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IN THIS ISSUE

1. Quote of the Month.....p1
2. Are you embracing all ways that technology can help grow your biz?p1
3. What went wrong at General Motors & what can we all learn from this? ...p2
4. Are you focusing on the right things when hiring new staff?p4
5. Are you saying what you really mean...or confusing your customers?p4
6. Bits and Pieces.....p6
7. There are three basic approaches to running a business.....p7
8. Quiz of the Month.....p7

BUSINESS MANAGEMENT NEWSLETTER

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Donald's Quote of the Month

"If we don't embrace the latest technologies that will help us make better business decisions, operate more efficiently, control costs and proactively serve and communicate with our target customers, we will likely not survive."

"Greetings" and welcome. This month's great business tips will take about seven minutes to read. Time well spent.

1. Are you embracing all the ways that technology can help grow your business?

(Time to read this article is about 90 seconds)

Managing any business today, large or small, is tough...and getting tougher. If we do not embrace the latest software, tools and technologies available to proactively manage our business, we will likely not survive.

I'm constantly amazed at how many of my clients are not taking advantage of the powerful, simple and affordable technology that's available to them. More incredibly, I've worked with a few franchise and buying group organizations where head office is still trying to convince some of their members to make the leap to email. This is totally goofy....but true.

Even worse are all the companies that invest in the latest technology, but never quite get around to using it to move forward. They have all of the cost and none of the benefit.

In the "good old days", when I was a manufacturer, we had 11,000 different products and over 9,000 customers. Inventory control was done on manually recapped bin cards, costing was by "guesstimate", the customer database was a Rolodex and quarterly Financial Statements were fairy tales at best. There were no computers in those days and everything was done manually, slowly and very approximately. The only thing that saved us was that our competitors were no better off. We were all "flying blind".

But nowadays your competitors may be using relatively simple and affordable technology to make better decisions than you, to be more efficient than you, or to proactively communicate with and promote to customers, better than you.

Here are just a few examples of what's possible:

- a) Rexall Drug Stores in Canada use technology to proactively call customers to advise them that their current prescription will run out in a few days and it's time to renew.
- b) A client of ours in E-Commerce uses software that gives them sales and gross margin numbers, by product, every day.



c) Caterpillar Corporation uses sensors, onboard computers and satellite technology to know, in advance, when an earth mover requires service and where the machine is. A mechanic shows up, on the jobsite, to service the machine before the operator even knows that a problem is about to occur.



By the way, the same technology enables Caterpillar to remotely shut a machine down if the monthly lease payment is not made on time. Very cool.

d) Halliburton Corporation of Houston, Texas drills oil wells for large oil companies all over the world. Rather than have engineers, geologists and decision makers at each drill site, Halliburton has created a Centralized Decision Center in Houston where data is collected, by satellite, from hundreds of rigs, worldwide, so that a small team of specialists can make real-time decisions as to how to best proceed with each well, every step of the way.

This results in better decisions, industry-leading efficiency and delighted clients...and has made Halliburton the clear industry leader.

e) Technology isn't just for the "big boys". The award-winning North Restaurant in tiny Gravenhurst, Ontario uses a simple database program to proactively advise customers of upcoming special events, theme dinners, cooking classes, promotions and specials. They use technology to proactively market themselves to customers who already know and love them...and it costs nothing.

So, what will you do in your business to embrace the latest technologies that will help you to:

- make better business decisions,
- operate more efficiently,
- control costs,
- have up-to-date financial information... and,
- proactively serve and communicate with your target customers?

Or, will you just let your competitors pass you by?

2. What went wrong at General Motors and what can we all learn from this?

(Time to read this section is about 60 seconds)

Over the past few months I've been collecting and passing on to you a number of unusual tips from clients regarding how to find or attract top performers.

Last week, a client asked me what I thought went wrong at General Motors...and what business lessons might be taken from this horrendous decline. Three main factors occur to me:

Factor #1: GM designed and produced 2nd rate vehicles for many years while the Japanese, Germans and then Koreans made vehicles that were simply better and more desirable. So, they and their Detroit buddies offered an endless series of big cash rebates to bribe the unwilling into buying the unwanted.

