The Small Business Leader
Leadership Strategies for Entrepreneurs

TRENVAL
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Introduction

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader." John Quincy Adams

Leadership is a hot topic. You see it everywhere - books on leadership, leadership seminars, management leadership training, and non-profit and business leadership courses abound. It's a hot topic because it's important, and because traditional leadership qualities and strategies are being challenged by new research that is showing that people respond to leadership differently than they used to. Expectations have changed, and the thinking around what makes a good leader has changed as well.

This anthology starts with seven traits of successful entrepreneurs – leadership starts on the inside. Growing the Leader in You will help put you on track toward becoming a leader people will want to follow. We all make mistakes, it's what we learn from them that makes us improve, so check out the 5 Top Mistakes Leaders Make and see if you spot anything you might be doing wrong.

Sometimes strong leaders simply stray from their original focus or path due to the constant daily demands of owning a small business. Achieving Clarity offers guidance to help you re-define your vision as the leader of your company and to create a clearer vision for the future of your small business.

In addition, you'll find valuable leadership strategies that include developing an ethical workplace, assessing your business effectiveness, and the art of delegation. If you are looking to brush up on your leadership skills, read the Top Ten Business Resolutions. Whatever the time of the year, it's always worth making a few new resolutions.

Finally, take some time to think about what you might need to do in order to get ready to sell your business or pass it on to the next generation.

As a small business owner, you are a leader. Whether you're leading your business all on your own, or have a team that looks up to you for leadership, these chapters will help you to think about things differently, and inspire and equip you to grow your leadership skills in the coming years.

Ingrid Vaughan
Business Writer

From the Inside Out

7 Traits of Successful Entrepreneurs

All of us have skills, talents and experience that position us in the marketplace to do certain jobs really well. Some of these things are learned in a formal way, some are learned through experience, and some are innate – they're just the way we're made. In the same way that you can see the qualities that would make someone a good counselor (listening skills, empathy, discernment, patience), or a great carpenter (attention to detail, accuracy, skilled hands, pride in their work), you can also determine the traits that make a successful entrepreneur. Some of these traits can be learned, but many are hard-wired.

Entrepreneurs are a special breed. They fearlessly take risks, plunge forward without always having all the information, are willing to suffer the consequences of making mistakes, and for the most part – can't imagine being employees! Here are seven traits that you'll see in most entrepreneurs. Just like the counselor and the carpenter, these are the things that make entrepreneurs successful in the crazy, ever-changing, competitive world of self-employment.

1. Bounce-Back Buoyancy

All companies go through highs and lows in terms of sales cycles, productivity, staffing, cash flow and many other aspects of business. How you weather those highs and especially the lows, will affect your overall success. What do you do when your cash flow starts to dip into negative territory? Or when you aren't reaching your sales targets? And what about those times when you're struggling to keep enough staff to run the business? What is your attitude when you make mistakes – botch a huge order, upset an important customer, or miss a critical deadline? Your ability to "bounce back" in all these areas is extremely important. Do you have systems in place for when the "low times" occur so that you can keep running effectively? Have you thought through how you'll deal with mistakes if and when they happen? Entrepreneurs have a plan before the tough times arrive to ensure they'll be able to weather those storms and bounce back more quickly.

2. Necessary Nurture

Although much has been written about the importance of staff development and employee morale for a successful company, this point cannot be overstated. Are you providing an open environment where people feel free to voice their opinions, ideas, complaints, and suggestions? Are you approachable – does your staff feel it's safe to come to you with their concerns? Do you provide opportunities for continued learning and skill building? When your staff is healthy and happy, your customers will benefit, and ultimately your company will see growth and success. Successful entrepreneurs take the time to nurture the people who give them one-third of their lives every day. This is a critical component of success.

3. Going With Your Gut

Intuition is one of those funny things that everyone has, but not everyone trusts. Intuition is not so much the power of knowing what's going to happen, but the power of observing what is happening. Entrepreneurs observe what's going on around them, and the more they do, the stronger (and more accurate) their intuition becomes. For example, if you notice a change in the dynamic of how your staff interacts on a daily basis (whispering in small groups, normally social people working behind closed doors, underlying tension at staff meetings), your intuition kicks in and tells you something is wrong and you need to pay attention. Entrepreneurs have honed their powers of observation with staff, customers, competitors, and within their industries, resulting in an ability to anticipate and troubleshoot problems before they get out of hand.

4. Capacity for Creativity

Best-selling business author George Lois said, *"Creativity can solve almost any problem. The creative act, the defeat of habit by originality, overcomes everything."* This could not be truer for business owners. Creativity is seeing something that doesn't already exist. It's looking beyond the obvious "same-old" solutions even if those solutions have been effective in the past. It's finding

new ways to sell, new ways to exceed customer expectations, new ways to motivate and encourage employees, new ways to solve old problems, and new ways to plan for your future. Brainstorming, mind-mapping, focus groups, and sometimes simple, casual get-togethers with friends and co-workers can spawn creative ideas that will impact business in a big way. Maintaining an atmosphere that says "no idea is a bad idea", and giving people the freedom to drop things into the hopper will shake things up now and again. Entrepreneurs depend on a constant infusion of creativity to navigate the changing business climates they face.

5. Passionate Productivity

People often start businesses because they have a passion to do or create something that they want to share or provide to others. After a few years, the demand of simply running the business can begin to take over any passion that may still be lingering, and rather than a passionate offering of a product or service, it becomes a daily grind. Successful entrepreneurs find a way to continuously reclaim that passion. They find new ways to do old things. They make changes that fuel them and move their businesses forward. They welcome ideas. They constantly look at their business from different angles with a view to making it better. Passion is contagious, and successful entrepreneurs have it in spades.

6. Living Leadership

Successful entrepreneurs are the leaders of their businesses. The impact of that statement is enormous, and those who take it seriously have successful companies. Everyone is watching the leader – staff, customers, competitors – and how the business is run is being noticed by everyone they come in contact with. Someone once said that integrity is defined by what you do when you think no one is watching. Entrepreneurs take advantage of the awesome responsibility of leading their company. They recognize people are always watching, and live out their values and principles in everything they do. They embrace their personality,

leadership style, strengths and weaknesses, experience, and passion, and live them out on a daily basis. Living leadership is a noticeable trait in successful business owners.

7. Boldness in Balance

Balancing home and work successfully is absolutely a critical skill for successful entrepreneurs. It takes boldness to set boundaries, to be willing to make tough choices and to prioritize in a way that provides balance in all areas of life. If business is controlling your life, you may feel successful in the short term, but the toll on your family and your life will be great. The long-term

consequences won't be worth it. Entrepreneurs understand their personal lives deserve attention as much as their businesses. Maintaining strong relationships, volunteering to serve others, having hobbies and interests beyond work – all of these create balance, and a balanced person is a much more effective business owner.

How many of these entrepreneurial traits do you exhibit? They may be things you have inside of you, but somehow you've let them take a back seat. Are there goals you could set to bring them out and make them a part of how you run your business and ultimately lead you to greater success?

