

SMALL BUSINESS SUCCESS



October 2006

[Dealing with Obstacles to Closing the Sale](#) | [The Business Profile](#)
[Steps to Achieving Success](#) | [Keeping Ahead of the Game](#)

3rd Anniversary Competition Winner

Thank-you to all the mystery solvers among you that entered our competition; many of you got the correct answer but a lot of you missed the subtle clue in the question. The question correctly decoded was: **Above all else, what do you need to be to beat your competition?** Quite a few people missed out the "to be" before the "to beat" and were unfortunately disqualified. The answer was to be found in the article titled: Competition – Friend or Foe. There were quite a few good answers but many people missed the clue in the title which was "Above all else". The answer we were looking for therefore was: **Above all be the best trendwatcher in town.** These eight words were found in the final paragraph of the article. To those of you who managed to decipher everything correctly, and there were quite a few of you - well done! Unfortunately there can be only one winner. All the correct answers were put into an old brown hat that has seen better days and the winning name drawn was Debra Pharoah of Durham, Ontario. Congratulations Debra, we will be sending you a \$250 gift certificate to Chapters/Indigo Online within the next few days. Once again, many thanks to everyone who entered.

Creating a Home Office Space that Works for You

Being a small business owner and working from home has its advantages. You've thought all the pros and cons through and have decided it's worth it - otherwise you'd be working for someone else. Your business concept is sound, and working from home makes sense for you - but one of the biggest challenges of working from home can be how to carve out a space that works well for you. I've seen my fair share of home offices - some big and spacious, surrounded by windows and bookcases that I've envied, and some crammed into corners that were never meant to do more than store boxes, and some that have made my little office seem like a mansion. Your workspace is important, and considering how much time you spend there, putting some thought and energy into creating a workable space is worth the effort. A poorly lit, cramped, cluttered workspace will hamper your productivity. I realize not everyone can have their dream office (mine would be a large loft overlooking a lake somewhere), but creating a space that allows you to feel good while you're

working will go a long way towards helping you grow your business.

To Renovate or Not to Renovate - That is the Question!

It enters everyone's mind at one time or another when starting a business - should I renovate my existing living space to provide room for an office? Do I knock out a wall and add an extra room? Do I reconfigure what's already there and assign an office space to an existing bedroom or den? The answer to this question usually depends on how much capital you are willing to invest in your business, and is also a large consideration if your business will require customers to come to your location. If you've taken over the hall closet with a small desk and your laptop, how will you feel about having a potential customer come to your home and see your workspace? The decision to renovate is primarily a financial one, and should only be considered if you can afford the cost without putting too much of a strain on your cash flow.

Dedicated or Shared Space?

Some people have been able to make their businesses work in a shared space, but very few are successful at it. If you're sharing your workspace with the rest of the family (for example a desk and computer in the corner of your family room), you will always be distracted by what's going on in the rest of the house (not to mention your customers hearing the dog barking and the dishwasher running in the background when they're on the phone with you). So, a dedicated work space is always the best scenario.

Where to Find Dedicated Space

When I decided to start my business, I knew I needed a space larger than a closet, but couldn't afford to renovate. I also knew I needed a lot of natural light when I worked, so a space in the basement wasn't an option. We looked at our existing space and saw that a room in our basement could be finished to create a bedroom for one of our teens. A little drywall, paint and a carpet roll end and she was happy to move downstairs and give up her bedroom for my new office. I've painted it lemon yellow, lined the walls with bookshelves, put a cozy chair in the corner, and consider it my happy space. I love being in my office and it makes putting in 9 to 5 days a pleasure.

Take a good look at your existing space. Can you move bodies around in your house - maybe your kids, like mine, would love to move into a basement room so you can claim an upstairs bedroom. Maybe you've got an attached garage you're just using for storage that can quickly be converted to an office space with some carpet and drywall. Maybe you can move the television from your den into another room and turn that into your office. Be creative about your existing space and you may be surprised what you can come up with. Go to the library or a bookstore and take a look at decorating books - there are tons of books on how to create usable spaces out of almost nothing, and make it look good too! These books will give you ideas you may never have thought of on your own.



