

**Your business guide to
experiencing more
excitement and
greater return
for all of your
hard effort**

The Budding Entrepreneur



**Julian
Campbell**

The Budding Entrepreneur



Julian Campbell

“The man who starts out simply with the idea of getting rich won’t succeed; you must have a larger ambition. There is no mystery in business success.....If you do each day’s task successfully and stay faithfully within the natural operation of commercial laws which I talk so much about, and keep your head clear, you will come out all right.”

John D. Rockefeller

Your 9 Step Action Plan

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Introduction

"If we know what we know, why do we do what we do?"

Anon

I imagine you were attracted to this book because you are already running a business that is having some challenges or you want to expand; maybe you are thinking of starting or buying a business. Perhaps you are considering operating a franchise.

Then this book is definitely for you!

For years, I have been very concerned by the extremely high failure rate of businesses in the Western World. More importantly, I have become alarmed by the large number of business owners who find their business has gone from being the exciting dream it started out to becoming a grind, a chore, millstone around their neck and yes, a treadmill they feel they just can't get off.

Yes, business can be very daunting when you first start to look at it, and even more challenging as it grows but it can really be very simple, basic and fun when you know how to apply some very fundamental principles.

I know you find this book interesting, easy to apply and thought provoking. As you journey with the young man on his visits to his grandfather each week to be a *Budding Entrepreneur*. I hope you will take the time and effort to follow the principles in your own business. If you do and if you follow the success secrets contained in my book, I can assure you excitement, fulfilment and success in your endeavour.

Are you ready for that success? Then please read on.

Chapter 1

Gain Power From Your Strengths.

“I never did a day’s work in my life. It was all fun”

Thomas A. Edison

The young man sat in his kitchen and watched his daughter’s pet mouse as it spun around endlessly on its rotating wheel. It reminded him of the treadmills used in the English prisons during the Victorian era. These had been designed to break both the body and spirit of offending prisoners so that they would think twice about breaking the law again. As he reflected, he sighed to himself, “that’s just how I feel; every day!”.

He had been running his own business for several years. He thought he was doing alright but he just didn’t seem to be getting anywhere. Everyday he would go to his factory or shop, spending 12 to 14 hours there and then come home worn out, only to be faced with a mountain of paperwork.

Some days he was so frustrated with his staff because they just didn’t seem to do things his way and to top it

all off, money was tight and there were times when he struggled to pay his bills or even have any money left for himself and his family. This led to constant arguments with his wife.

On this particular day, after another heated argument with his wife, the young man decided he had to do something to improve his situation, but what?

“Why don’t you go and talk it over with your Grandfather” his wife said “after all he ran a very successful business but always had time for his family and plenty of money for all of his needs”

The very next morning, the young man headed off early to visit his grandfather who had recently moved back into the area and now lived very close by. Although his grandfather was getting older, he had kept a youthful spirit, he had a very keen mind and he loved long in-depth discussions.

Since his grandfather’s return, they often talked together for hours but it was always about the family, or the weather, or world events, for some reason they never seemed to talk about business.

As always, his grandfather was excited to see him, and he greeted the young man with a twinkle in his eye. “Good morning my boy, what brings you here so early?” he enquired.

“I’m here for some advice” the young man replied as they sat down in the comfy leather chairs. “I know you ran your own very successful business for many years, but we’ve never really talked much about it. I’m having a few challenges with mine and I thought you may be able to give me some practical advice”

“I’d love to help if I can” replied the old man “what seems to be the problem?”

The young man then started to tell his grandfather how he was feeling about his business. The emotion poured from him as he related the impact of the long hours on his family, the challenges of employing other people, the difficulties getting customers to pay their bills on time and the total lack of money flowing through the business, particularly into his own pocket.

The old man listened intently for a while and then said, “You know you’re not alone in feeling this way, almost 80% of business owners feel the way you do”. These words were a great relief to the young man who was thinking that there was something wrong with him

and the way he was running his business. “But before we can help you fix the problem” the old man went on, “you need to understand your motivation for business, the business cycle and where you fit in it, then you can do something about it.”

“Your business will move through a number of stages during its life cycle. Do you remember how very excited you were about your dream when you first started? Although I wasn’t here at the time, I remember your Mother’s letters, she was so proud of you as she described your enthusiasm for what you were doing.”

The young man’s eyes sparkled as he recalled that thrilling moment. “So, what do you think happened?” he enquired.

His grandfather responded “A great idea isn’t enough; the way you approach your business and the way you continually react to the external pressures and opportunities will determine its eventual success or otherwise. You’ve done very well up until now, but you are in a rut, and that’s not good.

I remember the time when another young man came to see me a few years ago. He was in a similar situation except that he had allowed his problem to go too far

before looking for the answers and that created some additional challenges for him. That particular morning, Ken sat in my living room with tears running down his face. He was telling me about how his business had just failed after only nine months of operation. I asked him why as the feasibility study had shown a good basis for a sound business. I was curious. I wanted to know why this potentially viable business had not worked. His reply hit me hard ‘I just hate pest control’ he said.”

The young man, who had been listening intently, piped in, “Why would anyone willingly choose to spend long hours doing a job they hated.”

His grandfather replied “that’s exactly what I wondered but Ken’s next words answered my thought immediately. ‘That’s all I know,’ he told me, ‘and I just wanted to make some real money for myself’.

Fortunately for Ken, we were able to help him recover and he didn’t go out of business. I’ll tell you how later. But let’s get back to you. I know you want your business to be an outstanding success, so we need to discuss the *Business Cycle* in some detail”. The young man leaned forward in his seat, eager to hear more.

The old man cleared his throat, took a sip of his Earl Gray tea and then continued with his story. “Your business cycle begins with an idea, an idea that must stand some basic scrutiny. If you were just starting out now, I would recommend that you do a self-assessment on yourself, on your partners involved with you in the project and on the viability of the business idea itself. As you are already in business, this first step will still be a valuable exercise for you. It will allow you to reflect on your business, determine if it is what you really want to do, and it may help you re-direct your business if necessary, to get the results you are looking for.

Firstly, it is important for you to discover your strengths. This process is part of what is often called a SWOT analysis. You probably didn’t do that when you started your business.”

“No, I didn’t, but I have heard of SWOT” said the young man as he picked up his pad of paper and pencil “remind me what it stands for again.”

“**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats” continued the older man “but I prefer to use the word limitations rather than weaknesses and challenges rather than threats as they sound much easier to overcome.”

“That would make it a SLOC analysis” joked the young man “I agree they sound better but why should I look at these?”

“You need to thoroughly examine your strengths and limitations as these are internal to the business, they are an integral part of the business, they are the skills, experience, character traits and so on that you or your partners have. However, it is very important at this time that you understand, not only what your strengths and limitations are, but also what you like and dislike doing. Then discover the external opportunities and challenges that verify the business viability. These will show the existence, potential and effects of the marketplace you are or will be trading in.”

“Sounds like an important process” said the young man intently “but what exactly should I do?”

The old man continued “Sit down with several blank sheets of paper in a quiet, tranquil place, where you will not be interrupted for an hour or so and put on some Baroque music softly in the background. This is music written between 1700-1750AD such as Pachelbel, Mozart, etc and is powerful because it was written at 60 beats per minute and it allows you to

move into the alpha brain wave pattern, which is the creative state of the brain that will allow your ideas to flow quickly.

First write 'My Strengths' at the top of the page, then start to write everything that you are capable of doing. Think of all the skills you have developed at school, in each job, in your hobbies, clubs and other recreational activities. Think long and deep."

"How much should I write?" chipped in the young man"

"I would think you would fill at least one or two pages" responded the grandfather.

"When you have expressed all of your ideas, take another blank sheet of paper and write 'My Limitations' at the top. Now repeat the previous exercise, this time listing all the things that you are not very good at, skills that you haven't yet acquired or personality traits that you think may affect the success of your business. Try to devote an hour or two to the whole process."

The young man took a sip of water from his glass, "sounds interesting, and is that all there is to it?"

“Well that’s the first stage over” replied the grandfather “but when you have completed both tasks, go and talk it over with your wife, your friends, your work mates, and even your children.”

The young man looked perplexed “why my children he said.

“Everyone who knows you and especially your children will all be able to help you add to both lists” continued the old man. “Things you had forgotten, things you didn’t want to admit to both positive and negative. Strengths or limitations you didn’t even know you had. You know children, especially your children, do like to speak their mind. Remember you are running your business to create a lifestyle for yourself and your family, so they need to be involved in the whole process too.”

“Yes, you are right”, said the young man nodding his head, “I’m so wrapped up in my business at the moment I often forget the important people in my life and why I’m doing it all. Where do I go from here?”

The old man leaned back in his chair, “the next step is to let your subconscious mind take over. Put the lists in a safe place and leave them for a week or so. During this time, you will suddenly find yourself coming up

with additional strengths and limitations, whether it is in the shower, driving the car or waking up in the middle of the night.”

“You’re right, you know I often have some great ideas in the shower” interjected the young man.

“Just make sure you take a note of them and add them to your list when you can.” replied his grandfather.

“After a week you will have a very complete assessment of your strengths and limitations and you are now ready to move to the next step, finding out what sort of business would be best for you. If you are in the right business now or should you even be in business at all.

Take your two valuable lists and put a big tick beside all of the things you really enjoy doing. Then put a big cross against everything you really dislike doing. Make sure you do this for both your strengths and limitations. Carefully consider those areas that you are prepared to change and not change, as these will require their own plan of action. We can talk about this later when you have done your exercise and we can see what changes have to be achieved. Remember I was telling you about Ken earlier?”

“He was the one who hated pest control” chipped in the young man who had been studiously taking notes.

“Yes, he set himself up in a business that he had worked in previously for fifteen years. His strengths analysis showed that he had a thorough knowledge of all aspects of the business. What he didn’t admit to initially was his loathing of this type of work.

Well, Ken redid his self-assessment but this time he included his likes and dislikes as well as his strengths and limitations. The skills that he had in pest control were still included as strengths but now they had a big cross against them. His strengths also revealed that he had acquired public speaking skills and he placed a big tick against them to show he really enjoyed it.

His new business direction became obvious and he set up a pest control training company, teaching people the skills in the pest control business he knew a lot about, but disliked actually doing. The result was a very effective business which is still running successfully today.”

“Do you think I will have to completely change my business?” enquired the young man.

“That depends on the result of your analysis” responded his grandfather. “When you have finished, take your mind back to your childhood and see if any of the things you loved doing back then fit in with the things you have ticked on your lists. You will be surprised how often what we really want to do now were things we had a passion for as children. In fact, I remember that when you were a child you loved making things and you always seem to be taking the lead when you were playing with the other children in the neighbourhood so I would think that leading a manufacturing company, as you do, would seem to be ideal, but only the analysis will really tell.

If you do this exercise correctly, the best type of business or career for you should be so obvious that it almost leaps off the page. A test question you could ask yourself is, ‘If I won a million dollars tomorrow, would I still go into this business?’ The answer will measure your level of passion for this business.

Your self-assessment can then be used as a success tool in your business. It will have highlighted your unique qualities which you excel in and enjoy. You can use these as foundation stones to build and develop your business on. It will also have highlighted your weaker and less enjoyable areas. You can minimise,

overcome or avoid these by forming an action strategy.”

“What about the ‘O’ and ‘C’; the Opportunities and Challenges you mentioned?” enquired the young man with a puzzled look on his face.

The old man was looking tired now, “I think that’s enough for today and we can always discuss those at a later date” he said. “Why don’t you go home and carry out your strengths and limitations exercise and then next week we will be in a position to discuss the Business Cycle and where you fit in”.

“Thanks Grandfather, you’ve been a great help” said the young man “I really believe I can get excited about my business again and I look forward to our chat again next week.”

The young man enthusiastically picked up his notes, farewelled his grandfather and set off for home with a spring in his step. He was excited about completing his homework and secretly yearned for his next visit to his grandfather.

“What’s all the commotion?” enquired his wife as the young man burst through his front door.

“Well,” replied the young man excitedly “I’ve just been talking with Grandfather, and I think I am on the road to fixing all my business problems.”

“Thank goodness” exclaimed his wife, “tell me about it”.

So, the young man sat down in the kitchen and related his whole conversation, referring to his notes as he went. When he had finished his wife said “why don’t you go into the study right now and do the exercise? The children are out with their friends and you’ve got at least two hours before lunch”

“That’s a great idea” replied the young man and off he went to the study. He put his Mozart CD, sat down in his comfortable leather chair and wrote ‘My Strengths’ on the blank sheet of paper in front of him.

Several hours passed and he excitedly emerged from the study clutching quite a few sheets of paper. “Eureka,” he shouted, and everyone came out into the living room to see what all the noise was about.

“Let’s have a look” said his wife with a big smile on her face.

“Yes, let’s” piped in his two children who had just come home and heard about the project.

“It looks fantastic!” said his wife enthusiastically “and you should add that you have a nice smile as a strength” as she turned to her husband who was beaming from ear to ear.

“And you’re a good listener” piped in his daughter proudly.

“What about adding how critical you are, and you don’t react well to criticism? Surely, they are weaknesses added his son with a scowl on his face. The young man spun around ready to argue with his son when he suddenly realised his son was right so he simply added, “limitations son, they are limitations and I can do something about them. Thank you for pointing them out”

“All finished?” asked the young man and he carefully gathered up the pieces of paper and took them back to the study where he put them carefully away in the top draw of his desk.

For the next week, the young man's mind kept wandering back to his lists and from time to time he added a point or two. The exhilaration was building as he looked forward to the rapidly approaching visit to see his grandfather again. The night before his visit, he pulled out the lists and went through each strength and limitation, putting a tick against the things he really loved and a cross against each point he did not enjoy. In many cases, he just left blank those points which he did not have any strong feelings about. Then he went off to bed, looking forward to a good night's sleep but feeling excited about the next morning.

Chapter 2

Flying High

“A shockingly large number of worries and our hidden tensions stem from the fact that millions of people have never found themselves, have never discovered the kind of work they could love and do well. Instead, they seethe with inner rebellion because they spend their lives doing work they despise”

Dale Carnegie

Bright and early the next morning, the young man headed off to visit his grandfather again. As always, his grandfather was excited to see him, and he greeted the young man with that familiar twinkle in his eye. “Good morning my boy, how did you go with your homework” he enquired. “Unbelievable” the young man replied as they again sat down in the familiar leather chairs. “I did it just as we discussed” he said and put the several written pages into the old man’s hands.

The grandfather studied them for a few minutes in silence except for the occasional grunt accompanied

by the raising of an eyebrow. “What do you think Grandfather?” the young man enquired eagerly.

“It looks really good” said the older man “you seem to have analysed yourself very well. Did you get your family to have a look at it?”

“Yes” replied the young man, “they added quite a few strengths and limitations that I wasn’t aware of and my colleagues from work contributed to it as well.”

“What do you think the analysis tells you?” asked the grandfather.

“I think it is showing me I’m already in the right sort of business, what do you think Grandfather?”

“Well” responded the old man, “it certainly does show you have a passion and liking for engineering solutions, so that fits in well with your manufacturing business and your organising ability is beneficial for running the business. Your leadership qualities also stand out in terms of your communicating skills and love of helping other people achieve. So, all in all I would say you are in the right sort of business.”

