

Foundations—a Pedestal Group Publication

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FOUNDATIONS

The Pedestal Group

Turnover Effects Everyone

Special points of interest:

- *Social Media*
- *Cash Flow*
- *Communication Goals*
- *Email Rules*
- *AND MORE!*

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There are a lot of reports out right now on how many people will be looking for jobs in 2012. The September 2011 Globoforce Workforce Mood Tracker found that 38% of workers will look to make a change. Execunet reports 36% of executives are ready to change jobs and 67% of executives in non-profits are looking to leave their current roles according to Daring to Leave 2011.

So what does that mean for small business? When an executive changes jobs, it can have a ripple effect on anyone involved with the company. Here are some ways to protect yourself.

First, evaluate your top clients. How many relationships do you have at each company? If the answer is one, if that person were to leave you go back to square one with the client.

Instead, solidify your relationship by getting deeper in the company. You want to have 4 contacts at any given client because then you are protected when there are personnel changes. If you have 4 contacts and one leaves, you have time to get to know the new person. If you have three and one leaves, you are down to two against one when the new person comes on board

and that may not be a comfortable position.

Create a list of the contacts you would like to have and set up meetings or phone calls to talk to the other people there. Be sure to have a list of questions ready to discuss that are about the person you are meeting. The discussion should be about them and their needs so you can find new ways to help them. Make sure they know how you've helped them in the past and what you plan to do in the future.

Next, look at your current contacts. If that person left, would he or she take you along to the new company? If you feel confident that this is the case, build into your contact plan for 2012 periodic reminders to thank this person. Stay top of mind and send Starbucks cards or other little things to let them know you appreciate them.

If they wouldn't take you with them, be honest with yourself about why. Is there something about your relationship you can fix? Are you willing to do what it would take? You don't have to answer "yes" to either of these questions but if you answer no, be sure to have a marketing plan with enough new clients in it

to re-



place this one if something went wrong.

If you don't know if they would take you with them, it is time to find out. You need to have a real heart to heart with the contact to find out are they happy, what are they happy about, what needs work and how can you strengthen your position. Many people don't communicate much when they are happy or satisfied so it is possible you will find out they think everything is great. Putting them in a situation where they say that out loud is a big help in confirming it both for you and in their own mind. On the other hand, when people aren't happy, they don't necessarily say anything either. They often just go find a new vendor. Having the conversation gives them an opportunity to speak up and fix any issues.

Be sure you are able to manage turnover at clients to firm up your 2012 plan!

Review of Social Media



At this time of year it is always fun to read the reports that explain what's hot, what's out and what's changed.

ComScore released their annual report on Social Networking and Where it is Headed so here are the highlights.

Social Media now reaches 82% of the world's online population (1.2 billion users) and show that as soon as people get on the internet, they start connecting. Nearly 1 in every 5 minutes spent on line is now spent in social media activities which is three times what it was in the last four years.

Interestingly enough, even in closed societies social media has a strong presence. In China, 53% of the online market uses social media up to 98% in the US. 41 of 43 markets reported showed an engagement of over 85%.

Looking at specific tools, Facebook is by far the largest engager as it reached more than half the world's audience and accounts for approximately 3 in every 4 minutes spent on social networking sites. What's more, it ac-

counts for 1 in every 7 minutes spent online around the world. There are only 7 markets where Facebook is not the leader: Brazil, China, Japan, Poland, Russia, South Korea, and Vietnam. While blocked in China, Facebook is definitely growing in these areas and may be the leader within the year.

Twitter now reaches 1 in 10 internet users worldwide and saw growth of 59%.

LinkedIn now has more users outside the U.S. than inside even though the highest traffic still comes from the U.S. Europe is the largest market for LinkedIn.

Google+ launched to gain 25 million users within the first month. Facebook took 36 months to reach that number of users and Twitter took 33 months to put the growth into perspective. As of the end of 2011, 65 million users have joined Google+. While that is impressive, it is hard to tell if the results will be sustainable.

As far as demographics go, social media is no longer a tool of the "young". Across the board people of all ages use social media and show over 79% of the online market engaged in all categories. In North and Latin Amer-

ica, social networking reaches 93% of online users over 55 years of age.

15-24 year olds also showed growth in social media usage. They showed the largest decline in instant messengers and email, but the largest gains in social media. (NOTE FROM TPG: We would recommend caution in interpreting these results as predictive of how we will communicate in the future. People 15-24 generally do not have to communicate regarding work issues so we don't believe this reflects changes in the future.)

It is clear that one area that will grow rapidly is social media usage on mobile devices. One third of mobile users currently report accessing social media from their devices. While that is a small percentage of total social media users, it is a platform that has growth potential.

Social media has definitely become part of our landscape and affects how business is conducted and people interact. Small business must stay on top of what is out there and where their clients are in order to stay ahead of the curve.

Over 79% of ALL users access social media—regardless of age!

Set Goals When Communicating

When in a business communication, it is important to know what your goal is. Communication without goals can be fun, but at the end of the day you haven't accomplished what you need, moved your marketing or strategic plan forward, or made something new happen. So how do you set goals for communications?

One example is when giving your ele-

vator speech. If you give your speech with the thought that you want to close a sale, it won't happen (although it would be nice). Instead, set the goal to get the person to want to continue the conversation after the elevator doors open. That's what you want—that's your goal. Setting goals like this can go a long way to moving your business forward. Here are some other examples.

When making a cold call, be sure to have your points handy and at the top of the script / outline / doodle pad, write down your goal. "I want this prospect to know _____ about me". Fill in that blank. Set your goal. Whether you leave a voice mail or talk to someone, you know what you need to accomplish and at the end of the call, you can easily judge if you were successful.