Growing the Leader in You

The Transition from Managing to Leading

The trend toward a distinction between leadership vs. management is progressing rapidly in today's business culture, and those who are being led rather than managed are showing signs of greater productivity, increased job satisfaction and a higher potential than ever before. The paradigm shift that must take place in this transition from managing to leading can be quite substantial, depending on both your management style and your employment history. If you're an authoritative type who functions best when there are lots of rules and standards, and everyone is being managed to adhere to those standards, you may have more difficulty making the shift than someone who is by nature an open team-player who enjoys participation with others more than achieving standards. Whatever your natural style, the trend toward leadership is growing, and the result of teams operating in this way is encouraging. Let's have a look at the difference between a manager and a leader.

Managers

Managers manage because they are working in a hierarchy. By definition, a manager has a higher position than those who work for him/her, and who are called subordinates. They typically have power over another group of people, make decisions about how those people will work and evaluate their performance. It is a formal authority within a hierarchical structure. The subordinates do what they are told to do and their salary is often the primary motivator for their performance. Managers are typically also subordinates to someone else, and are paid to get a job done using their subordinate workforce. This translates into productivity being of primary importance to the manager, since the performance of the workforce reflects on their management performance. According to recent research, managers tend to be people who have come from stable backgrounds and lead relatively comfortable lives. They tend not to be risk-takers. In a hierarchical workforce, it is important that the team looks upon the manager as more knowledgeable and less prone to making mistakes than they are.

Leaders

Leaders, by contrast, do not have subordinates. Even if they are working in hierarchical organizations, they choose to give up their formal authority and invite people to follow. Leaders tend

to have a more charismatic style and understand that telling people what to do does not necessarily inspire them to follow you. They tend to be more people-focused than task-focused and are always interested in seeing growth and development in those they are leading. This does not mean a leader cannot be task-focused - in fact, many are, but they know how to encourage loyalty and motivate others to work toward common goals and visions. Leaders appear to be much more likely to take risks. They are comfortable with making changes when problems come along, and are not afraid of conflict and confrontation for the betterment of the team. Leaders willingly admit their mistakes, and use them as learning tools for the team.

The trend of making a transition from management to leadership is occurring because studies show people are less motivated by money and highly motivated by job satisfaction, the feeling of making a difference and doing meaningful work that is valued by others. People in general prefer to be led rather than managed. Traditional management still works and functions in our culture, however a leadership style of management produces greater results. Leadership expert and author Jim Clemmer says, "Leadership is a verb, not a noun. It is action, not a position. It is what we do, not the role we are in."

If you have the freedom in your business to make the behavioural and visionary transition from managing your employees to leading them, it may be well worth the effort to see the difference it could make. Even if you are working within a company structure, you can adopt a leadership philosophy within your management style. How can you make this transition with those you manage? Here are some suggestions:

- Work alongside them rather than above them on projects and tasks. Let them know you are more interested in working with them than in just managing them.

- Invite the input of those you work with. This does not mean you are bound to accept every piece of advice or suggestion given to you, but if you truly consider every person's input

and value their willingness to give it to you, you will inspire them.

- Remove hierarchical language from your workplace. Language is a powerful thing, and it can influence the way people view themselves and how others view you. Begin introducing co-workers as people you work with, rather than people who work for you.

- Provide an atmosphere conducive to teamwork. Create opportunities for staff to contribute their ideas and thoughts about what's happening in the business.

- Provide teamwork training for strengthening your team. Acknowledge the successes of individuals when they reach their goals or deliver exceptional performance.

- Share the load. When one person is struggling beneath a heavy workload, pass it on - this fosters a shared sense of purpose and teamwork within the company.

- Be vulnerable with your team. Let them know where you struggle, and where your weaknesses are. They will respect you for your authenticity and be more motivated to put their shoulders to the wheel and help out when you need it.

- Inspire them to work with you, rather than telling them what they need to do. When people feel valued, satisfied and significant in their work, they are more creative, more productive, more willing to put in extra time and effort.

The transition from managing to leading can produce great results. Try making a few changes to see how your team responds. If you get the results that are typical with this kind of transition, you will find your team working harder, faster and better than ever before. SBS

Ethics at Work?

Six Reasons for Considering an Ethical Workplace

Ethical business and workplace ethics are popular topics these days. More and more organizations are enlisting business to join them under the umbrella of ethical businesses practices, products and services. Ethics consultants are being hired to help companies see how they can establish ethical workplaces. Just because it's hot, doesn't mean you should drop everything and hire a consultant. However, here's some food for thought. For some business owners, the desire to establish ethical business practices may come from having experienced unethical treatment somewhere else. They want everyone connected with their business to know that they will be treated ethically. For others, it's simply an affirmation of what they're already doing. They run values-based ethical businesses, but having documentation that outlines their ethical policies simply formalizes the fact that they're doing it. If you've never thought about it before, here are a few reasons to consider building an ethical workplace.

Ethical Business Practices Improve Society

Fair wages, workplace safety, discrimination, sexism, child labour – all are issues that have been addressed as a result of business ethics. A willingness over the years by employees to raise, and employers to address, unfair work practices has resulted in much higher employment standards than existed several decades ago.

Ethics Programs Cultivate Strong Teams and Increase Productivity

An ethical business program is built on the moral and ethical values of its leaders. Your business

ethics will reflect your values and what's important to you. If you're a savvy business owner, you hire people who believe in and support those values; people who are willing to reflect the behaviours and standards of those ethical values. In an ethical workplace, everyone knows where they stand, as well as the resulting consequences if they fall outside of the ethical guidelines set for the business. A common purpose, shared vision and clear expectations all contribute to a strong team, and a desire on behalf of team members to do well for the company, resulting in greater productivity.

Ethics Programs Protect Everyone

If workplace ethics are clearly laid out in company policy, and if employees have agreed to those policies, legal action against employers becomes more difficult. On the other hand, ethics also protect employees from shady business practices of their employers. Not too many business owners will agree to write down their unethical practices in a document. If a company supports ethical business practices, everyone wins.

Ethical Business Practices Provide a Moral Compass for the Company

Because ethics are values-based, they will not move with the winds of change. They won't change as new technology arises, they won't change when staff or management come and go, and they won't change when others in the industry do. They are like a beacon that defines who you are as a business, and how you function, no matter what else is going on around you. This sets a strong foundation for your business and allows you to do business in your industry with integrity and stability.

Ethics Programs Help You Manage Your Business

In every area of your business – policy, production, service, administration, planning – your ethics guide you. They are the foundation of everything that happens. Spelling out your workplace ethics means that those principles guide your decisions in every

area. It means your managers know what decision you'd make in any given circumstance, and follow suit. It means employees know how you want them to behave. It means everyone knows and agrees with how you want to run your business.

An Ethical Business Projects a Strong Public Image

You will become known by your practices. If people know you honour your contracts, put out only the highest quality products, value them as customers, and do what you can to make things right when they go wrong, they will make a decision about whether to do business with you. Ethical business practices are valued by the public, and can only improve your business success.

