

# SMALL BUSINESS SUCCESS



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



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[Understanding Generation "G" | Avoid the Top Reasons Home-Based Businesses Fail To Launch or Not to Launch? | Defining Moments Define Your Leadership](#)

## Heart Healthy in 2009 - Part 2

*Last month we sent you part 1 in this 2-part series about being heart healthy in 2009. We know that running a business is stressful, demanding, and often gets in the way of making healthy choices, and complements of the British Heart Foundation, we gave you the first five of ten ways to increase your heart health in 2009, along with some tips on how to manage them in spite of your busy, demanding business. In this edition you'll find the last five. Take these ten tips and post them somewhere you will see them often. A big part of changing habits is repetition. If you find yourself reading these tips several times a day, they will spring to your mind when you're faced with making those critical decisions – to salt or not to salt – and the more times you make those good choices, the better your chances of changing those habits for good.*

**6. Walk off stress** – when the phones are ringing, the order is coming in late, half your staff is off sick, deadlines are looming, customers are complaining, and you feel as if you may explode any minute – instead of reaching for your 5th cup of coffee or candy bar to make yourself feel better – throw on a coat and go for a 15-30 minute walk. Contrary to how it may feel, it's not going to break your business. Stress is a killer – it can increase your risk of heart disease, diabetes, cancer, and a multitude of other bad things. Small stress-reducing strategies can go a long way to increasing your ability to cope and make better decisions. **Business Tip** – during the first half of your walk, don't think about work. Listen to music, listen to nature, think about what you'd like to do on your vacation, plan a special weekend away with your partner, think about anything but the office. Once you've done that, you'll find your stress level has already come down significantly, and your head will feel clearer. If you want to – take the second part of your walk to think strategically about some of the challenges you are facing at work. You'll be surprised how this new context can help you problem solve more effectively. Plus, you'll have worked toward your goal (tip #1) of getting 30 minutes of exercise a day!



**7. Cut down saturated fat** – start with small changes that make a big difference. Choose skim milk instead of full fat for your latte's, buy low fat cheese, choose leaner cuts of meat and broil or bake rather than frying. Stay away from anything deep-fried, and be aware of hidden fats. **Business Tip** – there are a large number of snack manufacturers that are offering baked snacks versus fried ones. They are equally as tasty and a much better choice when you feel like that mid-afternoon munch. If you must eat out, even if you have no choice but to eat at fast food restaurants – most, if not all, now have low fat options.

**8. Up the oily fish** – those omega 3 fats are proven to help protect against heart disease. Mackerel, salmon, sardines, fresh tuna – are all great for you. While a little more difficult to eat during the day and on the run, you can find creative ways to work them into your diet – a sandwich on whole grain bread with fresh tuna salad, salmon slices on crackers with low fat cheese or pickles; Google some ideas that you can fit into your work routine. **Business Tip** – for those of you who just don't eat fish - you can get supplements from your health food store or pharmacy that contain the natural omega 3 oily fish fats. While supplements are never as good as the real thing, they can be a great way to give your body this healthy boost every day. These are great even if you do eat fish, but find it difficult to do so as often as you like.

**9. Check out the food label** – Many snack manufacturers are now advertising “no trans fats” on their products, but if you look at the labels, the actual fat content is still quite high. No trans fat is good – but it doesn't mean that there aren't a lot of saturated fats still in the product. Similarly, they advertise lower fat, or “light” products, but then contain high amounts of sugar or sodium. Know how to calculate your calorie, fat and/or carbohydrate needs and don't be fooled by the marketing on the package. Labels can be your best friend in helping you choose heart healthy options. **Business Tip** – try as much as possible, to shop ahead. When you're starving and trying to find something for lunch at the grocery store, you're less likely to take the time to find something that's healthy. If you shop ahead and take the time to fill your pantry with healthy options, you'll be much more likely to grab those healthy choices on your way to work and stay away from hunger-based impulse purchases that you know aren't good for you.

**10. Cut back on empty calories** – what are empty calories – those things you don't think about when you pop them into your mouth. A small piece of a candy-bar in your drawer, a handful of chocolate covered almonds on your way past the reception desk, a can of soda, a bag of pretzels to munch while you're writing that report. Alcohol especially contains a lot of calories and a few glasses of wine can add 2-300 calories to your daily intake. Those things you eat not because you're hungry, but because you want to munch, are the things to watch out for. Those seemingly small choices can add hundreds of extra calories to your daily food intake, without even realizing you've eaten them. More calories, more weight, greater risk of heart disease. **Business Tip** – for one week, keep a food journal with you and discipline yourself to write down every single thing you eat in a day. Tedious? Perhaps, but you will be shocked to find out how many additional calories you've eaten without noticing. Once you get in the habit of noticing, you'll find yourself turning away from the empty snacks, and making sure your meals contain filling, good for you foods, and that when you do snack, you're eating things that build your health instead of simply adding calories.