My Strengths

- ✓ Excellent written communicator
- ✓ Empathetic counsellor
- Professional qualified mechanical engineer
- ✓ Very organised
- System focused
- Excellent human relations skills
- Over 15 years experience driving a car
- x Good selling skills and experience
- ✓ Good at finding technical solutions to other people's problems
- Sound telephone skills
- Hands on knowledge of business practice
- ✓ Creative but logical mind
- ✓ Have respect of others
- ✓ Enthusiasm
- Personal development skills
- ✓ Excellent personal presentation
- ✓ Professional
- Perform well under pressure
- Positive attitude
- ✓ Enthusiastic for other's goals
- ✓ Honest/High integrity/High values
- Patient with people
- ✓ Punctual
- Eye for detail
- Good listener
- ✓ Thirsty for learning/information
- Open minded
- Good network
- Healthy
- Good age
- Good sense of humour
- Discerning
- Goal oriented
- High energy
- Encouraging
- Caring
- Interested in others
- Hardworking
- ✓ Tidy
- ✓ Live by my principles
- A good role model
- Radiate confidence
- Humility
- Adaptable
- Nice smile

My Limitations

- Procrastinator
- Fear of failure
- x Not a risk taker
- Impatient with self
- Poverty consciousness
- Critical of self and others
- Feeling guilty in many situations
- Sometimes non-assertive
- Some lack of self confidence
- Take on other peoples' problems
- x Lack of budget
- Frustrated easily
- Can't always see the vision
- Too sensitive
- Not fit
- React to criticism
- Over analyse
- Lack of action
- Fear public speaking
- Need to be liked

Notes on the analysis:

You will see in this summary of strengths and limitations the type of things to include. This particular list is a summary and is not exhaustive.

You will see the ✓ against the things which the young man really enjoys and ✗ against those items which he would rather not do. Items that remain unmarked are those that he does not feel strongly about either way.

The key point is to ensure that the business you are going into does not contain too many of the tasks you dislike even if you are good at them!

The young man looked a little puzzled, “if I am in the right business, how can I stop feeling like I am caught in a treadmill; not getting anywhere?”

“When you left here last week you were really enthusiastic and you almost danced out of my house, do you remember?” said the old man.

“Yes” beamed the young man, “I thought I had the solution to all my problems!”

“Can I ask what sort of a week you had this week?” inquired the grandfather.

“Unbelievable” replied the young man enthusiastically, “everything went right, I didn’t get stressed about anything and my family were actually in a great mood as well.”

“There’s an important clue there” said the old man, “but before we explore that further let’s just continue our discussion of the business cycle, we started last week. Do you remember which stage we talked about last week?”

“The Business Idea phase?” enquired the young man
“Yes that’s right. Well, as you begin to set-up a business, it will move from the idea phase to the

Fledgling Business. This is the vulnerable stage of the business, in fact, a very high percentage of businesses do not survive to their first birthday.” He turned to the young man, “you, of course, have survived the Fledgling Stage already, but can you remember how it felt?

The young man thought for a moment and then a smile brightened up his face as he replied, “During that stage, I was highly motivated, excited and passionate about my business. I was willing to try anything, taking a considerable number of risks and I was prepared to spend a lot of time in the business. I really enjoyed what I was doing then, I felt unstoppable, almost invincible”.

“That’s normal for most people when they put their passion into action” said the old man. “However, on the negative side, you probably lacked many of the skills you needed to control the business. Systems were not in place and you wasted much of your time being unproductive. Without good financial data, bookkeeping and customer data, you did not know how the business was doing in this early stage.”

“Yes” said the young man, “but I was having fun!”

The old man paused and turned to the young man with a sombre look on his face. “Now for the serious bit” he said. “As your business became more established, you came to the second critical point. You became confident in running your business, but routine started to set in, and you fell into the dangerous 'Business as Usual' treadmill. If you don't become aware of it, this stage could last for many years or the rest of the life of your business. Fortunately, you have recognised it and that is why you came to see me.”

The old man gave the young man a knowing smile.

“Your excitement and the passion you first had for your business has been zapped by the routine of it all. You have probably stopped setting goals because you feel they are a waste of time. You may have also stopped taking risks and you have probably ceased being as creative or innovative as you once were, finding the whole thing a big chore. Its still hard work, you are still working long hours, but you are not making any money, which is adding to your stress levels and making you feel depressed.

As I said earlier, you are not alone, about 80% of businesses are in this phase and it seems the seven-year point is often the worst.”

“That’s exactly me” piped in the young man who had been listening very intently and taking notes. “I’m close to the seven-year point, but what can I **do** about it?”

“Let’s just finish talking about the rest of the Business Cycle and the different path you could take” said the old man “You could become a Budding Entrepreneur!”

“A Budding Entrepreneur” replied the young man with enthusiasm in his voice, “that sounds exciting, please tell me more!”

“A Budding Entrepreneur maintains passion for their vision. If you are a Budding Entrepreneur, you still have all the energy and excitement you had in the Fledgling Business stage but now you have developed some good business skills as well. Your business has been established for a while on a good foundation and you understand a lot more about the marketplace and the business you are in.

Instead of letting routine take over, your mind is constantly looking for new ways to improve your business. You are always evaluating your information on customers, products, finances and operations. You discover market niches that are untapped, that new method of doing something or creative ways to bring

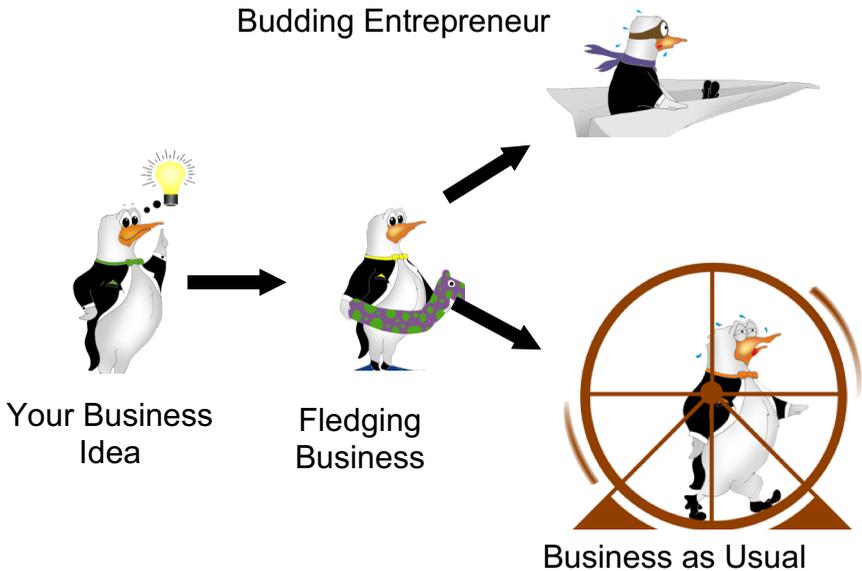
in new customers. You set more challenging goals for yourself and your business. You are having fun!”

A questioning look came over the young man’s face. “I would certainly want to be like that” he said, “but I just don’t seem to have the time!”

“I understand” replied his grandfather, “in business, it is very easy to always be busy but not be productive. We are then in danger of not having enough time for the vital things. Steven Covey outlines the difference between 'urgent/not important work' and 'important/not urgent work' in his book ‘Seven Habits of Highly Effective People’. We all tend to spend too much time on the urgent/not important work, instead of the important/not urgent; where planning, relationship building, and recreation are really critical to our success this is especially true for small business.

As a Budding Entrepreneur, it is important to develop the habit of devoting a good amount of your time to these vital tasks. You could also spend quality time with your advisers, especially your accountant and business adviser. They will be a sounding board for you, a source of ideas and encouragement. If they are not, change them and find someone who is a mentor who will help you and your business move forward.” The young man looked at his grandfather thoughtfully.

The old man took the young man's pad of paper, turned to a clean sheet and started to sketch the business cycle using symbols and arrows. "Look, this may give you a better idea. I've shown the Business Idea as a light bulb, the Fledging Business with water wings and flippers, the Business as Usual in a treadmill and the Budding Entrepreneur as a paper aeroplane.



During the Budding Entrepreneur phase, there is a danger of slipping down into the "Business as Usual" stage. A big success can cause you to become complacent. A big challenge may cause you to go back inside your comfort zone where it appears easier, but

is, in fact, non-productive.” And the old man drew two arrows from the aeroplane down to the treadmill. “If you do slip, you can bring yourself back up to the Budding Entrepreneur by re-applying your planning and creative skills, by talking to your advisers and re-firing your passion” and he drew an arrow back up to the aeroplane.

The young man took the pad back from his grandfather, studied it and started to smile; already he was picturing himself spending more time planning his business. “Will you be one of the sounding board mentors for me?” he asked his grandfather.

“I’d be honoured my boy” replied the older man with a look of contentment on his face “and in a moment we can talk more about how to get you off the treadmill. Being passionate about your business and having all those success ingredients in place are important. But first let me just finish off telling you about the business cycle. The highest stage which very few businesses reach is the Peak Performer stage” and he took his drawing back from the young man adding a penguin holding up the winning cup. “The Peak Performer is where you could end up. It is where all businesses hope to be, but only 4.9% actually achieve.

“Why is it so difficult to reach?” asked the young man.

“It’s not. responded his grandfather. “It’s not difficult to be successful, it does require focus, the right mindset, and effort but probably less real effort than the treadmill you are on now.

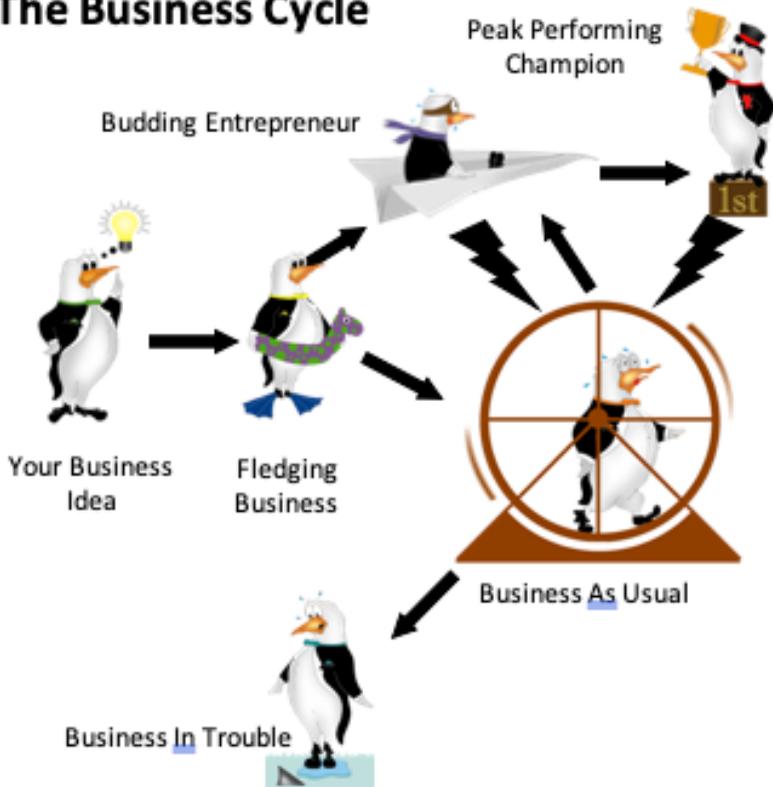
In the early planning days of your business life you set yourself many goals. Some were easy to achieve; others were very challenging. You developed some form of plan to achieve them. But what happened? The pressure of running your business took your focus off your goals. Time runs away from you and suddenly you are in the Business as Usual treadmill.”

“Now I understand where I am on the Business Cycle and where I could be, can we please talk about how I can get there?” pleaded the young man, taking back his pad and preparing to write some more notes.

“All in good time my boy, there’s no rush,” replied the old man. “It is important to take you through the business cycle so that you understand the whole process and could see how it applied to you, especially when I start to mentor you. If I notice you slipping back, I can refer you back to the diagram, because if you stay too long in the wheel, you can become a Business in Trouble and there is no hope for those businesses. The owners have completely lost their

motivation and are not open to any help or suggestions.

The Business Cycle



“Well I certainly don’t want to end up there!” responded the young man.

“Do you remember when you first arrived today, I asked you how your last week was?” asked the old

man. “You told me that your week had been ‘Unbelievable’ and that everything had gone right.”
“And you said, ‘There’s an important clue there,’”
echoed the young man.

“Yes, that’s one of the secrets to getting off the treadmill” continued the old man.

“What is?” asked the young man, looking puzzled.

“Developing and maintaining a positive mental attitude” replied his grandfather, emphatically. “It is important to approach each day with a smile on your face and a can-do attitude”.

“That’s impossible” exclaimed the young man with a huff in his voice, “how can anyone be positive all of the time, especially with all the things I have to put up with!”

“I agree it can be challenging, especially on those days when you don’t feel so good or things seem to be going wrong but if you can change your thinking on those days you will see better results. It has been said that we all have about 60,000 thoughts a day.”

“Wow!” interrupted the young man “that’s a lot”

“It does seem a lot,” continued the older man “but 90% were the same thoughts we had yesterday, so that’s only 6000 new thoughts. If yesterday’s thoughts were mostly negative, you can see what would happen today can’t you?”

“Yes, another bad day” replied the young man.

“Now go back to the Business Cycle. What do you think is the main difference between the Budding Entrepreneur and the person in the Business as Usual cycle?” enquired his grandfather.

“W...e...l...l,” responded the young man thoughtfully “they both have similar skills and experience in business, so I suppose its their attitude.”

“That’s right” replied the old man, “they still exude the passion that they first had for their business.”

“But how can you change an attitude?” pleaded the young man.

“There are a couple of ways” relied his grandfather, “but first you have to want to change it. That is why I wanted to make sure you were still passionate about your business.”

“I am” said the young man eagerly.

“I have found the best way to keep positive and have a clear focus is to listen to or read something positive at least once a day and especially when you are feeling a bit down. If you look over at my bookcase you will see rows of books I have collected over the years, many of them contain information about keeping a positive attitude.” The young man’s gaze moved to the vast bookshelf on the other side of the room containing hundreds of books in all shapes, sizes and colours*.

His eyes opened wide “Wow; are they all on positive attitudes?” he enquired.” Do you think I could borrow some of them?”

“Most of them are on business subjects” replied his grandfather “and, yes you can borrow some, but it would be a better idea if you started building a library of your own. In a world that is constantly changing, it is vital that you keep abreast of new ideas, new technology and new ways of thinking. Learning does not stop when we leave school, if we want to be successful at anything in life, especially business, we must continually be a student. Especially as we are now in what has been termed ‘the information age’”.

“I never really enjoyed school’ replied the young man
“and reading has always been difficult for me.”

“You know I felt the same when I was your age, but when I started reading more technical books and books I knew would help my career; I found them much more interesting. You can also vary your learning program; get some podcasts and audio books and listen to them in your car. That’s often when you need to change your attitude.”

“After you’ve just seen a bad customer you mean?” chipped in the young man.

“Yes’ replied the older man “or when you made several unconstructive cold calls. When you listen as you drive to and from work or between important appointments, you will not only gain that valuable information, you will arrive at your destination motivated and ready to take on the world!”

“Getting back to reading for a moment,” went on the old man “I found it useful to borrow physical and audio books from the public library and then if I really enjoyed the book or felt I wanted to keep re-reading it, I would get my own copy.