An ethical organization demonstrates the following principles:

1. They value diversity

2. They are zealously committed to fairness

3. They focus on individual rather than collective responsibility

4. They don't do anything that isn't tied to their overall purpose

5. They have a clear vision

6. They insist on integrity at every organizational level

Maybe you're already applying ethical principles in your business. Why not formalize it? Why not create an ethical business program or policy that clarifies those principles and puts them down in writing so everyone in your company knows? If you haven't thought about this concept before, maybe it's time to do some work around clarifying your values and what it means to you to be an ethical business. Overall, it's just the right thing to do, but it may also be the profitable thing to do. SBS

Top 5 Mistakes Leaders Make

professional growth in this area. Sometimes growth comes just as much from knowing what NOT to do, as it does from learning what TO do. Use these five examples of typical mistakes leaders make to move you toward greater strength in your business leadership.

Having a Top-down Attitude

A military-type model where the leader barks out orders and expects his followers to do as they're told comes naturally to some Type-A leaders, and although this type of structure may be necessary in a military environment, it is rarely effective anywhere else. Strong leaders know that their success begins with modeling values and qualities they wish to see in others, however they also acknowledge that even the lowest man (or woman) on the business totem pole has something valuable to contribute. Effective leadership is collaborative and takes into account everyone's perspective.

Not Recognizing the Importance of Affirmation

Everyone needs a little affirmation from time to time, and in a work environment where this is absent, you'll find unmotivated workers, people who make mistakes, clock-watchers, and those who just put in their time and produce the bare minimum. In environments where people routinely receive affirmation from the leadership, you'll find people who produce more than what is expected, employees who are motivated to perform at their peak, people who are confident in their work and in their value to the company, and an overall positive work climate.

If you're running a business, you're a leader. If you have employees you lead by example every day. If you don't, you're still leading the process of growing your business from one day to the next. Some people are born with a natural gift of leadership; others must learn how to become good leaders. Regardless of whether leadership comes to you naturally, or whether you struggle with it at times, your business will always benefit from your

If you make affirmation a priority, you'll notice a difference in what happens in your workplace. Your customers will notice it too - and that's good for business.

Not Valuing Pioneers

Pioneering people can drive you crazy. They're always coming up with new ideas before they've finished with the old ones. They think in ways that sometimes seem ridiculous. They are full of energy to initiate change, sometimes even when it seems there's no reason for it. And they never seem to be able to just settle down and do the work that needs to be done. Pioneers do need help sometimes with staying focused and on task, but it is their strength that will propel your business forward. Value the pioneers on your team and listen to them. You won't implement every idea they come up with, but keeping in touch with their vision and ideas will mean you're ready when the right one pops up.

Sloppy Delegation

A good leader knows that delegation is one of his/her greatest tools for managing the workload. However, some leaders take this as license to get rid of every task on their desk. If you're going to delegate, make sure that the task is something you should hand off. If it's something you know is your responsibility, handle it yourself. Otherwise, make sure you're assigning the task to the best person to handle it. Delegation should match each person's skill level and ability to perform at the expected level. It should also consider the person's existing workload. Handing off tasks to someone who is already overloaded may not be the best decision.

Inconsistent or Poor Communication

Communication is the leader's highest calling, and ineffective communicators can never make strong leaders. Everyone should always know what you expect of them, what your goals are, what your corporate values are, and how you expect business to be conducted day to day. Be clear with instructions, take responsibility for miscommunication, handle conflict in a positive, productive way, and ensure your company communication process is clear and consistent. This will increase your leadership strength significantly.

Take on the challenge of building your leadership skills by knowing what not to do. Counteract those things with positive action, and you'll be on your way to becoming a better leader. SBS

Ten Qualities of Top Leaders

Here is a crash course on leadership - our top ten leadership qualities. Ask yourself how you fare on your demonstration of each of these qualities as you lead your business, your community, and your family. It doesn't matter where, or who, you are leading, these qualities are transferable from one area of life to another.

1. **Top leaders are visionaries** - they see the big picture. In fact, their eyes are always on the big picture. They don't get caught up in micro thinking, but recognize what needs to be done today in light of tomorrow. Whether you're planning your next sales quarter or your retirement, an eye on the future is necessary to be effective.

2. **Top leaders are strong communicators** - whether addressing an audience or writing a proposal, effective leaders know how to get their message across. They are able to see beyond all the clutter and communicate with confidence, conviction and clarity.

3. **Top leaders inspire others with their dreams** - they see things as they really are, but they also envision positive change. They deal with what is real, but they also dream and inspire hope at the same time. Martin Luther King is an example of one of the great leaders of the modern era. His "I have a Dream" speech goes down as one of the most inspiring and change-affecting events in American history. Dr. King acknowledged the present reality, but looked beyond that and led people to change what was thought to be unchangeable.

4. **Top leaders aren't control freaks** - contrary to a more traditional view, top leaders are able to let go of the "doing" and simply lead and encourage others. They don't have to do all the work because they surround themselves with people who are competent and capable. Then, they let go and allow others to do their jobs.

5. **Top leaders love people** - you can't be a great leader unless you love people. People follow leaders who are genuine, who show that they care, and who build relationships with those they lead. Top leaders love to develop dynamic teams, and care about the success of others.

6. **Top leaders accept responsibility** - they know the buck stops with them, and they never make excuses. They don't blame others, or get resentful when others don't do their jobs adequately. They figure out how to improve what went wrong, and move forward. Ultimately, they know they are responsible for what happens with the members of their team and the project at hand.

7. **Top leaders model leadership** - they are genuine, and what you see is what you get. They don't expect others to do anything they wouldn't do themselves, and live and work with integrity and high standards. They lead from the front, knowing others are watching and exemplify the qualities and behaviors they want to see from others.

8. **Top leaders are charismatic** - they have a strong ability to create rapport, and are able to generate enthusiasm and trust very quickly. They have a personality and style that draws people to them. Top leaders use their charisma for the genuine purpose of developing relationships and furthering goals, but not to manipulate others. They understand the power their charisma holds, and do not abuse it.

9. **Top leaders show determination** - they follow through. They don't give up. They keep walking when the snow is knee-deep. They inspire others to do the same because they are demonstrating perseverance. They maintain a positive attitude in spite of difficult circumstances, and believe that hard work and determination will pay off in the end.

10. **Top leaders are passionate** - passion distinguishes top leaders from average leaders. Top leaders have an extremely high level of belief in what they are doing and are able to communicate that to others in the organization. Their passion has usually taken them to their leadership position, and is their driving force in everything they do.

It's difficult not to follow a leader who sees the big picture, communicates effectively, lives with practical optimism, doesn't feel the need to control, loves people, accepts responsibility and doesn't blame; someone who models leadership, shows determination and demonstrates charisma and passion. Think about leaders you really admire - past and present - and you'll likely see some, if not all, of these characteristics in them. Ask yourself: where are your leadership strengths and where do you need to grow? SBS

Top Ten Business Resolutions

I think it's a waste of a good incentive to only make resolutions in January, so here are ten great resolutions that you can adopt for your business at any time to make you a better leader in, and of, your business. Most of them are pretty basic, but I'll bet there isn't an entrepreneur out there who can't relate to a fair chunk of these!