For the sake of your business – make some changes that stick. Take these 10 strategies to “heart”. Keep your heart healthy in 2009 and your business will benefit.

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# Understanding Generation G

## Cultural Changes that Will Impact Your Business

*I recently attended a fascinating seminar titled “Trendsetting Business Ideas for 2009”. The keynote speaker introduced us to a German phrase – zeitgeist – literally translated it means “spirit of the times”, and he suggested that understanding the spirit of the times we are currently in is paramount to business success in the coming years. So important, that those who do not get it and adapt their business practices accordingly, will be unlikely to succeed. The spirit of these times, are described as “Generation G”, the “G” standing for Generosity. As he revealed some of the characteristics of Generation G, it rang completely true for me; as if someone turned the light bulb on to something I had definitely felt but perhaps had never put words to. This movement toward generosity and sharing has already, and will continue, to significantly impact the consumer's mindset, and therefore, business.*

Consider the most mind-blowing successes of the past decade . . .

- **Facebook** – with millions of users around the world, it’s all about sharing – information, photos, events, causes, successes, hobbies – the list goes on
- **Wikipedia** – an online encyclopedia created and maintained by its own community has – 8,687,877 registered users and currently sits at 15,741,616 pages; it’s all about people sharing their knowledge
- **Flickr** – one of the most successful of many photo sharing sites has 33 million users and currently hosts over 3 billion images
- **YouTube** – with the ability to easily upload videos, people are sharing mini-movies on almost every subject imaginable; 13 hours of video are uploaded every minute – 1 million videos are watched every day
- **Tripadvisor.com** – a site written by people who share their travel experiences in different places, and used by others planning trips to those same areas; there are currently 20 million hotel reviews on this site (and there are many more like it)
- **Internet** – the internet itself really is about people sharing information. The reason you can Google anything is because someone, somewhere, has posted information that is meaningful to you.

FREE – is another trend that is emerging in this culture. Websites like Freecycle (in locations all over the world) have people giving away things they don’t need. “FREE” markets are emerging, where people set up booths of everything from produce, baked goods, clothing, furniture, household appliances, and everything you can imagine – and give it away for free. Why? So they can responsibly reduce their own consumption and share what they have with others, while they take advantage of obtaining things they need for free as well.

These trends represent the ongoing and pre-recession emergence of an online-fuelled culture of individuals who share, engage, create, and collaborate in huge numbers. Generation Generosity, is replacing Generation Greed. In fact, generosity is the new status symbol. Consumers are disgusted with corporate greed and what it’s led to (up until and including the most recent financial crisis). They

are seeking empathy, sympathy and generosity and want to deal with organizations that care. They are doing business with companies who show a commitment to corporate responsibility (giving back to their communities), and companies who show a commitment to environmental responsibility. Giving is already the new taking, and sharing is the new giving. In order to succeed in this new emerging consumer culture, businesses must recognize and acknowledge this societal/behavioral shift, however much it may oppose a decades-old devotion to individualism, consumption and selfish corporate behaviour.

So how can you tap in to this cultural shift and adapt your business practices to these new consumer realities? After all, you can't just give things away – you're in business to make a profit. Here are some ideas to get you thinking about how you can make some changes that will appeal to Generation G (which by the way, has its primary demographic in ages 18 to 30, but whose demographic is slowly shifting upwards to include those up to age 55).



### ***Social Responsibility*** –

develop a program or two that show your customers you want to give back. Some businesses

choose a charity, and match dollar for dollar, amounts donated by customers. Others take a percentage of their profits on sales of a certain item and give back to the community in some way. Others donate their time to volunteer in a specific project and invite customers to join in – remember, it's about sharing the responsibility. There is a lot of information on the internet if you want more ideas.

***Eco Responsibility*** – the environment is a huge concern for Generation G, and it will spend more to patronize businesses that promote “green” services or products. Is there any way that you can make what you do more eco-friendly? If so, market it and let your customers know.

***Community Partnerships*** – remember, sharing and giving are key. Are there other businesses or non-profit organizations that you could partner with to give back to your community? Choose one that is a good fit for you and your business. Then let people know what you are doing.

