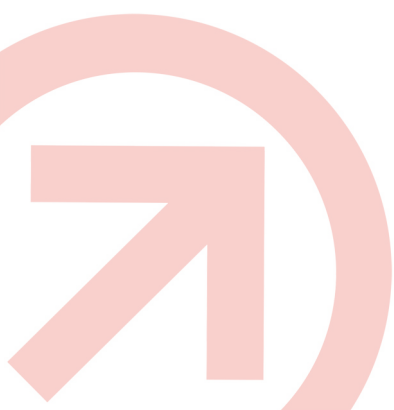


101 tips for  
**start-up**  
**entrepreneurs**



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## Introduction

As the owner of a start up business, you will undoubtedly face more than 101 tasks in making sure your company first survives, then thrives.

But the following tips will cover most of the major hurdles you'll face and, coming from the mouths of those who have been there and done it, should prove to be invaluable inspiration.

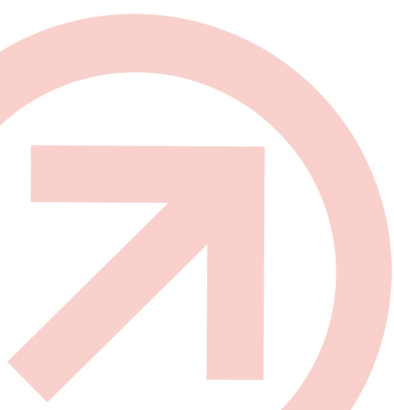
Covering everything from starting up to sales to social media strategies, this advice forms a fantastic guide that will be of use to anyone starting up in business.

The tips are a portent of what's to come from StartupSmart. They are erudite, savvy and insightful. But they are also practical, jargon-free and accessible.

StartupSmart aims to cover everything involved in the formation and running of a business and will provide you with the news, features and advice that will help guide you as you strike out on your own.

There will be more to come but, as a starting point, you won't be able to do much better than read some of these pearls of entrepreneurial wisdom.

Oliver Milman, Editor StartupSmart



## Starting up

### 1

Because of the personal sacrifice your business will most probably require, it's important that you plan for your support structures. You need internal talent to call on and take some of the load. You need to bolster relationships with family and friends, and find ways of relaxing and tapping into the creative side of your mind. Otherwise, you can get bogged down in the analytical work required, and as a result miss opportunities which are sometimes less than obvious. You'll also need to consider a team of external experts, ready to provide feedback on important issues of law, accounting or finance.

Anthony Russo, Pizza Capers

### 2

Listen to what everyone has to say, and there will be no shortage of people offering advice (some will even want to charge you for it), but don't believe what everyone has to say. When someone tells you your business idea won't work, don't let that deter you - I'd suggest finding someone else to talk to for advice.

Hamish Leighton, Revolution IT



## Starting up

### 3

Five years ago I was working from the garage at home, so the rise was very quick and quite surprising. Some rules that I stick to would include: always be honest to your suppliers and your buyers, pay your bills on time (or earlier), treat your staff fairly and don't ask anyone to do something that you would not do. Keep all your options open and do not close doors on suppliers and service providers. The small supplier today can become a major force in a short time.

Gabby Leibovich, *Catch of the Day*

### 4

Regardless of what is thrown your way keeping things fresh, staying positive and communicating openly are the ultimate keys to success. In difficult times, your people will be looking to you for guidance and inspiration. Keeping the business fresh, whether it is through incentives, team building activities, new initiatives or even engaging an interior designer to freshen the look of the physical work environment, can all make vital differences. Don't be afraid to communicate your challenges and engage with the team. They need to know what's happening. But ultimately it comes down to the aura you give off – smile and project confidence around what the future holds. People need to see this!

Gary Denton, *Marble Group*

### 5

Don't try to grow too quickly. Sustained growth comes from having a clear strategy in mind and all the systems and processes in place to cope with growth.

Michael Logos, *Crust Gourment Pizza Bars*



## Starting up

### 6

Follow your dream! I postponed starting my own consultancy all for supposedly (at the time) good reasons, until my hand was forced by being made redundant. In hindsight, those reasons were really just excuses, and redundancy was the best thing that could have happened to me.

Alexander (Sandy) Dunn, Assetivity

### 7

I became very focussed in my business when I realised that the answers to three questions would determine my wealth creation model. All three must be lined up for ultimate success. 1. What am I passionate about? 2. What can I be the best in the world at? 3. What drives my economic engine? I also strongly believe that marketing is the key to a successful consulting business. Without marketing nothing happens. If you want to supercharge your business, you need to bring in external and professional marketing assistance.

Rob Nixon, robnixon



## Starting up

### 8

Starting a business from scratch has been exceptionally challenging, but the rewards have exceedingly outweighed the negative aspects. You have to choose to do something you believe in and that you consider has value - it is hard to stay motivated after the novelty of starting your business wears off and you are faced with the hurdles of day-to-day operations. Passion for what you do can get you through the hard times. Also, pick a role within the business that complements your personality - taking on a role in sales, for example, when you are uncomfortable approaching strangers might not be sustainable long-term unless you are prepared to change.

Ariana Hendry, Hypoxi Australia

### 9

If you aren't growing and/or moving forward, you are going backwards. Once we paid more attention to where we were going to have our Christmas party than what targets we would set for the next year, or how we should enhance our skill set and retain our people. Now our leadership team conducts quarterly reviews where we take stock of the previous quarter and look ahead over the next three years, setting both short-term and long-term goals.

Chris Marshall, Blue Apache Information Services



## Starting up

### 10

Read two books before you quit your job: Emyth by Michael Gerber and How to Make Money Out Of Thin Air by Brian Sher. People who start businesses 'to be my own boss' are destined to be very busy and very unhappy with the outcome. Business is a science not a lifestyle. Those who have a business and a great lifestyle are the ones who have mastered the science. Being skilled at a profession is nothing whatsoever to do with being successful at business. The type of business you choose to be in will determine how much science you need to learn to be successful at it. And finally, it's easy to start a business. The hard part is getting OUT!

Scott Jones, IT Leaders Group

### 11

We believe in the philosophy of biting off more than you can chew and then chewing like crazy. But our key lesson for entrepreneurs is to ensure you have a true belief in what you are aiming for and be uncompromising in your focus to get there. Sometimes the momentum isn't going to be with you, but at these times you just have to dig deeper, don't give up and always come back to these core beliefs.

David Lundberg, Altus Traffic



## Managing people

### 12

Develop a personal strategy for leading your team to create a great place to work where people trust you, have pride in what they do and achieve and like the people they work with. Try to create an environment whereby people are valued as individuals and are able to be themselves. Constantly invest time in the team, providing feedback to them regarding their performance while seeking constructive feedback from them regarding how you can lead them better.

Chris Taylor, Apricus Australia

### 13

Always ensure you have the right people around you. Even though it may be your idea, you can't do everything. It is important to have good back office people, good lieutenants underneath you to implement your business plan and knowledgeable advisors to ensure that you have experts backing you in the decisions you are making and pulling you up when it's needed.

