

## Back to school

**School's back.** All over the country, students have gone back to classes. Now it's time for business owners to start learning again too.

Once school is over many think we are through with the chance to learn new things. But in all of life - and especially in business - continual learning keeps you fresh, competitive, motivated and able to deal with the changes that occur in everyday business life.

Most of us don't want to go back to school itself. Even if we'd love the chance to spend a few years back in the prime of our school years, like most business people we don't have the time to go to classes a few times a week or do homework assignments.

Fortunately, there are many ways to keep learning that don't involve signing up for semester-long courses.

**Short classes:** You don't have to spend 10 weeks to learn a new skill or improve an existing one. Many organisations offer courses that last just a few hours or a few days. University extension programs offer a variety of short business-oriented programs, as do community colleges. Also, check with your industry association for any continuing education programs they offer.

**Join a business group:** Virtually every community in the country has networking, entrepreneur, and community business organisations. These associations typically hold regular meetings with guest speakers.

**Go to a trade show:** In just a few hours, you can attend seminars, check out new products and services, see what the competition is up to, and be re-energised. Many industry associations have regional shows, but even if you have to travel to a national convention, and spend a few days and a few dollars, going to a trade show can be a relatively fast way to learn a lot.

**Read business books:** Books are a fast, cheap,

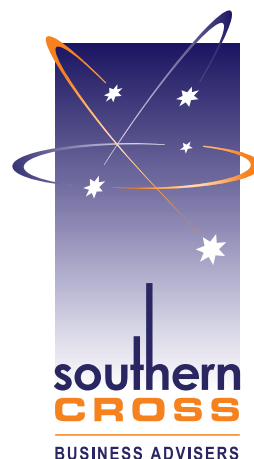
and completely portable way to keep learning - on your schedule. Regularly browse the business section of your local bookstore or library.

**Read business sections of newspapers:** Every business person should read - or at least skim - the business section of their local newspaper every day. What happens in your community inevitably affects you. You need to know which businesses are opening, which are expanding or closing, what trends are affecting local enterprises. This is also where you'll find listings of local entrepreneur organisations.

**Play around with new technology:** Today, technology is a core component of every business, so don't think of it as wasting time when you set aside resources to get new hardware, software, or learn new Internet skills.

**Search the web:** If you don't have time to take seminars or attend trade shows, the Internet is there waiting for you. Find a topic you'd like to learn more about (e.g., marketing, human resources, business planning) and start searching. Just remember, not everything you read on the web is trustworthy - and beware of scams.

As an adult, continual learning keeps you fresh, motivated, and competitive. And unlike the kids going back to school, you don't have to worry about results, or being in the same class as your best friend.



# Disputes - a fact of business life

A significant conflict with a customer, employee, supplier, or partner is always disrupting, and the more we allow disagreements to escalate, the more damaging they become. Try these strategies for dealing with disputes:

