a recent twist on the creation of value for money, they 'bundle' together a number of products and services and offer them to the customer at a price that is lower than the sum of their individual prices." There is nothing inherently wrong with that. In fact, it can really be to the customer's advantage in the short term, but it generally does not lead to the creation of lasting customer relationships, because a price advantage and the customer loyalty that results generally last only as long as it takes for the competition to respond.

Instead, according to Barnes, the creation of value for the customer must lie in what's important to the customer. "The much more lasting form of value elicits an emotional response from customers." says Barnes. "It is less easily duplicated by the competition and generally contributes to less emphasis on price." To illustrate this, ask yourself: What do your customers experience when they do business with you? If your company employs qualified, friendly, helpful employees who are well trained and committed to exceptional service, this will create an emotional experience for your customers that is difficult to duplicate. Value is created every time a customer is made to feel welcome, important and valued. It is created when you think of things from the customer's perspective and act to implement those things that enhance the customer experience. Barnes talks about a particular grocery store he worked with that added value when it placed benches at a couple of locations in its stores so that seniors could stop and "take a breather" while shopping. The supermarket also added value when its stock clerks personally led customers to the items they couldn't find, rather than simply sending them to 'aisle 4'. These kinds of initiatives, while they may seem small, created an emotional response from customers who were pleased that the company thought of them and what they needed and that employees went out of their way to be helpful. The store gained a reputation for caring about its customers and has a loyal customer base, while continuing to grow every month.

There are many more examples, and they are reflected in your best customer experiences. Stop for a moment and think about some of the best customer experiences you've had. What did the company do to make you remember those experiences? Was it a restaurant that went out of their way to make a special event spectacular? Was it an auto body shop that surprised you by offering to drive you back to work after you dropped off your car? Was it a realtor who had pizza delivered to your new home on moving day so that you could feed your family? Was it a spa that provided comfy slippers, bottled water and fresh fruit while you were having your treatments? Whenever you have a memorable customer experience, it generates emotion that is connected to value, and that translates into loyalty to that business.

The creation of such emotional value for customers is fundamentally different from the creation of functional value through either price reductions, increased convenience or technology. Both forms of value are important, however, genuine customer relationships cannot be formed on the basis of functional value alone. Customer relationships require an emotional connection with the business if they are to thrive. What does your business do to ensure that connection? If you took off your business owner hat and looked at your business through the experience of your customers, what would that feel like? Would you walk away feeling like your business had thought about you and what you needed, then provided it? Would you feel like you mattered to your business? Would they remember you, tell their friends about you, and come back to do business with you again?

If your focus is simply on getting more customers, or getting customers to spend more money with you, you can excel in functional value and, in the short-term, you'll see business growth but you'll be having to re-invent yourself all the time. As soon as someone else offers the same deal as you, you'll have to come up with something new, better, cheaper, etc. But if your goal is in gaining loyal, repeat customers and customer referrals for the long-term, you need to focus on creating superior customer service that carries positive emotional value which will take you well into the future. You won't need to twist yourself into knots trying to come up with the latest greatest newest thing because your customers already love you, and don't want to go anywhere else. The choice is yours.

How Secure is Your Home-Based Business?

If you operate a business from home, you may have wondered what is required of you in terms of security - for your business, for your customers and for your family. A home-based business may need to release their address and phone number to potential clients or buyers, and in some locations, the address may give away the fact that your business is in a residential area. It can be a concern that the business exposes the family members to security and safety issues and risks. A home-based business is really at no more risk of crimes against person or property than a personal residence or any other type of business, but when it's located in the home it may require consideration of measures to ensure the safety and security of the business and the family. Here are some of the things you should think about:

Monitored Security

Your home IS your business, so it's important that it's secure. You should have a monitored alarm system that will make thieves less likely to target your home. Many home insurance carriers offer discounts for people with home alarm systems. Also, the monthly cost of the alarm system can be used as a tax deduction.

Structural Security Measures

Especially if your home is located on a property that is secluded and out of the way of streetlights, you may wish to implement measures such as deadbolts, dogs, motion sensors, security cameras and fencing with padlocked gates. In addition to an alarm system, these measures should be enough to deter people from breaking in.

Adequate Business Insurance

Your business equipment is NOT covered under your home insurance policy if you are running a registered business. Many a business owner has faced a surprise when making a claim to realize their computer, printers, laptop etc. were not covered when something happened. Business insurance is part of the cost of running your business. Make sure you have adequate coverage to replace anything that could be stolen or damaged.