Vary Your Space

Particularly if you have a very small office space, you may enjoy varying the spaces in your home throughout the day. If you don't have small children, you may want to do your reading in the living room, or take your laptop to the kitchen table once in a while so you can enjoy the view out your back yard to inspire creativity (I love to take mine out on to the deck in the spring and summer and work out there). Make your phone calls from your patio. The beautiful thing about running a business from home is that no one on the other end of the line is any the wiser (although you may want to head inside if your neighbor starts up his lawn mower!) Breaking up your day like this can

actually increase your productivity.

Consider Functionality First

As nice as it is to have an aesthetically pleasing room, it is even more important to make sure it is a workspace that works! Do you have room to store your files and other important items that you need to access during the day? Can you create appropriate amounts of shelving to store paper, and other office supplies so they're not stacked up on your floor? Is your desk large enough to help you work efficiently? Is there enough heat and light in the room to keep you comfortable (ever tried typing when your hands are freezing)? Can you contain all the office equipment you need? Running out to the kitchen to retrieve your documents every time you print something because you can't fit the printer in your office will drive you crazy, and diminish your productivity. Your space, no matter how large or small, must function the way you need it to for it to be effective.

Don't Ignore Aesthetics

I said consider functionality first, but that doesn't mean you should ignore aesthetics. It takes very little to throw a coat of paint on an existing room so you're looking at an appealing colour every day as opposed to the hospital white that may have been there originally. Put things in your office that are important to you - an inspiring quote, a beautiful painting or photograph, certificates or achievements. One business owner I know loves to burn a candle on his desk when he works during the day. He says it keeps him focused. When he takes a break, he blows the candle out, and then lights it again when he's back at his desk. Another surrounds herself with her favorite books - they inspire her and she uses them throughout the day for ideas and motivation. Those small aesthetic touches really make a difference.

So, large or small, consider what you need to do to make your home office a significant and important part of running your business. Put care and consideration into planning and creating your space. It will make loving your job even easier.

[Top](#)

Dealing with Obstacles to Closing a Sale

You've made a fantastic presentation, you've dealt effectively with all the objections, and you've gained your customer's confidence - but that is sometimes the easy part. The hard part is figuring out how to bridge the gap between a great presentation and closing the sale. There are many reasons closing a sale is difficult. What is it about the mind of the customer that can be open and receptive all the way through the sales process, and then freezes when it comes to making the actual purchasing decision? Understanding the reasons why customers resist that final step can help you to effectively deal with those obstacles and increase your close rate. Making a sale is partly about doing your homework, and presenting well, but it's also about knowing the customer and responding to the obstacles that aren't voiced. Often, the customer isn't even aware of the obstacle because it's subconscious. Understanding this gives you an edge. Here are four obstacles your prospect may need to overcome before making a purchasing decision, and strategies to bust them open and close that sale.

Bad Past Experience

When people have had a bad experience in the past with a purchasing decision, they become fearful of trying again - especially when it comes to big-ticket items, or items that require an element of risk (advertising for example - there's no guarantee the dollars you spend will give you a return on your investment). Bad experiences condition potential customers to be skeptical and wary, and not to trust future sales people.

Obstacle Buster - Ask them about past sales experiences and allow those feelings to come out into the open. If they are able to talk about why that experience was bad, you have objections you can deal with, and can provide assurances that this experience will be different.

Fear of Making Decisions

Some people are paralyzed by decisions. They are so afraid of making the wrong choice, they can't make any choice. They are also afraid that they will be criticized by others for making that wrong decision.

Obstacle Buster - if you sense a fear of making the decision, provide as many assurances as you can. Let them know they can return the item if it doesn't work out for them. Promise to follow-up to ensure they're happy with the purchase. Highlight their options if they change their mind down the road. Most often, all customers need is an assurance that they have an option if they feel they've made a mistake, even though they may never need to use it.

Fear of Rejection by the Sales Person

It's hard to believe, but some people hesitate to make a decision because they fear that they will hurt or be rejected by the sales person. Of course, this is only relevant when their decision is "no", but being aware of this - even if the answer is "no" - could help you close a future sale. If your prospect feels guilty because of the amount of time you've invested in them, or they sense you will be disappointed in them if they say no, it encourages them to keep putting you off. Which means you're wasting your time on someone who is ultimately going to say no, instead of spending your time with prospects that are more likely to say "yes".

