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The 'straight talk' Management Newsletter:

November, 2016

Donald's Quote of the Month

"It is said that people quit managers, not companies. What kind of manager are you to work for...and how will you improve that in 2017?"
...Donald Cooper

There was no September or October Newsletter. I apologized for that. Between a death in our family, having to completely re-create our website before November 1st and then September, October and November always being our busiest time of year, there was no time left over. But now we're back on track. **Check out our new website at donaldcooper.com.**

This month's 'straight talk' Newsletter features insights on marketing, management, staff engagement and profitability. Total reading time is about 8 minutes. Time well spent.

1. What will you do to be a better boss in 2017?

(Time to read this article is about 40 seconds)

The real battle in business today is the battle to attract, engage and retain 'talent'. So, understanding what employees want most from their boss will be helpful.

According to a recent survey by CIPD, a British HR Association, the following 10 boss behaviors are most important. They're listed in order of importance. Use the boxes on the left to rate your performance out of 10...with 10 being excellent:

- ☐ 1. Treats me fairly.
- ☐ 2. Is open and honest.
- ☐ 3. Makes sure I have the resources to do my job.
- ☐ 4. Is supportive when I have a problem.
- ☐ 5. Is clear about what is expected of me.
- ☐ 6. Recognizes when I've done a good job.
- ☐ 7. Does what they say they will do.
- ☐ 8. Makes good decisions.
- ☐ 9. Makes me feel that my work matters.
- ☐ 10. Keeps me in touch with what's going on.

How will you use these insights to be a better boss in 2017?

**Quick biz tip #1:****Now's the time to start planning for a spectacular 2017:**

2017 is just 6 weeks away and now is the time to be planning and deciding specifically what you will do in every part of your business to make next year your best year ever. Sit down with some of the best minds and hearts in your business and get real about what's working, what's not working, what needs fixing. Make commitments and determine who will do what, by when, measured how to make those commitments happen. Then follow up...follow up...follow up. The world is run by those who follow up.

We have 3 simple, clear and effective **Business Assessment Tools and Templates** to help you...no charge. To download these, click on the titles below:

1. [What's working and not working in our business.](#)
2. [The math of improving profitability.](#)
3. [13 Questions to ask to make next year our best year ever.](#)

2. When 'fixing' your business, deal with the real issues...not the symptoms:

(Time to read this article is about 40 seconds)

When working to 'fix' their business, many managers address the symptoms rather than dealing with the real issues. And then they wonder why the problem persists.

To use a medical analogy, 'high blood pressure' is a symptom. To fix it, we must address the real causes which are likely too much salt, smoking, not drinking enough water, too much stress, not getting enough exercise and/or being overweight or obese.

Unless the real causes are dealt with, the high blood pressure will continue and get worse. So it is in business. While '**low profitability**' would appear to be a problem, it's actually a symptom of a number of other issues that need to be dealt with. Issues like...

- not having the right product or service.
- no clear and compelling value story, resulting in low sales volume and low margins.
- out-of-control operating expenses.
- poor inventory control.
- low employee morale caused by ineffective management.

'**High staff turnover**' is a symptom of poor hiring practices, inadequate training and/or a negative, disorganized or toxic culture.

'**Poor customer service**' is a symptom of as many as 24 possible 'real' causes that must be dealt with. Our 1-page 'Service Challenge Audit Sheet' lists the 24 possible causes of 'poor service' and you can download that, no charge, by [clicking here.](#)

So, when working to fix problems in your business or department, make sure that you're working on the real issues and not the symptoms. Dig deep to discover what really needs fixing. Involve your team. They know stuff and they hate it when you don't ask.



Transform your business at a very affordable cost with our 'shared' Management Boot Camp:



My 1 and 2-day Management Boot Camp has the power to transform businesses. But, realistically, not all businesses can afford to bring me in to work just with their team.

So, we've created a **'shared' Boot Camp** concept where up to five companies can partner together, with up to 6 people attending from each company, to have one or two days with me to rethink and refocus their business to sell more, manage smarter and grow their bottom line.

Together we will create a clear Vision for the future of their business and specific commitments to get them there. Then, I **follow up with each company for 6 months of telephone coaching** to make sure that progress is being made...all at an affordable cost of just \$4,000 to \$5,000 per company.