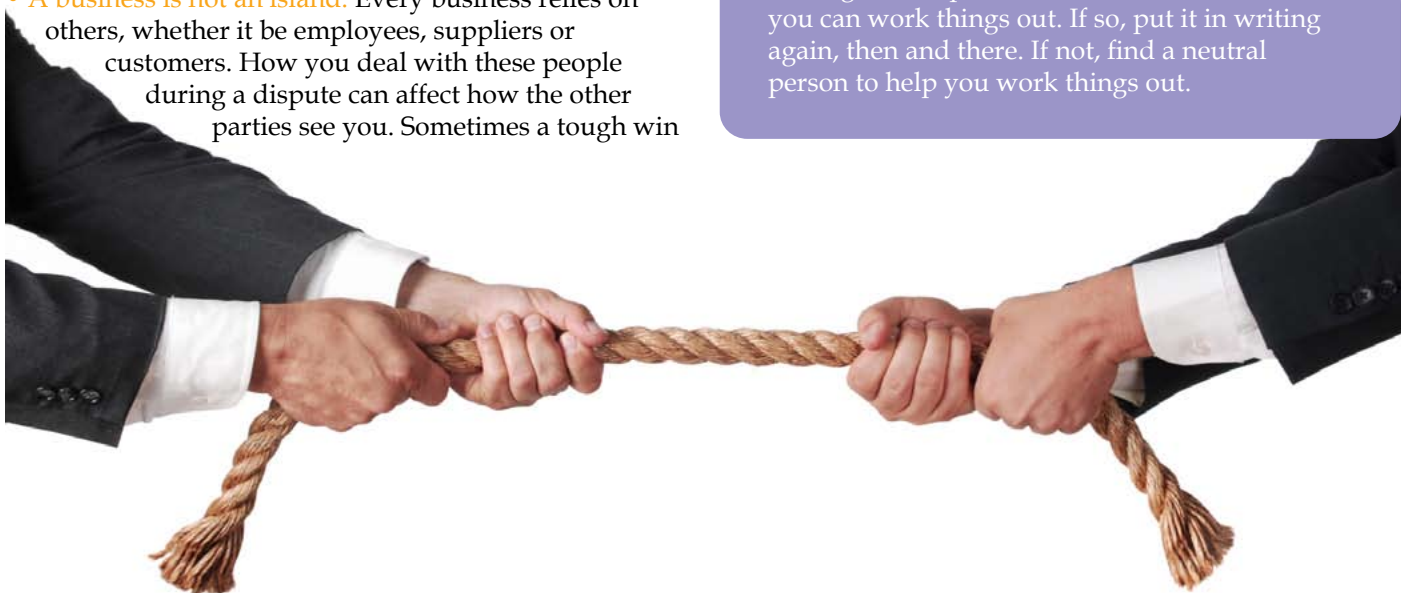
- **Don't make it personal.** One of the most common mistakes in dispute resolution is to allow the dispute to become a personal attack on the other party. As soon as this happens discussions invariably break down, and in many cases the initial issue takes second place to a battle of ego's and swapping of insults.
- **Principle, not position.** When presenting a case make sure it focuses on principle, such as customer service, as opposed to simple opinions. The reference point in resolving the dispute then becomes something that falls in the interests of both parties.
- **Don't take it personally.** Even the most reasonable, fair, easy-going people find themselves the target of complaints. The other party may not understand the "rules of engagement" when it comes to resolving an issue. Keep the gloves on and don't allow yourself to be drawn into an argument, however tempting it may be.
- **Listen.** Often a dispute can be brought to an end by simply listening to the other party. Once they have had the opportunity to explain their position, without interruption, often the problem is no longer a problem. In many cases, the other party simply want to be heard and have their opinion validated.
- **Seek the quickest solution.** The longer a dispute runs, the more out of control it can become. Not to mention the additional cost and disruption to a business. On a personal level, individuals naturally see a delay in resolution as belittling the issue. What may seem an expensive first option, is often the cheapest and likely to be the most practical.
- **A business is not an island.** Every business relies on others, whether it be employees, suppliers or customers. How you deal with these people during a dispute can affect how the other parties see you. Sometimes a tough win

can upset other important business relationships.

- **Focus on the benefit.** Disputes are unpleasant. Treat them as a chance to get things right and they will automatically become a positive influence on your business.
- **Avoid a legal solution.** A legal solution brings in a third party, the court. When that happens you are running a real risk by moving things further away from your control. While it may be a good idea to get legal advice and consult a lawyer, don't act too soon. A good legal advisor will always discourage a legal solution.
- **Be open.** Look for ways to enable feedback and complaints from those involved with your business (including staff, suppliers and customers), to be heard and dealt with promptly. Don't allow small issues to build up or be ignored.
- **When all else fails.** Sadly, if a dispute cannot be resolved despite all effort, the intervention of a third party may be necessary. If that is the case, speak to your legal advisor about mediation as a final option. Often mediation options with an independent party can be arranged through your industry association.

## Prevention is better than cure

Even little business disputes can cause lost sleep; big ones can lead to lost money, business, and even friends. It's better to try to avoid conflicts in the first place. Before entering into a relationship (customer, supplier, partner, employee or alliance), clarify all the terms, being certain to discuss areas of potential conflict. Then put it in writing! If a dispute arises, sit down and see if you can work things out. If so, put it in writing again, then and there. If not, find a neutral person to help you work things out.



# Analyse the competition

Many business owners and sales representatives spend too much time and energy worrying about what the competition is doing. Business success often depends on listening and responding to customers needs.

That does not mean you can just ignore the competition. From time-to-time, a review of who is doing what in your market segment can be a worthwhile exercise.

If you approach a competitive analysis exercise as an opportunity to learn – and not just get mad you may find ways to enhance your products or services, or at least improve your marketing.

Here are some easy ways to kick off your competitor analysis, all from the comfort of your computer. Just jump on the Internet:

**1. Competitors' websites.** Don't stop at the home page. Read the "About Us" section and review descriptions of their products or services. Here are some other things to pay attention to when reviewing your competitors' websites:

- descriptions of products/services
- strategic alliances
- pricing
- customer lists or testimonials
- recent contracts won
- staff
- how often the site is updated

**2. Review which websites are linking to the websites of your competitors.** Go to Google and in their search bar, type in the word "link," followed by a colon, then a space, then the full URL of the website of your competitor. In other words, if you wanted to see who was linking to a website of a competitor type "link: www.yourcompetitorwebsite.com" to see who sends web traffic their way. You can then review their business to work out what connection they have to the competitor, or even contact them to ask them to link to you as well.

