

SMALL BUSINESS SUCCESS



September 2006

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3rd Anniversary Competition Instructions

Welcome to the first national Small Business Success magazine competition ever, and win a \$250 online gift certificate to Chapters/Indigo Online (<http://www.chapters.indigo.ca/home>) where you will be able to choose from a wide range of books, music, dvd's and even toys. Small Business Magazine partners with economic development offices and chambers of commerce across Canada every month, to bring you small business articles on a wide range of subjects; we sincerely hope you enjoy reading it as much as we enjoy producing it.

How to Play

Hidden throughout this month's articles are bold italicized letters. They appear like this. All you have to do is gather the underlined letters as you read through each article (in the order that they appear) and they will spell out a question. Once you have the question you need to hunt for the answer hidden in one of the articles. Clue: the answer is eight words long - but what eight words?

Once you think you have the correct answer send it to info@ycw.ca with your name and the town or city where you live. If you would like to ensure that your email has been received please use the 'request receipt' feature in your browser. The winner will be chosen at random from all the correct entries and announced, along with the answer, in the October issue of Small Business Success Magazine. The winner will receive their online gift certificate from Chapters/Indigo on Monday October 2, 2006.

Competition Rules - Please read the rules carefully:

1. No purchase is necessary and there is no cost to enter.
2. No email addresses obtained during this competition will be used for any other purpose than acting as an entry into this competition.
3. All mail messages (and addresses) will be deleted as soon as the winner has been announced.
4. Entries can only be accepted by email.



5. Only one entry per person.
6. All entries shall consist of a) the question decoded accurately and b) the correct answer. The correct answer will consist of eight words only (these words appear consecutively in one of the articles).
7. Correct entries will feature both the correct question and the correct answer.
8. The correct question, answer and winner will be announced in the October edition of Small Business Success.
9. The winner will be notified by email on October 2, 2006.
10. The winner will receive their Chapters/Indigo gift certificate direct from Chapters/Indigo during the first week of October, 2006.

Good luck, and have fun!

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Tips on Effectively Hiring Freelancers (part 2)

Last month we talked about some things to consider when hiring freelancers. We showed you what to look for and how to make a good decision about the person you're hiring. This month we want to look at what to do once you've hired someone in order to make the most of your working relationship, and to get the best possible results. The worst thing you can do is go blindly into an agreement with a freelancer, without knowing what you want and specifically spelling out how your relationship is going to work. Clarification is the key. Leave nothing unsaid. If you take into consideration the following tips, you'll be well on your way to maximizing what freelancers can do for you and your business.

Clarify the work to be done

Before you set your freelancer loose on the project, make sure you have had a meeting to lay out exactly what you want them to do. You may already have all the details laid out and all the freelancer has to do is go ahead and do it. Or, you may want the freelancer's input and ideas before you begin. Make sure that by the time they are ready to do the work, you've clearly laid out your expectations and the results you want them to achieve.

Clarify the timeline

Make sure your freelancer knows and understands what your deadlines are. If you need **a** project to be completed by September 30, does that mean they will need to have their portion done prior to that so you have time to review and revise? If they think their delivery date is September 30, you will be in trouble.

Clarify the terms of the project

Will this person be working on your site, or will they be working from home? Will they be reporting daily, weekly, hourly, and to whom will they be reporting? Do they have your permission to access other staff to seek clarification if you are unavailable? How many hours do you feel the project should take? Who else will be involved? How would you like them to report (by phone, email, fax)? Don't take anything for granted. The clearer you are with the terms of your agreement, the less that can go wrong. Assumptions are disastrous when it comes to hiring freelancers, so think about as many things as you can prior to starting your project, and spell them all out.

