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BUSINESS MANAGEMENT NEWSLETTER

November 2009

Donald's Quote of the Month

"For most of us, our most important business asset is our Brand reputation. When we mess that up or create confusion about who we are and what we stand for, we're in big trouble."

...Donald Cooper

"Greetings" and welcome. This month's articles are on Branding, Planning for 2010, Rethinking your Business Model...and other great stuff that will get you thinking about your business and how to do it better. Total time to read this month's Newsletter will be about 7 minutes. Time well spent.

1. Your Brand reputation is your most important business asset...guard and nurture it wisely:

(Time to read this article is about 90 seconds)

For most of us, our most important business asset is not a building, an expensive piece of machinery or a special technology. It's not even our customer database...it's our Brand reputation.

For the past few years General Motors has produced some excellent vehicles...but they still went down the tubes. Why? Because for years they produced mediocre vehicles, delivered mediocre customer experiences and devalued their Brand with endless rebates which screamed out loud, *"Our vehicles aren't actually worth the price we're asking, so we'll try to bribe you into buying from us."*

Over many years GM trashed their Brand and it will take a very long time to rehabilitate it. Meanwhile, across the street at Chrysler, their new CEO recently stated that they need to change the perception that their vehicles aren't up to scratch. Notice that he did not tell the truth and say, *"For years our vehicles have not been up to scratch...and we're committed to fixing that by the year 2011 by doing the following specific things to make people passionate to buy and drive Chrysler vehicles."*

No, he said they need to change the perception. It's all about the surface stuff...about changing perception. How about improving the vehicles and the experience of buying them? Consumers Report Magazine said recently that they could not recommend any Chrysler vehicles because they just weren't up to scratch. The Brand has been mortally wounded and that won't be an easy fix.



One of the most respected Brands in men's and ladies' fashions is Polo Ralph Lauren. The care and feeding of that Brand over many years has made Polo fashions and home décor products true American Classics. They even have their own retail shops around the world to control and honour the look and feel of the Brand at the consumer level.

But, just last week, I found Polo Ralph Lauren men's 100% cotton dress shirts piled up on a stack of wooden pallets in Costco for \$29.95. What does that do to their luxury Brand? I'm sure that business is a bit slow at Ralph Lauren in today's struggling economy, and I'm sure that they got a big order from Costco; but at what long-term cost to their precious Brand?

Here's another example of goofy Branding. The Hunter Valley region of Australia has been producing fine wines since 1830. The famous "Peppers" boutique hotel located in the heart of the Hunter Valley (in fact, it's in the middle of a famous vineyard) offers guests a "complete indulgence package" that includes hors d'oeuvres and a bottle of French Champagne upon arrival.



They're smack in the middle of one of Australia's finest wine regions and they're offering French Champagne. This is tragic and stupid ...and I'll tell them that when I'm there next month.

Starbucks recently launched Viva, their new Brand of instant coffee. They spent a fortune on TV ads claiming that big-time coffee drinkers couldn't tell the difference between instant Viva and Starbucks famous in-store freshly brewed coffee. But, according to Jennifer Bain, Food Editor of The Toronto Star, this new brew is a "Grande Let-down". It simply does not deliver on the Brand promise.

So, while Starbucks believed that they were leveraging their Brand...they've actually damaged their Brand. What are you doing to guard, nurture and grow your precious Brand? It's your most valuable asset and everything you do either honours it, or damages it.

2. As you focus on making 2010 your best year ever, here are 10 simple questions to consider:

(Time to read this article is about 60 seconds)

Sit down with a few of the best minds and hearts in your business or department and invest an hour answering these 10 simple questions.

Note: The questions are simple...some of the answers will not be. Where necessary, allocate homework and research assignments to members of the team to gather more info and more innovative thoughts.

1. What extraordinary bottom line profit do we commit to deliver in 2010?
2. What are the three most important things that we need to do to grow or improve our business next year?
3. What are three things that we do that tick our customers off...and what will we commit to do to eliminate them?
4. What are three important things that any of our competitors do better than us and how will we improve and be the leader in 2010?



5. What are two policies that we need to improve or eliminate in 2010?
6. What are the three biggest expense items on which we can save some money in 2010...and, specifically, how will we do that?
7. What are four things we can do to become “greener” in 2010...and beyond?
8. What are the three things that we can do to improve internal communication and improve clarity about our commitments to customers, to each other and to our bottom line?
9. What is the most important new technology that we need to bring into our business in 2010?
10. We can't grow our business without growing our people. What training, development or mentoring does each person on our team need to help them grow so that they can help grow the business more effectively?

