

Have you ever thought about...

...tight budgeting and market research?

Research that is not tied to any current sales project is an extra cost, but it can provide a valuable perspective on market trends.

DON'T SKIMP ON MARKET RESEARCH. As a cost-control measure, many companies now require market research to be tied to the marketing of specific products — banning general research that may be derided as idle “fishing.”

Problem: This cost-minimizing approach forces research to focus on areas of the market with which the company is already familiar.

Result: The company is left in the dark about developments in other areas that may prove vital.

Point: Research that is not tied to any current sales project is indeed an extra cost.

But it can provide a valuable perspective on market trends and serve as a source of new ideas that prove worthwhile to the business over the long run. ■

SOURCENOTE: Thomas T. Semon, marketing research consultant, quoted in *MARKETING NEWS*.

There's nothing worse than...

...a MAN scorned!

(Genuine letter received by a solicitor from his client's husband in reply to divorce proceedings, omitting details.)

“Dear Sir

In reply to your letter.

I have no objections to you acting for my wife, I have tried for a long time to get rid of her. I give you full consent to do whatever you wish, so we can speed up the inevitable.

Unfortunately she tends to change her mind like the weather, so do not hold your breath on getting too far too soon.

I really do wish you all the best in this matter and upon completion of the divorce; I will give £100 to the charity of your choice.

Unfortunately, my wife suffers from PMT for approximately two weeks of the month, so in the good two weeks please make sure you act swiftly, and in the bad two — **GOOD LUCK!**

Sincerely,”

BUSINESS

ALERT!

“Practical Advice That Works” Vol 4 No 2

Lock employees out from violating your information security

Your employees may be the weakest link — and the cost to the company can be losing its biggest asset

OVER 75% OF COMPANIES are at serious risk from the implications of poor business practice. In a fiercely competitive market, management is still ignoring the time bomb of poor information security.

At first glance, the information held by a company may not seem such a big issue; however, information is a company's most important asset, even though it is not reflected on the balance sheet.

Perhaps this is the reason why information security is very rarely at the forefront of management's minds. Strip away or corrupt that information and a company will have trouble surviving.

There is a mistaken belief that hackers are responsible for causing the most information security breaches.

Weakest link

In reality, whether it is accidental or deliberate, Aston Information Security's research revealed that it is employees who are the weakest link when it comes to information security and it is costing industry tens of millions of pounds a year.

The misappropriation of company assets such as pens and the use of the franking machine for personal mail, for instance, have been superseded by a much more sinister violation of employee/company trust, — that of the breach of information security.

With the advent of the electronic era, it is much easier and quicker to ‘borrow’ information. Over 80% of information now leaves the office unofficially by e-mail, disks and laptops. Of this, email accounts for 24%, laptops 18% and disks 39%.

Two groups of thieves

There are two distinct groups of employees who misappropriate information.

The first is those who do it maliciously, either because they are disgruntled or about to be made redundant.

Although the number is very small, they can create havoc with a company's information. They corrupt hard drives or even wipe them clean and companies often do not have a tested back up.

Alternatively, they copy the company secrets and database for their own use or to sell to a competitor.

The second is more common, with no malice aforesaid, yet often more disruptive.

Laptops are now as powerful as the desktop and with over 15% of laptops stolen for information they contain, they should, — but generally do not, — have the same (if not a greater,) level of security.

Major corporate damage

Stolen or lost, laptops or disks can cause major damage to a company.

E-mails are a very easy way of sending information and it is not uncommon for an extra address from the address book to be added inadvertently before the send button is pushed, and there is no method of retrieval.

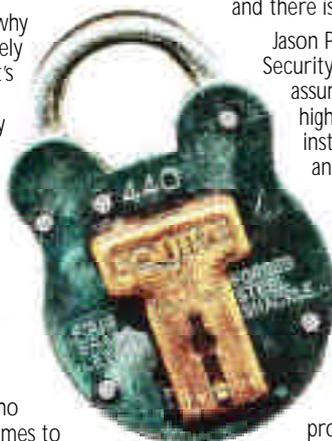
Jason Parker-Smith, of Aston Information Security, says, “Companies make the assumption that the recipient has equally high levels of information security. For instance, we researched one email trail and found that an insurance company's entire customer database had been found on three unauthorised external ones. Falling into the wrong hands, this information would probably have cost the company millions.”

Some of the most rudimentary steps in information security are not being adhered to but the biggest problem is: **whose responsibility is it?**

Directors and managers think that information security is an IT matter, while the IT department feels that it is a management issue.