Obstacle Buster - Allow your customer the freedom to say no. Verbalize it. Let them know you would love to do business with them, but don't give the impression you are desperate for their business. Giving them permission to say no means you won't get this particular sale, but it does set you up for closing a successful sale down the road. By doing so you've engendered that customer's trust for the next sales opportunity.

Decision Overload

Think about the number of decisions you have to make in an average day. Most customers are just like you - overwhelmed with the amount of work they have, family commitments, financial pressures - making a purchasing decision takes time and effort and sometimes it's just easier to avoid making the decision than taking the time and energy required to do the research, and deal with the decision.

Obstacle Buster - Acknowledge that people are busy and make it as easy as possible for them to make a decision. Can you go to their location to save them time? Can you ensure a quick and painless purchasing process? Can you provide information via email or the Internet? The easier you make it to purchase, the more likely they'll be to do so.



The Hidden Objection

Of all the obstacles to a sale, the biggest is the hidden objection - the one that your prospect doesn't want to voice. As long as there is a hidden objection you will never get the sale.

Obstacle Buster - The best way to deal with this is to learn to love objections. Spend a little time encouraging your prospect to tell you any negative feelings they have about the product or the purchase. You will be surprised how many objections will come out once your prospect knows they are safe to voice them.

Recognizing some of these often, subconscious obstacles, and knowing how to deal with them will assist you in increasing your closing rate. The sales process must be intuitive - it's more than just dumping information and asking the question. The more intuitive you become, the better you'll be at reaching your sales goals.

[Top](#)

The Business Profile

A Valuable Tool for Marketing Your Business

I have recently been involved in developing business profiles for a group of radio stations in small markets; they are going to use these packages to increase their visibility in the community, boost their sales, and provide information on opportunities to local businesses. This is a common marketing tool in the broadcast industry, and I found myself thinking that it could be a great tool for any business. Such a package could be used for a variety of purposes in your business. You could send it out to potential clients (the kind who like to do a lot of research before they do business); you could have it on hand for when you need to talk to your bank about that loan for capital purchases you've been thinking about; you could use it if you were approaching investors about your business; you could use it as an overview when approaching a potential partner, or even a non-profit you are hoping to work with; or, use it to attract advertisers. It acts as a summary, or snapshot of your business - but unlike a business plan, which can often be lengthy and cumbersome - it features the best of your business in a short, concise format. What follows is a format you could use to create one of your own.

Cover - create a cover that includes your imaging - your logo, your positioning statement and a design that reflects your corporate colours.

Page 1 - similar to an executive summary, the first page contains all the important information about your business (your contact information, your USP, your location etc.), as well as a brief, 2-3 paragraph overview of your business. You could talk about your history, your staff, your business focus, your primary customer demographic, or anything else you want people to know about you.

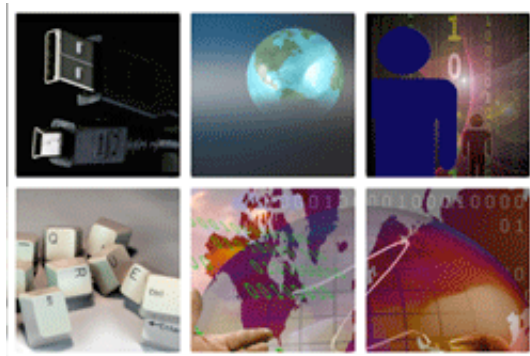
Pages 2-3 - provide a summary of your products and services. At a glance, anyone who reviews your profile should be able to see what your specialty is, and what you have to offer them. It's not meant to be a comprehensive catalogue, but rather a synopsis of your most popular or premier products or services. Explain each in a brief paragraph.

Page 4 - focus on a competitive review; give an explanation as to who your competitors are and how what you offer is unique.

Page 5 - provide a client list and testimonials; nothing speaks louder than what your customers say about you. Feel free to blow your own horn, and to let others know who you've done work for, and what they say about you.