By the time GM "got religion" and started making decent vehicles, as they now are, their Brands were so tarnished and devalued that most folks had lost confidence in them and it will take many years of getting it right before their Brands are once again valued and respected. The question is whether they can hang on long enough for that to happen.



In the meantime, the Hyundai Genesis, produced in Korea, has been voted the “2009 Car of the Year” by automotive journalists in North America.

Just a few years ago, Hyundai was making third rate vehicles...but they recognized their shortcomings and did what was necessary to be extraordinary. There’s a lesson here for all of us.

The business lesson: Don’t sell crap. It will kill you in the long run. Brand is your most important asset and when you tarnish that, it will always end badly.



Factor #2: GM failed to develop a good relationship with their production employees over the years and then, at contract negotiating time, they paid the price. They ended up paying wages, pensions and benefits that no company could afford and, because of the poisonous, adversarial relationship with employees, they had to deal with a militant union that made it impossible to manage production effectively.

The business lesson: You cannot succeed when your employees hate you or are disengaged from the success of the enterprise. Treat your employees so wonderfully that they want you and the company to succeed.

Factor #3: The third factor is the supreme arrogance and incompetence of companies like GM...companies that are run by folks who are out of touch with reality or who lack the courage to do what needs to be done. GM has been losing market share for years and did nothing to fix their fundamental problems in the belief that they are simply too big and too important to fail.

Here’s a direct quote from a friend of mine who has been a front-line manager with GM for many years...and whose last day there is today.

“At General Motors merit & ability has been overshadowed by ‘who you know’. The union called the shots and the executives didn’t have the guts to take them on. The guy who cleaned my office on weekends made \$150,000 a year working four hours of an eight hour shift and sleeping for the other four hours, all at double pay. Underperforming managers got promoted so that the department could get rid of them and make them someone else’s problem.”

GM has been arrogant and incompetent...and now they’re paying the price.

The business lesson: Arrogance and incompetence are a bad combination. Stay humble, stay well grounded in reality and have the courage to do what needs to be done.

It may be a stretch to a sum up the demise of the world’s once mightiest corporation in just three short points, but...

1. Don’t sell 2nd rate stuff,
 2. Create a team that’s truly committed to your success,
 3. Keep firmly grounded in reality and have the courage to fix what needs fixing,
- ...are pretty good business lessons for us all.



3. Are you focusing on the right things when hiring new staff?

(Time to read this article is about 30 seconds)

Here's a helpful hiring insight from a restaurateur. She writes...

"Many of my staff have developed a single-minded preoccupation with money and the monetary worth of every shift assigned to them. There was always lots of griping and grumbling about money.

Then it occurred to me...that's exactly the type of people that I'm targeting through the wording of my staffing ads and interview questions. I'm the one who made it all about money when I hired them. I was simply attracting the wrong people.

So, I've now changed my ads and interviews to focus more on our passionate commitments to our customers, to the environment and to our community.

Servers are always interested in money, but now we're attracting people who are looking for more from their job experience and who appreciate the "quality of life" benefits associated with working here."

So, are you accidentally attracting the wrong people when you hire new staff...and how do you need to change your focus and your wording to get the folks that you really want and need?

Note: This tip comes from the weekly E-newsletter from Bill Marvin, The Restaurant Doctor. If you're in the restaurant or hospitality business, you need Bill's Newsletter. To subscribe, go to www.restaurantdoctor.com. This guy is brilliant.

4. Are you saying what you really mean to say...or are you confusing your customers?

(Time to read this section is about 90 seconds)

This most interesting sign is posted at a campsite in Germany's Black Forest...

IT IS STRICTLY FORBIDDEN ON OUR BLACK FOREST CAMPING SITE THAT PEOPLE OF DIFFERENT SEX, FOR INSTANCE MEN AND WOMEN, LIVE TOGETHER IN ONE TENT UNLESS THEY ARE MARRIED WITH EACH OTHER FOR THIS PURPOSE.