William Scott, SMART Group



## Managing people

### 14

I learned this early and tell everyone that will listen: “Hire slow and fire fast”. An employee that doesn’t fit in the organisation (for one of the many reasons) will do more damage than you could believe. Identify problems early and either fix or fire. Sounds harsh, but it’s better for the business and the employee.

Daniel Johnson, APEX Insurance Brokers

### 15

Be prepared to ‘miss’ with a few employees, and make sure that you are sufficiently prepared, and skilled, to manage them. Trust yourself and your ideas, but make sure you listen to others. Don’t just employ ‘yes’ people... your best friend in business is someone that will challenge your thoughts and ideas. If you can answer those challenges to your idea, then it is probably a good one and worth pursuing. If you can’t, improve your idea before you pursue it.

Chris Hill, iQuest Consulting



## Managing people

### 16

I always believe it's very important to be honest with your staff, and let the staff trust you. If staff don't trust you and things aren't going well, they will always think the worst. Obviously, you can't share everything that is going on in your mind, but you have to give enough visibility that you are looking after their long-term interests and that you are looking after the business's long-term interests. If staff think you are out for yourself or looking after somebody else's interests, they won't trust you.

Gary Cohen, chief executive, healthcare software provider iSOFT

### 17

Positive leaders energise and motivate. Positive leaders inspire and innovate. Positive leaders encourage collaboration and foster morale and engagement. Positive leaders generate more productivity, better results, and outperform their peers on every imaginable measure. People want to work for positive leaders and organisations want to find and keep positive leaders.

The good news is that we can all learn to be positive leaders; and the even better news is that there's not just one way to be a positive leader. We can all do it in our own way, using our own style and within our own personality.

Tim Sharp, founder, The Happiness Institute



## Managing people

### 18

Whenever you bring people together who may not have chosen to be together as a group conflict can arise. In a professional environment this will affect morale, performance and retention of team members.

Have you been able to identify the underlying reason the conflict occurs between your team members? Think about what positives come out of the conflict. Conflict is not necessarily a negative thing, it can challenge ways of thinking, new ideas, higher levels of honesty and when resolved can create increased trust between people. I know that with some of the people who I can have conflict with I am always grateful that we can have a sometimes tense or difficult conversation and resolve it, create from it and move on. This increases my trust in the relationship and certainly promotes more honesty between us. A lack of healthy conflict in teams can sometimes be a sign of complacency.

Pollyanna Lenkic, founder, Perspectives Coaching

### 19

Every team member has to be able to receive feedback from other team members. Most avoid it. Often people are annoyed by peers giving them feedback. Many assume only the boss is the one to give feedback and if a colleague gives feedback it is of no value. Wrong!

You have to be prepared to receive feedback from everyone. It might be your boss, it might be your employees, it might be your fellow team members. You know, everybody has got something to say and you should be prepared to listen to them because you might hear something that you weren't aware of that will actually help you do your job better.

Eve Ash



## Managing people

### 20

I've been through performance reviews in small, medium and large businesses and have found some key factors to ensure it does not end up a token task:

- Give the staff a chance to mentally prepare and bring some points of discussion to the meeting. But limit the amount of paperwork – it should be enjoyable not just another bit of red tape.
- Keep it brief but effective. Don't make it so short that the staff member feels you don't care, but also get to the point, be open and honest.
- Try to keep everything in threes: three positives, three improvement areas and three key goals to achieve.
- Let the employee talk. This is their opportunity to really speak, don't begrudge them that.
- Don't make any promises you can't deliver on or are unrealistic for yourself or the person being reviewed.
- Keep the salary discussions separate. Focus on listening, learning and improving the person/business, getting caught up in salary discussions will detract from this.

Michael Phillips, Blazer

### 21

Everybody wants to run a team of A-graders, but you've got to find the right person for the right role. And I would say that an organisation has a certain responsibility to make sure they've got the right person in the right role. So we use some tools to find out what their strengths are.

We use the Gallup tool and we look at what people's strengths are. So if you've put somebody into an analytical role and they're really, really struggling with it and they are at 60%, and then you look at what their strengths are and they might be 'WOO'.

WOO is 'winning others over', and speaking to people - it might be positivity; they're as bubbly as anything and you've got them in an analytical role. You've actually put them in the wrong role.

So I think there is a certain responsibility for employers. If you've recruited somebody in, be responsible about making sure you have the right role for them and you're delivering what you've promised.

It's a two way street here; don't bring them in to do what you think is one role and then shift them into another one because that is more urgent than the others.

Naomi Simson, RedBalloon.com founder

## Business planning

### 22

Run a series of forecasts for the next two years. A business-as-usual scenario, for example, might have flat growth. Then impose other scenarios on the business plan, like a 10% drop in revenue and a 20% increase in input costs as a result of a stronger Australian dollar.

The reason for doing that is that it allows the business decision maker to look at his business under a range of scenarios, none of which he can guarantee are going to happen. What it does allow him to do though is then actually identify the trigger points in his monthly reporting as he goes through the year.

John Downes, Deloitte

### 23

If you are just doing your balance sheet every three months then you are not close enough to your business. Yes, you can calculate how much GST you need to remit and how much tax you need to remit, but if you are not all over your business, you don't know it as well as you need to.

You need to have the KPIs each week, have the monthly financials done pretty promptly after month's end, and then analyse the financials by comparing the actuals with your budget and saying, here is what we did well and here is what we didn't do well.

Michael Griffiths, Prosperity Advisers



## Business planning

### 24

You would think that being successful in generating ever higher levels of sales would be a recipe for success but, in fact, it brings its own challenges. You are constantly on the search for new staff, you run out of office space and warehouse capacity and your telephone system will have insufficient capacity to cater for all the new people. At the same time, you need to increase inventories, develop new channels to market and spend more on logistics. If you are very lucky and have high margins and a mostly cash sales business, you might just be able to find enough cash to fuel the engine, but few companies are that fortunate. Most firms have some level of credit sales and their margins are not high enough to provide the buffer to fund high levels of growth. Financing growth becomes critical once the rate of growth exceeds about 10% pa. From this point on, the business needs to constantly invest in capabilities and capacity to support the increasing sales.

Tom McKaskill, serial entrepreneur, educator and author

### 25

A part of any good business plan is clear sales targets. Look at the numbers to decide what you have to do. If you need X amount of revenue, then look at what your average sale is, and out of that ask how many sales you need to make each year, how many prospects do you need to talk to for sales and ask how many people you need to contact.

You need to look at details. Know what markets you need to be targetting. Who do you need to be in front of, and how often do you need to do that?

Sue Barrett, The BARRETT Group



## Business planning

### 26

The investors I talk to certainly don't believe everything that is in business plans presented to them. And every investor I know says that they have never seen a business proceed according to plan. However, they still assert that going through the process of planning is valuable for the entrepreneur.

Now, I have seen some pretty dismal plans - no market research, no marketing strategy, numbers plucked out of the air, 'Google did it so therefore we can do it' type of assertions. Plainly, these plans are not worth the paper they are written on.

I have not seen a start up or early stage company that hasn't benefited from gathering real market information. The basis for any planning must lie in a solid understanding of market conditions, customers, the competitors and trends.

Gail Geronimos, founder of Achaeus

### 27

It's a question I used to talk about a lot with my skydiving friends. When the jump is going well, all's well - when it goes to hell and you only have three or four seconds to save your life, that's the real test.