1. **Focus** - I'm an ideas person; you know - the big picture and all that. The problem is that I am always looking forward to starting the next exciting venture I've dreamed up long before I have consolidated my existing businesses. All that is going to change; I am going to focus on my primary businesses and ensure their success! It is much easier to start something new than to work hard to establish what we have, especially the more entrepreneurial amongst us. To help me along, I have asked my mentor to gently remind me to focus every time I start to waver or wax lyrical about some new venture or opportunity I have come across.

2. **Organize my day better** - I am already an avid To-Do list writer but my ambition always outweighs reality and inevitably I fail to finish my daily list which is, of course, counterproductive and leaves me with a sense of failure - EVERY DAY! So, periodically, I am going to look at my goals and make them more achievable. That way I can finish my day on a high and leave myself raring to go for the next day. I am also going to put my To-Do list up on a white board in my office so I can see it clearly and have the great pleasure of using my eraser to keep clearing my slate.

3. **Make sales a daily activity** - This is a tough one; although I have been successful in sales all my life, I no longer really enjoy selling. The problem is that if we are in business, we are in sales. Part of the trick of success for entrepreneurs is to balance big picture thinking with the daily task of selling. It doesn't matter whether we have a sales force or not, as owners or managers of businesses our primary duty is the act of selling. My new resolution is to diarize a sales or marketing activity every day - yes every day! It's going to be tough but I am going to make myself take a few minutes out of my busy schedule to push sales forward.

4. **Follow Up** - This is another area that I often let slip. Follow up with staff, colleagues, new customers, old customers and contacts. So much so that last holiday season I never got around to sending out season's greetings to anyone; talk about Scrooge! I missed a perfect opportunity to connect with those who help make my business a success. Not so this coming year. I plan to re-connect with all my past contacts and clients, just to say hi. I am also going to make it a rule to email everyone I meet the day after

I meet them and keep in contact with as many of them as possible. I am also going to dust off those thank-you cards I bought a few years ago and send them to anyone that helps me in any way. Last, but definitely not least, I am going to make it a priority to talk to my staff and colleagues, especially those I don't have daily contact with.

5. **Work ON my business, not just in it** - The day-to-day activities of my business are such that I rarely get the chance to pull back on the lens and think about the big picture. It's important, from time to time, to make space to buckle down and update my business plan, and just as importantly, develop a strategic plan including goals, objectives and timelines. I owe it to myself, my employees, and my business to do it right!

6. **Keep up with managing my accounts** - Years ago, I was on a flight with the Chairman of my parent company. I noticed him looking at a small black book with column after column of tiny numbers. I asked him what they were and he said that they were the daily sales of the company in units and revenues. He showed me ten years of figures from the first day of the business to the current day. He said that in this way he could see trends occurring within his business and if there was a downturn, or a problem, he could see it before anyone else could. This, he said, was his job - to keep his finger on the pulse of his business. I am going to start such a book! Sure, others are looking after the pennies and making sure things are okay but, as the owner/manager of a business, I should know exactly where the business stands at all times.

7. **Work smarter, not harder** - I work really hard but sometimes I think that I work harder than I need to. When this is the case, it may help to start to look more closely at the work I need to do and decide whether this is something I really need to do myself, or whether I could delegate it to someone else. Too often I spend time on things that do not earn the company money or move it forward. It is like the person who owns a small machine repair shop charging himself out at $75 an hour, and then picks up and delivers the machines. At about an hour a delivery and pick-up he could hire a driver, or pay a courier $10 a delivery and make his business $65 carrying on doing what he does best.

8. **Communicate more and better** - So often I think I have communicated something well only to find out later that the person didn't hear me, didn't understand me or didn't even receive the email I sent! I vow this year to make sure that all the people I communicate with, fully understand me and assume nothing until I am certain this is the case.

9. **Be more positive** - We all get down sometimes, and it's easy to think that we must be unluckier than other people. The truth of course is that business is a series of ups and downs, and success lies in how we ride the roller coaster. I saw a quote recently that said "positive and negative are directions - which direction do you choose?" At the end of the day, our future success does not rely on what happens to us but on how we deal with the things that happen. I am going to start taking the good with the bad - I am going to enjoy the good, persevere through the bad and learn from both.

10. **Find time for community involvement** - 'I never have time'; it's become my mantra. This attitude has to change. In the coming months I am going find a cause I can believe in and donate some of my energy - after all it's the most precious thing I possess.

If any of these resolutions has hit a familiar chord with you, take some time to think about how you can commit to making positive changes for yourself and your business. And, don't wait for a New Year – start now! SBS

Is Your Business Successful?

How Assessing Organizational Effectiveness Can Improve Business Success

One of the challenges small business owners face is having the time, energy and expertise to engage in some of the business functions that can significantly improve business effectiveness. Day-to-day operations and the business of making money take all our energy and focus. And yet, those who succeed beyond the ordinary are generally businesses that look beyond simply profit and loss to determine whether they are successful. There are many measures of business success. Employee retention and satisfaction, profitability, production quality, customer service, systems and efficiency are a few of the ways that businesses measure not only whether they are successful money-makers, but whether they are achieving overall business success.

Why is this important? Think about your car. You can assume that it is effective simply because you put gas into it and it takes you from point A to B. The truth is, there are many more components to your car, and if you don't pay attention to them through regular maintenance and assessment, your car will eventually stop running, or cause you to get into an accident. Business owners who simply look at whether they are making money every month and using that as a measure of success are simply

putting gas in the car. If other areas of the business aren't effective, this will eventually affect the overall ability of the business to function.

At minimum, even a small business should look at some of these areas annually to ensure that these other components are not eventually going to bring the car to a grinding halt. It doesn't have to be an onerous process, but you should count on spending a day or two at the beginning or end of your fiscal year evaluating some of these things – that's your regular maintenance – to keep things humming along smoothly. Here are some things you should be looking at on a regular basis.

Profit/loss – Quite simply, are you ahead of the game? Are you bringing in more than you are spending? Are you reducing your debt? Are you able

to pay your suppliers and your staff on time? Do you have a healthy cash flow? Are you able to accurately project income and outflow? At the end of the day is your business profitable, or do you at least have a plan for when it will become profitable? These are some of the questions you should be considering when assessing your financial stability. This assessment is relatively easy – you just have to look at your books. If the answer to any of these questions is no, you need to make a plan to address them. But this is not the only measure of organizational effectiveness.

Employee retention and satisfaction – Are your employees happy to be working for you? Is your turnover low? Are they productive and do they produce high-quality products or services? Is morale positive and upbeat? Do you have an effective way to deal with performance issues? Are you using an effective performance management tool? Do they feel valued by you? Employee satisfaction is an important measure of effectiveness and it's not that difficult to gather the information. Employee satisfaction surveys are a useful tool to get the data you need to figure this out. Create your own or find one online. Satisfied employees can fuel your business success, and dissatisfied ones can put the brakes on any other efforts you may be making. Addressing employee-perceived issues quickly and effectively will give you an edge and keep your business at the top.