We all laugh when we see stuff like this. But when you're communicating with *your* customers, make sure that you're actually saying what you mean to say...and that you're saying it clearly.

For example, when you look at most print ads or TV commercials these days, do you immediately know what they're selling and what the compelling value message is... or are you often confused as to what they're selling and why you should buy it?

What about your product descriptions, instructions or warnings? Do they communicate clearly and effectively? What about your policies, warranties or contacts? Are they accidentally or intentionally vague, confusing or deceiving?



What about something as basic as the name of your business? Does it state clearly who you are and what you do? I passed a truck the other day with the company name “**Blue Pencil**” in big letters on the side. What the heck do they do? Actually, they do mobile document shredding...but there must be some better name for them than “Blue Pencil”.



My all-time favorite business name is Speedy Muffler King. This is brilliant. It says what they do...and how they do it wonderfully. Another great name is “Miracle Grow” plant fertilizer. When your product name is also your brand promise...that’s very neat.

I found another great example the other day. It’s a company that removes graffiti from buildings and public spaces. Their company name is... “**Goodbye Graffiti**”. Very clever. And their positioning statement, “*We get it off...and keep it off*” suggests an added, on-going value.

So, check all of your communications. Are you getting your message across? Are you creating clarity, trust and confidence...or do you sound like a badly translated sign at a Bavarian campground?

Make something wonderful happen!

Be a hero! Make something wonderful happen in your company, your Industry Association or your local Chamber of Commerce.

Book or successfully recommend me to deliver a Keynote speech or 1-day management Boot Camp and you will **receive a half day of 1-on-1 business coaching from me, no charge**, as a “thank you”.

I’ve helped 1000s of companies in over 40 industries throughout the world to:

1. create a clear and compelling competitive advantage,
2. market and promote on a tight budget,
3. manage smarter,
4. create a top-performing team,
5. visualize and create an extraordinary and more profitable future...and,
6. create a culture of commitment and to deal effectively with non-performance.

To make something wonderful happen, just contact Sharen Skene in Toronto, Canada at 416-252-3704 or by email at sharen@donaldcooper.com



5. Bits and Pieces:

(Time to read this section is about 40 seconds)

Item #1: Apparently the “**country of origin**” labeling on products has now become “multiple choice”. I picked up a small tin of mints the other day with this message printed on the bottom...

“**Tin made in China. Mints may be made in USA or China**”.

Well, that certainly clears up any confusion!

Item #2: Save the planet... buy a goat. Environment Canada estimates that emissions from lawn and garden equipment creates about 20 percent of all smog produced by mobile sources in Canada.

Item #3: The power of coffee. This month McDonald’s North America has kicked off their biggest budget product launch ever...a \$100 million promo campaign for its McCafe coffee. This includes radio, TV, print ads, internet marketing and a massive in-store free coffee giveaway.

The new McDonald’s coffee is expected to add one billion dollars a year to their bottom line...that’s \$75,000 more profit per restaurant. That’s the power of coffee.



Item #4: 20% of all the cotton grown goes into producing denim. A decent pair of jeans costs \$5 to \$8.50 from factories in China. Top designer jeans retail for about \$600. I wonder how the cotton feels about that.

Item #5: An interesting perspective on the recession from Major League Baseball. So far this season, overall attendance in Major League ball parks is down 5.2%. But, of course, that doesn’t mean that all teams are off by this amount. In fact, the Kansas City Royals, with a refurbished ballpark and a winning team, are **up 15%** in ticket sales while the Washington Nationals, with the worst record of any team, are **down by 35% in ticket sales**.

So, recession or not, if you have a good product and deliver an extraordinary customer experience, you can prosper...but, if you’re delivering a mediocre product, these tough times will kill you. Which recession are you in? The “we’re up 15% recession” or the “we’re down 35% recession”...and what are you doing about it?