***Offer Something FREE*** – OK, you may balk at this one, but before you throw the idea out the window, really think about whether you can give your customers something free. It doesn't have to cost you much. Again, think about partnering with someone. A realtor I know partners with a local home-based chocolatier and leaves a box of chocolates on the counter of every new home she sells. The chocolatier gives her a great deal because she's getting exposure and they both win, plus the customer feels valued. I have a friend who builds guitars. He purchases a subscription to a guitar-enthusiast magazine for everyone who buys one of his high-end guitars. It costs him \$40 on a \$2500 sale – but he gains a customer who is reminded of him and his business every month when the magazine arrives in the mail. Be creative. Challenge yourself to find one free thing you can offer with your product or service.

You may be asking yourself if you can afford to make this shift. More often it's less a case of

spending a lot of money than it is about adopting a more generous mindset – a holistic approach to generosity and business. It's also about being creative, finding the right partners and adjusting existing marketing to Gen 'G' thinking. This is the new reality according to marketing gurus around the world – can you afford not to stay relevant?

The benefit to your business? Generosity in tough times won't be forgotten. Customers will spread the word about you. Customers will want to collaborate with you to improve what you have and what you do. The added bonus? It's also good for your soul! In tough times consumers ask themselves what is it that makes them truly happy. Help them, and you will come out of the economic downturn better than you went in!

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## How to Avoid the Top Reasons Home-Based Businesses Fail

*It always sounds so glamorous in the beginning. You've carved out a beautiful home office, furnished it with just the right balance of beauty and function, done your research, secured your financing, created your brochure, and launched your business. You're not alone. Thousands of people across Canada do this every day. Unfortunately, not all of them survive. Too soon they're over-extended, unable to collect their receivables, finding it difficult to pay the bills. They're spending far more time trying to find customers than they are doing what they love to do (which is why they started their business), and they're wondering why they ever did this in the first place. Instead of being a place they love to work, that home office becomes a place they feel trapped and they begin to find excuses not to be there. People who fail in their home business can be smart, innovative, have great ideas, be good with people, have solid financial backing, and end up not understanding where they went wrong. Here are a few of the reasons small businesses don't survive. Knowing what they are can help you avoid becoming one of those statistics.*

***Not taking financial management and budgeting seriously.*** Because the home-based business is often run with minimal investment, it's easy to be sloppy with the accounting. So you lose a receipt or two, take a couple of friends for lunch, buy all the latest computer equipment even though it wasn't in your budget, and put off doing your financial statements each month? It's only a home-based business after all – should be easy right? One of the biggest mistakes home-based business owners make is not managing their finances professionally and not respecting their own budgets. Improper management results in wasting resources, eventually causing the business to run out of sufficient resources and assets to survive in the market. The entire budget of the business should be carefully documented and the business should be operated within the boundaries of the allocated budget to avoid trouble.

***Lack of management skills.*** Many home-based or cottage businesses are started by someone who has a specific skill – a potter, a roofer, a handyman, a graphic designer – they all are selling their skills. But just because they can do what they do well, doesn't mean they understand the management aspects of running a business. Taking the time to get training in business management is paramount to

success. Until you can afford to hire someone to be your bookkeeper, inventory control specialist, shipper/receiver, receptionist, sales rep and accountant, you have to do it all. That knowledge doesn't come out of nowhere. Find out where you can take small business programs in your community – often your Community Futures office has programs like this. Don't fool yourself into thinking that it will all come naturally, or you'll be combing the help wanted ads for a job before you know it.

***Lack of proper advertising and promotion.*** A business can only survive if it is properly advertised. This requires implementation of an appropriate advertisement and marketing campaign, which must be managed within the budget. Some business owners think they'll survive on word-of-mouth marketing. This may be more effective down the road, but it can't be the primary focus. Proper advertising costs money, and there are a significant number of home-based business owners that are reluctant to spend money on advertising. This is a big mistake. Advertising and marketing costs should be built into your budget, and you should have a strategy about where you're marketing and how much you can afford to spend. If you don't know how to do this yourself, find someone experienced who can help you. If you avoid spending on marketing, you'll have a tough time surviving.

***A non-professional work environment.*** Working at home does mean you have the freedom to throw in a load of laundry at lunch or put a few things into the crockpot so dinner's ready on time. But it's easy to get caught in the trap of letting personal tasks creep into your professional time. In addition, it's a temptation to let your office get sloppy – not do your filing, let your inbox overflow, and have dirty dishes and coffee cups strewn around your desk. Your home office should be as tidy as if you were working for someone else and your boss could walk in at any moment. A slovenly approach to your business office leads to slovenly business, and that's one thing customers won't put up with. Dress the part every day, and treat your business like you would if you were working for someone else.