NOTE: Of course, you can add a few of your own key questions to the 10 listed above in order to get on the right track to make 2010 your best year ever.

3. Here's how to get world-class HR input for your business at an affordable price:

(Time to read this section is about 60 seconds)

Years ago, when my brother John was building his extraordinary foam fabricating business, he knew that he needed expert help to create and implement world-class Human Resources policies and processes...but there was no way that he could afford a full-time HR expert. So he hired an HR outsourcing company that made a huge difference in his business.

I've just met such a lady in Red Deer, Alberta. Andrea Butler's company, **360 HR Solutions**, has HR experts across Canada to help small and medium sized businesses get HR right, at an affordable cost. If you have more than 10 employees, trust me, you don't want to go it alone in the HR department.

Andrea can be reached at 587-877-0360 or by email at andrea.360hrsolutions@gmail.com. If you're one of our many readers outside of Canada and you need help getting HR right, call your State or Regional HR Association and ask them for the names of a few HR outsourcing specialists. You'll be delighted with the difference that the right professional can make.

Whatever type of business you're in, a key part of creating a first-class place to work is the issue of Health & Safety. I know that Health & Safety isn't a key focus for most folks in small businesses, but getting it right is important...and it's the law. Not getting it right can ruin lives in a way that you'll never get over.

Health & Safety experts, **Systems 24-7**, based in Ontario but working all across Canada, is helping small and medium sized businesses prevent workplace injuries and be compliant with Provincial legislation through simple, affordable and effective web-based tools, policies and templates. For more info contact Carolle Sidler at 1-866-754-8839 or visit their website www.systems24-7.com.

If you're outside Canada, contact your State Government Health & Safety Department and ask them for the names of service providers who can help you.



4. Is your business model working for your bottom line...and your life?

(Time to read this article is about 60 seconds)

As I work with clients around the world, I find that many of them are stuck with a business model that isn't working any more...or never worked and they never noticed. If your basic business model is wrong, you can fine-tune it all you want...and it's still wrong.

For example, I'm told by agricultural experts that to be a profitable business model, the average farm in the Province of Ontario, where I live, needs to be about 3000 acres. But, the average farm in Ontario is only 300 acres. Now, you can complain all you want that you can't make money in agriculture, but if your business model is wrong by a factor of 10, it might not be your industry that's the problem...but rather your approach to it.

Canada's National Post newspaper has lost money every year for the 11 years that it's been in business. Some years they lost over \$60 million and recently, they've gotten that down to a paltry \$13 million loss.

When will it occur to these folks that something is wrong here? The whole newspaper industry, worldwide, is losing business to the electronic transfer of information. For the same reason, every nation's Post Office faces a similar challenge. For example, the U.S. Postal Service will lose \$7.1-billion (U.S.) in 2009 and has announced plans to cut 57,000 jobs and reduce mail delivery to five days a week from six.

Apparently the typical airline business model isn't much better. Airlines, globally, will lose \$8-10B in 2009. In 2008 there were 90 airline failures and 7 mergers. So far this year there have been another 31 failures and 7 mergers. The prediction for 2010 is 30-40 more failures plus more mergers.

These are broken business models and "fine tuning" won't solve the problem. At some point businesses need to fundamentally reinvent themselves...or die.

But it's not all bad news. Here's a lady who created a business model that makes money and works for her life commitments. Back in 1987 Cora Tsouflidou opened a snack bar in Montreal. As a single Mom with no support, she needed to make money but also wanted to be home with her three children every evening.

So, her business model was to serve breakfast and lunch only and to do those two meals very, very well. And how has that worked out? Pretty well, actually. There are now almost 150 Cora's franchises across Canada.

Is your business right for the times and right for your life? If not, how must it change?





5. Bits & Pieces: Quick business tips...and some just plain weird stuff:

(Time to read this section is about 90 seconds)

Item #1: Most businesses should have two databases...many don't even have one. First, most businesses should have a Customer Database, so they can deliver important and helpful information and build relationships on a regular basis. Next, most businesses should have a **Media Database** so they can communicate the same important and valuable information to media folks in their target market area who write or broadcast on the subject of whatever they sell.