This year didn't start as planned. At the beginning of December last year I was celebrating our healthy looking pipeline that would see us through for 18 months. All that changed by mid-December as organisations chopped discretionary spending and the pipeline got slashed.

After some initial upset, I decided to take on the very true saying: It's important to focus on the things that are in your control and to let go of the things that are not.

What was in my control was how I responded, behaved and felt about the year ahead, so I decided to first change the way I felt.

Pollyanna Lenkic, Perspectives Coaching



## Business planning

### 28

Each year at 11.00am on December 31 my husband and I sit and outline our plan for the year; what we want to achieve professionally, personally and as a family. This year I have set some challenging tasks for myself, from learning mediation to developing a new business initiative. So even though we have no idea what the world might look like at the end of the decade, I plan to be in the driver's seat. For me, plans are the road map – so I know where I'm going and more importantly I remind myself why I'm doing it.

Naomi Simson, Red Balloon

### 29

Dreams and goals are very different – dreams are exactly that (for me the apartment in Ravello). Goals are what we intend to achieve.

The key word here is intention. It is amazing how what we intend becomes reality as we focus on that. As my golf instructor said recently: “The key problem with your golf is that you have no goals.”

How right he was; and I know the power of setting goals. When I did set myself a golf goal, I immediately dropped my handicap by six points – mind you it had a long way to drop and still has – but the reminder was what I needed. That we get what we intend! Goals are the realistic outcomes we can expect from the work and planning we put in to achieving them. Regardless of the economic climate, we can always set goals that are achievable and realistic but create enough challenge for ourselves and our businesses.

I wonder how many CEOs actually share their goals for their business with their teams? I wonder how many businesses would benefit from that, particularly if those people were incentivised to do so?

Marcia Griffin, griffin+row



## Business planning

### 30

Small businesses are at a disadvantage in this climate because, unlike the big corporations, they lack the resources and sophisticated tools that can make forecasts. But they can do certain things to plan ahead.

What they should be doing is building at least a basic financial models using Excel spreadsheets. As a business operator, if they can't build a basic spreadsheet that represents what the business does, then there are some fairly fundamental concerns about whether they should be running that business.

It's a very structured process where you look through the historical financial statements and the balance sheet history.

[Toby O'Brien, director and co-founder of BPM Financial Modelling](#)

### 31

The key place you can get information for your business plan from is from speaking to your customers and suppliers and actually having the heart-to-heart conversation with them about what's actually happening in their business and how their business is going.

If you have two or three key suppliers, or two or three key customers, then you need to be having those same conversations, just the same way you would be having those conversations with your bankers.

[John Downes, Deloitte](#)



## Cashflow

### 32

When businesses grow, a lot more cash starts coming in the door, so it's easy for business owners to imagine all their cashflow problems are solved. But meanwhile stocks are running down and debtors are not being chased.

Strong sales this month often means a cash shortage next month. Most SME owners don't expect that.

The answer is to understand the consequences of growth and carefully monitor your business's cash status. It is generally possible to obtain credit from suppliers or banks to deal with cash shortages in these situations, but you can't do it overnight.

David Knowles, Pitcher Partners

### 33

To help to keep you and your business in good stead with your bank manager:

- Keep in touch regularly. Contact them every three months or so and update them on your progress.
- If something nasty happens then tell your bank manager. Let them know what's happening.
- Meet all your payments as they fall due. Now is not the time to be sloppy. Give your bank repayments a high priority if cash is short. At the end of the day it is your bank that will (change that to "may") help you in a cash crunch.
- Know what's happening in the financial markets. Your bank manager will feel more confident that you know and understand what's happening. You want your bank manager feeling confident that you are in control and can manage in tough times.
- Review your debts/overdraft to see if there are better options where you might save interest or can increase the flexibility of your finances. Having in place flexible arrangements in these times will give you the ability to move quickly. That could be very important in the coming months.

Gail Geronimos, founder, Achaeus



## Cashflow

### 34

You need to set out your trading terms very carefully and clearly, so you and your customers know exactly where they stand. Tell customers exactly when they need to pay (for example, 14 days or 30 days), explain how they should pay (for example, cheque, bank transfer, credit card) and clearly set out the consequences for non-payment.

The following clauses should be a part of every company's trading terms:

- A clause setting out interest charges in the event they do not pay on time.
- A retention-of-title clause, so that you have the right to enter your customer's premises and take back unpaid goods in the event that they go into liquidation.
- A clause that makes the customer liable for all collection costs and legal costs.
- A clause that prevents your customer offsetting another claim against a debt. That is, if the customer owes \$4,000 but have a claim for \$2,000 worth of defective goods, they must keep these two issues separate and pay the bill.
- A clause that specifies which state disputes will be handled in.

[Roger Mendelson, chief executive, debt collection agency Pruska](#)

### 35

It can often be worthwhile to direct at least a portion of your sales team's commission structure towards ensuring the customers they sell to actually pay.

Small businesses with sales reps often pay commission on the amount of sales, so by swinging it around and paying a commission on sales banked you may find that all of a sudden your sales team is in there helping you collect that money.

Staff should also be encouraged to participate in cashflow management by keeping accurate and up-to-date cashflow data and ensuring it is fed into the business's cash management system.

[Jan Barned, accountant and business adviser](#)



## Cashflow

### 36

A quick phone call before a bill is due is a good way to get in a bit of early hassling. As soon as a payment is overdue, hit the phones.

Some key hassling tips include:

- Check customers have received invoices and that there are no queries.
- Deal with the same person each time you contact the company.
- Make the largest outstanding debts your priority.
- Send out statements monthly.

Greg Charlwood, Bibby

### 37

Can a director be held personally liable for a debt?

Firms can request that the directors of a business sign a director's guarantee – that is a secondary agreement to answer for the debt of another in case that company defaults. This contract should be drawn up by a lawyer. Before having a director sign a guarantee, it is worthwhile investigating whether or not they have assets available to cover the debt – this can be done by running a relatively simple search such as a land titles search. Of course, there is currently no means available to confirm whether a director has signed numerous such guarantees.

Christine Christian, chief executive of Dun & Bradstreet



## Cashflow

### 38

The use of excuses by late-paying customers highlights why it is so important to chase debts with a call rather than a letter. If you are on the phone it's interactive and there is a lot less room to wriggle.

The first question you should always ask is: "Is there any reason you have not paid this invoice?" This often gives the late-payer nowhere to go, particularly if they don't have a good reason for not coughing up.

If their problem is genuine, figure out an immediate solution to the product. For example, if they claim not to have received your bill, tell them you'll fax or email one immediately, or, if they are a household, tell them you'll put a copy in the post straight away. But don't just leave it at that. While you've got them on the phone, tell them the amount of the invoice and ask them whether they are able to pay immediately.

It's crucial to try and get a promise out of them.

Roger Mendelson, chief executive, debt collection agency Pruska

### 39

If you have a debtor who has no money to pay their account, the first thing you must consider is the size of the debt. The options you have to pursue the debt will cost you money and therefore you must decide whether it is worth pursuing. If you determine that recouping the funds is a priority, a reputable debt collection agency will be able to assist you.

