

SMALL BUSINESS SUCCESS



Community Development Corporation
OF SAULT STE. MARIE & AREA
A Community Futures Development Corporation



June 2009

[Championing the Chamber](#) | [Are You Covered?](#)
[Cost-Cutting Strategies for Your Home-Based Business](#) | [Low Cost Motivation](#)

Managing Organizational Change

Effective Leadership in the Midst of a Changing Business Environment

If there's one thing you can be certain of in running a small business, it's that things are constantly changing. The way you did business a year, or even six months ago, has almost certainly changed. The economy has changed. Your customers change. Your staff changes. Your products change to match consumer demands, and your services change to adapt to customer needs and expectations. In business, change is a constant. Sometimes your business sees change in small incremental ripples that are within your control. And sometimes, like what happened economically in the fall of 2008, change comes as a huge tidal wave completely beyond your control, knocking everyone off their feet. As a business owner, you provide leadership for how your company will weather both the expected and unexpected changes that will come your way. Manage that change effectively and you and your team will weather the storms well. Here are some leadership qualities you want to exhibit to manage change well.

Cautious Confidence

Your team needs to see a leader who demonstrates a cautious confidence. Show them you are making decisions based on facts and experience; that your risks are calculated. If they trust you to consider all the implications of the change, including their best interests, they will be willing to follow you with confidence. This also means expecting that you'll make mistakes, and taking responsibility for them rather than beating yourself up or feeling sorry for yourself or blaming others. People expect that you'll make mistakes from time to time. How you handle those mistakes – with confidence to move forward – determines how they will handle your (and their own) mistakes.

Optimism

Business owners who bought into the doom and gloom of the economic downturn have most likely suffered severe loss. Others who accepted the realities, but chose to look at the opportunities and changes with optimism have survived and even grown in spite of what has occurred. Optimism is one of a leader's most powerful traits. It inspires hope in your staff, and confidence that you can lead them through whatever comes your way. Optimism does not mean pie-in-the-sky, ignore the reality thinking. It means making a proper assessment of the situation, and choosing positive forward motion – whatever that looks like for your business.

Strong Communication Skills

Being able to communicate what is going on will help to alleviate fear and mistrust on your team. Communication is your best tool for navigating change effectively. Knowledge really is power, and when people are informed they can handle almost anything. Communicating well with your team about what's going on in your business will take you a long way towards effective change management.



Truthfulness

If your team is confident that you will always tell them the truth and be up front with them – even if the news is bad – they will be loyal and follow your lead. If they feel you are keeping information from them, or worse – lying to them – they will be confused, insecure, and do irrational things out of fear. Saying untrue things to make them feel better or to calm them down will only backfire in the end. People who trust you will follow you anywhere and through anything. Break that trust, and it is almost impossible to win back.

Calm Under Pressure

Nothing creates more fear than a leader who can't keep his or her cool. People see you panic, their automatic response is to panic on a larger scale. Maintaining a calm presence no matter what, creates confidence for those on your team. If they see you weathering the difficulties with confidence, they are likely to follow your lead and maintain their own sense of calm. If they see you snapping at people, emotions out of control, they will follow suit and you'll find yourself in an emotionally volatile work environment. Do whatever it takes for you to keep an even keel in front of your team. Take out your fears and frustrations at the gym, or the golf course, or at your yoga class – but while in the lead, demonstrate calm confidence.

Inclusiveness

While you are ultimately responsible for the decisions you make for your business, being inclusive will create a greater sense of confidence in your team. Get them involved in what's going on. Ask for their input on decisions you are making. Create an environment where ideas are always welcome, and feedback is valued. Being valued for their contribution is second highest on the list of job satisfaction indicators for most employees. Including your team in your business decisions may give you some fantastic ideas and interesting perspectives you may not have thought about on your own. It will also mean those team members will buy in to the changes you make to a much higher degree than if you come up with them yourself and mandate the changes.