***Lack of credibility.*** You cannot attract customers if your business is not credible. People tend to prefer dealing with home-based businesses who have a business license, are members of the Better Business Bureau or the Chamber of Commerce. If you don't care enough about your business to legitimize it, why should your customers care to purchase from you. The same standard goes for kids yelling in the background while you're on the phone, broken answering machines so calls don't get returned, emails that get ignored, or quotes or jobs that run late – nothing ruins your credibility more than being perceived as unprofessional.

If you see yourself in any of these categories, find a mentor or advisor who can help you change those patterns and move you toward behaviours that will lead you toward greater success in running your home-based business.

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## To Launch or Not to Launch

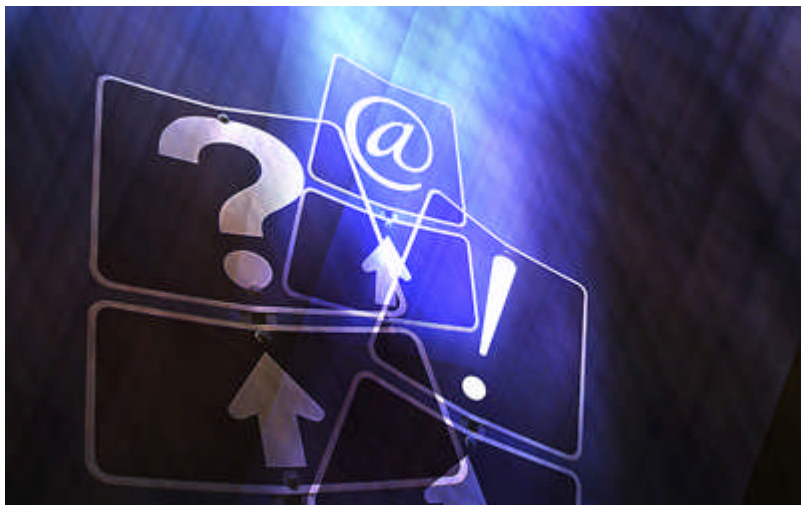
### Using Market Research to Validate Your Great Ideas

*Sam, the owner of a highly successful local soup and sandwich shop was considering extending his hours to offer dinner to its patrons as well as lunch. Before Sam went to the expense of purchasing extra food and hiring more staff, he decided to do an informal poll among his customers. For one week he offered everyone who was willing to fill out his market survey a free pastry and coffee. The survey results showed him that only a small percentage of his existing customers would have soup and sandwich for dinner. In addition, his location, was close to an industrial area that was well lit during the day, but where people said they wouldn't feel comfortable coming in the evening when it was dark. Sam's market research told him that he was being successful doing exactly what he was doing, so rather than extend his hours, he expanded his shop and is still doing a booming lunch business. Lucy was the Executive Director of her town's Chamber of Commerce. She and her staff came up with what they thought was a brilliant idea to offer a Leadership Training program to their members. They calculated what it would cost to run such a program and created a preliminary course outline. Before they launched the program, they did an online survey of their members. Lucy discovered that there was a lot of interest in the program itself, but that the members were not willing to pay what the Chamber needed to take in to make it profitable. Lucy readjusted the program costs, took the course down to 5 modules from 8, and offered the course to her membership. Not only did this provide the foundation for Lucy's initial success with the program, but it became so popular, she was able to raise the course fees with the year and take it up to the original 8 modules.*

Although Lucy and Sam are running very different types of organizations, they both benefitted greatly from doing their market research prior to launching their great big ideas. That market research saved them both money and time, and led them to more success than they would have had, had they not taken the time to determine what their customers wanted.

It's tempting when you have a great idea (and entrepreneurs have lots of them) to get carried away by your enthusiasm and belief, but your idea may be ahead of its time where your customers are concerned. They are the ones who must support your idea with their dollars, so doesn't it make sense to ask them what they think before you leap?

Author, speaker and sales and marketing guru, Brian Tracey says, "Before embarking on any new business venture, considerable time must be spent in research. Your payoff will be in excess of ten to one in time and money saved or earned. For every hour that you put into research, you're going to save ten or twenty or thirty dollars or hours later on." Here are some suggestions for doing that research.



**Ask for meaningful information.** Leave no stone unturned. Think of every potential detail you may need to know before launching your idea and put it into your survey. Be clear how much it's going to cost you, what you have to charge to make it work, and who your potential customer or audience is. Ask questions on your survey that will help you determine whether consumers are willing to buy what you're proposing, and how much they are willing to pay. It will show you where you need to tweak the details to make it work, or, whether you need to scrap it and go in a different direction.