Customer satisfaction – How do your customers feel about you? I'd venture a guess a lot of small business owners wouldn't have a clue how to answer that question. Other than the occasional comment from a happy customer, do you know whether you are serving them well? Again, a simple survey can assist you with gathering this information. If you're keeping good records, you can email or post a copy of the survey to everyone who has purchased from you over the past year (be sure to include a SASE if you're mailing it). Or, assign a couple of your staff to do some by telephone if you don't have the type of business

where you keep customer addresses on file. Just a few questions (no more than 5) that allow them to tell you how they think you're doing will go a long way toward giving you concrete information about where you can improve, and also make your customers feel valued and appreciated. Everyone loves being asked for their opinion. You may be making money and feeling good about your business – but if you are not being effective in serving your customers well, you're missing out on a whole lot more money! Without the assessment, you'll never know how to improve this area and will miss the opportunity to boost your sales even more.

Efficient systems – Measuring the internal effectiveness of your systems can provide information that significantly impacts your business success. Sure, you've always done things a certain way, but how will you know if there's a better, faster, more efficient way if you never look at it? Are your accounts payable and receivable working as effectively as they could be? What about your filing system or record-keeping processes? Is there software you could be using to systematize processes and make them more efficient? Is your invoicing and/or estimating process taking longer than it should? Are your books accurate and up to date every month? All of these systems, while they may seem unimportant in the big picture, are like the oil in your car. Not enough oil, and your engine will seize up. Inefficient systems, and your business will run sluggishly and you'll never achieve the potential you could with well-ordered, effective systems.

These are just a few of the things you should be looking at every year to determine how effective your business is. You may have more depending on how large your business is and the industry you are in. The key is looking at each area of your business and assessing its effectiveness. If you find things that could be better, make plans to change them. By the way, didn't you say your tires needed a little more air? 🔲

Achieving Clarity

Clearly Seeing Your Path to Success

Management guru Brian Tracy says "the three keys to high achievement are, clarity, clarity, and clarity." He goes on to say "your success in life will be largely determined by how clear you are about what it is you really, really want." When you first start up a business, it's easy to have clarity. Most of us get busy writing a business plan, forecasting sales and revenue, planning marketing and sales strategies. We feel we know exactly where we're going and how we'll get there. Once you've achieved those initial goals, set up your business and have been working in it for a few years, it's easy to get more caught up in the day to day than in evaluating whether you're still on track with your original plan. You may still be on exactly the same path you set out in your business plan. But you may have also taken a few forks in the road or taken advantage of some opportunities you

couldn't have anticipated, and find yourself on a completely different path. Regardless, you need to ask yourself whether you have clarity today about the future of your business.

If you've just been waking up every morning and seeing where the day takes you, it's critical that you take a step back and evaluate where it is you want to go, and whether the path you're on will take you there. Although we may have occasional "aha" moments where we gain a new insight into some issue or problem, generally, clarity is not something that just happens, in the same way that leadership generally is not something that just happens. We need to be conscious of choosing to achieve and foster both clarity and leadership if we want to succeed. If you've been somewhat unconscious about where you're going, here are some ideas

you might try that may result in greater clarity for yourself and your business.

Take Uninterrupted Time To Reflect And Evaluate

I know, time is the one thing you don't have to spare, but the truth is, clarity is most often found when all other distractions are set aside. Take a weekend away from the business – find a place where you aren't tempted to be busy - a lakeside cabin, a quiet bed & breakfast, or even a visit to an understanding friend or family member who will allow you the space that you need to reflect. Then think about your responses to these questions:

- What did you want to accomplish when you started your business?
- Are you there or has your path changed?
- If it's changed, are you where you want to be? If not, where do you want to be? Financially? With your relationships? With your business? With your personal and recreational life?
- Are the same things important to you now that were important when you started your business? Has anything shifted? Why?
- What hasn't been working in your life or your business lately? Why hasn't it been working? Where do you need to make changes?
- Where do you see yourself and your business in 3 years? 5 years? 10 years?
- What barriers do you see that may get in the way of being where you want to be? How can you address those barriers?
- What do you want to be remembered for? What do you want your small business to be known for? Are you actively working toward accomplishing those things?
- Where do you need to refocus, prioritize, change directions?

The answers to these questions will bring you closer to clarity. They'll also probably create even more questions for reflection. Journal your answers, or at least jot down some notes. Writing down your answers is as important as answering the questions. It gives you a record of your thoughts (you may want to come back to them at a later time), and there's something about the act of writing things down that increases your commitment to the process.

Seek The Counsel Of Wise And Truthful Friends

Notice I said wise "and truthful" friends. Seek out those you know will not sugarcoat the truth or tell you just what you want to hear. Find people you trust, and who know you well and ask them what they see in your life. Based on what they know of you, do they feel you're on the right track with your life and your business? Can they see areas that aren't working or are out of balance? Do they have visions for you that you may not have considered? What do they see as your strengths and weaknesses? The perspectives of others can help you find clarity in ways that you can't see yourself. Listen and weigh their answers with your own; their insights may open doorways you'd not noticed were there.

Set New Goals

Once you've answered these questions, give yourself some time to let them distill. Go for a long walk, watch a game or a movie, or have a nap. Once the fog in your head has cleared, reread your journal or the notes you took and decide exactly which direction you want to travel. Based on new priorities, a new vision of your future, or anything else your internal quest has revealed, how are you going to get where you want to go? It's time to set some goals. Make sure they are SMART goals (Specific, Measurable, Attainable, Relevant, and Time-oriented). Are they specific enough to guide you day by day? Can you measure them – how will you know when you've achieved them? Are they attainable – do they stretch you beyond your comfort zone while still being reachable? Are they relevant to your values and priorities in life? If not, you're not likely to follow through. And, are they attached to a timeline? Do you know when you want to have achieved those goals?

Invest the time and energy to gain clarity on where you want to go and you'll be able to develop a new and clear roadmap for your journey. You, and your business, will achieve greater success. SBS

5 Leadership Mistakes to Avoid

Mark Sanborn, in his excellent article, Why Leaders Fail* says, "In the recent past, we've witnessed the public downfall of leaders from almost every area of endeavor—business, politics, religion, and sports. One day they're on top of the heap, the next day, the heap's on top of them. Of course, we think that such catastrophic failure could never happen to us. We've worked hard to achieve our well-deserved positions of leadership—and we won't give them up for anything! The bad news is: the distance between beloved leader and despised failure is shorter than we think." When we think of the rise and fall of leaders in every arena of life, we can probably all think of some who seemed impervious to failure, but who fell from great heights anyway. No matter where we are or what position we hold, leadership is a fragile, tenuous gift, and if we are to remain in those positions that have been entrusted to us, we would do well to continually seek ways to maintain our integrity, vision and focus so that we don't experience that "short distance" between "beloved leader and despised failure". Here are five things that can get us into trouble if we're not careful.