*(*A listing of some of Grandfather’s reference library can be found at page 137)*

Did you know that only about 3% of the population use the public libraries regularly and yet membership is free and only about 14% of the population will buy a non-fictional book from a bookshop after they have completed their formal education?

Jim Rohn, a well-known speaker from the United States commented, 'If you were to read one book a week in your chosen field, in ten years you will have read over five hundred books. That will put you in the top one percent of your field'. Think of the great changes that could take place in your business not just because of all that extra knowledge you will gain but also how motivated you will feel."

"I'd better get started" piped in the young man excitedly "which book should I start with?"

"Why don't you decide for yourself" replied his grandfather. "I will leave you for half an hour to browse through the books and you can make your mind up which one appeals to you most."

They both stood up and the young man bounced over to the vast bookcase whilst his grandfather left the room and closed the door quietly.

"Where to start" the young man thought to himself, "there's just so many books!" First his eyes were

drawn to some of the more colourful covers, and then some of the titles began to jump out. “Yes You Can”, “The Power of Focus”, “The E Myth Revisited”, “How to Think Like a Millionaire”, “The One Minute Millionaire”, and “How to Win Friends and Influence People”. He carefully studied the contents of the some of the books and the style they were written in. He was so engrossed in the books that he didn’t hear his grandfather return to the room.

“So, have you decided Son?” asked the old man.

“I think I’d like to start with these two” replied the young man as he held up two well worn, dog-eared books.

“That’s a great place to start” said his grandfather. “You should be able to read those two in a week and I’ll see you again next week to continue our chat about other ways to get you off that wheel and make your business ride much smoother, profitable and pleasant.”

Once again, the young man thanked his grandfather and with his two books clutched safely in his hand he sauntered off down the road, looking forward to his reading assignment.

For a second week in a row, the young man burst through his front door, he ran inside to the kitchen and excitedly waved the two old dog-eared books in front of his wife. “Here’s the start to changing our business” he said elatedly and continued to eagerly relate his earlier chat with his grandfather.

“Well, I shall be interested to see you read those” she replied, a little sarcastically, “you’ve never been interested in reading before”.

“I know,” responded the young man “but this time I feel different, I am really excited about reading them.”

And, true to his word, the young man spent every available hour of the next week with his head in the two books and a note pad beside him. One of the quotes he wrote down was:

“Business should be fun. Without fun, people are left wearing emotional raincoats most of their lives. Building fun into business is vital: it brings life into our daily being. Fun is a powerful motive for most of our activities and should be a direct path to our livelihood. We should not relegate it to something we buy after work with money we earn.”

Michael Phillips, American Movie Producer

Chapter 3

Your Smooth Ride

“If you really know what you want out of life, it’s amazing how opportunities will come to enable you to carry them out.”

John M. Goddard

When the week was over, the young man headed off once again to visit his grandfather and, as before, his grandfather greeted him with that familiar twinkle in his eye. “Good morning my boy, what did you think of the books? Did you read them?” he enquired.

“Yes, I did” the young man replied as he again sat down in the now familiar leather chair. “In fact, I couldn’t put them down and look at all of the notes I’ve written. I can see why I need my own copies and then I could use a highlighter pen like you did!”

“I’m glad you enjoyed them. What sort a week did you have?” asked the older man.

“Fantastic!” exploded the young man, “I had another really *great* week, and you know what, I found myself doing things I wouldn’t normally do.”

“What sort of things?” asked his grandfather, leaning forward with interest.

“Well, on Monday I was asked to speak to over eighty people at our local Chamber of Commerce breakfast meeting. Normally I would refuse such an invitation because of my fear of public speaking, but I felt so energised I accepted. Although I was very nervous, I must have done a good job, several members placed orders for me to do some work for them and one member even invited me to come and speak at his Rotary Club!”

“You know Son?” continued the old man with a big smile on his face “that reminds me of one of the best pieces of advice I received over 30 years ago. ***Break a Comfort Zone every day.*** While ever we are in our comfort zones, we are not learning anything new, we are simply repeating our previous experiences. But more importantly, we are not open to new opportunities.”

“I guess that comes back to cultivating that positive attitude which we spoke about last week” chipped in the young man who was still beaming from ear to ear

with enthusiasm. “So, what are we going to talk about this week, I’m still looking to that easier ride you promised me!” and he grinned cheekily and as he sat forward in his chair, ready for another exciting discussion.

“Well,” replied his grandfather “I thought we could have a look at where you think your business is now and try to identify some of the limitations that can be easily fixed. I believe that there are six main areas in your business which need your focus and to ensure that this occurs, they each require systems in place to guarantee that they are properly monitored and controlled. The six areas are:

- You
- Your strategy
- Your competition
- Your team
- Getting paid, and
- Your sales

Let’s have a look at them one by one”

“Sounds great” interjected the young man “where shall we start?”

“We start with the first one - **You**” replied the older man “and we’ve already covered much of that subject in our previous discussions, but let’s just recap. You remember in our first session we established how passionate you were about your business?”

“You mean the SLOC analysis we did?” asked the young man with an enquiring look on his face.

“Yes” replied his grandfather, “it showed that you were passionate about your business didn’t it?”

“It certainly did” said the young man grinning.

“Then we talked about your positive attitude”, went on the old man.” Do you think you are passing a good attitude on to your work team?”

“A couple of weeks ago I would have said I was passing on a terrible attitude” replied the young man, “but since I’ve been talking with you, everyone is commenting on how friendly and exciting the workplace has become.”

“Good” said the old man patting the young man on the shoulder “that shows you are applying what you are discovering; keep it up! You could also think about your regular self-development. Last week we chatted

about reading books. It is important for you to schedule your regular reading goals and include some seminars or workshops too.”

“I do attend quite a few events” replied the young man “but they are a bit spasmodic; I have no real goals in that area. I suppose I could write down the sort of seminars I want to attend, how many books I will read each month and what type, especially as you have such a great library.”

“That’s a good idea” replied his grandfather, “you’re welcome to borrow as many as you like. You could consider how much of a risk taker you are.

“I’m in business aren’t I?” interrupted the young man “that’s a risk!”

“Well Yes and No” replied the old man. ‘It’s certainly important to take risks, but they should be calculated ones, based on research and information. I’m sure that’s really what you do, and we’ll talk more about that area soon. You’ve also shown you’re a risk taker by your comments earlier about coming out of your comfort zone and doing some public speaking and that of course has opened up more opportunities.”

“If I was to ask you to give yourself a score out of ten for those four points about you; that is your passion, your positive attitude, your self development program and your risk taking” went on the old man, “where do you think you would fit?”

“A few weeks ago, I would have said about a 3 or 4” replied the young man and excitedly went on “but now I think I’ve reached about a 7!”

“Excellent” said the old man as he took the pad of paper from his Grandson, turned to a clean sheet and wrote:

‘You – 7’

“Now let’s turn our attention to ***your strategy*** or strategic planning” said the old man as he handed the pad back to the young man.

The young man looked perplexed. “Surely strategic planning is something that big companies have” he said, “my business is much too small for something like that, I can’t afford the time or people to be messing around with that sort of hypothetical stuff!”

The old man looked at his grandson sternly over his glasses. “You can’t afford ***not*** to give attention to this sort of hypothetical stuff as you call it,” he replied with

a serious tone in his voice. “No matter what you call it, strategic planning, business planning or just simply what do you want from your business, you certainly need to have some sort of plan. Let me ask you, do you know what you really want from your business in the next year, two years, five years or longer?”

“Of course,” retorted the young man, “I want to make money!”

“How much?” questioned the older man.

“Lots, of course” replied the young man “I want to be wealthy and not work so hard!”

“That’s what most people want from their business,” continued the old man, “but remember the business cycle we drew that last week, only the Budding Entrepreneurs and Peak Performing Champions are really thriving in their businesses because not only do they have passion for their business as we discussed, they also have a plan to put that passion into action!”

The young man leaned forward, “OK, tell me all about business planning,” he said with an enquiring look on his face.

“I’ll just cover the subject briefly for now” replied his grandfather, “you really need to read some of the books in my library to gain a fuller understanding”. The old man rose to his feet and walked over to vast bookshelf on the other side of the room. “I suggest you take this book home this week to read” and he pulled out a bright covered book and handed it to the young man.

“How to think like a Millionaire” read the young man, “that certainly sounds like what I need!” he exclaimed.

“It contains some stories of well-known successful people who made it as a result of knowing what they wanted and planning to get it” continued the old man. “The business planning process is essentially examining where you currently are now with your business in terms of turnover, profitability, number of customers, market share, number of team members and the like. You then decide where you would like to be in twelve months, three years and five years and plan how you are going to get from where you are now to where you want to be.”

“Sounds simple enough” said the young man, “but I suppose it will take some time?”

“To do it properly it will take some time,” replied his grandfather, “but you can get started with a very basic plan and then build on it. At least get some basic goals in place and then at some stage you may want to review the changes that have occurred in your industry over the past five years, what is likely to happen over the next five years, the obstacles you are likely to face and how you will meet those challenges.”

“Now it is sounding a bit more complicated” interrupted the young man “but I can see why it’s important. I’ll read some of your books and see how I go”

“I suppose if I were to ask you to give yourself a score out of ten for your business planning efforts to date” went on the old man, “you give yourself a 1 or a 2, would you?”

“Just the 1, I think” replied the young man looking a little dejected.

“That’s OK, we can work on that” said the old man as he took the pad of paper back from his Grandson, turned to the page he had written on earlier and wrote:

‘Your Strategy – 1’

“We are now going to talk about ***your competition.***”

“That’s good” said the young man smiling, “most of them are useless, we are much better than they are!”

“Be careful” warned his grandfather, “a lot of businesses tend to underestimate their competition and that can be perilous. On your pad, write down the names of your three major competitors”

“That’s easy” replied the young man as he scrawled their names across the top of the page.

The old man continued, “now write these questions down the side of the page. ‘What do they do well?’ ‘What do they do badly?’ ‘How are they performing generally?’ ‘What is their marketing like?’ ‘How are they perceived in the market?’ Now answer the questions for each of your three major competitors and I will go and make us a cup of tea” and the old man stood up and went off to the kitchen.

“How did you go?” asked the old man returning from the kitchen and setting down a tray of cups, milk sugar and biscuits on the small table.

List your three major competitors.			
What do they do well?			
What do they do badly?			
How are they performing generally?			
What is their marketing like?			
How are they perceived in the market?			

“Not as well as I thought I would” replied the young man with a frown on his face, “those simple questions were a lot harder to answer. Are they really that important?”

“You’re an active sportsman” replied his grandfather, “how important is it to know the strengths and weaknesses of your opponents?”

“Very” responded the young man, “often it means the difference between winning and losing if the teams are very well matched.”

“So why should business be any different?” asked the old man. “Many companies who are your competition have been in business for a long time; they must be doing something right. It is important to understand what they are doing right and what they are doing wrong. You can copy the things they are doing right, and you can avoid or improve on what they are doing wrong. That way you can gain the winning edge.”

“I understand” chipped in the young man, “I suppose you are going to ask me to score myself out of 10 again for understanding my competition? Well I’ve already done it’ and the young man showed the old man the same page on the pad where he had added:

‘Know thy competition – 4’

“Excellent” said the old man “Now let’s turn our attention to ***your team.***”

“Do you mean my employees; the people who work for me?” interrupted the young man “I notice you keep referring to them as ***My Team.***”

“Yes” said the old man with a big grin on his face, “we’ve talked about using softer words before and the effect it has on your attitude, it’s much nicer to refer to your staff as a team, it makes them feel loved, needed and in on things. According to studies, that is the number one motivational drive for people.

We’ll talk more about that in another session, first we need to understand how you currently approach the people in your team. For example, have you shared your vision for the business with them?”

The young man hesitated. With a puzzled look on his face he stuttered, “We...I...I no, I thought that was something personal and anyway, I’ve already told you I’m not sure I *really* know where I’m going; what I want from the business.”

“There’s two challenges in that comment my boy,” continued the old man, “Firstly, as we have already discussed, if you don’t know your vision, how can you possibly achieve what you want? But far worse still, you have a whole team of people all going in different directions and that’s no good at all; it’s a waste of resources and you keep telling me how stretched your time and people are.”

“That’s true” said the young man, “I suppose I could even involve them in the strategic planning process we spoke about earlier and that would focus us all on the same goals wouldn’t it?”

“Now you’re really thinking my boy” replied his grandfather, “that would be an excellent move. But there are other important points to think about in regard to your team. For example, do they know what is expected of them? Do you have a formal documented induction process for new team members, or do you just show them their desk and

say, 'Go for it'”? Do they have job descriptions particularly with performance measures in them?

The young man looked a little sheepish, “we do have job descriptions, but they are very basic and really could be improved. We also have an induction process, but it’s not really documented so it is very open to the interpretation of person conducting the program. We try to adopt an empowering workplace.”

“Empowering your team is excellent” replied the old man “and something more companies should do, nevertheless it is still important to have some guidelines in place. I hope you are patting your guys on the back a lot and telling them what a good job they are doing!”

“Probably not as often as I should” replied the young man “I find myself chastising them more often that complementing them.”

“Motivating your team and getting them to perform the way you want is a big subject and one we can discuss in a few week’s time” said the old man “I have several of books on that subject too. For now, let’s just give you a score out of 10 so that we can finish this analysis of your business today and

determine how to make your business run more smoothly.”

“I’d say a 3 for this area” said the young man passing his pad over to his grandfather who wrote on the appropriate page:

‘Your Team – 3’

The old man set the pad back down on the table and picked up his cup, took a sip of tea and continued “now we come to another important but sometimes delicate area, **Getting Paid!** What is your debtor situation like?”

For the second time that day the young man looked very sheepish, “you’ve found another one of my weak spots,” he replied “I have a lot of customers who don’t pay me on time and I am always scratching for cash to pay my bills.”

“Again, you’re not alone,” smiled the old man “most small businesses do not handle their credit control well and unfortunately it contributes to over a quarter of all small business failures. You must understand that a customer is not really a customer until they have paid you!

I am sure you know how much you are owed, but do you track overdue accounts, and do you have a written credit control policy that your customers are aware of?”

“My accounting system is good in that regard,” replied the young man “I do know who owes me and how much, but we are very negligent in following up outstanding debts and whilst we do have a written application form with terms and conditions again we do not always follow up references when we take on a new customer. Again, we just don’t seem to have time to do it all”

“Next week we can spend our whole session talking about how you can get paid easier and in fact how to ensure your pricing is right,” said the old man “I would think that you deserve a 5 for this area.” The old man again picked up the pad and wrote:

‘Getting Paid - 5’

“Now for the last area ***Your Sales.***”

“Yes, I’d like more of those!” exclaimed the young man.

“I’m sure you would” continued his grandfather “and you can have them if you have the right systems in place! Do you know what sort of promotion is working for your business?”

“Well our Yellow Pages ad use to work quite effectively, but in recent times it doesn’t do much” responded the young man, “and the occasional newspaper and radio spot seems to have some effect. We always ask new customer where they heard about us and the most frequent response appears to be a referral from an existing customer.”

“That’s excellent that you ask and record the information from new customers,” replied the old man, “many businesses do not know what promotion is working or not working and marketing can be a real hit and miss affair. What about a website and social media, do you use them?”