Kick-start 2017 now. We have a number of companies in major cities across Canada and the U.S.A who have previously expressed interest in our Boot Camp. **If you're interested in this shared program** simply contact Sharen Skene at sharen@donaldcooper.com, or by phone at 416-252-3704 in Toronto, Canada and she'll see what she can do to partner you up with non-competing companies.

For a detailed overview on this 'shared' program, [click here](#).

3. How are you dealing with 'non-performance' in your business?

(Time to read this article is about 60 seconds)

One of the biggest problems in most businesses today is the failure to deal with non-performance. They're wasting good money on non-performers or downright toxic employees...and it's killing them.

So, here's a simple approach to dealing with this important problem. Everyone on your team is either part of your value or part of your problem. Make a list of everyone who is part of your problem. Each of those people falls into one of two categories...rescuable or not rescuable.

For those who are rescuable...rescue them. Perhaps they're good people in the wrong job. Fix it. Perhaps they haven't been trained properly. Fix it. Perhaps they're under-paid or under-appreciated and have become discouraged. Fix it. Whatever is preventing them from being a top-performer...fix it.

Then, there are the folks on your list who are not rescuable. Invite them to make an alternate career decision; but be smart about it. Sit down with each of them and tell them, in a nice way, exactly what it is about their performance, attitude or behavior that is not acceptable and what 'acceptable' looks like. Ask them by when they can make the required changes.

Some of them will quit right then and there. This is good. They leave with their dignity and no more of your money. Some of them will tell you that they can make the necessary improvements. Get a specific time commitment and have them sign it. Then, follow up. If they haven't done what they said they would do, now is the time to invite them to find an employer with whom they are a better fit.

So what will you do, starting right now, to deal more effectively with non-performance in your business?



Quick biz tip #2:

When you give staff added responsibility, give them the title and the pay:

While doing research for an upcoming speech, one of the employees that I interviewed confided that he had been given a lot of added responsibility, but not the title or the pay that should go with it. His boss told him, *"I'm too busy to worry about that right now."*

What a slap in the face. How demoralizing. Bosses should never be 'too busy' to do the right thing. This young man, who was good enough to be promoted, is now demoralized and thinking of moving to a competitor.

4. Bits & Pieces: Quick tips and interesting stuff:

(Time to read this section is about 40 seconds)

Item #1: China is making a come-back. China is expected to become the world's largest economy by the year 2030. But what few people realize is that China was the world's largest economy once before ...way back in the year 1820 during the Qing Dynasty.

Item #2: The importance of small business. About 40% of Canadians work for small businesses with fewer than 100 employees. And yet, our federal and provincial Governments keep making it more and more complicated and difficult for entrepreneurs to navigate the paperwork and regulations of starting and growing a business.

Item #3: Sometimes who we are is surprising. To view a wonderful short video that explores and celebrates who we are as human beings, [click here](#).

Item #4: The future is now. The world's 1st driverless taxis hit the streets of Singapore in September. Domino's will start delivering pizza by drone in New Zealand in December. How is technology changing your industry...and are you taking the lead?



Item #5: A recent survey shows that 33% of Canadian employees are 'disengaged'. So, what's that number look like in your business and what's it costing you in lost customers, lost efficiency and lower profits?

By the way, don't mistake low staff turnover for high engagement or high high-performance. Low staff turnover does *not* necessarily mean that your employees are 'engaged' and productive. It may mean that you're not measuring performance...and not dealing with non-performance. It may mean that *"The animals are running the zoo"*, they like it that way, and have no intention of leaving...ever.

Item #6: The size of the average home in Hong Kong. The average home in Canada is 2,100 sq. ft. (195 sq. meters). The average home in Hong Kong is only 500 sq. ft. (46.5 sq. meters). And that's the 'average' so clearly many homes are much smaller than that.

Item #7: A great quote from Bill Marvin, 'The Restaurant Doctor'. *"Remember, your job is not to run the joint...it's to teach your staff how to run the joint."* This applies to any business, or department within a business. So, how will you change your management style in 2017 to teach your staff how to run the joint?