Page 6 - talk about your future plans. Are you renovating your store in the next six months? Moving to a new location? Expanding your product line? Adding a partner or associate? Offering new services? Let people know that you are a forward-thinking company that has lots to offer.

This simple, six-page document can give you a great competitive advantage. Think about it - have you ever seen anything like this from your competitors or suppliers? This brief business package will say volumes about your professionalism, your vision, and your competence. You can provide it to interested parties in a hard copy format (make sure you've done a professional job of presenting the information), or you can send it via email as a PDF. You can even have a link to your



business profile on your website so that potential clients and customers can download and view it on their computers.

Your business profile will serve as a valuable tool for marketing your business, however, it will also perform another important function. In the process of putting it together, you will be forced to take a close look at your business. In reviewing your products and services, you may realize that you have some items that are not selling well. Think about why not, and consider whether it's time to remove them, or consider re-packaging or marketing them in a different way. When you try to write about your future plans, and realize you don't have any - it may be a wake-up call for you to start being more forward-focused. And, when you focus on your competitive advantage, you may realize you don't have one. What will it take for you to rise above your competition? This exercise will help you more than you can imagine, as it will provide clarity and the ability for you to concisely describe your business to all the people that are important to your business!



[Top](#)

Steps to Achieving Success

How do you define success? Is it as simple as crossing things off your "to do" list every day? Is it getting a job or task done within the specified deadlines? Is it measured quantitatively, or qualitatively? Is success with your business making a profit, or is it still success if you lose money (in the early years perhaps) but increase your visibility and customer loyalty? The definition of success will be different for each one of us, because success is measured in large part, by our value system. That's why two business owners who are competitors for the exact same market, may run their businesses very differently. What is a minor achievement for one person may be a major success for another. Because each of us defines our own parameters of success, success is achievable by everyone. And yet, there are universal steps that can aid you in achieving success, however you define it. As you set goals for your business, consider the following aspects of success. They are the patterns followed by highly successful people, and may help you to achieve what you want even more quickly.

Realize that success means taking action

If you go to a seminar and learn a whole bunch of great things to improve your business, but never actually put them into practice, you're not likely to reap the benefits of those ideas. Successful people are action-oriented. They realize that success doesn't just come to those who wait for it, it must be vehemently pursued. Set goals, but make sure they include action steps, and make sure that you're always moving forward in pursuit of those goals.

Don't bite off more than you can reasonably chew

Successful people make sure that they are challenging themselves - always pushing beyond their comfort zone, but they do not set goals that are ridiculous and unreachable. You may want to learn to play the piano in the coming year and set some significant and challenging goals for what you want to achieve, but performing at Carnegie Hall in six months might not be too realistic. In your business, be purposeful and challenge yourself to go to new heights - just make sure they are heights you can actually reach, or hopefully exceed.

Choose goals that are significant to you and beneficial to your business



If you set goals based on what other people think you should do, you're not as likely to be motivated to achieve them. Successful people know who they are, what they want, and why they want it, and that makes achieving their goals infinitely more powerful. Know what you want for your business and why



it's important to you, and set goals around those things that will benefit you. Don't allow yourself to be persuaded to set goals that go against your gut instincts or your personal values. In the end, even if you reach goals set by other people, they won't lead you in the direction you want to go.

Learn to deal with discomfort

Whenever you step out in a new direction and make a decision or set a goal, be prepared to be uncomfortable for a while. Successful people accept discomfort as a natural part of growth and achievement. In fact, if you don't feel a little uncomfortable, you probably haven't challenged yourself enough. Recognize that true success requires moving beyond your comfort zone and taking risks.

Acknowledge your mini-achievements along the way

Every large goal is made up of smaller steps along the road to achievement. Recognize when you have made small successes toward your big goal, and be proud of yourself. You're on the way. Successful people know that keeping the big picture in mind while acknowledging your achievements along the way is the most effective way to achieve success. The opposite is also true. Be patient with yourself when things aren't going according to plan. Allow yourself room to change the plan if necessary, or extend the deadline if you need to, or even re-evaluate the goal itself. You're not perfect; the world isn't perfect, and things don't always go according to plan. Keep that in mind when reality interferes with your goals.