“I have a website that we had built 5 years ago but it doesn’t seem to do much and I’m not really into social media,” replied the young man. “I may be getting older, smiled his Grandfather, “but I keep up to date with the latest marketing trends.

Do you realise that over 50 percent of small businesses do not have an online presence and yet that is where

most people research to solve their problems? You need to be very active in this area of marketing no matter what type of business you are in”.

“What about records, do you have a system which shows how many enquiries you convert into actual sales and the value of those sales?” The young man hesitated, “not really” he replied “I suppose it’s something we could easily implement. Is it important?”

“It can help you see if additional training is required in some areas and thus improve your sales” said his Grandfather “again I’d like to talk in greater depth about your sales and marketing opportunities at a later date. We will also talk about the accuracy and depth of your customer data base and how you can effectively use it to generate more sales.”

“We use our data base a lot to send out flyers and newsletters,” replied the young man, “but keeping it up to date can be a real challenge sometimes.”

“Yes, data bases are challenging” responded the old man, “but with modern technology and systems in place they should be easy to control. I think you deserve a 7 for this area of your business.” The old man took the pad and wrote:

'Your Sales – 7'

“Now we shall see how effective your business is and how smooth your ride.” The old man drew six spokes on the page and wrote ‘You’, ‘Your Strategy’, ‘Know thy Competition’, ‘Your Team’, ‘Getting Paid’ and ‘Your Sales’ one by one on the spokes. Then he drew ten concentric circles with the meeting point of the spokes as the centre and numbered them from 1 to 10. Then referring back to his previous notes he put a cross on the ‘You’ spoke at the number 7 and continued on with each spoke in turn. Joining the crosses, he produced a lopsided wheel.

There” he said waving the pad in front of the young man; “your business. As you can see it’s a bit out of balance which means your business is having a bit of a bumpy ride at the moment.”

“You can say that again” chipped in the young man, “I suppose the rounder the wheel the smoother the ride!”

“Yes” replied his grandfather “and the larger the wheel the easier the ride, simple mechanics really. But more importantly what it does show is the areas



of your business that require the more urgent attention. In your case this is your strategy, your credit management, your team building and understanding your competition.

I think we've covered enough for this week and you have plenty of things to think about. You can read a couple of books on planning during the week and next

week we can talk about how to get paid your real worth.”

“I’ll look forward to that Grandfather” said the young man rising from his seat he picked up his valuable pad and two books and headed for the door. “Thank you very much for your time, I really appreciate all of the assistance you are giving me.”

“I’m enjoying it too” said the old man as he opened the door and waved his Grandson goodbye, “Have a fantastic week!”

Chapter 4

Getting Paid Your Real Worth!

“A customer will pay as much as it costs to cost effectively remove their pain.”

After another exciting and profitable week, the young man once again found himself heading towards his grandfather’s house and, as always, his grandfather greeted him with that well-known twinkle in his eye and familiar phrase, “Good morning my boy, how was your week?”

“I had another outstanding week Grandfather” replied the young man sitting down in his usual comfortable leather chair. “These visits to you each week are great, not only do I leave here highly motivated, but everything just seems to go right at work and home. I’m actually really enjoying my work and the money is starting to come in again but not quite as fast as I’d like!”

“Sounds like a good starting point for this week’s discussion” replied his grandfather. “You know, so

many people in business never really get paid their real worth. They put the energy into their products and services and deserve to be paid fairly for them.

Unfortunately, most of us have been brought up in an environment where *money* was a taboo subject and to ask for money was considered to be out of place or even rude.

This has led to two problems in business, we don't charge enough for our products or services in the first place, and we don't like to ask for the money after we have delivered the product or service and a customer drags out payment. I think it's partly due to our self confidence and not wanting to break those comfort zones again,"

"Yes, I feel like that" commented the young man, "when a customer asks, 'how much', I certainly get embarrassed, I hesitate or stammer and I sometimes I even put my prices down."

"In business, there are ***three pricing emotion barriers*** you have to overcome. The first is your own price resistance. Do you feel that you are providing a worthwhile product and service for your customers?" asked the old man. "Yes, I do" replied the young man. "And do you think it is value for money?" continued

the old man. “Certainly’ replied the young man. “Then why do you feel that you have to justify your prices or even put them down?” said the old man with a twinkle in his eye.

“I don’t know really’ replied the young man, “I suppose it’s because so many people make their decision to buy based on the best price.”

“Unfortunately, a lot more salespeople these days do try to sell on price” continued the old man, “and the advertisements on the television and in the press don’t help. They are also becoming more price focussed which is tending to educate the buying public to buy more on price, but I still don’t think much has really changed, most people actually buy on perceived value. Of course, if all they have to go on is the price then that will become their main buying motive. But most people still want quality and service and are prepared to pay more to get it.”

“So, what you’re saying is, I should sell my quality and service,” commented the young man, “but that’s hard when the first question they ask is ‘How much?’”

“Not really son” replied his grandfather, “a salesperson should never sell, tell, reveal or demonstrate their product or service until they

understand their customers' specific needs. That means asking a lot of questions to find out what the customers' problem is; what they really need and of course that builds the vital relationship and trust.

You have a solution to your customer's problems but you need to know about their problem so you can show them how the benefits of your product or service will help them. That's the second pricing emotion barrier you have to overcome; the customer's price resistance.

Your line of questioning should take them away from the price and when the customer realises that you have their cost-effective solution, price becomes insignificant, you just have to point out the benefits not the features. They need to clearly understand how your product or service will benefit them and they will be happy to pay you."

"By cost effective" said the young man, "you mean show them how the product or service will save them money in the long run?"

"Yes" replied the old man "but it could also be a saving in time or just removal of worry and hassle which you can't always put an actual figure on. Remember,

everyone in business is solving some problem or pain point for a customer.

You know, price in any business is determined by reviewing three areas, the cost to the business of making the product or delivering the service, the price that the competition charges, and how much the customer is prepared to pay.

Often, when we are setting our prices or fees we don't always take these points into consideration and we should. The result is our customers often value our service more than we do, we undercharge and end up working much longer hours than we need to just to make a living."

"In your business, do you sell your time as an hourly rate, or does your business rely on a mark-up from the products you sell?" inquired the old man.

"A bit of each really" replied the young man. "We do sell some products that bring in a gross profit, but we also sell our time at an hourly rate. Why do you ask?"

"Well," continued his grandfather, "you need to calculate their effects on your prices differently. It is not always wise to quote your actual hourly rates directly to clients, but we'll talk more about that

another week when we discuss your marketing approach.”

The old man reached for the young man’s pad, “Here’s a simple example that shows if your hourly rates are too low, you will not make a reasonable living for yourself.” The old man began to write numbers on the pad.

“Suppose you want to earn \$50,000 per year before tax from a sole trader business in some area of the service sector. The average self-employed small business owner will usually be able to produce about 1,000 hours of productive paid time per year - that’s about 20 hours a week. Now we know that small business owners work three or four times that, but the other time is unpaid work such as bookwork, sales and marketing etc. Let us assume the overheads to run the business are \$25,000. The hourly rate calculation would look like this:” and the old man held up the pad he’d been writing on.

“In this example, you need to be charging a minimum of \$75 per hour to earn \$50,000 for yourself. Remember, also that there are a lot of circumstances which could affect your income dramatically. For example, you may only get 800 hours of paid work in which case you should have charged \$93.75 per hour

to cover your overheads and still receive your \$50,000 personal income.”

To earn your \$50,000	$\frac{\$50,000}{1,000} = \$50 / \text{hour}$
To cover your overheads	$\frac{\$25,000}{1,000} = \$25 / \text{hour}$
Total you need to charge	$\$50 + \$25 = \$75 / \text{hour}$

“And if my overheads doubled for any reason, I would need another \$25 per hour to cover that increase or I would reduce my personal income to \$25,000 for the year,” interjected the young man excitedly.

“Exactly”, replied his grandfather. “Many businesses face this challenge each year without knowing why and without having the confidence to increase their fees.”

“But I have a team of people who I charge out on hourly rates, how can I work out their charges?” asked the young man with concern in his voice. “In a similar way” replied the older man. “You would workout what their productive hours are for the year and divide that into the sum of your wages bill, overheads and the profit you want to make and of course you must

remember to add any Goods and Services Tax that may be applicable.”

“I see,” said the young man “but I also sell some goods as well and make a good gross margin on them. How do I work that out?”

“Firstly, you would need to understand what percentage of the overall contribution to overheads and profit came from the gross profit of the goods.” Replied the older man “Some businesses only sell goods and therefore they use their gross profit to run their business and pay their salary, so let’s use this type of business as our example. If your gross profit is reduced for any reason you must work so much harder and sell so much more to achieve the same level of gross profit.”

The old man rose from his chair and leisurely walked over to his bookcase. After scanning the vast array of books for a few seconds he pulled out a small book with a much-worn cover which the young man realised had been used numerous times before. The pages were dog-eared, and he quickly found a page covered with hand-written notes and a multitude of highlighted colours. “This chart shows what I am talking about” said the old man as he placed the opened page in front of the young man. “You can see

for example that if your margin was 25% and you reduced your prices by 20%, you would have to sell 4 times as much stock to achieve the same gross profit.”

If you reduce your margins by:	If your margin is:				
	20%	25%	30%	40%	50%
2%	11%	9%	7%	5%	4%
4%	25%	19%	15%	11%	9%
6%	43%	32%	25%	18%	14%
10%	100%	67%	50%	33%	25%
12%	150%	92%	67%	43%	32%
16%	400%	178%	114%	67%	47%
20%		400%	200%	100%	67%

You must increase sales by this % to achieve the same gross profit

“Wow,” replied his grandson, “that’s quite staggering. It means you really need to know what you’re doing if you give discounts or have a sale.”

“Yes, you do,” replied the old man “and many business owners don’t. But of course the converse is also true, you only have to increase your margin by small percentages to realise the same profit from much lower sales and that’s even more exciting because it means if you put prices up and sell less, you don’t have to work as hard for the same gross profit!”

“Thanks Grandpa,” said the young man taking back his note pad and looking closely at the figures, “I never realised what a big impact my pricing has on my

business. But you mentioned that there were three pricing emotion barriers. What is the third?”

His grandfather smiled, “Getting paid of course” he said with a twinkle in his eye. “It’s a sad fact that about one in five small businesses are forced out of business because of their poor credit management; particularly their slow collections and bad debts.”



The young man looked solemn, “I mentioned the difficulties I had getting my customers to pay their bills on time a few weeks ago and whilst many things have improved in my business, that still remains a challenge.”

“Can you get your customers to pay when they receive your service?” quizzed his grandfather. “Or better still

pay the full amount or a large deposit before they receive your service.”

“That would be nice’ said the young man, “but everyone in the industry gives 30 days credit which usually turns out to be 60 or 90 days and if I started asking for money up front my customers would just go to my competition and I’d have no business”.

“Here comes that emotion again” replied his grandfather, “What we need is to make you a leader in your industry. A reformer, someone who is prepared to change the way you do business. You see customers are educated by you and your peers. What you believe your customers require is only the result of the way your customers have been programmed to respond.”

“I’m not sure I understand you Grandpa” said the young man looking a little perplexed.

“Remember earlier today we were talking about price and you told me your customers only bought on price?” responded the old man.

“Yes,” replied the young man, “but you convinced me that I wasn’t selling the true value of my service and price is not as important as perceived value.”

“Well the same is true for payment terms,” continued his grandfather. “If you truly have the solution to your customers’ problems and they perceive the quality, service and value, then payment terms should not be a challenge. A lot of businesses have a challenge in getting paid because they don’t always give out their prices up-front.

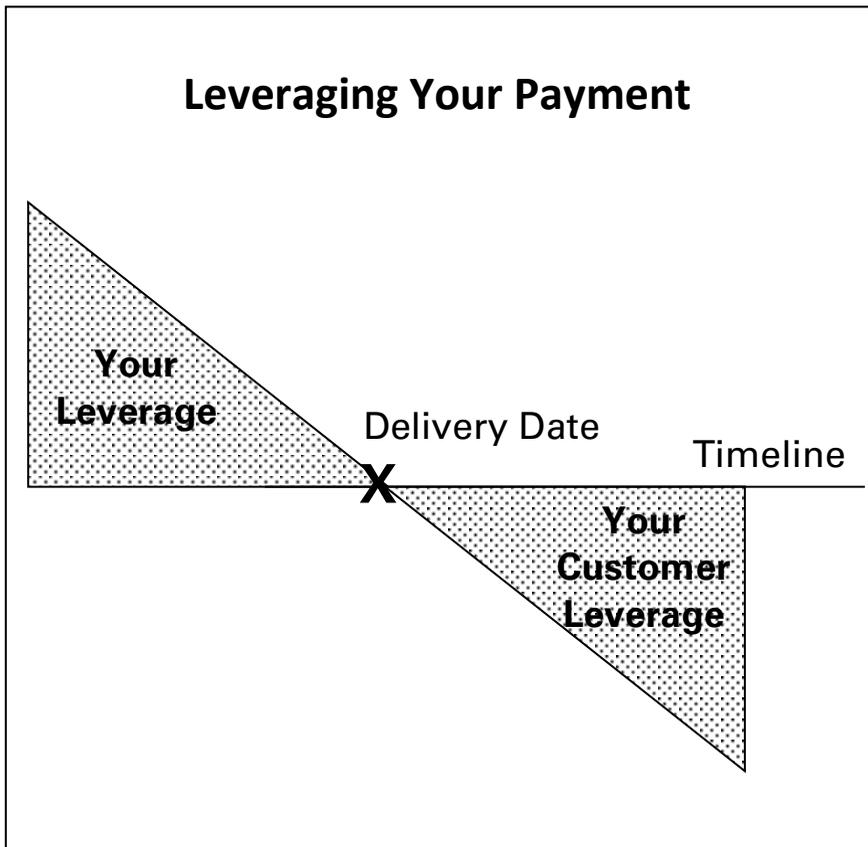
Consider, for example, many service providers who sell their hourly rates rather than a package. If you were to ask them how much their service was going to cost most would reply with a band such as between \$1,000 and \$2,000.

Now think of the psychology of this, the customer hears the \$1,000, but the provider is thinking \$2,000; immediately there is a communication problem. Then the job takes a bit longer, the provider supplies the service and then, sometime later, sends the customer an invoice for \$2,500. Now the customer has received the service and is disputing the invoice amount, as a result, the customer either takes a long time to pay or the provider reduces his price in order to get paid. The outcome is an unhappy customer and an unhappy provider. We need a win-win situation.”

“Let me tell you about leveraging your payment, but I will have to borrow your pad again.” The old man

reached across and picked up the young man’s pad and he drew a chart. Then he handed the pad back to his grandson.

“Notice that up to the delivery date, you have the best advantage of being paid”, continued the old man, “once you go past the delivery date, your customer has the advantage and the longer you go past that date, the more challenging it is to be paid.



If you really believe that you can not get paid before delivery, at least make sure you have properly written terms of trade and system that ensures customers are quickly followed-up as soon as they breach those terms.”

The young man looked excited, “I know what you are saying Grandfather, I think that with a bit of lateral thinking and change of attitude on my part, I can get a lot of my customers to pay before I deliver. There will be a few who still need accounts, especially my long-term existing customers so I had better have another look at my credit policy and system.”