1. **An inability to appreciate and adapt to other people's styles** - It's hardly possible to hold a management or leadership position without at some time having taken a course, read a book or studied in some way, personal behavioral styles. True Colors, Meyers Briggs, Relationship Strategies – just to name a few – all provide information on how to identify and better relate to people with different styles. As a leader, you will have a certain amount of "Type A" or risk-taker within you, or you probably wouldn't be leading, so certain styles will rub you the wrong way just because of how you (and they) are wired. Not appreciating what those other styles contribute to your workplace (and to you personally) is a big mistake, and can lead to a very lopsided team. If your natural style is to be driven and task-focused, you need those people to whom relationships are important – to remind you that people are more important than tasks. If you're a flexible, spontaneous and impulsive fun-seeker, you need those slower-thinking, process-oriented folks to help you avoid making mistakes you may not see as you're jumping off the cliff. They can learn from you too to take more risks and worry less. Look at others on the team who are different from you, not as irritants, but as people who see the world differently, and have much to contribute to your life and your business.

2. **Over or under managing** - On the one side, you've got leaders who are too controlling, feeling as if they have to have their hand in every pie and who micromanage their employees to death. On the other, you've got leaders who so empower their employees to make decisions and work on their own, that they abdicate their responsibility to maintain a cohesive and solid team by providing direction and guidance. Both extremes are dangerous. Over-managers have employees who are afraid to try anything, who feel as if they can't do anything right, and whose productivity suffers because they are afraid of the ever-watchful eye of the manager. Under-managers have employees who think they can take

the company in any direction they please, and while very empowered, don't always have all the information and vision necessary to make those big decisions. Find your balance between providing solid leadership and direction, and allowing people the freedom to make mistakes and discover things on their own. It is there that you will find the synergy you need for success.

3. **To consider things impossible if they themselves can't do them** - It may seem egotistical to assume that if we can't do it, it can't be done, but many leaders struggle with this very thing. Someone comes up with a new idea, and because you don't see a way to make it work, you dismiss it as impossible. Leaders who exhibit this characteristic have squashed many great ideas, and those leaders have lost out on a huge source of creativity and inspiration. If something comes up that you think you can't do, let someone else see if they can find a way. You may be surprised at what different perspectives, other personal styles and individual work experiences can come up with when faced with what appears to be an impossible task. Show strong leadership by always welcoming impossible ideas, and giving others the opportunity to give those ideas legs. If, after all the brainstorming and idea generating, there still appears to be no way to accomplish it, put it on a shelf. Notice I didn't say throw it away. Two years down the road you will have a completely new set of perspectives, more experience, new technology, different staff, and what seemed impossible then, may suddenly be possible!

4. **Not lending a helping hand wherever they can** - One of the greatest dangers for successful leaders (and business owners in particular) is to get so caught up in the things they must do in order to keep the business running, that they have little or no time to help others. It is so easy to get too busy – working until the late hours, getting to the office at the crack of dawn – and while there may be times in your business cycle when this is necessary, it is important to remember that life is more than

work. Finding a way to contribute to the health and welfare of others in your community is a huge contributor to overall success. Those great leaders, who have truly achieved the pinnacle of success, will often be found rolling up their sleeves to help a local charity, or establishing foundations that have a wide reach to help others. No one is ever too busy to stop and lend a hand. This is a quality of true leadership.

5. **An inability or unwillingness to delegate** - Call it pride, call it control, call it ego, if you're in a leadership position, chances are you have struggled with not letting your 'self' get too big. Leadership by definition means you have people looking up to you, admiring you, respecting you, and seeking your counsel. It's not uncommon for that sense of importance to go to your head. It is especially unhealthy if it leads to feeling you can't let go of anything – after all, the team is looking to you aren't they? The hallmark of a good leader is wise delegation. You may be able to do it better, but that doesn't mean you have to do it. Taking on too much and not allowing others to participate will weaken your business in the end. You'll find yourself putting in too many hours, you'll find your stress level too high, you'll find your relationships will be at risk, and in the end, you won't be as successful as you think you will by trying to control everything. Wise delegation will get you farther than doing it all yourself – even if it's not up to your perfect standards. Delegation instills confidence in those around you. It fosters a stronger sense of team. It allows you to let go of the lesser things and focus on the important things. Don't make the mistake of becoming a controlling leader. No one wins in the end.

So if you don't want to find "the heap on top of you", keep these five things in mind when you examine your role with your team. As a business owner, you can't afford to make mistakes that will jeopardize your leadership integrity. Your business will pay the price.

*You can read Mark's article at www.leadershipnow.com SBS

But I Can Do it Better!

Learning the Vital Art of Delegation

OK, it may very well be true. It's your business, and you CAN do it better than anyone else . . . and quicker, with better results. So why do you need to learn to delegate when there are plenty of reasons not to? Consider the answers to these questions: Do you take work home on a regular basis? Are you constantly struggling to get things done in time for deadlines? Does your inbox look like a waterfall? Do you skip lunches and breaks because you feel you just can't keep up? If you've answered yes to any of these questions, you might need to consider what delegation could do for you! Chances are, people around you could probably benefit from both the experience of taking on a big project and the trust you place in them to do it. Sure there's a risk. They may not do it exactly how you would. In fact, they may not even do it as well as you could. But would they do it well enough? Would they help you get to that deadline without you burning the midnight oil? Would it free you up to get some other things done that can't be delegated? If the answer to any of those questions is yes, you might want to consider how the art of delegation can change the way you do business. Here are some keys to doing it successfully.

1. **Assign duties to the person best suited for the project.** Your super social, outgoing sales executive may not be the best person to delegate your detailed spreadsheet project to; on the other hand, your shy, detail-oriented office manager may not be the person to put in charge of entertainment for your customer-service event. Select someone who has the skills and disposition to do the kind of job you are delegating.

2. **Make your instructions as clear as possible and provide all the needed resources and information.** When you take on a project you have a copious amount of information and details in your head. You draw on these details when you're working, but someone who is taking on a project for you won't have all that information at their fingertips. In order to give them the best chance for success, be very clear with your expectations. Write instructions down – step by step. If additional information will be required, let them know where they can find it quickly.

3. **Watch the project from afar, but give your employee full authority over it.** In order for them to feel confident with the task, they need the authority to do what you've asked them to do. Once you've delegated a project, resist the urge to micromanage it back on to your desk. The person doing the work for you may not do it the same way, but what if they come up with a better way? They may not do it as quickly, but what if the things they learn by taking their time contribute to a greater skill set down the road? They may even make mistakes. But what if, by learning from those mistakes, they become even more valuable to you? This doesn't mean you can't intervene if you see them headed toward a cliff, but gentle guidance will go farther than grabbing the controls. Also, let them know you are open to hearing from them if they need help. An open-door policy and genuine interest in their progress will ensure that you're kept abreast of developments, as well as being given the opportunity to coach and guide along the way.

4. **Coach your staff to great performance.** This is your opportunity to really contribute to someone else's success AND get some work off your plate in the process. A good coach knows when to challenge and when to encourage; when to offer words of advice and when to stand back and let them figure it out themselves. The goal of delegation is two-fold. The obvious one is to help you manage your workload, but the second is to create more capable people in your company whom you can count on to continually take more responsibility. The better you are at coaching your staff through those delegated tasks, the better performers they become.