**Do your own research.** Read trade magazines, industry articles, and especially educate yourself about consumer trends and cultural influences. Know your customer mindset. Chances are, if your idea consists of selling a high consumption product that's hard on the environment, given the current culture, you're probably not going to be able to sell it. It's not only about knowing what consumers are thinking today, but where they are leaning tomorrow that's important.

**Be objective.** Don't let your love for your idea, cloud your judgment. If there's anything dangerous about the entrepreneurial mindset, it's that they tend to love their ideas so much they'll do anything to justify them. Take the data, learn from it, and make a sound decision based upon it.

Yes it takes time. Yes, it even takes money. But as Tracey says, dollar for dollar you'll save a lot of money if you spend a little to invest in your research, than if you charge ahead based on a wing and a prayer (and even a whole lot of self-belief). Don't stop dreaming and coming up with ideas, but make sure your ideas are based on a realistic market and solid evidence.

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## Defining Moments Define Your Leadership

*This statement is the title of a chapter from the book Leadership Gold by John C. Maxwell, renowned speaker and leadership expert. Maxwell says, "Leaders become better leaders when they experience a defining moment and respond to it correctly. Anytime they experience a breakthrough, it allows the people who follow them also to benefit. The difficulty with defining moments is that you don't get to choose them. You cannot schedule or control them. However, you can choose how you will handle them when they come, and you can take steps to prepare for them." A defining moment is one small moment in time that changes your life. For some it is the day they got married, the moment their children were born, the day they started a new business, the first time they spoke in public, the day they got news of a serious illness. It can be a major event, or it can be something very small, where in that moment your view of the world and your life changes.*

Bev has a dream of starting her own business selling designer handbags. She's in her mid 20's, has just finished a BA in business, and has found someone who is willing to give her a break on some prime retail space. She's done her homework, set up several suppliers, talked to the banks and got her financing in order. She's a month away from opening her little boutique. Working toward her dream has consumed her life for the last 4 years. One evening as she's relaxing and watching TV, she stumbles upon a documentary about an international aid agency that works with women in countries where they do not have many opportunities to be successful. She is captivated by the courage of these women who come from the most difficult of circumstances with a deep desire to change their lives. The story brought to light how little it costs to provide loans to these women to start their own businesses and become self-sufficient and support themselves and



their families. Something about the story tugged at Bev's heart, and she decided to investigate further.

She discovered that it was easy to get involved with the organization that had been featured on TV; that they were credible with a proven track record doing great work; that the loans provided to these women were generally repaid in under two years; and that there was very little risk in getting involved in this venture. Bev felt an unbelievable excitement grow inside of her at the thought of participating in a way that would make such a huge difference in the lives of women around the world. She went back to her budget projections for her business, and decided that she would donate 7% of her profit to provide business start-up loans through this organization. That night sitting on her couch with a bowl of popcorn, Bev had a defining moment. She acted on it, and it instantly impacted her business – even before it had started. She didn't plan it, it just happened.

Maxwell says defining moments can be life-changing events, or a small tug at your conscience that you can't quite put away. How you respond determines the course of your life from then on. Take a moment to write down 5 events in your life, large or small, that you would consider defining moments. Maxwell suggests three ways to prepare for defining moments in your life.

1. ***Reflect on defining moments from the past*** – take those 5 things you wrote down and jot down how you responded to them. Did you ignore them? React immediately? Take some time to think about it? Ask friends or family for their feedback? Chances are, the way you dealt with those defining moments in the past will be the way you deal with them in the future. If you are happy with the way you dealt with them, that's great. If you're not, be aware and make a different choice the next time.
2. ***Prepare for defining moments in the future*** – Maxwell suggests determining ahead of time how you will react to major changes or critical choices before they actually come. He has prepared a list of "I will" statements that he lives by in all situations, so when big moments come, he's already decided how he will respond. Some examples are: I will choose to display the right attitude daily. I will make and keep my commitments daily. I will embrace and practice my values every day. I will practice and develop good thinking.
3. ***Make the most of defining moments in the present*** – this is sometimes the most difficult, especially in the busy, demanding world of running your own business. We probably have many defining moments that we simply miss because we are running so fast! Half the battle is stopping to notice when they are happening, and choosing to respond to them rather than ignoring them.

"I believe that if I keep growing, keep seeking opportunities, and keep taking risks, I will continue to experience defining moments. If I keep making good choices and always try to do the things that benefit my people in those moments, my leadership will continue to be redefined, to grow, and to improve. When that happens, everyone wins." (John Maxwell). What you do with your defining moments will determine your future, and the future of your business. It may seem cliché, but when you take the time to stop and notice what's around you, you'll be open to more and more defining moments. You and your business will benefit from what happens as a result.

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