The old man stood up and walked back to the vast bookcase. “You’d better borrow this book for your homework this week,” he said as he pulled out a bright blue covered book and handed it to the young man.

“It’s your money... so get paid” read the young man, “sounds like just what I need!”

“It was written by a friend of mine” said the old man as he ushered the young man to the front door, “I know you will find it valuable. See you the same time next week” and he waved as the young man walked down the street with that now familiar spring in his

step. “Thanks Grandfather,” called the young man over his shoulder and he disappeared around the corner.

Chapter 5

The Kaleidoscope of Marketing.

“You can have the best product or service in the world that everybody needs, but if nobody knows about it, you won’t sell it!”

The week flew by very quickly and the young man headed off once again for his now regular visit to his grandfather. The old man was equally excited by his Grandson’s visits and was standing at the opened door in eager expectation. His eyes sparkled as the familiar shape of his Grandson’s upright frame came sauntering around the corner. “Good morning my boy,” he yelled as he waved his hands energetically, “how was your week?”

“Another fantastic week Grandfather,” replied the young man as he followed the older man through the open door, and they headed towards the usual burgundy leather chairs. “It’s been great, we’ve changed our sales scripts so that we ask more questions to really find out what our customers

challenges are, and we have found that our pricing is no longer an issue,” he said excitedly as he took a seat.

“But more importantly” he continued, the enthusiasm busting from him “we’ve started to ask our customers for a big deposit up-front and *nobody* has shown any concern at all.”

“Well done my boy” beamed his grandfather, “so now you are ready for my favourite subject, I call it the Kaleidoscope of Marketing.”

“That’s an interesting phrase” chipped in the young man, his face still beaming, “why would you call it a kaleidoscope?”

The old man reached across to his side table and picked up a short blue cylindrical object. “Take a look in here” he said, “and tell me what you see.”



The young man hadn't seen a kaleidoscope since he was a young boy and eagerly put the object to his right eye. "It's a beautifully coloured symmetrical pattern" he said.

"Now twist the bottom and tell me happens" said his grandfather. The young man was already impatiently twisting the base of the cylinder like a young child. "The pattern keeps changing", he replied excitedly.

"Now for the tricky bit, try to bring back one of the previous patterns" said the older man. "I can't" exclaimed the young man, "it's impossible, every pattern is different."

"Exactly!" replied his grandfather, "and marketing is just the same. Marketing is not an exact science; it's a *trial and error* process. What works for one business probably won't work for a similar business. In fact, what worked for your business last week may not work for your business the next time you try it!"

"I know, every time I try something it just doesn't seem to work, so what can I do?" exclaimed the young man.

"A kaleidoscope is made up of a prism of mirrors reflecting a lot of small colourful plastic pieces of all

shapes and sizes that are constantly being shaken about. So how can we relate that to marketing your business?” asked the old man.

“You mean it’s all done with mirrors?” quipped the young man with a big grin on his face.

“Not quite” replied his grandfather, “but there are some similarities. I think the small pieces of plastic could represent the different types of customers and their different needs; the different types of media available to communicate and the different ways they can be used; and the timing of it all’ You need to shake it all up and come out with the right pattern!”

“Sounds challenging” replied the young man with a frown on his face, “where do I get all the pieces to shake up and how will I come up with the right marketing approach?”

“There are some important pieces you must put into the mix to start with” went on the old man, “you must understand your target market and then you must know what is unique about your product, service, or business and therefore why people buy from you; some people call this the USP or Unique Selling Proposition. But let’s talk about your target market first. Who do you think your target market is?”

“Everyone” replied the young man.

“That would be nice” continued his grandfather “but it’s unrealistic. It would cost you too much to reach everyone and most would not want your product or service anyway. It’s called a target market because you need to focus on specific groups who are most likely to buy and easiest to reach. You can of course have several different target markets that you may reach with different marketing approaches.”

“You’d better tell me more about target markets.” Said the young man “How can I work out what they are?”

“Well” replied the older man, “you should try and get a precise description of the people you think are most likely to buy. You can do this by considering their gender, age, income level, where they live, what their needs are etc. etc. You want to develop a clear picture of them in your mind. For example, if you were running a hairdressing salon, you may say that your target market was ladies between the ages of 20 and 60 with a minimum income of \$40,000 and living within a 10km radius of your salon. You can even get hold of statistics that will tell you how many there are and how much they spend on hairdressing. Thus, you can work out a monetary figure on the size of your

target market. When you understand all about your potential customers you are in a better position to form a marketing plan that will decide what share of the market you want and how attract them to your business.”

“I see,” said the young man, “so now you advertise to attract those ladies in this example?”

“Well, yes and no” replied his grandfather. “In most businesses you will find that about 80% of new business comes from word of mouth or referrals and whilst advertising has its place, a lot of advertising doesn’t work.”

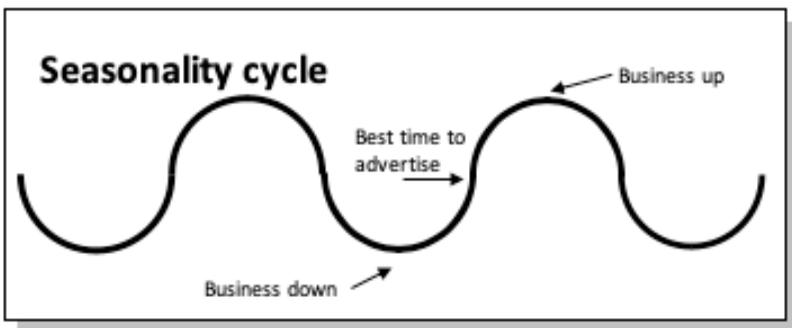
“Yes, I’ve found that in my business.” Said the young man, “when I’ve put an ad in the newspaper, I’ve got nothing from it.”

“A lot of businesspeople say that about their advertising,” continued the old man, “but that’s not the fault of the newspaper or other media for that matter. You know there are three reasons why their advertising did not work. It was either the wrong timing, the wrong media or the wrong message.”

“That’s interesting” said the young man as he lent forward, “tell me more.”

“All businesses have some sort of a seasonality cycle,” replied his grandfather, “and some cycles are more pronounced than others. Please pass your pad over again and I’ll show you”.

The young man passed the pad across to his grandfather who drew some curves:



“If business is down,” went on the old man pointing to the bottom of the curve, “people tend to panic and spend money on advertising even though their customers are not in buying mode during that down time, the result is little or no increase in business and a waste of advertising dollars. The best time to advertise then is as the curve returns up towards the peak buying period. But you must really know and understand your customers buying cycles for this to work.”

“How do I find that out?” enquired the young man as a frown spread across his face.

“You will probably already have this information in your business somewhere,” replied his grandfather. “Your financial records from previous years should show their buying trends backed up of course by your own gut feeling and knowledge of your marketplace.” “OK, I think I can get the timing sort out,” said the young man, “so tell me more about the media aspect.”

“Remember, I asked you earlier about your target market?” answered the old man.

“You mean getting a clear picture of who they were and what they did?” replied the young man.

“Exactly,” said his grandfather “well obviously different people have different habits, such as reading, watching television, on the internet and so on and you have to make sure you know their habits so that your advertising is placed directly in front of your captive target market.

In my day, newspapers, yellow pages, tv and radio were the most common media used by advertisers but these days with the advent of the internet, along with Google, social media, and online shopping, the advertising media has changed dramatically.

Do you know that about half of the world's population or 3.8 billion people use the internet every day and make 5.5 billion searches each day? Remember I said that at least 50 percent of businesses are currently not taking advantage of this powerful media."

The young man interrupted, "remember I told you that I have had a website for years and it doesn't do much good!"

The old man put on a sincere face, "and when did you last update it?" he said. "Never" replied his grandson.

"These days you must have an effective website that attracts people to it and gets them to take action" replied his grandfather. "This requires regular updates, probably every couple of weeks, and regular monitoring of the excellent analytics that are available to you."

"Sounds like a lot of hard work, is it really necessary?" chipped in the young man with a concerned look on his face. "Maybe it requires some effort," replied his grandfather, "but if you get into a daily or weekly habit with some sort of system it will become a lot easier and you should see a marked improvement in customers contacting you.

The older man continued, “then you must also consider the use of social media; FaceBook, LinkedIn, Instagram, blogging, vlogging etc.etc.”

“NO, I’m just not interested in that stuff, that’s for the kids,” replied the young man indignantly. “I’m sorry son” replied his Grandfather, “the statistics speak for themselves; I’ve already told you how many people regularly use the internet and used correctly it is a significant marketing tool in today’s world.

Again, you need to really understand your target market, how do they research to find solutions to their problems, which social media do they actively use and then you can set up the appropriate accounts to target them. Even though the social media platforms are constantly changing their algorithms, they are still a very cost-effective value for your advertising dollar because you can directly reach your target market.”

“I see,” replied the young man, “I suppose I could always get someone to help me with this.

“Yes, replied his grandfather, “it’s certainly a media that you cannot afford to overlook in this fast-ever-changing world. You know, we are all exposed to at least 6,000 advertising and promotion messages each day and it is so easy for your message to be lost in that sea of words and pictures.”

“Wow, 6,000 ads a day, I’m sure I don’t see that many!” chipped in the young man.

“Well, that’s just the point” replied his grandfather. “It’s our unconscious mind that takes a note of them and if that part of our mind is not focussed on the particular message, it will not bring it to your conscious mind’s attention. This brings us to the third and probably the major reason why a lot of advertising doesn’t work, the message and just because the media has changed significantly over the years, the principles of marketing really haven’t changed. Most people who put their advertisement together still start with putting their name in the headline.”

“What’s wrong with that?” asked the young man, “I always put our name there.” “

“You should understand that 80% of people read a headline and move on” explained the old man. “They don’t read on any further because the headline didn’t arouse their interest. Therefore, unless you have a well-recognised name, in most cases, your name in the headline is useless. The headline needs to reach out and grab your target market. Focussing on a problem they may be having or maybe the solution to that problem is one of the best attention getters. ‘Are your legs aching today?’ is a headline that would reach into

the unconscious mind of any person with aching limbs and focus them on the message, so that they take action.

Once you've got their attention you can construct your message by developing a desire and interest in your reader. Paint a word picture of the benefits of using your products or service which impels the person to want to try for themselves. Help them to feel the emotions they will experience and support this with exciting graphics. Provide an offer which is compelling and, if possible, remove their risk by giving a guarantee. Then, when you have them as putty in your hand, you can put the details of your business and end with a call to action. Use action words such as 'ring now,' 'call in today' etc which gets their unconscious mind reaching for the phone."

"Sounds a bit like manipulation to me" commented the young man with a frown returning to his face.

"Not really" replied his grandfather, "if you believe you have a good, quality product, and I'm sure you do, and if you believe you are solving a problem for them by adding value to their life then why is it manipulation?"

“I suppose you’re right as always Grandfather” responded the young man, “I just get a bit annoyed at some of the ads I see. I expect it is because, as you say, it doesn’t really interest me and we see so many, that I feel they are manipulating the public.”

“If you feel that way about a particular ad you are probably right” and his grandfather smiled. “A lot of ads are not written properly; they don’t spell out benefits to the people and therefore use other ways to encourage people to buy. Your gut instinct is still always a good measure!”

“You mentioned earlier” said the young man “that I should also consider a U eh S...”

“Your USP or Unique Selling Proposition” jumped in his grandfather, finishing his sentence “Yes that’s very important and it is partly what we’ve just been talking about. It’s really being able to explain the one thing that differentiates you from your competitors; the one thing that will cause your customers to select your products or services over any other; why they should do business with you.”

“That’s easy” commented the young man, “it’s my service.”

“Maybe” replied the old man, “but wouldn’t your competitors also say they gave great service?”

“They may say it” retorted the young man, “but they don’t give it!”

“Then your USP has to prove that you do” continued his grandfather.

“That’s not so easy” said the young man, “they won’t experience the service until after they’ve come to my business and tried it!”

“Exactly,” replied the older man “which is why putting service as your USP is not necessarily the best USP you have. Many business owners find it difficult to come up with a good USP and spend weeks or even months trying. Sometimes brainstorming with your team or even customers helps and I mentioned earlier about removing the customer’s risk or risk reversal as it is sometimes called is a useful USP to develop.”

“Risk?” questioned the young man, “what risk does the customer have?”

“Spending their hard-earned money and not getting what they really wanted of course,” replied his grandfather. “To most people their money is their

security and when they are asked to spend it, they feel a little more insecure. If they can see the investment or benefits it's OK, but if there is any doubt, they will procrastinate about a decision. Obviously, the larger the amount of money they are parting with, the bigger the fear and the risk. So, if you can minimise the risk or even eliminate it for your customers, their decision-making process is so much easier and this could be your USP."

"You mean like a money back guarantee?" asked the young man.

"Yes" replied his grandfather "that's one way of reducing the risk because it basically says, *'you will get the results you want for this money or you get your money back!'* thus no risk. Another way is to use testimonials from your satisfied customers; they are more believable than your own words and show that you are providing the published results. This is particularly important on your website and social media posts where developing trust is vital."

"I can see why my advertising hasn't been working too well" said the young man "and I know what my homework will be for this week!" he added with a grin on his face.

“Just one thing before we leave advertising” said the old man, “how do you know if your advertising has been working?”

“That’s easy” responded the young man “we either make more sales in the month or we don’t.”

“Oh” said the older man “and do you ever have more than one advertising campaign going at one time?”

“Of course,” replied the young man as a frown crossed his face.

“So how do you know which one is working?” questioned his grandfather.

“We ll” stammered the young man “I suppose I don’t.”

“Don’t worry,” said the old man with a smile on his face, “most business owners don’t really monitor their advertising or marketing performance that well and if they do have some sort of system in place, their team members don’t usually abide by it.

It is important to develop a system which allows you to know where your new customers are coming from, train your people to use it and then monitor its

implementation to see what is working for your business. These days this is very easy with the analytics available on your website and social media.

You should also consider setting an advertising budget each year so that you are not talked into promotions that seem a good idea but do not address your target market parameters. About 3% of your budgeted turnover is a good figure to consider.”

“So now I know all about marketing, I must go and put it into practice” said the young man.

“Not so fast young man,” replied his grandfather, “marketing your business is not just about placing ads, and writing posts or blogs, in fact as I commented earlier about 80% of your business will come from word of mouth and referrals so marketing is about the whole process of bringing people to your business. It may be that you would be better of spending your money on improving your referral system rather than advertising.

“How do you mean Grandfather?” enquired the young man with a frown on his face.

“Well suppose you ran a café” replied the older man, “if you wanted your existing customers to bring in their friends you might try offering them a free cup of

coffee or a cake if they bought a friend who hadn't been there before. That would probably have much more effect than any advertising and in the long run be cheaper."

"Wow!" cut in the young man, "that's a great concept. I must think how I could apply it in my business!"

"It's always better to get other people to sell your products for you," replied his grandfather, "that's why testimonials work so well as we talked about before."

"Are there any other more effective marketing tips you can give me?" asked the young man with a grandfather's familiar twinkle in his eye.

"Newsletters and Blogs" replied the old man.

"Newsletters?" exclaimed the young man "I never read them and what are Blogs?"

"That's probably because most of them are so boring and unattractive," replied his grandfather. "Most newsletters waste all their space telling you about staff appointments and products for sale without being really informational."

"Informational?" questioned the young man, "surely information on staff and products is informational?"