But remember, to get the media interested in talking about you, or interviewing you, you have to know stuff that people need to know...or you have to be doing extraordinary things that people are interested in.

As award-winning and extraordinary retailers of ladies' fashions some years ago, we got over 130 major media exposures in just three years by, first being a story...and then, contacting the media and telling our story. How could this work for you?

PS: Who was the very first business to create a customer database? It was Santa Claus. According to the Christmas song that we sang as kids, 50 years ago, *"He's making a list and checking it twice; gonna find out who's been naughty and nice."* Santa had a customer database 50 years ago. What's holding you back?

Item #2: A country's banking system is fundamental to its growth and stability...and **the US Banking system is fundamentally flawed.** 103 Banks have failed in the USA so far this year. No banks in Canada have even come close to failing.

Item #3: It's Scallop Chowder time again. Every year at this time I remind folks about my very own "world's best" recipe for Scallop Chowder available on our website. As winter approaches in the Northern Hemisphere, it's the perfect time for steaming hot, thick and creamy chowders.

Readers all over the world write to say that it's now an annual tradition at their house. To access the recipe, just [click here](#). **Warning:** This recipe makes a lot of chowder. If you're a small family or short of friends to share with you might want to cut the whole recipe in half. On the other hand, if you make the whole thing and share it, you'll have a lot more friends.

Item #4: Are you out of touch with your customers' reality? In a survey by international consulting firm Bain & Company, 80% of CEOs stated that their company delivers a superior customer experience...but only 8% of their customers agreed. Talk about being out of touch with reality! What would your customers say about you?

Item #5: Sugar is sweet...and so are you. Believe it or not, there are 8 tablespoons of sugar crammed into a can of pop. The regular daily recommended dose of sugar for a female is 6 tablespoons and 8 for a man.

According to the American Heart Association, soda pop and other sugared drinks represent 33% of American sugar consumption. These "empty calories" are a major cause of America's obesity epidemic.



Item #6: **The results are in...here are your biggest business challenges.** In our September Newsletter we asked readers to tell us what their 3 or 4 most pressing business challenges are....and the results are now in. Twenty different challenges were mentioned at least once, which shows the complexity of running even a small business today.

The most frequently mentioned challenge was **sales and marketing**. Specifically, the challenge of increasing sales and creating and marketing compelling customer value that will clearly differentiate them from their competitors.

The second most frequently stated business challenge was in the area of **increasing profitability** and improving cash flow. This includes reducing expenses, improving efficiency and getting customers to pay on time.

The third biggest challenge was in attracting, training, engaging and keeping a **top-performing team**.

It's interesting that many entrepreneurs who responded also commented on how difficult it is to stay positive and keep their spirits up, especially in tough times. One of the most important qualities for an entrepreneur is emotional resilience.

Item #7: **Are you paying good money for ads that make you look desperate or foolish?** Here's an ad that ran in our local paper a few weeks ago. It's for a "Special Halloween Offer" on teeth whitening.

Now what is the possible connection between Halloween and needing whiter teeth? Aren't you going to wear a mask anyway? Then, they offer a 50% discount for kids under 12. If a kid under 12 needs their teeth whitened, they probably shouldn't be going out on Halloween to stuff their faces with candy.



Advertising that works is advertising that resonates clearly with your customers' needs and wants. Don't waste your money on stuff like this. It's embarrassing.

6. Our quick Quiz of the Month:

(Time to read this section is about 30 seconds)

"Thanks" to all of you who answered our October Quiz, which was, "Which state in the United States has the longest shoreline?"

The answer: Believe it or not, the answer is **Alaska** where, according to Sarah Palin, you can see Russia from your front porch.

"Congratulations" to Dr. Altaz Shajani of Lynn Valley Optometry. Altaz chose our DVD on "How to sell more, manage smarter, grow your bottom line...and have a life".



This month's Quiz Question: The price of gold has shot up over the past month and the world is getting "gold fever". This month's quiz question is, "What country is the world's largest producer of gold?" Let's make this a multiple choice. Choose from:

- a) USA.
- b) South Africa.
- c) Russia.
- d) China.
- e) Australia.
- f) Canada.

Send your guess to Sharen, our wonderful Director of Marketing, at sharen@donaldcooper.com with the subject line "Nov 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.

7. 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". The signature is stylized with a large, sweeping 'D' and a horizontal line 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](tel:1-416-252-3704) or by email at sharen@donaldcooper.com in Toronto Canada.

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