The collections agency has a range of options:

- They can negotiate with the debtor to initiate a payment plan, allowing the debt to be paid off over an agreed period of time; or
- They can seek to determine whether the debtor has assets that could be used to cover the debt.

If the debtor does have assets that could be used to cover the debt you may decide to pursue your outstanding money through the courts. However, you need to be careful to ensure that your financial interest in the debt is protected by seeking advice regarding the viability of pursuing a debtor through litigation.

Christine Christian, chief executive, Dun & Bradstreet

## Cashflow

### 40

One potential option for small businesses that are heavily reliant on a few big customers is debtor insurance. This is especially important given the economic environment, where the risk of a customer becoming insolvent is increasing all the time.

Look at your debtor book and think about how important your bigger debtors are to your business. If there is one or two that would knock your business over if they didn't pay, it may be worth controlling that by insuring their payment. It will cost you money, but it may buy you peace of mind.

Bruce Growcott, senior partner with PKF Enterprise Advisers

### 41

If you are not tracking your cashflow every week then you may find that you can't pay the wages. It's not just a matter of checking your bank balance. You'll need to see what bills need to be paid in the next four weeks and make sure that your debtors pay their invoices on time. Project your cashflow into the next few months. That way, you can plan for any shortfalls.

As well, check your "average debtor days". This number represents the number of days (on average) before your debtors pay up. If that average starts to get longer then you'll need to tighten your debtor control.

Most companies allow 30 days for payment. So if your average debtor days is 30, then you are doing well. If your average debtor days was 37 last year and it's now 50, then you have problems. Your customers are taking longer to pay. You can't afford to let that slip. Get on to it. You might talk to a debt collection company to get good procedures in place.

If you don't know what your average debtor days is then you'd better find out. Talk to your accountant immediately.

Gail Geronimos, founder, Achaeus



## Entrepreneurship

### 42

Entrepreneurs and business owners must realise that circumstances change, customer needs change. There will be events that nobody has predicted and that's evidenced with the current credit crunch fallout which is having wide reaching effects globally. You need to be on the lookout for ways to grow your business rather than just organically, and that really does mean that you need strong business relationships and partnerships with those organisations that share the same vision synergistically, and you need to understand very clearly those areas of your business that would benefit by forging strong relationships.

John Symonds, Aussie Home Loans

### 43

We did a lot of work with clients who did not share our values and demanded solutions that were not realistic and could not be provided for the price. We spent a lot of time justifying why we should be paid for the work we had done, because the clients did not value our efforts highly enough. We took the jobs because our business was small and new and we thought we needed the work to survive.

We then attended a course called "Love Your Business". We declared that if it did not turn around in six weeks we would close the doors and take real jobs. We took a stand to remove ourselves from these clients and only accept clients who shared our values. The company shrank from eight to four staff, and suffered large financial losses as it backed out of bad jobs as gracefully as possible. But we stood our ground for values-driven business and quality solutions.

David Markus, Combo IT



## Entrepreneurship

### 44

I think that is with any growing business, the challenge is to have enough resources to do it all. For us the biggest challenge has been that we wanted to do it all at once and we are growing fast and always have been working 24/7. Now we are stopping and looking at more of a strategic way of growing, to make sure we are not focusing on everything at once.

As an entrepreneur that is what you seem to do, you love new ideas which are fantastic, and you don't always have the resources and you can't obviously do it all yourself, so you need to make sure you have enough people and the right people in the right spot.

Kristina Karlsson, Kikki K

### 45

Yes, we do poach staff, and make no apologies for that. We brought in a top flight manager from Mattel and he's made a huge addition to our business; he's probably added \$5 million to \$10 million to the bottom line, so it's been very worthwhile.

You are paying an extra \$30,000 to bring that person in, but the \$5 million or \$10 million he brings to the bottom line because of the processes and disciplines he brings to his role and the business environment means it's a small price to pay.

Tony Oates, former CEO of Funtastic



## Entrepreneurship

### 46

The big question I worry about is: Can I involve the right people to make sure we continue to grow? I've got the vision, but can I personally employ and engage the right people to take us to the next level?

The most important thing I've learned over the past 18 months is having the right people doing the right things. I've engaged an operations manager and he does a fantastic job of maintaining quality.

We need to ensure we've got the managers in our business that will drive us forward. I've driven from nothing to 27 people, but we need the right experienced managers to take us to the next level. I'm responsible for the business, but I need to involve people that can take on specialist roles.

Tristan White, The Physio Co.

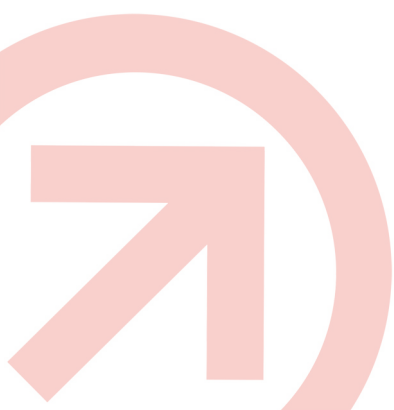
### 47

We started with a lot of family and friends. But if we had a lot of money up front and we were in a better situation to start with, it would have made more sense to bring in strong professionals.

Get independent advice and surround yourself with the right people, because if someone you hire has experience in that business, you can save a lot of money.

Working with family and friends is good, but the best thing is to surround yourself with the right people earlier on to avoid making mistakes.

Luke Baylis, Sumo Salad



## Entrepreneurship

### 48

I would probably go into the business with other partners to share that financial burden initially. I think it was a mistake believing I could do it on my own. I did it, but at a price. I think that would be the biggest lesson. If you are going to invest millions of dollars, try and share that burden with other people as opposed to trying to do it on your own.

Katherine Sampson, Healthy Habits

### 49

The biggest thing we do is focus on service. We're so well-known here that most people in Australia, a great majority, would actually have used us or know somebody well who's used us, so what really counts is the level of service they get when they come through. We don't have a huge advertising bill. Our total Jim's advertising bill worldwide is about \$3 million. It's about 1% or 2% of turnover, it's very small compared with most companies.

What really makes a difference is that we've got this extraordinary presence with our trailers and vehicles. We recently had this big blitz to make sure that all of our trailers are in good condition. We got franchisees to send in photos and we're doing that regularly now.

Jim Penman, Jim's Group



## Entrepreneurship

### 50

I always believe in being honest with people who work with me and it becomes obviously very quickly when staff or senior management are not marching in the same direction. The important thing is you cannot let the situation go on for long. You must tackle it quickly and talk to them about it and offer them options if they don't also recognise the situation as well.

John Ilhan, Crazy John's

### 51

It's always hard when you're one of the early players in a space. You know, when you have competitors entering into a space, people say it must be really bad for you or bad for your business.

But I actually welcome it because it means that you're not the only ones spreading the concept or getting a message across. Otherwise you're really spending your money, not only educating about your business but trying to educate about the concept as well.

David Gold, LookSmart, Azure



## Sales

### 52

Go back to basics - create a top 100 list of all the people you know. The average person knows 800 people.

Prioritise these people into segments - family and friends, work contacts and so on. Then call them and ask them who they know in your target market.