In actual fact, the responsibility for information security should — and often does — start at the top, with the MD, CEO and the Board. ■

SOURCENOTE: Aston Information Security is a specialist consultancy which analyses a company's information security policies and business continuity planning. Using BS 7799 as the standard, it offers practical services and solutions to business on how to secure information and ensure the company can continue in operation in the event of a disaster. For further information and further findings from the research please contact Aston Information Security, <info@astoninfosec.co.uk> or visit the web site, www.astoninfosec.co.uk . Telephone 01403 750990



Words of Wisdom

“Advertising is a valuable economic factor because it is the cheapest way of selling goods, particularly if the goods are worthless.”

— Sinclair Lewis

The Top 10 Ways to Achieve the Goals You Set for Yourself

GOALS CAN BE HELPFUL or they can be counter-productive by being too high, too complicated unfocused, or simply unrealistic. These ideas can help you be in a better place to reach or if necessary, revise any goals you might set for yourself, whether they are short term or long term goals.

1. Set reasonable goals for yourself. They can be "large" goals; just be realistic. Don't set yourself up to miss your goal.

2. Don't make excuses. And if you fail, try another tack, angle, plan, or direction.

3. Have a solid plan or strategy for reaching your goal(s).

4. Be willing to make sacrifices to get what you want.

5. Stay "in action" and don't allow yourself to get sidetracked or to slow down just because things become difficult.

6. Don't blame others for anything. It serves no purpose, it takes you out of focus of your goals, and it is a big "energy drainer."

7. If you slip at one stage of your goal, re-plan it, and start in on it. Do not let much time go by, or you will lose your momentum, which can be an important tool in reaching a goal.

8. Be consistent in your vision and in your highest desires.

9. Ask for help from everyone you trust, respect and admire in helping you reach your goals. You'll be surprised at how willing many people are to help you.

10. Use positive "self-talk" and continue to believe in yourself and in your ability to get where you want to go or to do what you want to get done! Be persistent and keep your mind and heart in your project. "Faint heart never won fair lady."

SOURCE NOTE: Submitted by Dennis R. Tesdell, Editor & publisher, who can be reached at lifecoach@coachdt.com, or visited on the web at <http://www.coachdt.com>

Words of Wisdom

"I tend to live in the past because most of my life is there."

— Herb Caen



Chris Nabavi

The view from where I sit

IF YOU WERE BORN AFTER 1980, this does not apply to you... so go away!

Kids of today are wrapped in cotton wool... Read on.

If you lived as a child in the 50's, 60's or 70's, looking back, it's hard to believe that we have lived as long as we have...

As children, we would ride in cars with no seat belts or air bags.

Our beds were covered with bright-colored lead-based paint. We had no childproof lids on medicine bottles, doors, or cupboards, when we rode our bikes we had no helmets.

We drank water from the garden hose and not from a bottle. **TAKE SOME ACTION AND REPLACE THAT CHANDELIER**

We needn't look only to hot new ideas for insights. Ancient wisdom still has much to teach us.

Rabbi Lawrence Kushner is particularly good at applying biblical principles to contemporary issues.

For example, Kushner tells about the many modifications, improvements and repairs continually needed for his old house that's been his family home for 25 years.

Always on their to-do list but never at the top was the dining room chandelier.

It was unattractive, but not broken, so they lived with it all that time, despite many vows to replace it.

One day, when Kushner's father was visiting, he showed up in the dining room with a hammer.

"What's that for?" Kushner asked.

"It's for breaking that chandelier you're always complaining about," his father replied. "If you don't break it, you'll never get around to getting yourselves a new one."

Kushner recognized a needed lesson. Some things you just have to break or they'll stay there forever. He

and his dad took down the chandelier, leaving only the bare bulbs. Something had to be done, so the next day they went to the lamp store and bought a new one.

Kushner makes a biblical and business analogy. "It's a curious but little known fact that the Israelites enslaved in Egypt for 400 years never once asked to go free."

In the Hebrew Bible they often say, essentially, "Life is hard; we don't like it," but never, to Pharaoh, Moses, or God, "Get us out of here!"

This is why, Kushner speculates, God had to put on such a big show with all those miracles and plagues.

God could have simply made them free, but that wouldn't have been enough.

The slaves themselves had to want to be free. Those signs and portents helped them realize for themselves that they could rely on a power in the universe even greater than Pharaoh.

Kushner says, "What had to be broken was not Pharaoh's will, but the dullness of their own routine, the comfortable reliability of putting up with things the way they were."