Quick biz tip #3:

Two key questions to ask your suppliers:

Most businesses never think to ask their suppliers for help...other than to pressure them for a lower price, or longer payment terms. But good suppliers know stuff. They have a broad industry perspective and they see who is doing it right...and who's not. So, here are two key questions to ask your suppliers:

- 1.** What opportunities are we missing to differentiate ourselves more clearly, increase sales, operate more efficiently or improve profitability?
- 2.** How can we work more effectively with you and your company to buy smarter, turn inventories more often or develop a competitive edge?

Depending on what type of business you're in, these questions may need to be fine-tuned a bit, but you get the idea. Good suppliers will be honored that you asked and will be happy to help.

5. Customer 'ownership' is about delivering 3 kinds of Value.

(Time to read this article is about 60 seconds)

In every industry, today, there's an urgent battle being waged for customer 'ownership'. The winners of this battle will achieve higher sales and profitability...and the losers will become a commodity with an uncertain future.

Ultimately, customer ownership is all about creating, delivering and communicating compelling Value. Customers demand it and businesses promise it, but there's a huge lack of clarity to what Value really is. Let's keep it simple; there are only 3 kinds of Value...Functional, Emotional and Financial Value. That's it!

1. We deliver **Functional Value when we...**

- sell products and service that actually work for our target customers.
- are open or available when they need us.
- provide the information, the coaching and encouragement that customers need to wisely choose and effectively use what we sell.
- create policies and processes that make us easy, efficient and consistent to do business with.

...that's Functional Value!

2. Next is **Emotional Value. Most business people struggle with this one. They think it's some airy-fairy thing that can't be defined...and they're dead wrong!**

Quite simply, we deliver Emotional Value when our customers feel better about themselves and the world every time they do business with us, and every time they use what they bought from us. That's it! If we're not delivering Emotional Value, we're not really 'connecting' with our customers...and we're in trouble.

3. **Financial Value is #3. Most businesses put it as #1, but it must be #3 because it's a function of the previous two.**

We deliver Financial Value when our customers believe that they paid a fair and competitive price for all of the Functional and Emotional Value that they get from us. If we don't deliver functional and emotional value, there can be no Financial Value.

So, are *you* delivering the right combination of Functional, Emotional and Financial Value required to win the battle for 'ownership' of your target customers?

**Quick biz tip #4:****When selling your biz, *never* agree to a 2-part payout:**

Two years ago a friend of mine sold his business with the promise of a 2-part payout. He received the first payment when the deal closed but he is now in court fighting for the 2nd payment. It's costing him a fortune in legal fees, plus the time and stress. I see this happen over and over.

Buyers want a 2-part payout so that they can have a year or so to find reasons **not** to make the 2nd payment...or to reduce it substantially. Do not accept a 2-part payment deal unless you're perfectly happy with the first payment being the only payment you receive.

6. Our 'Quick Quiz' of the Month:

(Time to read this section is about 35 seconds)

'Thanks' to all who answered our August Quick Quiz which was, "According to the Organization for Economic Cooperation and Development, which country has the smartest kids in the world?"

The correct answer...Singapore. By the way, the top 5 countries with the smartest kids are all in Asia. Canada is #10 and the USA is #28.

"Congratulations" to J. Stuart Smith of Co-operative Synergies Inc in Ontario who chose a 1-hour business coaching call with Donald as his prize.

This month's Quiz Question: November is Grey Cup month in Canada. For our non-Canadian readers, the Grey Cup is our national football championship match. The first Grey Cup game was played in 1909. That's 58 years before the first Super Bowl game. And, we've never had a wardrobe malfunction.

This month's Quick Quiz Question is, ***"Which Canadian team has won the most Grey Cup championships (16 wins)?"*** For bonus points, which NFL team has won the most Super Bowls (6 wins)?

***NEW: To participate simply [click here](#) to submit your guess.** Each correct answer will go into the 'pot' and one winner will receive 3 copies of our transformational **Vision Critical Guide...or a 1-hour telephone business coaching session with Donald.**

7. Sharing is good:

Please share any or all of these articles and tips with your team, customers, friends, clients or colleagues. We ask only that you include my name as the author and a link to our website, donaldcooper.com. If you know of others who will find value in our free, monthly 'straight talk' E-Newsletter, please do recommend it. They'll love you for it.

Best regards,

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

Donald Cooper, MBA, CSP, HoF

For more information or to contact us visit donaldcooper.com