The important point to remember is that you must be very explicit and clear about what you want. Ask first, “who do I know?”, then “can I call them?” and “can I mention your name?”

It's boring but this is how it works.

Sue Barrett, founder and managing director, Barrett

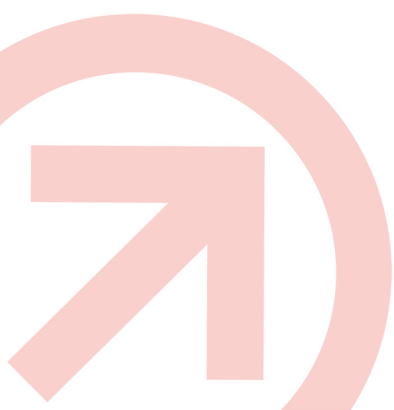
### 53

The sales cycle (from lead generation through to client management) generally stretches out when the economy slows, as customers guard their cash, and it is during these times that a robust sales process becomes crucial.

A sales process really needs to have three phases - a sales process for creating an opportunity; a sales process for managing opportunities; and a sales process for retaining and growing accounts won.

A down economy is a good time to review your sales process to improve its effectiveness.

Rob Hartnett, sales coach and founder of consultancy firm Selling Strategies



## Sales

### 54

When customers are strapped for cash, it's no surprise they often won't return to favourite destinations, but you need to give them a reason to do so.

The best aphrodisiac for a new sale is an existing sale. It sounds obvious, but we hadn't done it, so now we put an offer on the sale that provides an incentive or deal on the next order.

So in many ways I see a parcel going out as an opportunity to get another sale. The logic is simple - they've got a parcel in super quick time, and they think it's great, and then when you give them something extra it only helps your business.

[Paul Greenberg, co-founder, online retail warehouse Deals Direct](#)

### 55

Organisations that were selling out of inventory in the boom have found themselves with a problem - to free up working capital, there has been a need to run down inventory levels. Of course, this creates another problem - selling stuff that you don't have is a good way to annoy customers.

It's time to employ the "80/20 rule". Concentrate on the 20% of your products that bring in 80% of your revenue and make sure that you always have these products in stock. You should be able to run down inventory levels across the rest of your range.

[Dr Colin Benjamin, consultant at Marshall Place Associates](#)



## Sales

### 56

The sales environment can be cut-throat and sales people can be very protective of their intellectual property - that is, their sales methods. Sales people can often operate in their own silos, which is counter-intuitive to a business that is genuine about doing the best by its customers. But good companies need to break down these barriers and force top sales people to share ideas.

Try getting all your sales people together for a brainstorming session to create a sales process that everyone can do. Naturally, this should be led by your sales stars, who will hopefully pass on tips and advice to help other members of their group start climbing towards their level.

Trent Leyshan, managing director of sales consultancy firm Boom Sales

### 57

Work your database and contact those on your database who have served you well. Remind them that you exist. Fill them in on any new products or services you're offering. I recently had a marriage celebrant decide she was going to re-contact her former customers... Not only on the off chance that they may need her services again, but because they most likely could have friends and associates who might need her services.

A bit of database pruning doesn't go astray, too. Get rid of the dead wood and work hard on satisfying the needs of your top 20% of customers (most likely they're giving you 80% of your business).

Too many times we run around chasing new business and we forget about the 'gold' sitting in our databases. We assume our top customers will always be loyal and we forget to reward them for having got us where we are. They've brought us to the party; the least we can do is dance with them.

Debra Templar, retail consultant and business coach, The Templar Group



## Sales

### 58

You need a systematic way of progressing prospects through the evaluation process. My last business had a 17-stage pipeline process. Stages indicated where we were on the qualification and progression path.

Once qualified, they would go through phone call, visit, demonstration, proposal, reference visits, contract negotiation and so on.

At each stage we would set up the action for the next stage. At each point in the process we knew approximately how long it would take to achieve a contract and what the probability of closing the deal was.

This allowed us to predict orders and future workload. It also told us if we were generating enough unqualified leads into the top of the funnel to meet our sales targets.

[Tom McKaskill, global serial entrepreneur, educator and author](#)

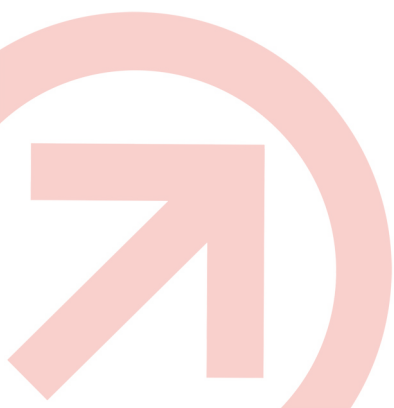
### 59

If you miss out on a business pitch, don't settle for no. Find out why you didn't get the job and ask whether it was perceptions about your business, price related or a failure to respond quickly.

This will show that you are serious about your business and theirs, which will also enable you to refine your offering. I can personally vouch for the value of this approach.

We recently failed to secure a pitch, so I asked for feedback on why and we used this information to improve the pitch process, we went on to secure a substantially larger project with the same client and we continue to provide digital services to them to this day.

[Zoe Warne, cofounder, August](#)



## Sales

### 60

What people miss is that you can sell to all levels of the organisation, not just the CTO or the CIO. We often sell to a departmental level, and then because the software is so useful, so easy to use, it spreads throughout the organisation.

If you don't have a large direct sales force, try getting in through the backdoor, and have a way of scaling up to company-wide.

[Scott Farquhar, co-founder of enterprise software house Atlassian](#)

### 61

We have a tradition in selling... about hiring personality. I don't think personality is a bad thing to look for, but the most important skill set is a natural inquisitiveness. A genuine sense of wanting to understand before you're wanting to be understood, and that is not the way the traditional salesperson has been viewed.

The person who's identified as 'born to sell' tends to be a gregarious and outgoing person who also happens to be blessed with verbal acuity, but that's not really the key skills set anymore. It's a natural sense of empathy and a desire to understand; those were the two keys that I would look for first.

[Tom Snyder, Huthwaite](#)



## Marketing

### 62

Researching your customers may seem boring, but it is the only way you'll start making progress.

You've just run an ad and an additional 100 people have come through the door on day one of the ad. Your marketing has worked - irrespective as to whether or not they have bought your product/service. You could easily have 100 people through the door and sell to one of them.

You don't have a marketing problem, you have a selling problem. Before you run the ad again, you'd better get up to speed with sales techniques, otherwise you're going to get the same results again and again. The marketing worked, you and/or staff didn't. The flip side of this is when you have 10 people come through the door and you sell to eight of them. There's nothing wrong with your sales and service skills - but the marketing wasn't the most successful. Measure, measure, measure - so you know where to put your future marketing spend.

[Debra Templar, director of Australian Retail Services](#)

### 63

Organising a corporate event doesn't have to cost the earth. Friday night drinks and canapés at your office is a good start, although hosting an event in a stylish restaurant or art gallery can be a cost-effective marketing option.

An event will give you valuable face time with your customers, but make sure you ask them to bring a friend so they can introduce a potential new customer to your business.

Getting to know your core customer base is paramount. Remember, it's five times more expensive to attract a new customer to your business than it is to keep a current one happy.