Most people are fearful of and dislike change, but it is inevitable. As the great Sam Cooke sang, “I know a change gonna come! Yes it will.” In these challenging and ever-changing economic times, demonstrate excellent change leadership skills and you and your team will navigate those changes well, and your business will be one of those that stands out above the rest.

[Top](#)

Championing the Chamber

Taking a Closer Look at Your Local Chamber of Commerce

If you're already a member of your local Chamber of Commerce, you may be tempted to skip over this article because you'll assume I'm preachin' to the choir. You may however, not be fully utilizing your membership so read on to find out if you are. If you're not a member, this may be the most important article you read this month. Chambers of commerce in a community exist to support, promote and grow local business, and the bulk of Chamber members are small businesses. For what is usually a very reasonable annual fee (often dependant on the size of your business), you can join an organization whose sole purpose it is to help you grow and promote your business. Get rid of all your preconceived notions about what a Chamber does, and dump all the excuses you've made in the past not to join. Take a look at the benefits your business can receive by being part of an international phenomenon right in your home town – where you do business. If you've never considered why you should join your local Chamber, take a look at some compelling reasons to do so. While the specific benefits may vary from region to region depending on the size of your community, following are some of the most common offerings of a Chamber of Commerce.

1. The Chamber is the voice of business in your community – it represents you and your business to all levels of government. It provides advocacy for local business. Whether you are battling with local signage bylaws, or concerned about larger issues legislated by your province or even federally, your Chamber can take your concerns and work on your behalf to fight for change that is good for business in your community. Where you alone may never have a voice in these arenas, your Chamber has the mandate and authority to represent you at these levels.

2. The Chamber provides access to medical benefits you could not afford on your own – one of the main reasons many small businesses initially join a Chamber, is for the medical and health benefits they can provide to their staff that would not otherwise be affordable. Even one-owner businesses can receive affordable benefits through a Chamber plan.

3. The Chamber provides exceptional networking opportunities – and this is the second reason most often cited as to why businesses join their local Chamber. Most Chambers hold mixers or networking events at least once a month, where businesses can get together for a social event and

introduce themselves to other business owners in their community. Most Chamber members are loyal, and want to do business with other Chamber members. This can be your greatest opportunity to network with other people who will call you when they need what your business offers. It is also a great opportunity to establish relationships that can result in business synergies and partnerships. In this economic climate creativity is often the difference between just surviving and thriving. Those creative partnerships may be just what you need to take your business to a new level.

4. The Chamber offers affordable training programs – again, depending on the size of your community, most Chambers have some training programs for local business that is relevant and affordable. Many Chambers also extend the training to your staff, so you can take advantage of reasonably priced training that is locally based.

5. The Chamber hosts special events and provides marketing opportunities – as a



Chamber member, you'll be asked to participate in a variety of ways in special events throughout the year. Special events are one of the ways Chambers generate revenue, so you may be asked to sponsor an event like a business awards dinner, or a golf tournament. You may be asked to advertise in a program or a directory. You may be asked to volunteer on a committee. Involvement is the key to having a successful and beneficial Chamber membership. While you are supporting the Chamber with your sponsorship or advertising dollars, you're also receiving the benefit of becoming known to other Chamber members. This is highly specific and targeted marketing as those members are already poised to purchase from other members.

6. The Chamber provides opportunities for you to have a voice in what happens in your business community – if you are the type of person who loves to be

involved in your community and have a say in what goes on, a Chamber membership gives you those opportunities. Sitting on committees, volunteering for events, or simply sending your ideas and feedback to the Chamber means you are being heard, and are contributing to the success of business in your community.

There are more reasons you should consider joining your Chamber, but perhaps the best way for you to find out what they have to offer you is to give them a call and make an appointment to see them. A healthy Chamber means a healthy business community. With all these great reasons to consider becoming a part of your Chamber, why not consider at least checking it out? It may be the best money you spend this year!

[Top](#)

Are You Covered?