Clarify the payment terms

Make sure you and your freelancer are speaking the same language when it comes to payment. If they're talking hourly, and you're talking daily, you'll be in for an unpleasant surprise when you receive the invoice. Decide whether you want to pay on a project basis, or an hourly basis. The

benefit of paying by project is that you know exactly what it's going to cost. Most freelancers I know prefer the project payment method, because they, as well as you, know exactly how much the project is worth, and how much time it will take to complete. Paying by the hour may seem simpler, **but** if the project takes longer than you expect, you'll end up paying more. Decide on the number of hours you think the project ought to take (or ask your freelancer how many hours they think it will take them to complete it), and then come up with a price. Every freelancer knows that projects could be under or over the agreed upon timeline by a bit and are willing to put in a few extra hours to get the project done. However, you should decide ahead of time what you will **do** if the project goes overtime by a lot. It is unreasonable to expect a freelancer to put in an extra 10 or 15 unpaid hours for the agreed upon price. If your project goes long, you can either re-negotiate the cost of the additional time, or pay by the hour until it is finished. Discussing this ahead of time will **save** you a lot of headaches later.



Clarify the freelancer's role with your staff

It often happens that a freelancer comes into an office, and ends up doing work that existing staff feel should or could have been done by them. To avoid "freelance envy" and resentment among your staff, let them know ahead of time why you've decided to hire a freelancer for the project, and exactly what their role is going to be. Clarify if you have expectations for them to be a support or resource to your freelancer, and assure them that their roles within your company are not at risk. Doing this can save you a **lot** of grief down the road with your staff.

Clarify your role with the freelancer

Do you want to be highly involved with the project and if so, what will that look like? Or, do you prefer to let them loose on the project and check in only at critical points? It's best to give your freelancers strong guidance, but to also allow them the space and creativity to do what you've hired them to do. Micromanaging doesn't go over well with freelancers. In fact, the reason they're freelancing is probably because they prefer to work in an environment where that doesn't happen. Unless they give you reason not to, trust that their skill and expertise will produce the results you want.

Clarify the process

Finally, make sure you've been clear on how you want the project to progress. Schedule regular meetings to check on progress and make sure you're both on the same page. You don't want to get together three months into the work, and find out the freelancer has gone in a completely different direction than you intended.

Follow these tips on how to hire, and how to maintain a strong working relationship with your freelancer, and you may find yourself discovering a whole new world of energy and expertise to add to your already dynamic team.

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Competition - Friend or Foe?

"Competition creates better products, alliances create better companies."

Brian Graham

Competition is a fact of life in business; we all have competition, be it direct or indirect, but I still sometimes hear people say "I don't have any competition - my product (or service) is unique". I just shake my head and think 'just you wait and see'. Before we go any further, let's deal with this key fact. A husband and **w**ife business partnership once came to me and told me that they were going to start offering walking tours around the old part of our town. Now this was a great idea; tourists enjoy history and heritage and we have more than the average town's worth of interesting sites. What worried me was that when I asked them who their competition was and how they were going to market their product, they replied that they didn't have any competition. Well, you could have knocked me down with one of those feather dusters you often see tour guides using to keep their groups together!

Of course they had competition - lots of it! I asked them whether they felt that a tourist arriving in our city for the first time was likely to take a ride on one of our double-decker tour buses, then get onto a horse-drawn carriage to see the sights, followed by a kabuki (bicycle rickshaw) cab ride. Whether they'd then wander around town by foot before renting a bicycle or motor scooter at the harbour, or hopping on to a public bus or hailing a cab before finally deciding they really needed to see more, and looking for where they could take a guided tour of old town?

Of course not. Our average tourist will choose only one of the many ways of seeing the place they are visiting. So my tour guide friends had at least eight direct competitors. The look on their faces told me that this mass of competition had not occurred to them. Sure, there was no other company offering exactly the same tour, but tourists always have a choice of how to spend their money. Any market is worth a certain amount, and if you introduce a new product or service, you will need to take a piece of someone else's market share. In the case of our tour guides, they had direct competition with regard to sightseeing, and indirect competition from attractions, stores, **h**otels and restaurants, among others for the tourist dollar. A tourist only has so much to spend and a myriad of ways to spend it. The same is true whether you sell consulting time or furniture. Think long and hard about what direct and indirect competition you have for your business and how you are going to increase your piece of the pie.