The next time your papers topple off your desk, or you're stuffing work into your briefcase to take home with you, stop and step back. Look at whether any of those projects really can be given to someone else who might learn a great deal from the experience, while you enjoy dinner with your family! You'll both benefit. They will thrive in the trust you have given them with this task and will work hard to do a good job. And you'll be able to let go of some stress. As Stephen Covey says, that's thinking WIN/WIN! <small>SBS</small>

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 going to change. 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, 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. Here are some leadership strategies for managing 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
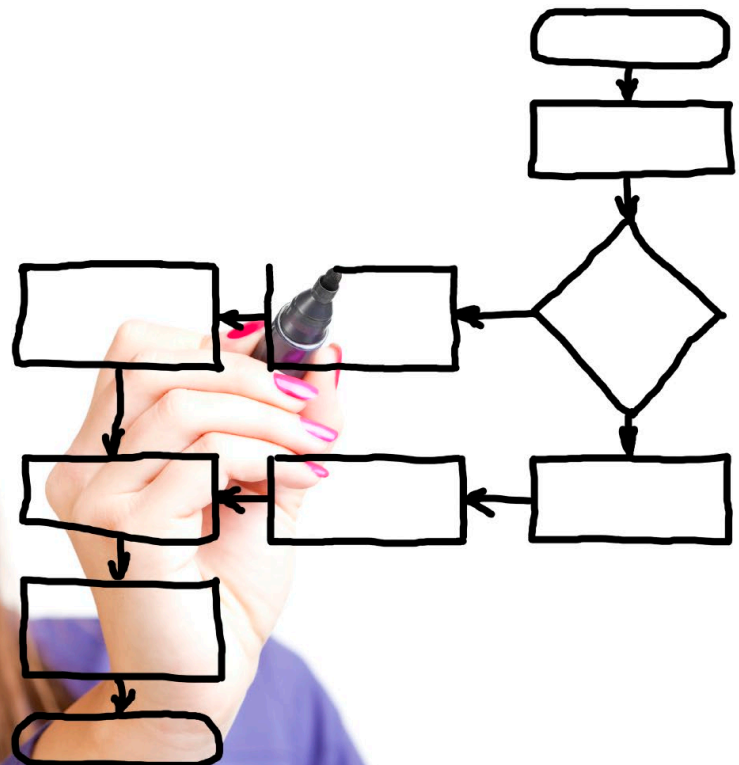
make mistakes, and taking responsibility for them rather than beating yourself up or feeling sorry for yourself. People expect that you'll make mistakes from time to time. How you handle those mistakes determines how they will handle your (and their own) mistakes.

Optimism

Business owners who buy into the doom and gloom of economic challenges tend to suffer greater losses than those who accept the realities, but choose to look at them as opportunities. Those kinds of leaders tend to survive and even grow in spite of the challenges they face in the economy or their industry. 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 along. Optimism does not mean pie-in-the-sky, 'ignore the reality' thinking. It means making a proper assessment of the situation and making positive choices that move you forward in your business.

Strong Communication Skills

Being able to communicate what is going on will help to alleviate fear and mistrust in 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 toward effective change management.

Truthfulness

If your team is confident that you will always tell them the truth – 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. If people see you panic, their automatic response is to panic on a larger scale. Maintaining a calm presence no matter what, creates confidence for 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 and what changes are coming. 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 the changes your business faces 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 as a result, your business will be one of those that stands out above the rest. **SBS**

Corporate Social Responsibility

The Marriage of Business and Social Responsibility

You almost can't go anywhere these days without hearing about Corporate Social Responsibility (CSR) and sustainable business practices. But what is it all really about? There are a lot of different opinions about whether business and social responsibility should be mixing. For a very long time, the job of business was to make a profit, provide employment, and strengthen the economy. The job of non-profit and social organizations was to raise funds to look after global and local social issues. Except for unusual circumstances, the two did not have much to do with each other. With the shrinking global economy, and indeed the smaller global village we are all now experiencing, this disparity of purposes no longer seems to make sense. How much should businesses be involved in changing the world and making it a better place? How should non-profits function in the business world to be better poised to access funds that are desperately needed?

CSR, at its core, is a form of corporate self-regulation integrated into a business model. Wikipedia (http://en.wikipedia.org/wiki/Corporate_social_responsibility) defines it this way: *Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore,*
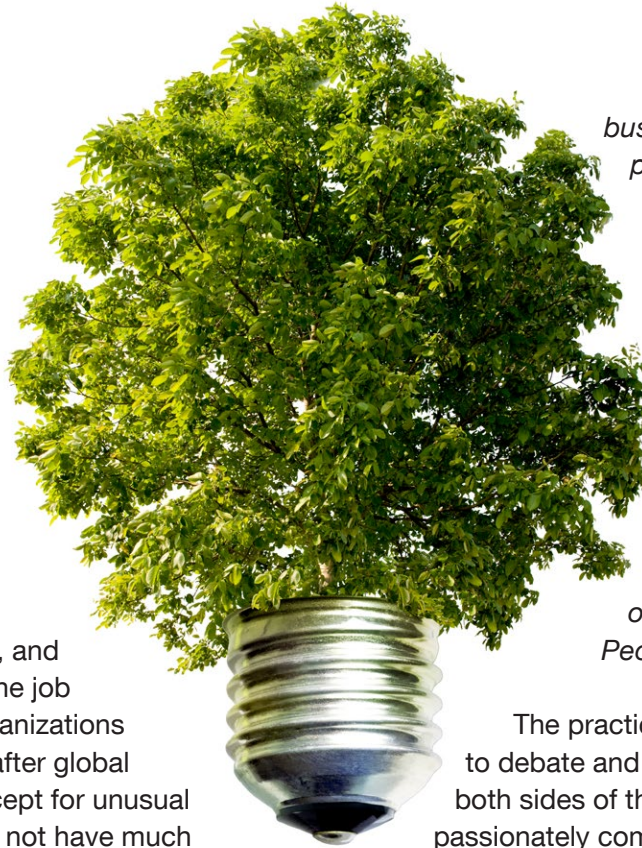
business would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: People, Planet, Profit.

The practice of CSR is still subject to debate and criticism, and people on both sides of the argument are usually passionately committed and vocal about their point of view. Proponents argue that there is a strong business case for CSR in that corporations benefit by operating with a perspective broader than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of business. Others argue that it is nothing more than superficial window-dressing and a way for business to draw in gullible consumers who will buy from any company that brings attention to its social efforts.

Industry Canada promotes CSR principles and practices to Canadian businesses because it believes it makes companies more innovative, productive, and competitive. "In addition to integration into corporate structures and processes, CSR also frequently involves creating

innovative and proactive solutions to societal and environmental challenges, as well as collaborating with both internal and external stakeholders to improve CSR performance" (Industry Canada website: www.ic.gc.ca/eic/site/csr-rse.nsf/eng/home). So it appears the marriage of business and social responsibility has much support, even from governments.