Ensuring Your Business is Adequately Insured

It's one of those things everyone hates to deal with and especially pay for, but has become essential to both personal and business survival. All it takes is the necessity to make one claim and suddenly you are thankful that you had the foresight to have it, and it sure seems worth the money you paid into it. Most people are more likely to cover their insurance bases on a personal level – life, disability, critical illness, home, mortgage – these are insurances that people find essential. When it comes to small business, owners tend to try to cut costs. Author and insurance expert, Marily Katz says, "Many people who study small business report that 80% of small businesses do not carry enough insurance to protect themselves. One mishap can be a disaster to an underinsured business, and can ruin or set back all of the hard work that the owners and employees have put in to develop, grow, and maintain the venture." If you haven't reviewed your business insurance coverage in a while, there's no time like now to make sure you are properly insured. Here are the areas you need to consider.

Building/Property Insurance

If you own the building your business operates out of, check to make sure you have enough replacement coverage to put up a new building if it is damaged or destroyed in a fire or other natural disaster. Also, check to see exactly what is covered in your area. Many people don't realize until it's too late that certain natural disasters are not covered under their regular property insurance. On the west coast, earthquake insurance is required on top of regular home insurance. If you don't have it, you are not covered in the event of an earthquake. Similarly, in areas that are prone to flood, flood insurance must be purchased in addition to home insurance. Never make assumptions – read the fine print. Without adequate coverage to replace your building, you'd find it difficult to recover.

Business Liability Insurance

Do you know if you are covered if someone sustains an injury while on your property? Or what coverage you require if you are renting a facility? Do you know what kind of coverage you have if one of your employees is injured on the job? Do you know and understand the liability issues that are a part of the type of work that you do? It will be different for every industry, but certainly worth your while to investigate. If you are not adequately protected, a liability claim could ruin your business and have an impact on your personal assets and finances as well. Find answers to these questions from a business insurance professional.

Health Insurance

This includes basic benefits as well as things like critical illness and disability insurance. If you had a serious injury that took you out of the picture for 6 months or more, could you survive financially? Could your business survive without you? What if you got cancer and had to undergo chemotherapy or radiation treatments? Or if you suffered from an autoimmune disorder like chronic fatigue or fibromyalgia? Or what if you were in a serious car accident? No one likes to think about this, but none of us is immune and assuming it will never happen



to you is foolish. Critical illness and disability insurance are perhaps even more important than basic health and dental because it affects your ability to earn long term. An extended illness could be the end of your business if you are not covered. If you've assumed that you can't get insurance like this that is affordable for your small business, check out your local Chamber of Commerce. If you aren't a member, you should be – and they often offer group benefits with your membership that you could not afford on your own. There may also be benefits offered through industry associations. Check out where you might find an affordable plan that protects you in the event that you (or your employees) find yourselves in a position where your health is challenged and you are unable to work.

Errors and Omissions Insurance

This is one that is often overlooked. If you are in an industry where your professional services could result in litigation from dissatisfied or damaged customers, this is an absolute must. E&O Insurance protects you from someone suing for damages as a result of your personal advice or service. In some industries (a physiotherapist, counselor, or financial advisor, for example) there is potential for a customer to sustain damage based on your advice. If this is the case, E&O Insurance will cover you if someone decides to sue.

Find an insurance specialist you really trust and go through everything you currently have. Determine what your needs are, and come up with a plan that ensures you are properly insured. While it may seem painful when you see those premiums every month, all it takes is that one claim to make you grateful you were covered.

[Top](#)

Cost-Cutting Strategies for Your Home-Based Business

These days everyone is talking about how to cut costs and make your dollar go a little farther. The home-based business owner has an advantage in that he or she can make decisions on a daily basis to cut costs that have no effect on anyone else. They don't need a committee, or to consult with anyone else – they just make a decision and do it. The more people involved in your business, the more complicated cost-cutting measures are and the greater the impact. So, if you're running a home-based business and have been wondering how you can shave a bit off your spending, here are a few ideas. They may seem small but they do all add up over the year. Economizing your home-based business will mean more money in your pocket at the end of each month, and that's something to get excited about.

1. Conserve Energy

Conserve energy – everyone's talking about this one. Find ways to lessen the amount of power you use and you'll be doing the environment a good turn and saving money.