"The wise learn many things from their enemies"

Aristophanes

So, if we now realize that we do have competition, what do we do about it? The first step is to carry out a strengths and weaknesses analysis of our direct competition (for you keeners I would suggest doing the same for your indirect competitors too).

This exercise is quite simple. List all your competitors and then analyze what makes them good at what they do. What attracts customers to them? What do they do better than you? Are they in a better location or have better parking? Do they have a better range of products and/or services. Have they been around longer than you? What **d**o they offer customers that you don't? Then look at where they may not meet customer expectations. Look at the list of strengths in the previous paragraph; these could also be weaknesses, such as poor location or parking etc. What other weaknesses do they have?

If you really want to do this properly carry out a survey of your competitors' customers. If you do this, only ask them to tell you what they like about who they currently buy from. They will automatically also tell you what they don't like - it's human nature! I know someone who was opening a retail pet food warehouse; he surveyed people for an entire week (he just stood on a busy street corner and asked half-a-dozen questions) before he opened his business. He found out everything that people liked and didn't like about his competition and what he should stock

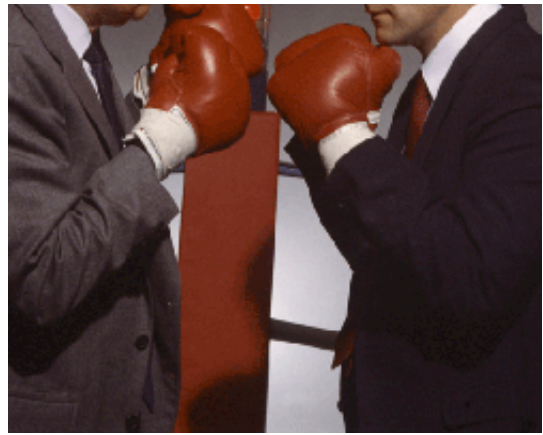


and not stock.

What did he do with this information? He made everyone of his competitor's weaknesses one of his strengths and promoted those strengths. In this way he managed to attack the competitor's business in a non-aggressive, subtle way that was at the same time, incredibly powerful.

"The ability to learn faster than your competitors may be the only sustainable competitive advantage."

Arie de Geus



It's not always about battling with your competitors; sometimes learning from them can be a sensible strategy to employ. What are they doing that you could be doing? What products and services are they stocking and promoting? What are they offering customers that you are **not**? Are they reading future trends better than you are? Or are they stuck in a rut? The biggest question to ask yourself is - do they know something I don't?

The best way to beat your competition, is not to have to. Aim to be ahead of them every step of the way. Understand your industry better than they do, know your market more intimately, build better relationships with your customers or clients, understand your strengths and build on them, know your weaknesses and counter them, and above all be the best trendwatcher in town. So, competition - friend or foe? It depends on how you look at it. From my perspective, you have nothing to lose and much to gain by **using** your competitors to your advantage.

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Hankering for Holidays

Are You Taking Time to Rest and Rejuvenate?

I just returned from two weeks of holiday, and I feel terrific. I spent the time at our quaint little family lakefront cottage and it was heaven. Two weeks of sitting in the sun, swimming in the pristine lake, lounging on the porch reading one novel after another, eating summertime food whenever the hunger pangs appeared (did we really finish that gigantic watermelon?), talking, laughing, writing, and meditating on the big picture of my life with no thought of the clock. I even threw some work in between swims and novels! That two weeks away did something for me that I really needed. It put perspective back into my life and reminded me that life was more than the crazy nine-to-five that can sometimes drown out our souls. Taking holidays is sometimes difficult for a small business owner - I mean really, how CAN the business survive without you for a whole week (or more)? And yet, it is one of the most important things you can do for your own health, and the health of your business. If you've struggled with taking some extended time off for R & R (and by this I mean more than a long weekend here and there), you need to look at why you've been unable to do it, and how you can make it happen.