[Justin Hind, chief operating officer of Downstream Marketing](#)



## Marketing

### 64

The days of the mass marketing campaign is fast diminishing. For example, sending a catalogue or flyer to every home in your area just won't work - instead, you need to target your marketing to the people who you know are actually interested in your product.

Any such campaign will need to be multi-disciplined; online, direct email marketing, and advertisements in appropriate media. A campaign based around a loyalty or rewards type program can be particularly effective, as you can be certain you are targeting those customers who want your goods.

It's about protecting the margin as best you can. Think of ways of giving them a reason to come to you.

[Brian Walker, principal and founder of retail consultancy The Retail Doctor](#)

### 65

Email marketing can be super effective. You just need to know how to do it legally. If you spam, you'll land yourself in hot water. It's also rude to contact people who haven't given consent. It will also turn them off your brand or offering.

The first step to a compliant email is to build an 'opt in' list. This is done by putting a 'squeeze page' on a highly trafficked website, which outlines a free offer. Getting prospects to put their email address into a box on the site also has them agreeing to further promotions by email.

On average, after the seventh contact, interested leads will contact you... you just closed the deal.

[Julian Leahy, Search Finalist](#)



## Marketing

### 66

Capture your customer data at every opportunity, online or off. This is still the most common of the lost opportunities – customers or prospects that ride off into the sunset with no means of contacting them for future promotion. This now has to be the most heinous of marketing crimes.

We all know the 80/20 rule of repeat business, so why do we continue to watch future business walk out the door? At your next staff meeting, sit down and brainstorm how to ensure you can entice customers and prospects to happily provide you with their contact details. But get the basics right first – like asking them! But give them at least one very good reason why they should.

Craig Reardon, The E Team

### 67

Make sure that you are looking after your existing customers better than usual (if that is possible) because there'll be plenty of hungry competitors out there willing to do anything to steal them from you.

If you step up first, and raise service levels when everyone is talking doom and gloom, you're going to be a beacon in the dark, and attract both old and new customers alike. You'll also raise the bar so high your competitors will waste a lot of valuable resources trying to jump over it.

Robert Miller, Miller Heiman group founder and author of 'Strategic Selling'



## Marketing

### 68

I underestimated how much reach a new business would have with just a minimal amount of advertising, even though I put every cent of profit I made into the company. I thought the Yellow Pages would generate business for the whole year. I also tried doing a letterbox drop, which was a dismal failure.

I also think I learned from that - material that's being given to a customer has to be first class. We don't hold back on that now, and that's especially important during times like these.

David Hancock, Geeks2U

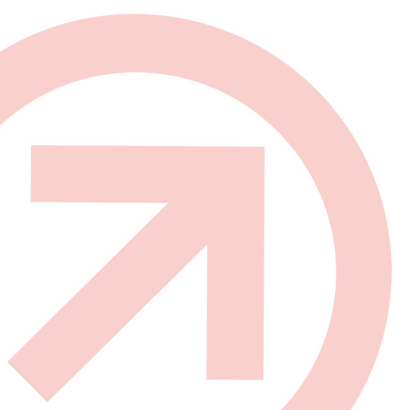
### 69

Companies need to focus on marketing that will deliver them a solid return on investment.

We're focused on return-on-investment type marketing, call-to-action type marketing messages that drive the revenue of the business.

Call-to-action is something that gives consumers a specific reason to buy. Not necessarily a discount, but points of differentiation like a special flavour for the month, or a new product. Simply from a marketing perspective, it's just about being pro-active and getting out there.

Luke Bayliss from Sumo Salad



## Marketing

### 70

Having a combination of contacts and connections is important in networking. The key is understanding which contacts you will turn into connections and apply the farming approach with a view to yielding powerful results over a longer period of time.

**Contacts:** By definition a contact is like having lots of little plants that don't have deep roots. If you put pressure on the plant when it doesn't have deep roots, it will topple over or pull away from the soil and die.

**Connections:** Having a connection is like having a large tree with a deep root system. When you put pressure on the big tree or lean on it, its root system is strong enough to support this process.

[Sue Barrett, founder and managing director of sales consultancy firm Barrett](#)

### 71

I have used email newsletters to build strong relationships with existing customers, and to build my database of new customers very efficiently. The trick is to send an email newsletter often – but not too often – and to make it informative and relevant. I have a database of about 5,000 [customers], and everything I do as an online business is by email.

[Jane Thom, Partykids.com.au](#)



## Growth

### 72

So, will you finish this financial year making a profit? Will you turn a loss because you are “investing in the future”? Or did you have a bad year? Depending on which conversation you are having the same bottom-line could be explained as all three. With a bit of creative accounting most businesses can play around with their numbers to tell pretty much any (unaudited) story they want. But when it comes down to how you review your results this year you will want to tell yourself the unexpurgated truth. It's common for businesses that are growing rapidly to make all sorts of investments for the future which, under usual accounting rules, will hit the profit and loss account in the year in which it is incurred, but for which the benefit will only be realised in future years. Consider doing a quick “normalised profit and loss account”. To create this simply take the profit and loss as produced by your finance department and adjust it for expenses, that are genuine costs of growing. (I suggest you list them out and do a simple calculation to quantify each one.) Once you have completed your normalised profit and loss you can recalculate your result for the year. Is it still a loss? If so I suggest that it's time you stop using “growth” as an alibi for a poor year and refocus on your business. If, of course, the normalised profit and loss reflects a profit, that's marvellous. With one proviso. It doesn't change the fact that investing in growth sucks up cash.

Julia Bickerstaff, The Business Bakery founder

### 73

I am an entrepreneur and a person who has to start things and that sometimes puts you in an awkward position when you run a very big company. I am still thinking like an entrepreneur – let's go fast, let's do it now. The way to break free is to encourage, and accept, risk taking. Structuring new divisions or product lines as smaller business units also allows entrepreneurs to flourish within the wider group. In Dell's direct sales model, our website is our key sales channel. I tell my people I want 100 experiments, or tests, run on Dell.com each day. While many of these are subtle changes to the design of a page rather than completely new products, the point is that experimentation is important – as is the rapid correction of mistakes. Just try something. The market will tell you if it's a good idea or not. My best piece of advice for growing your business is to make sure you've got your talent in place. It's the fundamental limiter or enabler. You can have these big ideas and big dreams but you've got to have the capacity.

Michael Dell, Dell

## Growth

### 74

Here are some of the key ways you can make yourself more productive and make time to concentrate on growing your business.

**Stop checking emails:** Check your email once a day, or even once a week, and reply to them as soon as you open them.

**Avoid meetings:** Make meetings faster by only attending those with a clear schedule and purpose, and once that's done, make a move.

**Work when you are productive**

Only work during those few hours of the day when you're being productive; there's no point sitting at a desk when you can't get anything done.

**Stick to a to-do list:** Write a list of goals for you to tick off; that way you feel like you're getting more done and are motivated to move faster.

**Set shorter deadlines:** People will drag out their work to fit the allocated time. Setting yourself shorter deadlines means you will buckle down and work faster.

**Delegate:** If you give more employees more responsibility, you can concentrate on your own tasks without being interrupted by others as often.