Fireproof Safe

For those documents or files that are irreplaceable, consider purchasing a fireproof safe. It can also be used to store an external hard drive used to back up your computer files. These are hard to get open, heavy to move, and will protect your vital documents in case of a disaster like a fire, flood or earthquake.

Routine Office Hours

Answering the phone outside of regular business hours is a signal to callers that your office is in your home. Having a machine or voice mail that picks up calls outside business hours will lend a more professional air to a business but still allow you to return calls when necessary. Keeping routine office hours also helps you to sustain a balance between work and family life that's easy to let go of when your office is in your home.

Off Site Back Up

If your home was ever broken into and your computer and/or records were stolen, it could cause irreparable damage to your business. So could a fire or flood. Invest in an off-site backup system (there are lots of online ones that are very affordable) so that your client records are never in danger of being lost. The few dollars you spend each month will be worth it if anything ever happened.

Locked Client Files

Your client files and other important business documents should be locked at the end of your work day and whenever you leave your office during the day. Clients want to be certain that their information is secure. If there was a break-in while you were out at a meeting and no one else was home, it would take longer to get at your client files if they were locked, and it's likely that police assistance would arrive from the alarm alert before they could get to your files. With identity theft being as large a problem as it is, secure client files are vital.

These simple and relatively low cost measures will help you to protect your business from the impact of break-ins or physical disasters. Don't make the mistake of thinking it could never happen to you. All it takes is once, and if you haven't taken appropriate measures, you may not be able to recover from the damage.

The Empathy Map

A Tool for Identifying Your Customer's Experience

In a previous article in this newsletter, we talked about creating value for your customers, but as a business owner it's sometimes difficult to get outside your own head to figure out exactly what your customers are experiencing. We recently discovered a book titled "Gamestorming: A Playbook for Innovators, Rulebreakers, and Changemakers" by Dave Gray, Sunni Brown and James Macanuco. This book includes more than 80 games to help you break down barriers, communicate better and generate new ideas, insights and strategies. The authors have identified tools and techniques from some of the world's most innovative professionals whose teams collaborate and make great things happen. One of these games is called the Empathy Map, and it's the perfect tool to help you identify your customer's experience with your business. Here's how it works:

GOAL: The goal of the game is to gain a deeper level of understanding of anyone in your business ecosystem. For the purpose of this exercise, it will be a client. The exercise can be as simple or complex as you want to make it. You should be able to make a rough empathy map in about 20 minutes, provided you have a decent understanding of the person and context you want to map. Even if you don't understand the customer very well, the empathy-mapping exercise can help you identify gaps in your understanding and help you gain a deeper understanding of the things you don't yet know. You can download a copy of the empathy map at www.gogamestorm.com. If you don't have copies of the map, you can do it on a white board on your own.

1. Start by drawing a circle to represent the customer and give the circle a name and some identifying information. It helps if you can think of a real person who roughly fits the profile, so you can keep them in mind as you proceed. In keeping with the idea of a 'profile' think of the circle as the profile of a person's head and fill in some details. You might want to add eyes, mouth, nose, ears, and maybe glasses if appropriate or a hairstyle to differentiate the person from other profiles you might want to create. These simple details are not a frivolous addition;

they will help you project yourself into the experience of that person, which is the point of the exercise.

2. Determine a question you have for that customer. If you had a question you would want to ask them, or a situation in their life you want to understand, what would that be? You might want to understand a certain kind of buying decision, for example, in which case your question might be "Why should I buy X?"
3. Divide the circle into sections that represent aspects of that person's sensory experience. What are they thinking, feeling, saying, doing, hearing? Label the appropriate sections on the image.
4. Now it's time for you to practice the 'empathy' portion of the exercise. As best you can, try to project yourself into that person's experience and understand the context you want to explore. Then start to fill in the diagram with real, tangible, sensory experiences. If you are filling in the 'hearing' section, for example, try to think of what the person might hear, and how they would hear it. In the 'saying' section, try to write their thoughts as they would express them. Don't put your words into their mouth; the point is to truly understand and empathize with their situation so you can design a better product, service or experience, etc.
5. Check yourself: Ask others to review your map, make suggestions, and add details or context. The more the person can identify with the actual stakeholder the better. Over time you will hone your ability to understand and empathize with others in your business ecosystem, which will help you improve your relationships and your results.

Use this tool on your own, but for greater value use it with a team that can provide a variety of perspectives. Use this tool in conjunction with the information in the previous article and come up with a plan to create exceptional experiences for your customers, and grow your business in a way you never thought possible.