Coincidentally, Kushner says that, according to family lore, his grandparents left their Ukrainian village nearly a century ago, because of his grandfather's prized chandelier!

On many Fridays, when the local peasants coming home from the fields stirred up trouble, his grandfather would first shepherd his family to safety in the root cellar, then carefully take down their chandelier so it wouldn't get damaged by rocks or beets thrown through the windows.

In his rush one week, he dropped the chandelier and it broke with a crash into a thousand pieces. "That does it!" he shouted. "We're going to America!"

So all of us should ask what chandeliers we're tolerating or carrying around in our own work or personal life. Then determine to endure them no longer — insist on making long-delayed changes. ■

Survey

The business of being British

IF YOU'RE CALLED JOHN OR PAUL, are aged between 45 and 54 years old, drive a Ford, eat roast beef and holiday in the States, then more than likely you're one of Britain's 3.7 million small business owners.

These are the findings of a unique research survey by Bibby Factors Bedford designed to profile the British small business community in the 21st Century.

The findings highlight the traditional nature of small business owners and managers in this country: a group whose favourite dinner is roast beef and Yorkshire pudding (28 per cent); who are more likely to drive a Mondeo than a Mercedes and where one in ten would rather holiday within the British Isles than venture abroad.

The survey shows that the ambition of 'being my own boss' is the major motivation behind 55 per cent of all small business owners going it alone, while the characteristic identified as most likely to make a good entrepreneur was 'being a people person' and able to get on with others. Perhaps surprisingly this comes

ahead of qualities such as dynamism (6 per cent) and vision (15 per cent).

However, the findings also demonstrate that taking the self-employment route is not an easy option.

The typical small business owner works a 50-hour week with over a fifth (22 per cent) working between 56 and 70 hours.

In fact, a quarter of those surveyed take less than a week's holiday per year, with 38 per cent of those surveyed admitting they check their emails and take business calls when taking a break.

It's not surprising therefore that 99 per cent of owners and managers admit to feeling stressed at work, while nearly a fifth feel stressed more than three-quarters of the time.

However, the majority of respondents are striving to get the work/life balance right.

Sixty-four per cent want to spend more time with their family this year, while just over half (51 per cent) are pledging to work shorter hours in 2003. ■



Data Protection scam

LAWYERS ARE WARNING businesses to be on their guard against a spate of misleading letters that are being circulated about the Data Protection Act (DPA).

The letters offer to register businesses under the DPA for a fee of £117.50 when, in fact, the annual fee for completing the notification procedure is only £35.

The organisations are cashing-in on radical changes to the DPA, which require most businesses to inform the Information Commissioner about the way they process personal data.

Failure to do so is a criminal offence that carries a fine of up to £5,000.

Mike Wasinski, a partner at the Manchester office of Hacker Young, says, "Most business people see the Act as a rather daunting and unnecessary piece of extra bureaucracy.

"The attraction of these letters is that they lead you to believe that by paying a one-off charge you will solve the problem. They imply that once you've completed the notification you'll be fully complying with the Act. That is not the case."

Wasinski advises anyone who receives such letter to contact the Information Commissioner's office, which will provide guidance about notification and compliance issues.

Russell Brown of Glaisyers Solicitors goes a step further, "Whilst most businesses are required to notify the Information Commissioner about the information they retain, they must also comply with eight data protection principles."

"Quite often it's necessary to conduct a data protection audit to establish the type of data being retained and how it is held, processed and disposed of.

Wasinski adds, "What I find totally unacceptable is that these organisations are making a profit of around £80 on each respondent but leave behind them a trail of unsuspecting businesses clinging to the mistaken belief that they have secured compliance under the Act. In fact, they are still at risk of failing to comply.

"Let's face it. This is a rip-off." ■

SOURCENOTE: For further information, please contact: Mike Wasinski/Hacker Young 0161 929 5194; Russell Brown, Glaisyers Solicitors 0161 832 4666.

When they say 'motivate' they really mean 'change'

There is one vital step from motivational theory to actual motivational practice

JULIA R. GALOSY, A DIRECTOR OF TRAINING for Dun & Bradstreet, says the concept of employee motivation should not be a conglomeration of motivational theory, but rather should be looked upon as a simple and direct method for getting the worker to "change" his or her ways — presumably for the better.

To illustrate, let's suppose a client has a particular subordinate who is chronically late with assignments. The client may ask, "What can I do to motivate that subordinate to be more punctual?"

Galosy says that the client is really asking, "What can I do to get that worker to change his or her habits?"