“Well only to a small number of people,” replied his grandfather, “to the people themselves, their families and friends but not the general buying public. The type of information I am talking about is how to solve the problems people are having. Tips, techniques, skills etc that people can learn from the newsletter or blog are a great content. Blogs are very similar to online newsletters.

You can still include some of the information on people or products but in a way that shows it’s the answer to your customers’ problems. Again, a testimony or story about someone who had a problem and how you fixed it for them helps your potential customers identify with a similar situation and they will call to see how you can help them. They will also pass the newsletter or blog on to their friends and thus the word of mouth syndrome is working again!”

“Sounds good,” commented the young man, “but it takes a lot of effort to produce a good newsletter!”

“Yes, it does,” replied the old man, “but if it works, isn’t it worth it? Better than wasting unnecessary money on other things that aren’t working. Any way, once you have produced a template for the first one, they others are easy, and you can always get someone

else to do a lot of the work for you. You need to keep in front of your customers every 90 days otherwise they start to forget you, so a quarterly newsletter or monthly blog are good ways to do just that.”

The young man glanced at his watch, “Wow is that the time?” he exclaimed “I really must be off; I’ve taken enough of your time.”

“Just one more thing before you,” said his grandfather, “how much networking do you do?”

“Not a lot” replied the young man, “I find it a bit of a time waster and I really don’t enjoy going and talking with a lot of people I don’t know.”

“A lot of potential customers you mean!” responded his grandfather with a firm voice. “Networking is another way of building your word of mouth business if you do it properly.”

“Do it properly!” exclaimed the young man “Don’t you just go and have breakfast or something and chat with people!”

“That’s what a lot of people do and that is why networking often doesn’t work” replied his

grandfather. “Networking is an art, a skill that must be developed.

First you need to sort out which are the best functions to go to. In most towns there are a lot of functions on and you need to ensure that at least some of your potential customers are going to be there. Then you need to go to the function with a goal in mind for example ‘I want to meet at least three people from my target market today’.”

“That’s all very well” said the young man, “but how do I know they are my target market and I never know what to say anyway!”

“There’s the skill you need to develop,” replied the old man with a glint in his eye. “People love talking about themselves and their business. So, a question like ‘How’s business?’ will get them started and you won’t have to say much more. As they talk you can work out if they are a potential customer or not then ask a question like ‘what is the biggest challenge you currently have with your ...’ and relate it to your product or service.”

“I find I can’t get away from a person or group once I’m there” said the young man. “Do you have any tips?”

“That’s certainly one of the biggest challenges you have at a networking function,” replied the old man getting up out of his chair and going over to his vast library. He handed his grandson another dog-eared, worn book, “here, you have to develop the skill to excuse yourself politely, exchange business cards and move on, this may help. It takes a bit of practice but believe me its well worth developing.”

“Talking about business cards” said the young man, “here’s mine. I’m about to have some new ones printed any advice?”

His grandfather took the flimsy white card and frowned. “It’s typical of most,” he said, “not very effective.”

“What do you mean!” exclaimed the young man with a gruff tone in his voice, “I’ve never had any complaints.”

“As I said it’s typical,” replied the old man, “most business cards do a basic job but in your marketing kaleidoscope they could be so much more effective and not cost you anymore.”

“OK, so tell me how!” responded the young man excitedly.

“A long time ago I learned from a seminar that people need three things from a business card and these should be jumping out of the card at you. First they need **Your Name**, not your business name but **Your Name**; after all it’s you they have just met so they need your name. Next they need contact information, **Your Phone Number**, that’s the main number you want people to contact you on. It should be large and clear not all mixed up in small print with fax numbers and the like as most cards do and these days your **email address** is important as well. The third important thing is **What You Can Do For Them**. Give potential customers a reason to call you. Some people list their services and whilst that is a good starting point, benefits are much more important than features as we know from our discussions on selling.”

“But what about my business name and my logo, aren’t they important,” asked the young man with a look of horror on his face. “I’ve spent a lot of money on them!”

“It’s OK, don’t worry, they can still be used on the card,” reassured his grandfather, “and they will be important in making it look attractive, but they are not

the most important things and therefore should not be too dominant. You have to consider the overall professionalism of the card. Use a nice firm card; use your current photograph as this helps people remember you long after they have met you and you might want to get a graphic designer to help you with the layout and colours but make sure the three things, **Your Name, Your Phone Number and What You Can Do** really stand out.

Also, with the recent popularity of the internet, it is absolutely vital to include **your website**. These days, potential customers will often go straight to a website to find out more about your business so make sure it is up to date. I have also found that putting some useful tips on the back of your card make the card more effective; people would hang on to the card longer and share with friends.”

“Well now it *really* is time I was off” said the young man looking at his watch again, rising from his chair clutching his valuable notepad and the book his grandfather gave him, “That certainly was a kaleidoscope of marketing and I’ve got such a lot of homework ahead of me this week; developing a USP, reviewing my website, researching social media, considering a blog or newsletter, going to networking meetings and of course working on a new business

card. I hope I can show you the results of my efforts next week.

“I expect you will,” replied his grandfather with a big grin on his face and he waved to his excited grandson as he turned the corner at the end of the street.

Chapter 6

Your Enthusiastic Team

“Treat people as if they were what they ought to be and you help them to become what they are capable of being”

Goethe

The next week seemed to drag a bit. Whilst the young man found himself excited by all the things his grandfather had spoken about and tried earnestly to focus his attention on improving his marketing, he was a bit overwhelmed with it all and his team just didn't seem share his excitement. In their brainstorming sessions he found them very patronizing and he became a little frustrated. He was looking forward to his next visit because now he had another challenge to overcome.

Soon he found himself heading towards his grandfather's house and his grandfather's familiar greeting, “Good morning my boy, how was your week?”

“To be honest Grandfather” replied the young man sitting down in his usual comfortable leather chair “my

week was very frustrating. I had several meetings with my team regarding the things we spoke about last week and they were very apathetic. In fact, the more I think about it, the more I realise that I'm the one doing all the work in so many areas and they are just paying lip service to my ideas. Can you help me change them?"

"Maybe," replied his grandfather "it is important to understand that you can't motivate anybody except yourself. Motivation comes from within a person so all you can do is provide the right environment and encouragement for them to motivate themselves. You know, so many business owners and managers are always complaining 'why won't my team do what I ask them to do?' so it's certainly a good subject for this week's discussion. Do you remember a few weeks ago we talked about some of the things to make your business ride smoother and one of them was your team? What score did you give yourself?"

The young man frowned and quickly flipped back through the pages of his now well used pad. "Are here it is" he said, looking a bit more relaxed, "a 3... I only gave myself a 3."

"Good," replied his grandfather. "That shows you have some team strategies in place, but you recognise there

is still a lot of room for improvement. Do you remember some of the points we talked about before?”

The young man pondered for a minute. “I have to admit” he said after a short pause “I can’t really remember those points; I was taking in so much information that week!”

He grandfather continued, “First we talked about sharing your vision with the team and I believe at the time you said you weren’t really sure where you were going with your business and you talked about involving your team in a strategic planning session. Did you get to do that?”

The young man hesitated and looked a little sheepish. With an embarrassed look on his face he stuttered, “We..... Well yes, we did sit down together that week and talk about the business’ future, but it was one of those things we just didn’t seem to get around to following up. But we did all decide on the direction of the business for the future!” he added with a bit more excitement in his voice.

“That’s a good start,” replied the old man “at least you all understand the direction you are taking the business. Your team know what you are trying to

achieve and more importantly, if they were honest during the session, you know how they feel about your direction.”

“Yes” replied the young man, “now I come to think about again, it was a good session. Everyone had their say in an excellent and frank discussion which led to a sound understanding of what we are trying to achieve over the next few years.”

“That’s important,” continued the old man “At least the whole team are all going in the same direction and that will help you use your resources more effectively. But there are some other important procedures that you can put in place which will help you get the best from your team and probably help you keep them more motivated!”

“Now that’s what I’m waiting to hear!” exclaimed the young man excitedly, “please tell me more about the procedures.”

“The starting point,” continued his grandfather “is to draw up an accurate organisation chart and then write some position results descriptions for each position or function on the chart. I believe you said that you already had some position descriptions, how did you arrive at the positions you needed?”

“Yes, we do have some job descriptions,” replied the young man “but they are very basic, and we developed them based on the particular team member’s strengths rather than any actual function”.

“That’s the way a lot of organisations, especially small businesses, develop their business structure,” responded the old man. “But as the organisation grows and people come and go, it can make for a very unwieldy and inefficient structure. I suggest you sit down and draw an organisation chart showing all of the functions you need to cover to accomplish the vision you and the team have set for yourselves”.

“What do you mean by functions?” asked the young man with a slight frown on his face, “do you mean all of the job positions?”

“Well could be, but it could also be more than that,” replied his grandfather. “I would start at the top with you as the CEO, then in any business, there are three main basic functions that must be performed and therefore included; marketing/sales, operations and finance/administration so these must be shown.”

“But I do a lot of those jobs myself!” commented the young man with an air of frustration in his voice.

“You probably do” responded the old man, “but you don’t do most of them in your role of CEO, you do them because there is nobody else! Now ask yourself how well you do them, given all the other things you do!”

“Yes, you’re right,” continued the young man “I’m often too busy to do everything properly!”

“Exactly’ replied his grandfather, “and now we want to get your business more organised, operating more efficiently and building bigger profits for less of your time! As I was saying, on your organisation chart list those three main functions, then break each one down for the actual functions that need to be performed in your organisation to achieve your longer-term goals. For example, under marketing/sales, will you need to break down further into advertising, sales, customer service etc to meet your goals. Then what you will need to include under operations, administration and finance.

When you have drawn up the organisation chart for what your business will need to look like in a year or so, you can add names to the positions. If you are doing a lot of the jobs at the moment, that’s OK, put your name there, it will allow you to understand what

positions you will need to fill in the future, that is the tasks you want to remove yourself from and the type of people you need to employ.

It will also allow you to gain more control and ensure tasks are being completed properly, because the next task is to write a results-based job description for each of the positions you have identified on the chart.”

“What exactly do you mean by results-based?” queried the young man.

“How would I, as an outsider to your business, know if the job was being performed satisfactorily?” asked the old man. “Especially if it contains statements like:

- ‘Provide administration support to sales staff.
- Answers incoming telephone calls to the sales office, determines purpose of callers, and forwards calls to appropriate person.
- Takes and delivers messages when appropriate personnel are unavailable.
- Updates sales staff appointment calendars.’

You would need to add some time periods to

these statements so that they become measurable.”

“You mean like ‘updates sales staff appointment calendars every day by 4pm’” said the young man.

“That’s right” replied his grandfather, “then I could check at 4pm to see if the task had been completed.”

“But is it possible to put results on every task?” asked the young man “I would imagine some would be very difficult to do”.

“If you can’t put some form of measurement criteria on a task” replied his grandfather “how can you know it been achieved. Remember ‘people do what gets measured’. That will help you get your team to produce the results you want them to achieve and they will go home each day happier because they will feel that they have achieved something.”

“I can see how this could get my team going home happier, but what about me?” enquired the young man with a look of anguish on his face, “could this help me too?”

“Of course’” replied the old man, “remember we just spoke about your organisation chart and how you would put your name in several of the positions on that chart, well now you need to write a results-based job description for those positions as well. That will keep you focussed on the major tasks you will have to accomplish, then with some effective time management you will find yourself achieving more and thus going home happier.”

“I hope you’re right,” said the young man. “Time management is not something I am very good at. Do have any tips?”

“Yes, I do,” replied his grandfather, “but I think we should stay on the subject of your team for this week and talk about time management another day.”

“OK,” responded the young man hesitantly, “but, what else do I need to do to help my team?”

“Well there are a couple more things we should talk about,” replied the older man. “We talked previously about a formal documented induction process for new team members.”

“I remember” said the young man, “and I think I told you we have an induction process, but it’s not really

documented so it is very open to the interpretation of person conducting the program.”

“You did,” replied the old man “and I would have said something like ‘Empowering your team is excellent but it is still important to have some guidelines in place’. Training generally is a vital ingredient to getting your team to follow your wishes and it starts from the very first day they show up for work. They must experience your company culture and be taught what is expected of them.”

“That’s all very well” answered the young man with a pained look on his face, “but training costs a lot of money; what if I train them and they don’t work out or quickly leave my business?”

“Many business owners have that response to the cost of training,” replied his grandfather, “and the well worn but true response is, what if you don’t train them and they stay! If you have selected the right person for the job in the first place paying particular attention to their attitude rather than their skills and if you are careful not to select someone just because they were the best of a mediocre bunch, there is no reason why they should leave quickly, especially if you instruct them correctly from day one. Having a properly documented training approach will go a long way to

ensure that they become a team member that does things the way you require.”

“OK,” admitted the young man, “I can see how that will help with my new team members, but what about those that have been with me for years and have become set in their ways?”

“Well,” replied the old man, “we have already spoken about involving your team in regular vision meetings, having an organisation chart and results-based job descriptions. You could follow that up with regular individual meetings with team members probably every three to six months just to see how they are going in achieving their results and to discuss a plan for them to work on for the next few months. Regular communication is the key and you will find what their likes and dislikes are. You will also be able to identify any additional training which they may need to make them more effective.”

“Sounds good,” responded the young man, “does that mean that I keep a record of everything they do right and wrong over those months and then discuss it at the meeting?”

“Oh No!” answered his grandfather, as he stood and walked over to his vast bookshelf. He pulled out a

small white book and returned to his comfortable chair. “Here’s your homework for this week,” he said handing his grandson the book.

“*The One Minute Manager*,” the young man read out aloud, “sounds like a book on time management.”

“Yes and No,” responded the older man. “There are some time management aspects to it and that’s a subject we can cover another week, but the authors Ken Blanchard and Spencer Johnson talk about ‘one-minute praising and ‘one-minute reprimands’. They say you should catch everyone doing something right and pat them on the back for a short time. Make the praise specific by backing it up with the example of what they have actually done. Try this for a few weeks and notice the level of enthusiasm change in your workplace.”

“Thanks again Grandfather,” replied the young man with a big grin on his face, “I can see I have a challenging but exciting week ahead. I look forward to talking about my homework results next week.” He stood up, waving the small white covered book in the air, “I’m certainly enjoying reading these books of yours and my own library is building rapidly too!”

“That’s great to hear my boy” smiled his grandfather as he ushered the eager young man to the door, “have a fantastic week.”

Chapter 7

Taking Control

“Discipline is the bridge between goals and accomplishment!”

Jim Rohn

Once again, the week flew by very quickly and the young man headed off for his regular visit to his grandfather. As on previous occasions, the old man was equally eager to see his Grandson and was again standing at the opened door in fervent expectation. “Good morning my boy,” he shouted as his grandson turned the corner, “did you have a great week?”

“Yes Grandfather, another fantastic week,” replied the young man as he followed the older man through the open door and took his usual seat, “and you wouldn’t believe the changes in my team’s attitude,” he continued excitedly. “I read your book last week, as soon as I got home and the next day, I set about finding little things that my people were doing right and praising them. After a couple of days, it was really noticeable how the atmosphere in the workplace

became very positive. We had some very productive brainstorming sessions together and I think the whole team is now going in the same direction. We've even come up with our own term for brainstorming; we are calling it 'Accountable Brainstorming'".