Why take holidays? Holidays help you decompress. We all feel the stress of life's demands, but the small business owner I believe, feels it even more deeply. The success or failure of your business, the paychecks of your employees, the obligations to your customers, all fall on your shoulders. Sometimes it feels as if the weight of it all is too much - and you can't possibly take time off. It's never a good time! That's exactly why you need to take time off - because there is never a good time! Taking time to decompress from your busy world and the demands of your business (and your personal life) is crucial for you to see your business through to the long term. If you don't, you'll wind yourself up tighter and tighter, and eventually, you'll find yourself spinning out of control. You'll get caught up in the small things, the everyday things that seem in the moment to be

so important, but that in the grand scheme of things, are really not. You need time to stop. Stop and think. Stop and enjoy the beauty around you. Stop and spend time with people you love. Stop and evaluate **where** you are, and where you'd like to go. Just stop. If you are one of those business owners who hasn't had more than a day off in the last year or more, here are some steps you can take to start building holidays into your strategic plan.

"Just Do It"- make it a priority. Like the old Nike slogan, sometimes you just need to take your highlighter and mark off a week in your calendar. There will never really be a good time, and you'll always find reasons to keep you from that commitment. If there is a natural ebb and flow to your business cycle you'd be wise to take that time when it makes the most sense to do so. If you don't and every day is as crazy as the one before, you'll just need to commit to the time off. That commitment is as much to your business as it is to yourself, as you'll gain so much in your time away and come back better prepared to face what's ahead.

Train leaders within your company. Part of the reason it's so difficult for many small business owners to take time off, is that they've gotten into the habit of being and doing everything. Look around you - do you see natural leaders among your staff who could be trained to step up into a management position when you are away? Take time during the year to train them so that they are well equipped to take your place during your holiday. If you're on your own, you may be surprised to hear that you can actually leave a message on your voice mail saying you'll be out of town for a week or two, and that your business will still be there when you return!



Don't get distracted by the urgent. It's the day before you're supposed to leave on your vacation and something goes terribly wrong. Your natural inclination may be to cancel your time away to deal with the emergency, but I'd encourage you to think twice **before** you do. Will this crisis still be there when you return (in other words, can it wait)? Is there anyone else who is capable of handling this while you're away? Is the rest and relaxation you'll sacrifice by canceling your plans going to be worth whatever it is you're dealing with? Often, we jump to attend to the urgent, sacrificing the important along the way. Try to look at the big picture and find a way to deal with the issue and still carry out your holiday plans.

Evaluate what you need and cater your holiday to meet those needs. What I really needed this year was a brain break. My work recently had been very mentally demanding and I just needed to stop thinking! So I read 3 novels. None of them necessarily productive work-wise or particularly stimulating, just pure escape. It was wonderful. I also needed to do some re-evaluating since I'd been feeling a little purposeless lately. So I also took a book on personal vision, and I committed to read a chapter a day. That helped me to focus on what I wanted to accomplish in the next year and to see some changes I needed to make in my existing commitments. I also needed to simply relax and enjoy the incredible beauty around me. Dipping into the lake whenever it got hot, feeling the warmth of the sun, going for walks, breathing in the fresh pine air . . . well, I'm sure you get the picture. Do you need rest, or do you need adventure? Do you need time to **stop** thinking, or do you need to commit to doing some thinking about your life and your business? Do you need to spend time with friends and family, or do you need solitude? Planning your holiday to meet your specific needs will make it a more valuable and productive time.

If you've already taken your holidays, you know I'm preaching to the choir. If it's been a very long time since you've had a break, consider the benefits and go for it. Chances are, your worst fears won't be realized and everything will be running like clockwork when you return. You may be so pleasantly surprised you'll find yourself planning the next one before **you** know it!