Item #6: I do not make this stuff up. Dr. Craig Bittner is one of 100s of Beverly Hills surgeons who perform liposuctions to suck the fat out of rich people. The thing that sets him apart is that he used the extracted fat to power his two biodiesel cars. However, since it’s illegal to use medical waste to fuel automobiles in California, he has lost his medical license. So much for “going green”.

Item #7: China wins again. The Association for Retail Environments (ARE), based in the USA, has selected as their world-wide “outstanding store of the year” the new Lane Crawford fashion department store. So, where is this “world’s best” store? Is it in New York? NO. Is it in Paris or Milan? NO. Is it in Beverly Hills or Palm Beach? No siree. The world’s most spectacular retail store for 2009 is in Beijing, China.



6. There are 3 basic approaches to running a business...pick one.

(Time to read this section is about 30 seconds)

There are three basic approaches to running any business and only one of them makes sense. From all of my work with companies around the world, here are the three approaches and my brief thoughts on why only one of them is worth a darn.

Approach #1: Keep doing exactly what we're doing right now...and hope for improved results. This is as close to the definition of insanity as you can get...but lots of companies go with this one.

Approach #2: Do something new and different and see how it turns out. Let's add this product or service...or cut back on our offering. Let's be generalists...or maybe more focused. Let's cut prices...or maybe raise prices. Let's open a branch here...or close one there. Let's cut back on service...or be the service leader.

This "flavor of the month" approach is also very popular...but not particularly effective. There's no brand clarity or consistency...and it will end badly.

Approach #3: Be clear about how you want your business and your life to turn out and determine what you need to do to make those commitments happen. This is by far the best approach. It starts with clarity, focuses on proactivity...and is much more likely to end in success.

This approach is at the very heart of the work that I do with clients around the world. I've spent 15 years developing it. I take only one day of your valuable time to show you how to do it...then I follow up for 8 months to keep you on track. For more information on how this simple but powerful approach to growing your business, your bottom line and your life will work for your business, simply email me at donald@donaldcooper.com.

7. Our quick Quiz of the Month:

(Time to read this section is about 30 seconds)

"Thanks" to all of you who answered our April Quiz, which was, "Why did this ad, pictured below, showing an exhausted person, refreshed by a cola drink, running through the desert, not work in the Middle East?"



The answer: We had many interesting and astute answers to this quiz question. But the answer we were looking for was that in the **Arabic language folks read from right to left**. Therefore, for them, reading right to left, the ad shows a person running in the desert, then drinking the cola and falling down dead.

The point here is that we must understand how our target customers see the world if we're going to be successful with them...a good lesson in any culture. How well do you understand what life is really like for your customers?

Congratulations to Tim Bradburn of Fingerle Lumber Co. who chose our Human Marketing DVD Seminar as his prize.



This month's Quiz Question: What company, along with its affiliates, operates the largest commercial truck fleet in the world? Clue...they travel over 1 million miles per day.

Send your guess to Sharen, our wonderful Director of Marketing, at sharen@donaldcooper.com with the subject line "**May 2009 NL Quiz**". Each correct answer received will go into the 'pot' and one winner will be randomly selected before our next Newsletter mailing. The winner will receive his or her choice of any of our excellent DVD Seminars.

8. That's it for this month:

Thanks for all of your great feedback and suggestions. We especially love to hear of your successes using our insights. Don't forget to visit our Free Articles section on our website for lots more valuable articles on how to sell more, manage smarter, grow your bottom line...and have a life.

Also, let us know what you'd like to hear more about...or less about. And, do send us your stories and examples of great, horrible or just plain bizarre business practices that you find in your travels.

Kindest regards,

A handwritten signature in black ink that reads 'Donald' with a stylized flourish underneath.

Donald Cooper, MBA
Certified Speaking Professional

For more information on how Donald Cooper can help you redefine and reinvent your business to create, deliver and communicate compelling, customer-owning Value, **or to book Donald**, contact **Sharen Skene, Director of Marketing** at **1-416-252-3704** or by email at sharen@donaldcooper.com in Toronto Canada.

To contact Donald directly, email him at donald@donaldcooper.com or by telephone at **416-252-3703**.