"Accountable Brainstorming?" questioned his grandfather, "that's an interesting concept. Tell me more."

"Well," continued the young man, "in the past we found that during our brainstorming session we came up with lots of great ideas but often nothing ever eventuated. So now at the end of our session we go through the ideas and either throw them out or get a champion to agree to take some action and come back to the group. That champion is usually the person who suggested it which means they are more likely to put some energy into making it happen. Having someone else accountable for a result other than me has made my job easier and really produced a positive team spirit. We already have our induction training systemised, documented and in place now."

"That's excellent," responded the old man, "in fact I was going to suggest we talk about systems this week."

“I’d like that” said the young man leaning forward eagerly, “having seen the positive results from my new team systems I’d be eager to learn what else I could do.”

His grandfather rose from his chair and strode over to the familiar bookcase. After scanning his eyes over the books, he pulled out another white covered book, returned to his seat and handed the dog-eared book to the young man. “In one of our earlier talks I mentioned this book, *The E-Myth Revisited*. Michael Gerber talks about ‘a turnkey operation’ and how important it is for all businesses to be like a franchise.”

“What does he mean by a turnkey operation?” asked the young man.

“You would understand that a good franchisor is really selling a total system to its franchisees,” replied his grandfather “and the system covers everything from the operations to the marketing to the financial reporting. That’s why it is called a turnkey operation because anyone should be able to follow the system, set-up and run the business. Take a fast food franchise for example; it is so systemised in terms of cooking the products that they can be duplicated by anyone anywhere in the world with a small amount of structured training.”

“And that’s what I have been doing during the last week,” chipped in the young man. “Yes,” replied his grandfather, “but Gerber says that any business should apply it to all processes within the business, not just the production of the product.”

“Give me some more examples,” said the young man leaning forward more intently.

“In any business, there are three main areas to the business, marketing, operations and financial management. Most Occupational Health and Safety Laws require that you document all of your operational procedures in great detail these days to prevent injury and litigation. A few weeks ago, we talked about your marketing process and measuring how many customers you got from what sources. In your marketing and sales areas you also need to track how many of those leads turned to actual sales and the value of the average sale, how you reward your referees and all this requires documented systems to ensure that everyone is measuring it in the same way and you have meaningful data to use in your business to build your business. It's a bit like a dashboard in your car, the gauges and dials tell you fundamental details of how the car is performing or not performing.”

“We certainly have some of that information,” said the young man, “but again, I’m not sure that it is a system we all use in the company.”

“Well, my son,” continued his grandfather, “if you write procedures and set-up systems you really must ensure everyone follows them, other wise they will be of little value to you. You need to use a lot of the data to develop and grow your business. For example, we have just talked about some of those marketing figures. If all you had at the end of the month was your total sales figures and it was below you budget, what question would you ask?”

That’s easy,” replied the young man, “how will I get more sales?”

“And exactly where would you start to do that?” enquired the old man.

“Advertise?” replied the young man hesitantly.

“But what if your existing advertising is working well for you?” responded his grandfather.

“Well then I’d have to improve my selling techniques, wouldn’t I?” retorted the young man.

“Can you see how important that information is for your business?” said the old man. “If you know exactly how many potential customers are responding to your advertising by media type, and then if you know how many are being turned into sales calls and then if you know how many are being given quotes and then if you know how many of these actually become sales, you are in a strong position to identify the weaker areas and fix them.”

“Like the dashboard in my car!” exclaimed the young man. “I’m beginning to understand the importance now. I’d better go back to my team and help them realise the importance also. What about the financial areas you mentioned can they help me too?”

“Most businesses have some of this taken care of in terms of monthly Profit and Loss Statements and Balance Sheets. Unfortunately, bookkeeping is an area most small business operators do not like, with the result that it may be many months before they get around to producing these reports. I emphasise it is vital that this information is available at the end of each month so that you can react and control the business growth.”

“My bookkeeper gives those documents at the end of the month,” said the young man, “but I rely on my

accountant to interpret them for me and it's sometimes a while before I get to see her."

"As a business owner," went on the old man, "I think you should ensure that your accountant has helped you to read the valuable information in terms of the various ratios and trends so that you can react to the previous month's results in terms of changes to your sales, marketing or even operations. Financial ratios help you to quickly see the health of your business such as your profitability, your ability to pay your debts, your stock holding and so forth."

The old man rose from his seat and went over to his bookshelf again. He glanced at the titles for a short while and pulled out a blue and white covered book. He returned to his seat and handed it to his grandson "We don't have time today to go into great detail on the financial aspects, but this will help you.

The young man read the title out aloud, "*Keeping the Score* by Alan Williams. This looks good" he said "Just what I need! Do you think a cash flow budget is important, only I don't have one?"

"It is vital," replied his grandfather, "but very few businesses actually control to one. A good budget will breakdown your income and expenditures month by

month into the actual month they occur and breakdown the sales categories into the various products or services so that you can monitor their sales success. Of course, you have to ensure that your accounting recording system allows you to record similar information so that you can compare your actual results with your budget. That book covers the subject well, but I will also give you a worksheet you can take away with you when you leave.”

“I’m beginning to see why I have so much chaos in my business,” said the young man, “my systems are very haphazard.”

“That’s why so many business owners feel they are out of control,” replied his grandfather, “and if you remember our early discussions, they were all about getting off that treadmill.”

“Yes,” sighed the young man, “and I think I’ve come a long way to doing just that thanks to you Grandfather but developing all these systems sounds like another mammoth task, I’m not sure I’ll have the time!”

“I suggest you go home and read those books I gave you earlier today and take this cash flow worksheet with you as well” responded his grandfather, thrusting a couple of pages into the young man’s already full

hands. “Next week we will look at that important time management issue to help you.”

“I hope you can,” said the young man as he rose from his chair and bundling his books and papers under his arm, he bid farewell to his grandfather.

(You can find a copy of the cashflow at <https://www.businesswizard.com.au/catalyst-cashbook-gst-version>)



Chapter 8

More Time

“Don’t squander time, for that is the stuff life is made of.”

Benjamin Franklin

The next week was very hectic for the young man. He found himself very busy but a little frustrated that he didn’t seem to achieve much. He was looking forward to his next visit because now he had another challenge to overcome.

He headed towards his grandfather’s house and was energised again when he heard his grandfather’s familiar greeting, “Good morning my boy, how was your week?”

“To be honest Grandfather” replied the young man sitting down in his usual comfortable leather chair “my week was a little frustrating. I seemed to be very busy, but when I look at the week, I don’t seem to have achieved very much. But I did get to read most of *‘The E-Myth Revisited’* and found it extremely interesting. I

know you said we will talk about time management this week so I'm really looking forward to how you can help me!"

"I'm sorry to hear that you had a tough week my boy," responded his grandfather, with a concerned look on his face. "Poor time management, or more correctly *self-management*, is responsible for the failure of so many businesses so it is good that you are concerned enough to rectify the situation before it gets too out of control. During his lifetime, that great businessman Benjamin Franklin, sometimes referred to as the 'Father of Time Management', made the profound statements: 'Drive your business, don't let it drive you' and 'Let each part of your business have its time'.

"That's like Michael Gerber's comment in that book you lent me!" interrupted the young man excitedly, "he spoke about working *on* your business not *in* it!"

"Yes, he does," continued the old man, "because today, over 200 years after Benjamin Franklin said those words his statements are even truer. Yet so many business-people ignore them to their detriment. Do you remember the three main areas of business that demand your attention which we spoke of last week?"

"Um... operations, the marketing and the management," answered the young man, "which also includes the financial aspects."

His grandfather smiled, "That's right and you must devote the necessary amount of time to each area if your business is to survive and grow," he replied. "People in business today spend most of their time in the operational area of their business, obviously because this is the aspect, they feel the most comfortable with and it actually earns them the money. But as we have discussed before, if you do not go out to the market and promote your product or service, how will people know about you? You can make the best widget in the world but if nobody knows about it, your widget will never sell!"

"So how much time should I spend on marketing?" asked the young man.

"When the business becomes established, you should allocate a lot of your time to marketing and remember this includes your website and social media posting and monitoring" replied his grandfather. "I would recommend at least 45% of your time should be spent in this area for the life of the business."

“45%!” exclaimed the young man, “when would I ever earn any money!”

“If you were a sole trader,” continued his grandfather “you should have built that time into your charge-out rate as we discussed last week. In your case though you have other people working for you so they should do most of the operational work that gets paid for, or you might consider getting some of them to do some of the marketing or outsource some of the work. Either way we are talking about the general balance of time spent by the company overall.”

“I see,” said the young man, “so if I don’t like the marketing, I could get someone else to do it?”

“Yes,” replied the old man, “but remember the best person to market the business is usually the person most passionate about the business and that’s you!”

“OK, so if I spend 45% of my time marketing the business, do I spend the rest of the time working in the business?” enquired the young man.

“Well no,” replied his grandfather, “there is also the management of your business. You have to spend time controlling to your financial budgets. You must understand the financial health of your business at all

times. Are you making a profit? What actions could you take to improve that profitability? Are there any danger signals there?

As you have people working for you and suppliers, they will take much of your time to co-ordinate. Building strong relationships throughout your business life is vital. You will probably end up devoting at least 10% of your time to this aspect of the business. That only leaves about 45% for you to work on the operational stuff that actually earns you money! Of course, these proportions apply to small operations, as your business grows you will spend less and less time on the operational aspects but then you will hopefully be making your money by leveraging off the work of others.”

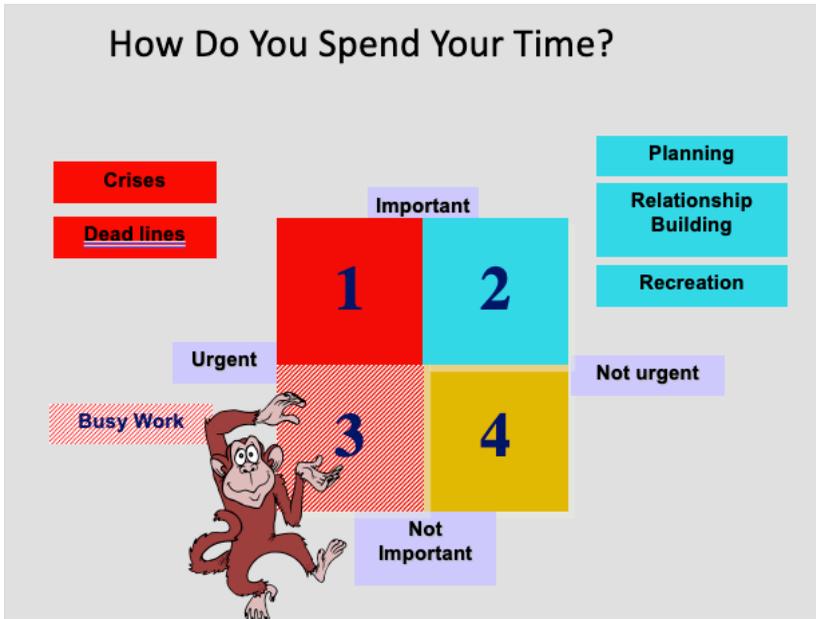


“But I enjoy doing some of the operational tasks!” exclaimed the young man with a harassed look on his face, “surely you can’t take all my enjoyment away?”

“No, of course not,” replied his grandfather. “Remember in your first visit, I got you to do a SLOC analysis to determine what your real likes and passions were? It is important that we have some passion for developing and marketing the business otherwise we might as well go and work for somebody else, just doing the thing that we like. When it comes to managing our time, if we don’t plan it, we will end up doing the things we enjoy doing again and neglect a lot of the things we should be doing. We spoke about *Seven Habits of Highly Effective People* by Steven Covey a few weeks ago; did you get the chance to read it?”

“That was the one that talked about urgent/not important work and the important/not urgent wasn’t it? Asked the young man, “I’d be interested to get your view on how the different quadrants apply to my tasks.”

“I think the most important thing to really get your head around is the word *important*,” replied the older man. “Important relates to your goals, the things you are going to do for yourself and your business. It’s



much too easy in this busy world to drop everything for somebody else and then find we don't have any time left for ourselves!"

"Tell me about it!" said the young man, "I know I should learn to say no more often, but sometimes it's just easier to do it myself."

"But who are you helping then?" asked his grandfather. "When you solve problems for other people instead of steering them to the solution for themselves, they don't learn and then keep coming

back to you with more problems and there goes your time again! It's the stuff Stephen Covey calls quadrant 3 stuff, the urgent/not important things; the busy work that keeps you from doing the important things you need to do. I call it the other people's monkeys from the saying 'get the monkey off your back' because you should really try to get that monkey off your back!"

"So, what sort of things should I be doing?" asked the young man as a frown spread across his face. "What will really help me achieve my goals?"

"The best time you can spend is in quadrant 2; the important/not urgent things," replied his grandfather. "That is where you will really begin to build your business. Building relationships with your team, your customers, your suppliers and of course your family is very worthwhile. Although it will take some time, it will ensure that you don't end up with crises in any of these areas which usually take considerably longer to fix.

Then there is the important systems development, job descriptions and appraisals that we have already spoken about and planning the business. Again, the time you spend in this area will minimise deadline issues and associated crises which become time

consuming to resolve. Finally, there is the importance of looking after you; your health. Take time out from the business to relax; spend time with the family, have a game of golf but leave some of that stress out of your life for a while.

You know I have seen several good businesses go under in the last couple of years because the owner didn't look after this area of their life and ended up with a heart attack or mental breakdown. The result was that these businesses, which had been going successfully for many years, were suddenly no more and all those years of effort and hard work were wasted!"

"You're right" jumped in the young man, "I don't take enough breaks; my wife is always telling me that."

"There is another way to find a bit more time" said his grandfather, "it consists of four steps, firstly do a time log."

"What do you mean by that?" asked the young man.

The older man continued, "Whilst it requires a bit of time and effort, keep a record of how you spend your time every 10 minutes for a couple of days. When you look at the list you will see how you waste a lot of time

on things that are not helping your business and you can even see tasks that could be delegated to someone else. The next step is to have a daily ‘To Do’ list.”

“I have one of those,” piped in the young man, “but its so long I never seem to get anything completed.



“There’s a secret to a good ‘To Do’ list,” replied his grandfather, “you need to keep it to no more than 6 items. You can have a longer list away in a drawer somewhere but just put the 6 most important items for today on a list that you keep in front of you. Then

cross off the items as you finish them. If at the end of the day you have only done five things that's ok because you feel that you have achieved something. Its much better than crossing out five off a list of 90 items, then you feel that you are not getting anywhere. If you run out of action items before the end of the day you can always add a couple more.

The next thing to do is to block out some time each day to work on bigger projects. This might be putting a quote together or posting a blog or anything that requires your concentration. Make sure that you are not disturbed during this period, shut your office door, educate your team that you are not to be interrupted, turn off your phone and don't look at your emails.”

“I can see how that could be effective,” interrupted the young man, “I often start on important quotes and submissions and get interruptions and then I have to get my thoughts back onto the project resulting in wasting time and even mistakes!”

“Exactly” exclaimed the old man, “blocking out time is good habit to get into. And, finally at the end of the day or first thing in the morning, spend a bit of thinking time about the day you have just had, what went well, what could have been better and what you are going to do the next day.”

“That's some great tips grandfather,” replied his grandson. “What shall we do next week?”