Tim Ferriss, author of *The Four Hour Work Week*

### 75

Don't just think of succession as a plan for a termination, think of it as cover to build flexibility into the business. Unless you can free up some of your best resources for an extended period of time, you can't really take on large restructuring projects such as an acquisition, raising finance or selling part or all of the business.

There are a number of strategic projects which require a dedicated level of effort for a concentrated period from staff. Unless the key people can be freed up of their everyday activities, you can't really pursue these projects. Furthermore, you can't always plan when they may occur. An acquisition opportunity may simple drop into your lap. Senior managers need to be able to stop what they are doing and concentrate on evaluating, negotiating and managing the new acquisition.

Tom McKaskill, entrepreneur and author

## Growth

### 76

The usual trap I see businesses falling into is that they often chase revenue, and forget profit. In our organisation, we are very profit-focused, to the point we don't pay our sales people for the total revenue of a contract, we pay them based on long-term recurring revenue they provide. We align staff interests with company interests.

Our sales people originally just wanted to chase any business, but rather we said, let's just keep to the products we know and then we're going to have a price advantage over our competitors. I'd rather have a smaller deal with a bigger profit.

Bevan Slattery, PIPE Networks chief executive

### 77

When buying things in a hurry people can make mistakes, so it's better to spend some time thinking about what you need to buy and at what price.

There's no need to waste money just for the sake of buying new stuff. Discuss where the weak points are with your staff and systems administrator, and where they think your systems can be improved.

That five year old computer has been long written off, and the time your staff spend struggling with older, inadequate technology is a far greater loss than the cost of investing in new systems.

Also keep in mind there are various tax concessions currently available for businesses. So have a chat with your accountant before signing the purchase order or pulling out the credit card.

Technology is the most important investment your business can make. Now is the time to think about the right tools so your staff can work wonders for your enterprise.

Paul Wallbank, PC Rescue founder



## Growth

### 78

I don't think that you can under-estimate the value of a board. Bringing in a board of directors very early is hugely critical. If I had my time over, I would have brought a board inside probably the first two years of the business. It took me 10 years to do it. People say, 'Oh, I can't afford it' and my response is, 'You can't afford not to, even if you just have a quarterly meeting of people who are there for no other reason than to help you. Surrounding yourself with people who've been there and done it... they've got a bit of grey power and they're happy to advise you. So I think that that's critical. Not just for advice but also for discipline.

I was the 100% owner of this company for 20 years and I don't think we ever went to a vote on the board, based on the fact that a lot of the times I'd present up to the board an idea. They'd tell me I was off my head, go away and think about it and re-present the upsides and the downsides.

By the time the next board meeting came around I'd either turn up and say, 'You were dead right' or I would re-present, giving a lot more thought and realising that there was either more opportunity or more risk involved.

Tom Potter, Eagle Boys Pizza founder

### 79

Growing the company has been a nightmare, because in a way we are creating an industry. We deliver 25% of solar systems in the market, we're the largest supplier by double, and challenges have included finding people to hire who simply don't exist. There is no single entity to recruit from, and we've had to invest, train them and do that very, very quickly. And with no one to follow, the industry sort of watches us, and whenever we do something right that rolls on, and whenever we make a mistake it's avoided.

Being at the forefront of an industry, there is something going wrong every day. We've certainly failed in a number of ways, because we are creating an industry and don't have anyone to copy off.

As soon as we roll something out, you make a lot of mistakes and you have to create a culture that says it's okay to do that, it's okay to learn from them and move on quickly. When we do something right, others copy us, and when we make a mistake they learn from that and run with it.

Tony Thornton, Solar Shop chief executive



## Growth

### 80

I look for leaders who demonstrate curiosity. By curiosity I mean they are constantly restless with the status quo. They're always looking into the horizon at emerging trends. Trends that may not impact either top line or bottom line right now, but trends in new types of technologies, changes in demographics, changes in trade patterns, changes in sources of capital, changes in supply chain and so forth and say: 'How can I capitalise on this?', 'How can I build new unexpected sort of value around that?', 'How can I cannibalise what I'm currently doing and move ahead to the next wave?'. That's what curiosity's about.

The best leaders are not only themselves curious, they hire curious people. And that's easier said than done, because a lot of times we like to hire folks who basically will say 'yes sir, yes ma'am' to us, and curious people are often a royal pain in the behind.

Oren Harari, professor, Graduate School of Business, University of San Francisco

### 81

Most times, simpler is better. In a business context I mean products, processes and strategies.

Basically, when you make things simpler they are easier to do, manage, build, sell and maintain. That does not mean that you need to compromise functionality or productivity, only that you should constantly seek out ways to achieve the same end with less steps, less parts and less complexity.

The benefits are less mistakes, fewer recalls, higher quality and productivity.

If we accept that every step in a process or each part in a product has a small probability of an error, mistake or defect, then the more steps you have or the more parts you have, the greater the probability of a problem occurring.

So as a management discipline, we should be seeking out ways to simplify designs by reducing the number of parts, reducing the number of steps in a transaction, and reducing the number of elements we need to control in our business strategy.

Whether your approach is through design engineering or quality management, your objective should be to improve your business processes and outcomes.

Tom McKaskill, entrepreneur and author

## Online strategy

### 82

A website is a living, breathing asset. Once you have developed your new site and launched it, you should immediately start planning on building it all over again but this time better, faster and more in tune with your current business systems. Websites should never be a stand alone business system.

Jason Ham, The Uniform Super Store

### 83

The problem is that in these days of more sophisticated and ever-changing eMarketing, the 'design' component of your web presence is really just a small but publicly visible tip of your online iceberg.

To that end, the web 'designer' has become a specialist in the eMarketing world. They specialise in making your website (ideally) look good.

But what about the raft of other website and eMarketing requirements you are going to need?

Such as your strategy, search engine optimisation, search engine advertising, email marketing, Web 2.0 marketing, usability, website features, content management systems, etc, etc.

While your web designer may well be qualified to make your website look good, there's every chance they are not up to speed with some of these increasingly important components.

Craig Reardon, founder, The E Team



## Online strategy

### 84

Make the investment in time to build a site map, and then use this to systematically outline the expected look/functionality of each page or section. The benefits of this are that you will have a clear plan of what will be built and the developer will be better placed to have all of the details of what is expected from the beginning of the project. And remember - just make a start. Have an unequivocal belief that your idea has great value and understand that if you don't bring your proposal to the market, somebody else probably will.

Peter Sobels, RiskInfo

### 85

Never engage a web development company without a recommendation from someone you trust, someone who has actually used them to build their website. Check their portfolio if they have not built sites similar to yours, as chances are they will not be able to come up with goods. And if a web development company says they will take six weeks to build your website then in your mind add on another two weeks, but don't tell them this.

Ann Nolan, Babysitter Directory



## Online strategy

### 86

Businesses need to take note of the top search trends via Google's Insights for Search tool throughout the year in order to take advantage of trends and see more traffic on their site.

Find out what is popular and take advantage of that. Google is trying to be up-to-date with the live web in order to compete with Twitter, so there is an emphasis on recent results. If you keep up-to-date with recent trends and use those keywords on your site, you'll gain traffic.