- Turn off lights when you're not in the room
- Use natural light whenever possible
- Turn off printers when not in use,
- Use your computer's power-saver features
- Turn off your monitor when you are away from your desk or not using your computer

- Shut your computer down overnight and unplug your chargers
- Wear another layer instead of turning up the heat
- Use compact fluorescents instead of regular bulbs for longer life and less power waste
- When looking for office equipment, look for products that display the Energy Star logo
- If there are ways to make your home more energy efficient do so. Many provinces have reimbursement or credit programs available for people who do renovations to make their homes more energy-efficient.

Most of these things seem small, but over the course of the year, leaving your computer on at night costs you \$30 in electricity. If you can save \$30 every month by making small changes – wouldn't that be worth it?

2. Shop Smarter

Comparison shop whenever you can. Running up to your local big box stationery store for supplies may be convenient, but it may not be giving you the best prices.

- Check online for office supplies – many sites give you an online discount and you only have to wait a day to get the items delivered
- For office equipment, check on ebay or similar bid-type sites. You can often get new or nearly new items for a fraction of the new price
- Buy in bulk if you can. A box of paper will always be more economical than individual packages. For items you use a lot, it's worth spending the extra up front to save in the end.
- Look at generic brands rather than name brands; for many items, they are just as good and often much less expensive.



3. Waste Less

Most of us would be surprised at how much we waste in a month. Reducing waste is good for the environment and your pocketbook.

- Use both sides of the paper. I have a stack of paper under my desk from things I've printed and am finished with. Rather than throwing it in the recycle bin, I put it back in my printer and print on the other side – especially for drafts or documents that no one else will see.
- Use the other side of used paper as note pads rather than buying expensive ones from the store.
- Use less paper overall. With so many efficiency tools on computers these days, it's easy to do less printing. Online calendars, address books, contact management software, databases etc. are great ways to manage information without paper.
- Think twice when you go to print something. Do you really need a hard copy, or can you read it from your computer?
- Use the print-preview feature in software you are using to ensure the page looks the way you want it to before you print it. You'll see any errors or things that need to be corrected and won't waste the paper.
- Save packing material from items you receive and reuse them when you need to ship something

4. Be Strategic

Get in a mindset that constantly thinks about how to do business in a more cost-effective way.

- Create a purchasing co-op; find other home-based businesses in your area and form a purchasing group. You all need supplies, and when you purchase in larger quantities you can get better deals.
- Shop around for insurance and other services; just because ABC Insurance has given you the best price the last 3 years, doesn't mean they will again this year. Maybe there's someone new, or maybe ABC's rates just went up – check around and comparison shop for those things as well.
- Network with other home-based businesses for bartering opportunities. You offer something that's of use to another business owner, and perhaps they have something that's of use to you. Trading services can save you a lot.

These are just a few ideas to get you started. Once you catch the cost-saving bug you'll find yourself looking for opportunities to save everywhere. The beauty of owning a home-based business, is that you can capitalize on those opportunities. Creative cost-cutting means more profit at the end of the year – and that's worth the effort.

[Top](#)

Low Cost Motivation

Inexpensive Ways to Inspire Your Team

In these challenging times, it is critical that employees of small businesses are acknowledged for their hard work. In tough times, it's easy for a company's focus to shift from great management and strong HR practices, to an over-emphasis on money. Let's be honest – when the ship appears to be sinking – your natural response is to plug the hole and keep it afloat. But if your crew is jumping overboard and looking for another ship, or not working at peak capacity on the boat - you'll find it difficult to navigate turbulent waters. If on the other hand, you have a team that's fired up, even if it's a small team, and working synergistically together, you can accomplish more than many larger ships out on the water. The metaphor may seem over-simplistic, but it paints a picture that is worthy of consideration. As a small business owner your product or service is your bread and butter. It is why you exist, and it is HOW you exist. But without a solid and motivated team your efforts will suffer. Low morale equals shoddy production and service. Fear and frustration results in inefficiency and apathy. All of that affects your bottom line, so the efforts you put into inspiring your team will pay big dividends in the end.

