

### Business Tools

- Free Conference Calls Anytime You Want
- Reduce Your Marketing Expenses With The Other Side of The Yellow Pages Story
- Free Consultation for Business Owners
- Get an Ironworks Tool Set for a Free Checking Account Referral

### Revenues Down?

- Average Business Client Losses are 25%/year
- Recession Economics Make It Worse!
- This is the Millennium Global Economy where
  - Everything is Different than You Knew,
  - It's Not What You Want, and
  - Recovery will be Too Little and Too Late
- Business Can Start to Spiral Out of Control

### Cash is King

- Healthy Revenues Can Mitigate Other Issues
- Effective Marketing & Sales Drives Revenues
  - Focus on Shortest Time to Money
  - Empower and Train Every Employee in Sales
  - Incentivize Clients and Deliver Flawlessly
  - It's a Continuous Process, Don't Stop
- Act Now, Don't Hesitate! It's Up to You!
- Where Do You Start? With Business Basics.

### Local News and Views

- American Recovery and Reinvestment Act in Fort Collins, NCBR
- Local banks close branches to trim costs, NCBR
- Colorado's Royal Gold, Mesa Labs, and Ramtron are FSB's 100 Fastest Growing Small Public Companies
- Job bills go into effect Wednesday, BCBR
  - tax incentives to companies that move to Colorado and create at least 20 new jobs
  - technology-based companies with 50 or fewer employees to receive refunds of state sales and use taxes related to research and development for clean technology and medical devices

### Your Business In the News

- Case Study: When Your Bank Stops Lending, Inc
- Special Financial Report: Employee Compensation, Inc
- Planning Now for an Economic Rebound - Comeback once the Recession is Over, Inc
- Small Businesses Have a New Beef With White House, WSJ
- FSB 100, America's fastest-growing small public companies, Money
- In Tough Times, Companies Coddle Their Regulars, WSJ
- Nationally, 612 VC deals in Q2 totaled \$3.7B, led by software and biotech companies.



# Setting the right price

*Setting the right price for your product or service is a delicate balancing act*

**IF YOU CHARGE TOO MUCH**, your customers may not buy and if you charge too little, you risk eating into your profits and feeling as if you are giving your products away.

Quite simply, there are no quick or easy calculations to tell you what price to set, but there are certain factors that you must take into account.

Establish your price by considering the following: the markets you are operating in, your customers and the benefits of your product or service.

### Consider the competition

Find out as much as you can about the competition. Check out what prices they charge and whether they offer any incentives such as discounts. Think about how your product rates against those offered by the competition. Draw up a list of what their strengths and weaknesses are and see if you can adjust your prices to exploit these.

The price you put on a product tells prospective customers something about it. For example, a higher price implies high quality, a lower price, low quality. Non-price factors can also help you build a pricing strategy.

Don't be frightened into thinking that the only thing that matters to buyers is price; they are interested in other aspects of your product too.

Look at the benefits associated with your product or service. For example, you could build up

an image or reputation for areas such as quality, efficient service, reliability, prompt delivery. This will enable you to raise your prices and generate higher profits.

### Look at a range of prices

It is often more realistic to think in terms of a range of prices. It can be tempting to start off with a low price in order to attract your customers, with the aim of raising the price once you are up and running, but this could backfire. Some of your customers may only be buying because of the low price and may not make repeat purchases if you raise them.

The lowest price you should consider setting is the one that covers your direct costs, so work out what your business costs are. These are classified as fixed (such as any salaries you have to pay out and rent you are paying on premises), variable (costs which can increase or decrease depending on levels of production) and semi-variable, such as the cost of using mobile phones.

**Never go below this price** – only accept this price if you need to sell excess stock.

If your customers talk to each other, it could soon become an established fact that you can be forced to sell at this low price and it will make it harder for you to raise prices in the future. ■

SOURCENOTE: Lloyds TSB Small Business Guide

## Have you ever thought about..... cloning yourself?

**ONE OF THE KEY DISTINCTIONS between creating your own job and building a business, is the ability to train other people to do your work for you.** Most professionals run their "practice" as a small business for tax and accounting reasons, but in fact they have a job they've created for themselves. They may enjoy not working for a corporation, but they still have to show up and do the work in order to get paid. Increasingly, professionals are training others to do much of what they used to do themselves. Attorneys use paralegals, physicians use PA's and the most successful real-estate sales professional I coach has a personal staff of people who work for HER, not for her broker. In many cases, her staff can close sales, even if she is on vacation. Her commissions continue while she is on the beach! Successful business people learn to delegate. They hire experts who can strengthen and diversify the office. They understand that training and leading a team will always be more profitable than doing it all yourself. And, they invest in hiring the absolute BEST, most experienced people they can find, and they pay them very, very well. They know that in the end, hiring good people doesn't cost; it pays! Learn to delegate and to train and lead others. The key to building your business is almost never "doing" more; it's hiring and supporting great people. To increase your own success, learn the skills of leadership! Moving from a "practice" where you create your own job to running a business is not easy. Most professionals use coaches to help them design and implement the transition. If you need help with this, please contact me! **Let's make it happen!** ■



# Management by delegation

*Do the following scenarios sound familiar?*

## **YOU'RE WALKING TO YOUR OFFICE and an employee stops you to give you a rundown of what's happening:**

"I made a phone call to Bill. He says that we can't get the project done until July 7, so I'm going to work on the Smith account, and after lunch turn MY attention to the Lion account.

"The newsletter project will be finished on June 17 and, by the way, the copy machine is broken. Should I call a repairman?"

As you get to your office, another employee stops you to give a rundown of his situation. This lasts another three minutes.

Frustrating? You bet.

And you wonder, why can't these employees take more responsibility and not drop every detail of every project in your lap?

Maybe it's not them, but you. Maybe you are not delegating effectively.

Here are some key points to remember

- **Stress results, not detail.** Make it clear to your employees that you're more concerned about the final outcome of all projects, rather than the day-to-day details that accompany them.

- **Don't be sucked in by giving solutions to employees' problems.** When employees come to you with problems, they're probably looking for you to solve them.

*Don't.* Teach them how to solve problems themselves.

This, too, can be frustrating because it takes time. But in the long run, you'll save yourself

time and money.

- **Turn the questions around.** If an employee comes to you with a problem, ask him or her for possible solutions.

If an employee comes to you with a question, ask for possible answers.

- **Establish measurable and concrete objectives.** With all employees, make your objectives clear and specific.

Once this is done, employees will feel more comfortable acting on their own.

Think of this plan as a road map — and your employees will, too.

- **Develop reporting systems.** Get your feedback from reporting systems: monthly reports, statistical data or samplings.

Or consider weekly meetings with employees.

- **Give strict and realistic deadlines.** If you don't give clear deadlines, employees won't feel accountable for the completion of their tasks.

- **Keep a delegation log.** When you delegate an assignment, jot it down. You'll be able to monitor the progress and discipline employees when necessary.

- **Recognise the talents and personalities of your employees.** Being a good delegator is like being a good coach of a sports team.

You have to know what projects each employee *can* handle and what projects they *can't*. ■

SOURCENOTE: Adapted from METHODIST LEADERSHIP

***Technology Vision In Action* puts you in control of your vision for the business. With 3 decades of experience and best practices, we deliver the individualized vision, strategy, tactics, and results that work for you. We operate as a partner to the clients we serve, so from inception to completion we advise and execute. As experienced entrepreneurs ourselves, we know just what it takes to achieve improved products, services, revenues, costs, profits, and operations.**

## **BUSINESS AND TECHNOLOGY SOLUTIONS**

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