But it but it will only work if you have been regularly updating your site, using tools to track trends and make sure you add content on a regular basis. If you regularly update your site, Google will know that, and will be more likely to pick you up quite quickly in higher rankings.

Jim Stewart, chief executive, Stewart Media

### 87

Once you have the potential clients on the website, you need them to submit their contact details or call you.

Online inquiry forms work best when they are short and split into more than one page. He says the first step should request only a name and email address. This way if the web visitor doesn't go any further you have their name and can send personalised messages. The second page of the form can ask for more information to enable you to segment the customers into demographics and by other personal information.

It's also a good idea to offer web visitors an incentive to send in the inquiry form. For instance, offer them a free trial or a whitepaper or downloadable PDF for example, in return for completing the inquiry form.

The form page itself should make explicit the reasons why potential clients should be interested in your goods and services. For example, "we promise to answer your query in 24 hours" or "we have 10,000 satisfied customers".

Chris Thomas, Reseo

## Online strategy

### 88

I still see a lot of websites that don't put a phone number on every page. People have to realise that people are on their site with their finger on the mouse. There is a split second before they return to Google if they don't find what they are looking for. People scan websites. They don't read in detail, and there is very little loyalty. Don't find what you want? Go to number two on Google. That's why Flash and sites that looked like brochures didn't work. People just want to know – will it answer my question?

Jason West, Websalad

### 89

Mapping out your website before it is created will significantly reduce headaches throughout the planning process. The old adage “failing to plan is planning to fail” definitely holds true with regards to web design. Treat your website like your most valuable piece of real estate and design it accordingly. It needs to reflect everything about your brand and products. Being another sales channel in place of a physical shop front means customers need to intuitively find things themselves.

Geoff Huens, Beer Cartel



## Online strategy

### 90

Always remember to have an attitude of abundance. There is plenty of business and customers to go around. Therefore if you are a small business, do not always think that the only real customers are found in the highly competitive keywords that larger players are getting huge amounts of traffic from. Instead, approach search from a niche marketing point of view where you target highly specialised terms that may not have as much traffic but convert very well. An attitude of abundance tells you that there are plenty of customers to be found, you just need to know where to look for them.

Wai Hong Fong, OZHut

### 91

Having up-to-date content is king. There is nothing more annoying than sites with a news section that dates back to last year or the year before. So nothing has happened in that company for over 12 months? And I have found this on the website of some of Australia's fastest moving companies.

If you don't have them in-house, get an expert. Crappy sites portray an unprofessional image and it's not good enough in this day and age.

Peter Cameron, Carbonite Australia



## Social Media

### 92

Social media is like a cocktail party. Communicate as a person, not as a business. Don't focus on using social media to advertise. You don't turn up to a party and introduce yourself to a stranger with "I sell kitchenwares. Want some?"

Richard Eastes, [VroomVroomVroom](#)

### 93

Lots of companies set up a Twitter account and then have no idea what to tweet. Here are 10 suggestions:

1. Announcement of sales, specials and discounts,
2. Welcome a new staff member,
3. Promote a new product line,
4. Recruit members for a focus research group,
5. Run competitions and giveaways,
6. Recruit new staff by listing job vacancies,
7. Post industry articles that support your products or services,
8. Promote happy hours for online stores,
9. Retweet your supplier messages,
10. Welcome new clients.

Michaela Clark, founder, [mi virtual pa](#)



## Social Media

### 94

Businesses must be aware of what is happening to your brand online. It all goes back to the stigma that these sites have just young people using them and what's said on there won't affect your brand and company. But some organisations might be very surprised at what risks they stand for online.

A lot of companies or risk managers in companies believe these users are just young people, but the sites actually have employees and staff using them to talk to friends and get out there... they may say things they wouldn't at work.

Businesses must get on top of these situations early, as the speed of the internet will allow stories to enter the media before a company even knows of a problem.

If there was a journalist who finds something, and you don't know it's there, you're in for a lot of trouble.

[James Griffin, founder, online risk management group SR7](#)

### 95

Management consultants have filled books with advice on managing employee morale, but even employees with the best managers will complain and gossip. If you're not actively engaged in conversations with your workers, you may be surprised to know how they really feel about the way things are going.

Regular performance reviews are one opportunity to gather such information, but employees see these assessments as highly formal and may well be reluctant to raise criticisms or offer feedback when they feel they're being judged. Yet that doesn't mean they won't walk out of the meeting and immediately start complaining about you to their Facebook friends.

When they do, word can travel fast.

[David Braue, IT expert](#)



## Social Media

### 96

The trend of gaining as many “friends” and “followers” on these sites will disappear to be replaced by networks of close friends, family and other interesting people who add value to your network.

At the end of the day, we only have time for so many social networks. As a result, I think the big players, (Facebook and MySpace in much of the world), will continue to separate themselves from the pack and see niche social networks evolve within their groups and similar functions. The successful ones will be purposed, targeted and relevant to a relatively small, but richly active community.

Jason Falls, director of social media at advertising group Doe Anderson

### 97

The beauty of LinkedIn is that it is purpose built for professional business networking, unlike MySpace and Facebook. One of LinkedIn’s great assets is its free ‘group’ tool which allows anyone to create a group to exchange all kinds of information which can also send alerts or summaries to your email inbox. This is invaluable if you want to form or become part of a group that can cross-refer potential suppliers and related information.

Craig Reardon, founder, The E Team



## Social Media

### 98

For all the hype about services like Twitter and Facebook, there are many more millions of consumers who don't 'join', who don't blog nor consider themselves blog readers. Yet they are likely to participate quite frequently (albeit unwittingly) in social media, via Google searches. Google searches which serve up YouTube videos, blog posts, etc. Social media-savvy SEO will be an ever-more-important factor for brands to consider as they seek to expand their influence beyond the 'cool kids' crowd online.

Todd Defren, principal, SHIFT Communication

### 99

Never forget that the groundswell is about person-to-person activity. You are not speaking as "the company", but as a person. Most companies don't know how to do this, and it takes a lot of practice to find that voice and feel comfortable with it. Be a good listener – all companies say they listen to their customers, but do they really LISTEN and let people know that they are listening?

Be patient – this takes a long

time because you are going to be transforming your company, one person at a time.

Be opportunistic – start small with the people who are most passionate about building relationships with customers. Be flexible – you never know what's going to happen so you have to constantly adjust your thinking and learn.

Be collaborative – you need

people from up and down the management chain to buy-in. Most importantly, be humble. Remember that you are not as powerful as the groundswell. If you forget this, they will let you know.

Jason Shico, DigiCloud



## Social Media

### 100

Our guide for Twitter is 3:3:3. One third original marketing material (such as food tips, links to our website and recipes); one third re-tweets of other relevant information supporting our followers and those we are following; and one third replies and conversation.

Michele Menchin, Taste Gourmet

### 101

Make sure the actual time you spend on your social media does not overtake your other business functions. Social networking can be addictive. Spend a specific time (first thing in the morning, 10 minutes at lunchtime and just before close of business) and then focus on what you need to be doing. Sign out of the sites so they are not front of mind and/or you don't have TweetDeck chirping at you all day reminding you of some interesting tidbits.

Angela Sands, Angela Sands & Associates