“Well, sometimes,” said his grandfather, pausing, and a big grin spread across his face, “sometimes you just have to slide on your tummy!”

“What do you mean Grandfather?” questioned the young man.

“I'll tell you next week!” replied the old man rising from his seat, with that familiar twinkle in his eye. “Its time you went home and had sometime with your family; after all it is Sunday.”

“I agree Grandfather’ smiled the young man “but I look forward to hearing about sliding on my tummy!” With that he headed off through the front door and waved as he sprinted off down the street. “See you next week.”

Chapter 9

Now Slide On Your Tummy!

“Struggle is a decided advantage, because it develops those qualities which would forever lie dormant without it.” Napoleon Hill

During the week, the young man put his new time management knowledge to work and despite the week passing very quickly, he found he was much more productive and fulfilled. His grandfather’s parting words kept filling his mind, what could they mean? He could hardly wait for his next meeting and early that morning he set off once again for his grandfather’s house impatient to find the answer.

The old man was standing at the opened door as usual; his eyes sparkled because he knew his grandson would be keen to know the secret of tummy sliding. “Good morning my boy,” he yelled as he waved his hands energetically, “how was your week?”

“Another great week Grandfather,” replied the young man as he followed the older man through the open

door, and they headed towards the familiar burgundy leather chairs. "I've really been working on the things that would bring results for me this week; you know the quadrant 2 stuff and I have really achieved a lot. But my mind has been playing on your last comment to me," he said eagerly as he took a seat. "What did you mean sometimes you just have to slide on your tummy?"

"What comes to your mind when I talk about sliding on your tummy? The older man asked.

Tobogganing? The young man replied with a questioning tone in his voice.

His grandfather continued, "Does that make you think of any particular animal or bird?"

"Not really," replied the young man.

"Have a look around this room and see if anything comes to mind," said the old man with an enormous grin on his face.

The young man quickly scanned the room and noticed a picture on the wall. It was of two emperor penguins nurturing a young chick. As he continued his scan, he noticed another picture of a lone penguin, then

another and another. A penguin statue on the bookcase caught his eye and another on the table. The more he looked, the more penguins he saw. Even the coasters on the coffee table where he placed his cup each week had penguins on them. Why hadn't he seen them before he thought to himself? Because they were all discreetly positioned in different places all around the room and blended in naturally to the room decor.

“The Emperor Penguin!” exclaimed the young man, “I think they may slide on their tummies.”

“That’s right,” commented the old man, “and as you see, I’m a bit of a fan of the emperor penguin. Take a look over there in the corner.”

The young man glanced behind him to where his grandfather was pointing. There he saw a blown up, four-foot-high, inflatable penguin camouflaged against the black velvet curtains. “Wow!” exclaimed the young man, “I never noticed your great collection of penguins before. Are they important to you or do you just like penguins?”

“They remind me of the challenges that small businesses face everyday,” replied his grandfather. “One Sunday afternoon, about 20 years ago, I watched

a documentary about the emperor penguins in Antarctica and I suddenly realised how similar these wonderful creatures are to a small business project.”

“How’s that?” asked the young man.

“Let me tell you all about the emperor penguin,” replied the old man.

“The emperor penguin swims so fast and gracefully in the water but then suddenly shoots out of the water with great speed like a torpedo to land on its feet on the ice. Then an endless caravan of hundreds of emperor penguins begins a trek of more than one hundred kilometres across the ice in step, and in silence. They move at a very slow penguin pace because the penguin is a very poor walker on land.”

“Yes, I’ve seen pictures of the long procession of penguins moving on the ice,” interrupted the young man, “is that when they get to slide on their tummies?”

“Sometimes,” continued his grandfather. “Thanks to their webbed feet, the emperor penguin is also able to toboggan on the ice at speeds which can reach 4 to 5 miles per hour and that does make their journey a little easier! Anyway, let me continue. They reach

their mating ground, mate and the female produces one relatively large egg. Breeding for them is a race against time and if a snag occurs in the process, they will have to wait another year before mating and breeding can occur again.

The penguins then transfer this egg to the male in a very delicate, hazardous and well coordinated operation. If it touches the ice the chick inside would die. He places the egg in a special pouch at his feet and stands in these harsh Antarctic conditions of minus seventy degrees Celsius with strong winds racing around them while the egg incubates and the baby chick starts to grow.

For the next two months thousands of males stand in these terrible conditions, where blizzards cover everything including the penguins in a blanket of white snow. The winds of over 200 kilometres per hour can push the temperatures down below minus 100 degrees Celsius. If they didn't all keep moving around in a spiralling circle, the ones on the outside would perish but they all work together, keep moving and survive.”

“I hate the cold,” said the young man pretending to shiver, “I can’t even imagine those horrific conditions, but what happens to the females?”

“Well,” continued the old man, “as the female has already lost one third of her weight during the egg producing process, she has left the area and fought her way through equally arduous conditions for several weeks to get back to the sea to gather food for herself and the young chicks. The females return about two months later and in another challenging operation take the small chicks from the males who can now return to the sea for food. But they still have to travel that long and hazardous trek back at that slow penguin pace. By the time they reach the sea it is now over four months since they have eaten, and they are only half the body weight they were when they left the sea.”

“Do they ever come back to their chicks?” asked the young man, leaning forward intently.

“Yes,” replied his grandfather. “For the next few months as the chicks grow, they are left at the nursery among hundreds of chicks. The mother and father will take it in turns to go back to the sea for food to feed their chicks, but a chick can only be fed by its own parents”

“That must be a challenge,” commented the young man, “finding the right chick among hundreds that all look the same!”

“That brings me to another interesting characteristic of the emperor penguin,” replied the old man, “its capacity for vocal identification and recognition. Before the father leaves the first time to go back to the sea for food, he has to teach his own song to his child. His chick must memorize this pitch because when the father returns, the chick will be in the nursery among hundreds of chicks. He and his father will have to recognize each other by the sound; this lesson has to be effective, because as I said previously, a chick can only be fed by its own parents. However, not only can a chick recognize its parent from just two tenths of a second of song, but it is able to do so when six other parents are singing around it at up to six decibels louder than its own parent.”

“Wow,” said the young man, “it must have been a good training session, as his chick’s life depends on it!”

“Very true,” continued the old man, “and we’ll talk about that a bit more in a moment. But just to finish off the story, when the baby chicks have grown, and by the way, less than fifty percent of the original eggs

produced have survived, they leave the mating ground for the sea.”

“Do they have that long treacherous walk?” inquired the young man.

“No,” replied his grandfather, “because the ice has been melting over the previous months, they don’t have to make that long journey; they simply just have to jump into the sea. It is five years before they return to mate for themselves and only twenty percent of the chicks actually return to mate, the others have perished over the five-year period.”

“That remarkable penguin is certainly a great example of perseverance,” said the young man when his grandfather had finished, “but I’m not sure why you feel it is similar to a small business.”

“Think about it for a minute,” replied the old man, “initially when we start a business, we tend to push the business idea very fast, very excited then we land on the ice so to speak, the reality of it all hits us and we start to get cold feet.”

“Sounds interesting,” interrupted the young man, “sorry, please go on.”

“Then that long slow penguin pace begins, as we try to establish the business,” continued his grandfather. “This is followed by a challenging incubation period in a very hostile, difficult, business environment where if we don't all work together as business owners, our businesses may die, and you know, it does not matter which country in the world we are in, the small business environment will be very harsh and challenging, because that is just the nature of small business.”

“You’re certainly right there,” interjected the young man, “but what do you mean by business owners working together?”

“Well,” continued his grandfather, “we have already spoken of the value of networking functions. Some of these functions provide a wonderful forum for sharing ideas, experiences and solutions with one another to help each other to succeed.”

“I see,” replied the young man, “are there any other similarities between the emperor penguin and business?”

“Yes,” continued the old man. “During the business incubation period, our resources physical, mental, emotional, health and relationships are all drained,

similar to the penguin as he loses his body weight. Finally, the business is established, and we can start to grow. But wait; remember that less than forty percent of the eggs produced actually result in a grown chick and then only twenty percent of the young penguins return to mate after five years, this is about the same survival rate for small business over similar periods.”

“Intriguing,” said the young man, “I can see why you like the penguin so much. Do you see any business lessons we can learn?”

“Well firstly,” replied his grandfather, “I think the fact that they walk so far into the ice to mate is important because they know the ice will melt enough for the baby chicks to just jump into the water. This shows the importance of planning ahead for the challenges and situations which will arise in your business. Even if you only do a cash flow budget and a series of action steps to achieve the desired outcome, it provides a much greater chance of your success in the demanding business environment.

Then there is the unique call that each penguin uses to identify itself. As I said earlier, recognising that unique call is vital to the survival of the young penguins. Every business has something unique about it. The

uniqueness you have must stand out for everyone to see, if your business is to survive and prosper.

Finally, I think the greatest lesson we can learn is focus and persistence. The emperor penguin is totally focussed on growing that baby chick despite all the obstacles. In business we must be totally focussed on building and growing our successful business.”

The old man pointed towards the inflated penguin in the corner. “I call him *PERCY* for perseverance and that is what you will need if you follow the tips, we have spoken about over the past few weeks.”

“While you were talking Grandfather,” said the young man, “I wrote down these nine points,” and he passed his note pad over to the old man. “I think I’ll put them up on my wall in the office to remind me!”

His grandfather took the pad, glanced at the page and read the following words quietly in his head:

Success Lessons You Can Learn from the Emperor Penguin

1. Maintain a positive attitude to suit your ever-changing environment.
2. Results require your total commitment and hard work.
3. Planning ahead will increase your chance of success
4. Working together improves your survival chances.
5. Sometimes you must slide on your tummy.
6. It's easier when you swim with the tide.
7. Make your unique brand stand out.
8. Follow your instinct.
9. Persevere.



“Well son,” he said when he had finished, “you’ve certainly grabbed the essence of my penguin story here. So, what do you think I mean by, *sometimes you just have to slide on your tummy?*”

“I think you mean that sometimes you have to take the easier course of action,” replied the young man. “As you said, the emperor penguin can move along much faster and easier when he toboggans. So, I am going to look for the opportunities to take the easier road sometimes.”

“Excellent!” said his grandfather. “So, do you think that you are off that treadmill you spoke of when you first came to see me?”

“Getting there,” replied the young man. “You’ve certainly given me a lot to think about and take action on over the past few weeks and whilst I have done a lot of what you suggested there are still a lot of things I still need to do. But it is getting easier and the wheel is definitely slowing down. I am more passionate again about my business, I’m sleeping better and more importantly life with the family is really great again.”

“So, where do we go from here?” asked his grandfather.

“If it’s alright with you Grandfather,” responded the young man, “I’d like to keep visiting you every week. I can keep you up to date with my progress and you can keep me in accountable. I need those one-minute praisings each week and of course those one-minute reprimands to help me do the things I know I should be doing. I’m sure we’ve only just scratched the surface of your knowledge; I’m dying to dig deeper and discover the rest. Have you ever thought of coming out of retirement to help mentor other businesses?”

“I think I have my hands full with the challenges of your business,” replied his grandfather with a big grin on his face. “Next week I want to see your cash flow budget for the next twelve months and an action plan on how you will achieve it.”

“Thanks Grandfather,” said the young man, “I knew I could count on you to keep me going!”

*“Moving over tough ground is not always easy,
but the destination is always worth it”*

Donna Hockerby

A Collection of Grandfather's Library Books

Awaken the Giant Within by Anthony Robbins, New York, Summit Books, 1991

Beach of Dreams by Sergio Bambaren, Sydney, McPhersons Printing Group, 1996

Dare to Win by Jack Canfield and Mark Victor Hansen, NY, Berkley, 1994

Endless Referrals by Bob Burg, NY, McGraw-Hill, 1994

Feel the Fear and Do It Anyway by Susan Jeffers, Orlando, Harcourt Brace Jovanovich Publishers, 1987

Good Service is Good Business by Catherine DeVrye, Sydney, Pearson Education, 1994

How to Get More Clients by Jeff Slutsky, NY, Warner Books, 1992

How To Stop Worrying and Start Living by Dale Carnegie, New York, Simon & Schuster, 1984

How To Think Like A Millionaire by Charles-Albert Poisson, Canada, Harper-Collins, 1985

How to Win A lot More Business in a Lot Less Time by Michael Le Boeuf, NY, Piatkus, 1993

How To Win Friends and Influence People by Dale Carnegie, New York, Simon & Schuster, 1981.

Ideas Unlimited by Neville Smith and Murray Ainsworth, Melbourne, Nelson Publishers, 1985

It's Your Money... So Get Paid by Alan Williams and Julian Campbell, Sydney, McGraw-Hill, 2002

Keeping the Score by Alan Williams, Sydney, McGraw-Hill, 2001

Losing My Virginity by Richard Branson, London, Virgin Publishing, 1998

Make It Happen by Fiona Anson, Sydney, AHA! Publishing Pty Ltd, 1997.

Mary Kay by Mary Kay Ash, NY, Harper Collins, 1981

Masters of Networking by Ivan Misner and Don Morgon, Georgia, Bard Press, 2000

Passionate People Produce by Charles Kovess, Melbourne, Nacson & Sons, 1997

Pushing the Envelope by Harvey Mackay, NY, Ballantine Book, 1988

Sales Closing for Dummies by Tom Hopkins, NY, Hungry Minds, 1998

Selling for Dummies by Tom Hopkins, NY, Hungry Minds, 1994

Seven Habits of Highly Effective People by Stephen Covey, New York, Simon & Schuster, 1990

Slaying the Dragon by Michael Johnson, NY, Harper Collins, 1996

Small Business in Tough Times by John Day, Melbourne, Lothian Publishing, 1991

Small Business Planning by Alan Williams, Sydney, McGraw-Hill, 2002

The Aladdin Factor by Jack Canfield and Mark Victor Hansen, NY, Berkley, 1995

The Book of Secrets by Robert J. Petro and Therese A. Finch, San Francisco, Harper Collins, 1997

The Celestine Prophecy by James Redfield, NY, Bantam Books, 1993

The Definitive Book of Body Language by Allan and Barbara Pease, Bunderim, Pease International, 2004

The Dick Smith Way by Ike Bain, Sydney, McGraw-Hill, 2002

The E Myth Revisited by Michael Gerber, New York, Harper Business, 1995.

The Magic of Thinking Big by David J. Schwartz, NY, Simon & Schuster, 1959

The Official Guide to Success by Tom Hopkins, NY, Champion Press, 1982

The One Minute Manager by Kenneth Blanchard and Spencer Johnson, London, Willow Books, 1983

The One Minute Manager Meets the Monkey by Kenneth Blanchard, London, Harper Collins, 1994

The One Minute Millionaire by Mark Victor Hansen and Robert Allen, NY, Random House, 2002

The Power of Focus by Jack Canfield, Mark Victor Hansen and Les Hewitt, NY, Vermillion, 2001

The Pursuit of Wow by Tom Peters, NY McPhersons Printing Group, 1994

The Richest Man in Babylon by George S. Clason, NY, Penguin, 1955

Think and Grow Rich by Napoleon Hill, NY, Ballantine Books, 1960

Who Moved My Cheese by Dr Spencer Johnson, London, Vermillion, 1998

Out of the Maze by Dr Spencer Johnson, London, Vermillion, 2018

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