You could say, "Success is in the eye of the goal-setter", so realize that you are the only one who can truly define success and set goals for achievement and see it as a freeing and inspiring thing. So, what mountains would you like to climb in the next few months? If you can see the mountain, you're already on your way!

[Top](#)

Keeping Ahead of the Game

Is Treading Water Enough?

Someone once said that there is no such thing as standing still in business, you are either growing or shrinking. Do you know whether you are moving forward, backward or just treading water? How can you look out of the box and introduce new ways of generating income, making your business more secure and even building passive income streams? I saw a report issued by CIBC the other day that said that 60% of small business owners are running their businesses as a lifestyle choice rather than as a business. It went on to say that this reflects the fact that new entrepreneurs are getting older. Retirees, whether early or not, are deciding that they want to start a business that will be fun, stimulating and that will also generate some additional income in their retirement years. Other new entrepreneurs start up their business because they want to turn their hobby or passion into their job. Others still have been forced into the world of small business because they were laid off, incurred an injury or couldn't find work in their chosen field. Whatever the reason, I want you to take a long look at your business and decide whether you are growing or shrinking. If you think you are treading water, then you may be in a very dangerous situation.

Growth is an important factor in long-term survival. The question is whether growth is synonymous with risk. A fear of risk means many small business owners just keep their heads down and run their businesses from day to day in the hope that they will survive. But, that strategy is extremely risky, and a little like running through a forest wearing a blindfold.

Let's take a look at those of you in the service industry. If you are a consultant, graphic designer, home help or whatever, you are in the business of selling your time. The problem is that you can only sell your time once. Once it's gone the only way to cope with more business is to bring people on board to help you. The issue then, is that then you are in the business of managing them, selling to get them work to do, monitoring the quality of their work and dealing with their mistakes or client issues. This means you have less time to do paying work yourself and you are in danger of existing to create work for other people. If you want to grow your business and make it more secure, then you need to look at ways to productize what you do and create a passive earning stream. There are many ways to achieve this - let's look at a few.

Write Something - If you have writing skills you can produce a publication that educates your market and showcases your knowledge. This could be a Guide to Writing a Business Plan, or 101 Ways to Keep Your House Tidy - be creative, the options are endless. Any sort of publication you author will increase your credibility with your customers, generate new business and also earn revenues itself. With self-publishing becoming easier, less expensive and more credible by the day, this is a reality for many small business owners.

Find ways to package what you sell - For example, if you are a bookkeeper, you could develop a package for small business owners that allows them to do much of the basic work themselves, with you entering the scene after most of the time-consuming work has been done. Packaging what you do can allow you to service more people, thus stretching your valuable time.

Consider franchising your business - How easy would it be to set up all the systems required to run your business so that an entrepreneur in another town could operate under your name, using all the valuable knowledge you have? Do this several times and the revenues from your franchises can exceed those of the original business!

For those of you in product related businesses - you too can head in new directions to increase your profitability and grow your business.

Look for ways to take what you sell out to the masses - I often think of retailers as spiders sitting in their web waiting for hapless insects to come by and get trapped. If you want to grow your business it may be worth looking at opportunities outside of the confines of your store. For instance, if you sell clothes, get your local school Parent Advisory Council (PAC) to hold a fashion show for parents and sell the clothes at the event. Temporary changing rooms could easily be set up with a percentage of revenues going to the council. Almost any product can work as a fundraiser - I know someone who made fudge and had several schools selling it. Think about taking what you sell into people's homes (think Tupperware) and hold fun evenings to showcase and sell your product.

Re-package what you sell in imaginative ways - Consider your own brand labelling for other retailers, or hotels or any organization that sells to a similar market like yours. Gift baskets may be another idea - let your imagination run riot.

Get other people to sell for you, or partner with other companies - If you are a retailer consider becoming a manufacturer of a specialty product, if you are a manufacturer consider



offering distribution rights to other parts of the region or even other countries.

Look at the long-term security of your business and your place in it. If you retire, will the business exist without you? Is that okay, or will you miss, or need, the income? The bottom line is that to survive you need to be constantly reviewing whether it is time to reinvent yourself, or move into new areas. Perhaps treading water is not such a good idea after all?

[Top](#)

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