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Sales Lessons from Driver Training

We are in the process of helping our daughter obtain her driver's license, and if you've been there, you'll know exactly what I mean when I mention the painstaking hours it takes to teach good habits (and unlearn bad ones), the feeling of taking your life in your hands every time you get in the car with a learning driver behind the wheel, and the thousand things you have to try to remember that you do so automatically when you've been driving for many years. In fact, I'd venture to say that most of us who have been driving for a long time would have a hard time passing a driver's test! I was thinking about these lessons and how they make a great metaphor for driving a successful sales campaign. Metaphors work really well to help me remember things that might otherwise not stick, so, I hope this one works to help you remember some key elements of successful sales strategies.

1. Keep your eyes on the road

When you're a brand new driver, you are so terrified that your eyes are glued to the road, but once you've been at it for a few months, you tend to loosen up a bit and start noticing all the distracting things around you. At least, that's what happened to my kids! It's probably similar to when you had your first sales position. Every meeting with a new prospect was terrifying and you kept your focus on the task ahead of you. But once you had a few sales under your belt, you may have started becoming distracted by the things around you - losing your focus just a little bit. If you've been driving your sales career for a long time, you're especially prone to distractions. Remember that successful sales people are highly focused and keep their eyes on the goals ahead of them, leaving distractions by the side of the road.

2. Be aware of what's in your peripheral vision

When you're first learning to drive, it's difficult to be aware of those dangerous things beyond the road directly in front of you. (Note that being aware of what's in your peripheral vision is different than being distracted by things that have nothing to do with your driving!) Learning how to do that is called defensive driving, and it's an important driving skill that may keep you from harm down the road - but it takes practice. It doesn't come naturally. While you're staying focused on your sales goals, you do need to be aware of what's in your peripheral vision. What are your competitors doing that may negatively impact your sales process if you don't see it? What is going on in your industry that will have a huge impact on customers' buying decisions? Where is your company going in terms of its vision and goals, and how might that impact your plans? Staying focused is important, but so is knowing what's going on around you. If you drive your sales campaign defensively, you may avoid big mistakes or other disasters that jump out in front of you while you weren't paying attention.

3. Pay attention to the signs

In order to get a learner's license, a new driver must first pass a written test about road safety, that includes knowing what all the signs mean. Unfortunately, as my daughter will attest to, after driving for a year she has forgotten what many of them mean. The signs are there to keep you from danger, to point you in the right direction, to warn you of what's ahead, and to keep others on the road safe as well. What are the signs you need to know? Pay attention to what's going on in your industry, and indeed, in the national and global economy. By being a savvy trendwatcher, you may be able to predict certain consumer behaviours that can put you ahead of your competition when it comes to making those sales. Watch for signs about what's going on in your local community. Is there a big event coming to town? How might you be able to turn that into a sales victory? Is your downtown being revitalized? How could you get involved so that people get to know and trust you, and how might that turn into sales down the road?



4. Don't speed

Boy, this is a tough one. Most of us who have been driving for a while, if we're honest, will say we struggle with staying within the speed limits. And yet, those limits are there for our safety. When accidents occur, they are often a result of **p**eople going too fast to make good **d**ecisions. This can happen with sales as well. Rushing into a presentation without being properly prepared; going ahead with a campaign before you have all the information; **t**rying to force a sale on someone who's just not ready to make a decision. We've all done **i**t at one time or another, but we've also probably learned that rushing into **t**hings increases our chances of making mistakes. Taking things **i**n stride and moving at a pace that is forward-thinking, yet cautious is probably the best balance.

If you've **f**ound yourself in a bit of a rut lately with your sales progress, see if you've developed some bad "driving" habits and get back to basics. You might be surprised what comes from that process, and find yourself sailing through your **n**ext sales test!

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Published in cooperation with Your Corporate Writer - www.ycw.ca