Link searching will also help you understand your competitor's ranking on the various search engines.

**3. Local competition.** On the Google home page, search the names of your competitors and the generic description of your product/service category and location (if appropriate). Try alternative phrases as well. In other words, if you want to find out who's competing with you in the catering industry in Sampletown, also try phrases like "catering" and "Sampletown". Don't limit the search to Google, try the other search engines as well, such as Yahoo.

**4. Industry associations.** If you target specific industries, review the websites of those industry associations. Information such as memberships and exhibitors lists at



recent trade shows or conventions may reveal whether your competitors are actively marketing to the same industry.

**5. Conduct a business search.** If you have the budget, and the competition is well established, you can get a business and credit report from one of several information providers. Some of this information is provided by business associations on behalf of their members.

Despite what information you gather, the fact you have competition should help you to constantly revise your strategy and improve your products and services.

## How about a strategic partner?

A strategic partnership is a commercial relationship with another company for purposes such as distribution, product development, or promotion. Here are some examples of strategic partnerships:

- **Distribution or licensing agreement.** This is an agreement that permits a company to carry and sell another's product line. A licensing agreement may provide for the use of a specific product name or trademark as well as the product line itself.
- **Cooperative advertising.** A frequent practice in many industries, this happens when two companies are mentioned in an ad and each pays part of the cost.
- **Bundling.** In this relationship, one company includes another company's product or service as part of a total package.

Before you begin, clearly set out the expectations of each party. Make sure that the partnership benefits all involved. Additionally, set clear key performance indicators so that each party can track the success of the partnership. Finally, put the details of the agreement in writing with a fixed term and option to renew based on the success of the partnership.

# Hire right the first time

Finding the right workers can be a challenge. Since much of a small company's success depends on the quality of the people they hire, this is a critically important task.

Here is a summary of things to do when hiring that should increase your chances of success:

- **Write a clear job description.** It is difficult to recruit the right person if you are not sure what job you want them to do. Start by writing down all the tasks you need done. Next, think about the attributes, skills and experience needed. Be realistic. It is unlikely that you'll find a great salesperson and bookkeeper in a single person.
- **Allow adequate time.** When possible, start the candidate-hunting process as early as possible. The more time you have, the less you'll feel pressured to hire an unqualified candidate just to fill a position. Generally, it is better to leave a job open than to hire the wrong person.
- **Make your ad appealing.** Include language that shows how the job is particularly interesting or different or some aspect of your business culture.
- **Explore all avenues.** List the job in many places, including newspaper classifieds and online. Not all candidates respond to the same medium. Be sure to send your job description to your personal and professional network of acquaintances. Many of the best prospects are found through people you know.
- **During interviews, don't do all the talking.** It's appropriate to explain the job, and in many cases, to try and sell the job to the candidate, but most of the time the candidate should be talking. Most candidates will

be a little nervous so have a few questions prepared in advance to ease the candidate. Consider asking what about the job appealed to them, what particular skills they have, and what they didn't like about their last job.

- **Understand the person.** Ask questions that help you get a feel for the applicant's personality and attitude. Be careful not to ask questions that are or may be illegal, for instance, asking whether a candidate is planning on having a child or age. It is acceptable to ask about hobbies, interests, where they grew up, what their long-term goals are. Diverse interests usually mean a candidate brings more life experiences to a job.
- **Check references.** Even if you have no reason to doubt the honesty of an applicant, you can learn a lot by checking references. Use the reference check as a way to learn how to work more effectively with your new employee. Don't just ask about how hard they worked. Try questions like: What kind of training would you suggest to make the applicant an even better employee? What type of tasks required greater supervision? What duties did the candidate particularly enjoy or do well?
- **Most importantly, hire for attitude.** You can train for skill. It's tempting to choose a candidate with identical experience. Be careful of the habits they may bring. Resist the temptation to go for the easy option and choose the person who can grow, learn, and contribute to your company's health and growth.



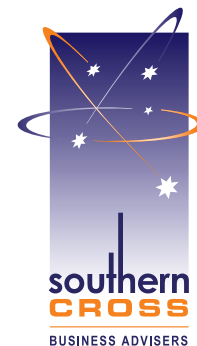
## OUR SERVICES

## Are you driving your business or is it driving you?

Are you at a point where so much time and energy is taken up dealing with the day-to-day running of your business that you have little or no time to think ahead?

If you are, you are no different from the many other successful business owners we have helped. Southern Cross Business Advisors has developed a sophisticated strategic planning service **specifically designed for businesses just like yours.**

If you want to get your business back on track and lay the foundation for sustained growth and improvement, call us today on (03) 5022 7709 to arrange a **FREE Business Diagnostic review.**



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