Cash Flow Projections Can Make the Difference

According to CBS Money Watch, the key to success is making cash flow projections. Rich Russakoff and Mary Goodman claim that cash flow projections will mean:

1. Proactive management of margins / expense creep (the leading indicator of profitability).
2. You will get better at projecting.
3. Trends will become obvious
4. You'll be able to see where your money comes from
5. You can map out slow times and times of year when you shouldn't spend or should get longer terms from vendors.
6. You'll see when your money comes in and if you are getting paid on time.
7. Expenses will be more obvious and you will be able to see

- where you need to cut.
8. It will become easy to determine when to establish a line of credit and how much you will need.

Cash flow projections start with where cash is today. Then, break out your anticipated revenue from each profit center on a quarterly and monthly basis. Plug in your expenses and when those come due. Often bookkeeping software lists the items in alphabetical order but that isn't meaningful when doing projections. Instead, work from a calendar or spreadsheet by date.

The authors also recommend categorizing your expenses rather than indicating each individual expense. This will give you a better handle on where your money goes and you can see where cuts can happen if necessary. They recommend the following categories: "salaries (breaking out over-

time, bonuses and commissions), sales and marketing expenses, utilities, professional fees, general and administrative, travel and entertainment, bank and credit card processing fees, insurance, shipping and postage".

In addition, they recommend showing percentage to sales and then a place to track actuals. Cash flow can help you manage in 2012!



Go to : <http://www.bottomlineupenterprises.com/> for a cash flow projection model from the article

Using Email Properly

Ask at a party about email challenges, and the comments come out of the woodwork. People will jump into the conversation just to get their pet peeves heard. So how do you make sure your email isn't one that is in that discussion?

Ross McCammon at Entrepreneur suggests answering emails as if you were Robert De Niro. His brusqueness is a way to stay to the point and if the email would be too long, he says De Niro would either call or go talk to the person. In addition, he recommends the following:

1. Would you CC yourself? If not, double check your list.
2. Before BCCing someone, ask yourself what that says about YOU.
3. ALWAYS assume your email will get forwarded to someone else. He even goes so far as suggesting

assume your email will get read aloud in a court of law. Write accordingly.

4. If the message is less than 7 words, put the whole thing in the subject.
5. Watch capitalization. All caps, small caps, random caps, etc. make you look bad.
6. Standard fonts only. Period.

Before you decide these things are self-evident, understand that, TED Curator Chris Anderson and TED Scribe Jane Wulf created the Email Charter <http://emailcharter.org/> detailing an agreed upon standard for email. Part of the motivation is because in aggregate, the time it takes to respond to email is longer than it takes to write it. Think about it: If you send an email to a client and copy two of your staff expecting answers from all three people, even if all three type "NO" and hit send, the total time for

them to do so took longer than it took for you to ask the question. With that in mind, we all need to keep email to a minimum. The highlights of the Charter are:

1. Respect Recipients' Time
2. Short or Slow is not Rude
3. Celebrate Clarity
4. Quash Open-Ended Questions
5. Slash Surplus cc's
6. Tighten the Thread
7. Attack Attachments
8. Give these Gifts: EOM (end of message) or NNTR (no need to respond)
9. Cut Contentless Responses
10. Disconnect!

Obviously the message here is think before you send, keep it short and sweet, and make it easy for the recipient. If everyone did this, we wouldn't spend so much time managing email!

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The Pedestal Group

The Pedestal Group was founded to answer a need we saw in small businesses to have a source for help. That could be how to find and integrate the right technology, how to better hire and manage people, how to set goals and create a strategic plan, or really attack and own your marketplace.

Our team has worked in a variety of industries including staffing, recruiting and executive search, retail, technology, healthcare software / IT, higher education and franchising and the consistent theme we have found it is very hard to see the forest for the trees. In small business, that is compounded by the number of resources available.

Our approach is unique in that we don't just say it is all about the customer, it really is. The Pedestal Group puts our customers on a pedestal – right where they belong. That isn't to say the customer is always right because that is an adversarial relationship – in our case, we always come to agreement. We are always in a partnership with our clients but also remember who's the most important – YOU.

The Pedestal Group - Putting our clients where they belong.

Communication (con't)

When you attend a meeting, is your goal to change someone's mind, alter a plan or change direction? If it is just to inform, send an email or a memo. The goal of the meeting should be to have a meaningful discussion about the topic and either "change" or "do".

Checking in with a current customer? Have specific things in mind you want to find out. How are things going? What are they hearing in the industry? Did they hear the latest (fill in the

blank)? These should all tie back to specific goals. You want the customer to think of you as an ex-

pert which is the reason you shared some industry insight. You want to be able to report to other clients what you are hearing from the front lines. So you ask how things are going. You want to know what is keeping them up at night so you can determine where you can provide more value to the customer. Each of these areas can be set as a goal and kept handy near your phone. That way even if the call is spontaneous, you are ready to go.

When a subordinate or co-worker brings you an issue or concern, determine if your goal is to solve the problem, let them solve the problem, or work it through together. Each of these brings its own reaction and hav-

ing thought about it in advance will help you know how to proceed. It may be that

your plate is very full so the best response is to help the other person brainstorm a solution and then let them go and implement it. Then again there may be another team member you would like to involve to achieve some growth goals.

Regardless of the type of communication, setting goals for what you would like to accomplish helps you direct the conversation as well as evaluate your day when planning for tomorrow.

Meetings, employees, coworkers, prospects and client communication can all have goals