As with any marriage, motivation plays a huge part in determining actions. It is tempting to jump on to the CSR bandwagon and assume that building social responsibility into business practices will automatically improve your bottom line. But, just as marrying someone for what you think you will get from them is a bad idea, so is creating CSR practices with the singular goal of making more money.

David J. Vogel, Editor of the California Management Review and Professor of Political Science at the University of California (Berkeley) says, "We increasingly hear that corporate social responsibility has become a business imperative. Newspapers, magazines and books glowingly describe the business benefits of behaving responsibly - and caution managers about the business risks of a poor CSR performance. Executives are repeatedly informed that by demonstrating concern for the environment, human rights, community development and the welfare of their employees both at home and abroad, they will make their firms more profitable. The belief that corporate responsibility 'pays' is a seductive one: Who would not want to live in a world in which corporate virtue is rewarded and corporate irresponsibility punished? Unfortunately, the evidence for these rewards and punishment is rather weak."

According to Vogel, there are many examples of companies with exceptional CSR policies that have been profitable, as well as companies with poor CSR reputations that have performed poorly. But there are at least as many examples of companies with good CSR records that have not done well and those with poor CSR reputations that were profitable. "For most businesses," says Vogel, "CSR is largely irrelevant to their financial performance."

In order for CSR to work it must be something that springs up from an intrinsic value within the business. The "marriage" between profit and CSR can only work if those two things are reciprocal, but not dependent, on each other. In other words, businesses promote social responsibility because they believe it is the right thing to do – not because they think it will improve their bottom line. Because the results of that marriage cannot be accurately predicted, according to Vogel's statements, businesses that are committed to CSR will be because they see profit and value differently, and don't merely measure success with numbers on a balance sheet.

Many businesses are now looking at CSR the same way they look at any other aspect of their business; sales, marketing, HR etc. Having a CSR strategy is as important as having a marketing or sales strategy. As the world continues to shrink, this is an area that we will not be able to ignore in the future. Every business, if not facing it already, will need to think about how it will function in a world where everything impacts everything else. No longer will business have the luxury of doing its thing without considering how it affects others. No longer will we be able to turn a blind eye to suffering that occurs both on the streets of our own towns and cities, and across the country and the world.

If you haven't already done some research on the impact CSR could have on your business, it's time you did. Don't be fearful. After all, a CSR policy grows out of your own value system, so nothing is going to take over your business that you haven't thought through, support and believe in. Grab this opportunity to demonstrate leadership. Doing so MAY put you ahead of the game in your industry and your community, but it WILL move you toward more meaningful business practices that will make you and your staff feel proud of doing what you do. SBS

Succession Planning – Have You Ever Thought About It?

Perhaps at this point it feels like you'll be working in your business until you're 90, but the reality is, at some point you will need to consider what you're going to do with this empire that you've built. Will you sell it to someone else? Will you pass it on to a member of your family? Are you even interested in seeing it succeed beyond your own involvement? If you are, you need to give some thought to how you are going to prepare a potential leader to take your place at the helm. It's not as easy as you might think, and there are a lot of factors to consider. You've developed a specific corporate culture based on your own values and priorities. How will someone else know what those values are and will they be willing to carry them on? You've established a certain way of dealing with your staff, and of representing yourself to your community. How do you know your successor will treat your staff the same way, and will carry on your good name?

In an article titled *Talent Management in the 21st Century; Help Your Company Find, Develop and Keep its Strongest Workers*, Cindy McCauley and Michael Wakefield say this: "Wise leaders do not leave strategy or the bottom line to mere chance. They also know they can't just hope everything somehow works out with the people in their company. By incorporating comprehensive talent management, an organization can assemble the right people it needs to manage and lead in the future."

Now is the time to think about succession planning – not six months before you want to retire. Having a plan and system in place to identify employees within your own company who may be positioned to take over, or recruit someone from outside, is essential for finding a successor you will feel comfortable handing over your business to.

As a business owner, you should be committed to the ongoing development of talented employees and to developing effective leaders within the organization. This will provide strength and stability to all levels of your company. Whether someone comes up from within to take over your business, or you hire from without, strong leaders inside your business will ensure a well-developed corporate structure able to handle a management transition with ease, and will also create long-term sustainability for your business after you leave.

Here are some things to consider as you think about

creating a succession plan for your business. Don't just think about it – write it down. Then it will be easier to create a formal plan when you're ready.

1. **What about your business is important to you to retain?** Do you want to ensure that you'll continue to be known for the best service in town, or the best product? Do you want to make sure your employees are treated fairly and given opportunities to grow? Do you want your corporate culture to be preserved? Or your mission and core values to be maintained? You should have a clear idea of what you want your business to look and feel like after you leave.

2. **If you could choose anyone to take over your business, who would it be?** Maybe you've already got your son or daughter in mind. Maybe you've been working with a senior manager who has been your right-hand man/woman since the start and you know they'd be the best one to receive the torch. Maybe you have no idea. But if you could choose anyone, who would it be? What qualities does this person have that you feel make them the best person to take on over your business? If you know the kind of person you want to take your place, it will be easier for you to find and/or train them into the leadership role.

3. **How many of your systems are written down?** Do you have clear, comprehensive policy or procedure manuals on all aspects of your business? For instance, production, human resources, customer service? If you take over a McDonald's restaurant, there is no question on how to run it. This unprecedented turnkey success has proven that management and leadership can be recreated – all you need to do is provide clear, step-by-step instructions. The more you have written down in terms of your systems and policies, the more likely someone else will be able to step in and uphold them.

4. **Do you have a training plan?** Training a business successor is more complicated than hiring someone to answer phones or make sales. You can't transfer your years

of business knowledge overnight. Many successful succession plans take 6-18 months to complete. You should be aware and prepared to have a plan that includes training for all aspects of your business. What are your production rules and standards? How do you handle your finances – not only how you keep your books, but budgeting, forecasting, tax and business planning? How have you established your corporate culture and what do you do to maintain it (training, employee development, rewards programs, etc.)? Who are your suppliers and what sort of relationship do you have with them? What marketing and advertising strategies do you have in place and where do you feel you need to go? Create a comprehensive plan for how you are going to transfer all this information to your successor. If you start now, you'll be glad you have it in place when you need it.

5. **What is your timeline?** Regardless of where you are in the life of your business, it's good to start thinking about it, what you will do when you're ready to give it up. You may not be ready to sell your business right now, but what if you unexpectedly became ill, were in an accident, or were forced to take a leave of absence because of a family emergency? Such a plan might come in really handy to train a temporary successor who could hold the fort until you are able to return. And, if all has gone well in your absence, you may have found your permanent successor.

Succession planning is something you should be thinking about. Work on it a little at a time - get your systems written down and in place – and know what you want to accomplish. It may be one of those things you'll be glad you took the time to do, when you're ready to pass your business torch to someone else! ⬛

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284 B Wallbridge-Loyalist Rd,
PO Box 610, Belleville, ON   K8N 5B3

Tel: 613-961-7999 ext 225
Fax: 613-961-7998
www.trenval.ca