Galosy proposes a synthesis of two major theories of human behaviour. She combines B.F. Skinner's ideas of behaviorism with Harry Miller's adult-learning principles. By putting the two together, Galosy feels that she is putting forward a much more practical, less theoretical approach to employee change.

Skinnerian psychology, simply put, claims that the organism (or person) will do whatever is in his or her best interests.

Galosy draws upon five of Miller's principles for adult learning skills. Those principles include:

- 1) Learners must be motivated to learn.
- 2) They must understand the inadequacy of their present behaviour.
- 3) They must understand the behaviour they are being required to adopt.
- 4) They must be given a chance to practise the new behaviour.
- 5) The new behaviour must be positively reinforced.

In a sense, these steps seem somewhat self-apparent and obvious. But from a motivational point of view, they are rarely implemented in today's busy office.

Too often, a client hasn't the time nor the patience to explain why an employee must change his or her ways; just a direct order is issued and that's it. Either the employee changes or else!

Galosy's premise is that these first few basic steps are fundamental when trying to change, or motivate, an employee.

From there, Galosy turns her attention to the difference in perception between the way in which most clients describe an employee's behaviour when they are really evaluating it.

There's a marked difference.

For example, one client might say, "My subordinate never seems to have any enthusiasm." Such a statement, although most clients would say is a judgment the client can make, also carries with it an overtone of evaluation.

Instead of seeing the subordinate in that kind of evaluation point of view, Galosy stresses that the client should attempt to keep such observations strictly

objective in nature.

When putting the two philosophies together, that of change and objectivity, Galosy feels strongly that a client can cut through a lot of emotional red-tape and have the employee gain a greater insight into what has to be changed and why. To accomplish that, Galosy has each client in her sessions fill out the following kind of chart:

- The employee's title.
- Current behaviour (what he or she is doing now)
- Desired behaviour (what you want him or her to do)
 - When and where you can give that person a chance to practise their new desired behaviour
 - A reinforcement plan of positive rewards for changing the behaviour.

The actual rewards.

Just to clarify, the rewards that are offered to the individual employee for changing one's habits should be tailored to the subordinate's preference. That might be all sorts of rewards: a little extra time off for lunch, a plaque for the wall, being recognized in the company newsletter, or just a pat on the back. Whatever the change is, the reward should be personalized and commensurate with the effort put forth.

In conclusion, what Galosy has proposed here is that vital step from motivational theory to actual motivational practice. If you take the time with each subordinate, and as outlined above, go through each part of their work habits that could be improved on, you can legitimately sit down with them and objectively tell them how you want each employee to improve and why.

Then, in exchange for their changed behaviour, you can provide suitable personal rewards for each employee. ■

SOURCENOTE: Julia Galosy, in MANAGEMENT PSYCHOLOGY, the monthly Journal of modern management methods.

Brain storming

Successful trade show exhibitors use shows to accomplish not one but several objectives: to take orders ... introduce new products ... promote the company name... build brand awareness ... and enter new markets. They also integrate the show with marketing and advertising activities undertaken both before and after the show.

SOURCENOTE: Study by the Centre for Exhibition Industry Research, quoted in MEETING & CONFERENCE EXECUTIVES ALERT

More small- and medium-sized companies are forming purchasing consortiums to cut prices. A new survey finds one out of every four industrial buyers say they have sometimes combined their buying power with other firms to improve bargaining leverage. **Bottom line:** The majority of companies taking this approach have been able to cut costs by 10% to 30%. **Other consortium advantages:** Improved supplier service, less negotiating time and improved product and technology information.

SOURCENOTE Kevin Fitzgerald, editor, PURCHASING

6 Steps to Achieving Personal Power

THERE ARE MANY nuances to achieving personal power. Based on my own personal experience and observations, I have identified what I believe are 6 essential elements to self-empowerment.

1. Take Responsibility! This means you must take responsibility for all of your life experiences. You may not be able to control everything that happens in your life, but you do have power over how you choose to interpret the events of your life.... learn to be responsible for that experience.

2. Listen to what people are saying to you. More than just hearing what people say, it is essential that you listen.

By listening to what people say, you have the opportunity to learn how you are showing up to them.

From there you can make the shifts necessary to show up such that you get the responses that will serve your interests.

3. Focus on maintenance, rather than acquisition. Life maintenance is not as much fun as acquiring new and different things, but knowing the condition of everything in your life and environment is key to having control — having control empowers.

4. Keep a close eye on your finances. Like it or not, money is power. For me it is the power to travel in style. It is critical to know your financial situation at all times.