I've heard from some small business owners that they don't have time for all this motivation stuff. They say that they are in business to do business and that their employees are there to work for them. If they want to be motivated and inspired, they should do that on their own time and focus on getting the job done when they are at work. This attitude is short-sighted. People generally don't compartmentalize life the way they used to 40 years ago, where work was work and life was life and never the two met. People want work to be fulfilling. They want to feel they contribute beyond simply their ability to complete a task. They want work to be fun too, and to enjoy what they do. Sticking your head in the sand and saying you want it to be different isn't going to make it so, and small business owners who don't pay attention to these realities will find themselves constantly

struggling against the tide to meet their goals.

Your team is vital to your success, and motivating them is one of your greatest leadership challenges. Contrary to what you might think, it doesn't have to be expensive. You don't need a complicated employee recognition program. People are really very simple, and it takes very little to make them feel valued. Remember, they understand the situation you face in these economic times – they are facing them too on a personal level – and they will see and acknowledge your efforts to provide recognition through their loyalty and commitment to your business. Here are a few ways you can do that without breaking the bank.

Motivating through increased responsibility

Nothing says “You’re doing a great job” like being trusted with greater responsibility. This costs you virtually nothing except perhaps some creative thinking, but pays you back in spades.

“Jim, I’ve been watching how you’ve handled our customers

during these last few weeks. It’s been challenging with all that’s been going on economically, but you have maintained your composure with difficult people and have represented our company well. You’ve demonstrated your ability to think on your feet, remain calm under pressure, and serve our clients with professionalism. I would like to give you the opportunity to take on some new accounts – these are some of our most important clients – and until now they’ve been on my A-list, but I believe you will take great care of them.” Just watch Jim’s face light up when you put that kind of trust his way. Where can you show your employees you value their contribution by giving them opportunities to do even more for you?



Motivating through relationship-building

Building relationships with your team costs you nothing but a bit of time, yet it establishes a foundation for how recognition will be received in the future. Someone once told me that every effort you make to build a relationship, whether it’s a kind word about their performance, an interest in what’s going on in their lives, or a compliment, is like making a deposit in your relationship “bank”. A lack of recognition, criticism, an uncaring attitude or disinterest, are like withdrawals. Here’s an example. The time comes when you need your bookkeeper, Janette, to put in some extra time to assist you with putting together the financials for a new product line you’re considering launching. Let’s say you’ve built a strong relationship with her. You’ve invested time in building up the deposits in your relationship bank account and she truly feels like a valued and important member of your team. Her likely response to your request is to say yes, without hesitation, and to take your request as a sign that you value her skill and contribution to your company. She will more than likely make whatever adjustments are necessary in her personal life to make it happen.

If, on the other hand, you have been too busy to get to know what’s going on in her life, have offered more criticism than praise, have often been short with her and quick to point out her mistakes, she will more than likely take your request as a sign that you don’t really care about her. She will see her personal life as more important and be upset that your expectations require her to make sacrifices in that area. If she says yes, it will likely be with a grudging attitude, and it is more likely she will say she can’t make it work. She will see you as a hard-driving boss who’s just out for what he can

squeeze from his employees. Same request, much different result. The more deposits you make in that relationship bank, the greater your ability to achieve the things you want to achieve with a committed, enthusiastic team.

Motivating your team is more about creative communication – and less about money. During tough times your staff will appreciate your efforts to recognize them in non-monetary ways. In fact, monetary recognition can have little meaning if the relationship bank account is empty! So start making those deposits. The payoff to your business will be great.

[Top](#)

Community Development Corporation of Sault Ste. Marie & Area
672 Queen Street East
Sault Ste. Marie ON P6A 2A4
Tel: 705-942-9000
Fax: 705-942-0274
<mailto:cdc@on.aibn.com>
<http://www.ssmcdc.com/>

Published in cooperation with Your Corporate Writer - <http://www.ycw.ca/>