Sometimes consciousness is all you need to get control of this area. Many of us check out, so as not to be held responsible.

5. Give to yourself. Do not tolerate being more generous with others than you are with yourself. Remember, the Golden Rule is based on the assumption that you have a strong interest in your own agenda.

6. Be honest about what you want in your life. Be honest about what you value... then, be OK with that — or not! You cannot begin to have what you want until you understand why you have what you have.

A value is anything we try to either obtain or hold on to — what have you been holding on to? Why do you value it?

SOURCENOTE: Submitted by Virginia Walz, Educator and Life Coach, who can be reached at Vlwalz@aol.com

CRM

Cultivating customers propels business growth

A PRICEWATERHOUSECOOPERS' study confirms the success of a basic business fundamental: Stay close to your customers.

Over the past three years, four-fifths (81%) of the nation's fastest growing companies have initiated important new programmes aimed at customer expansion, customer retention, or customer profitability.

Enhanced initiatives

What's more, a majority (56%) is planning either to enhance greatly an existing customer initiative or launch a new one over the next 12 months.

There is an important payoff to this reaffirmation: Those planning new customer-focused programs have achieved 46% faster revenue growth than their peers

over the past five years and are projecting 35% higher growth over the next 12 months.

In the latest Trendsetter Barometer, PwC interviewed CEOs of 402 product and service companies identified in the media as the fastest-growing businesses over the last five years.

Different perspectives

The surveyed companies range in size from approximately £5 million to £100 million in revenue/sales. "These companies are attempting to understand the customer from different perspectives," said PwC's Paul Gulbin, a director specializing in customer-related issues. "A substantial number of 'Trendsetter' CEOs are suggesting that, compared to customer-expansion programmes, a focus on retention initiatives — including loyalty programs — may be more efficient and effective for developing incremental sales." ■

Stress

How to make the perfect pitch

PREPARATION IS KEY to making a successful pitch, and this involves knowing as much about your customers as you can and how your products or services can fill a need.

Listen and learn

Before you begin, have a clear objective in mind and find out all you can about your potential customers. Ask as many questions as possible, as you should investigate what influences their business in as much detail as possible.

Ensure that your potential customers are also aware of your objective — this means you will be talking to the right people, such as the key decision-makers.

Get your customers' attention

Grabbing people's interest from the start should be your priority, whether you are carrying out a pitch via the telephone, face-to-face or via mailshots.

"You need to get attention from the start, for example by saying: 'Are you interested in saving money?' It is harder to get people to listen unless you get the benefit across straight away," recommends David Pope, founder of **NAKED TRAINING**, which delivers training solutions for businesses.

Once you have got your customers' attention, you should then establish a need, which should reflect the research you have carried out on your customers. You need to be aware of factors that influence their buying behaviour, such as price, time lines and locations. Consider what would attract your potential customer to your product and then decide how you can get this

message across in not more than 60 seconds.

"Establishing a need is very much like a doctor identifying symptoms before suggesting a cure. Once you've established a need, it's then time to sell the product — identify the unique selling points of your product or service and emphasise why you are better than your competitors," suggests Pope.

Make good use of body language

If you are doing a pitch face-to-face (and remember, it's harder to say no if you are standing opposite the person you are targeting), make sure you look the part — invest money in yourself.

"If you are doing a pitch face-to-face, body language can play an important part. Try and sit next to the person you are pitching to, as it gives the impression that you are working more 'with' someone," advises Pope.

Similarly, you should maintain good eye contact and ensure that your pitch is delivered as a discussion, with interaction from both sides, rather than a one-way speech. Above all, be friendly — people often buy from people they like and whom they feel they can build a relationship with.

Practising your pitch on friends and family and getting them to give you feedback will also ensure you get your message across in the best way possible.

Listen out for 'buying signals'

It can be all too easy to get so involved in your pitch that you miss picking up on signals that your potential customer is interested and willing to find out more. Try not to oversell your product too much, and try doing a 'test close', by using questions such as 'How does this sound?', and 'What do you think of that?' ■

The Institute for Independent Business is a registered British educational charity (No. 1050454) founded in 1984, and now one of the world's leading international networks of business advice providers. All recipients of BUSINESS ALERT are included on our free subscription private database to ensure continuity of ongoing editions. That being a private list, their names are not and will not be used for any other purpose or in any other way. Please advise your IIB Executive Associate if you wish to be delisted and no further copies of BUSINESS ALERT will be provided to you.

Copyright © 2003 The Centre for Business Development. Printed and distributed under license.

For more information, please call Chris Nabavi on 01628 782 892