

Brought to you by the team at WG Chartered Accountants

In Search of Fresh Cheese

Many business owners already understand the need for change. But that doesn't make it any easier. The burning question remains: How do you make change painless, a seamless part of what you do everyday, and a positive thing for your business and your people?

You can resist and say no, stomp your feet and point to why all the old ways work. You can deny that change is needed and wait it out, until its very force steam rolls your business.

Or you can accept the reality and set out to find and embrace the good things that change can bring.

It's not too hard to see which way is the only way forward is it?

There are some simple steps we can embrace to help demystify the fear that is connected to change.

Spencer Johnson, best-selling author of *Who Moved My Cheese*, has identified 7 guiding principles:

1. Change happens
2. Anticipate change
3. Monitor change
4. Adapt to change quickly
5. Change
6. Enjoy change
7. Be ready to change quickly and enjoy it again and again

'...set out to find and embrace the good things that change can bring.'

We strongly recommend that you obtain and read *Who Moved My Cheese*. Also consider sharing it with your team when you are ready to introduce the change process into your business.

For more tips or assistance managing the change process, please feel free to contact us.



Some Important Phone Basics

Answering these questions will help your company promote excellent customer service and set performance standards for your team.

How long do you let the phone ring?

What is the appropriate greeting?

What do you say if someone wants to speak with a colleague or the 'boss'?

How do you position message

taking? Do your team members offer to take a message or help?

How do you answer internal calls?

How do you transfer calls? Do you transfer directly into voicemail? Do you ask who is calling before putting a call through?

Do you answer first and last names or just last names?

When you're answering these questions, consider ways you could impress your customers

with excellent care.

For example, perhaps you make a policy to never ask who is calling so that your callers do not feel like they are being screened.

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Reward the Right Results

Be sure you're rewarding the right customers and not penalising the loyal ones.

Often companies get so wrapped up in trying to allure new customers or persuade those teetering on the edge of loyalty, that long-term customers are overlooked and their loyalty taken for granted.

The same can be said for rewarding employees who are granted higher salaries once they find jobs at other companies. While thinking in the short-term is

natural, it's important to consider the long term future of your business.

Coffee houses, nail shops and bakeries have great incentives for loyalty. Customers are given a punch card. After a certain amount of coffees or pedicures are purchased, customers are rewarded with a free coffee or service.

Credit card companies have also caught on to the importance of retaining customers.

For so long they have been trying to lure customers away from the competition with lower APR rates.

Now many companies are making a habit of offering low APR rates to existing customers as a way of *keeping* them.

They also have invested large amounts of money to simplify the payment and purchase-tracking systems, so customers can quickly go online and handle their business.

*"Effective management always means asking the right question."
Robert Heller*

When Should I Begin Collecting on Overdue Accounts?

Deciding when to collect on overdue accounts is as important as deciding how to keep track of overdue accounts and how to organise the accounts receivable process.

When is it right for your business to collect on accounts due? One day, one week or one month after the account is due? When figuring out a procedure take some time to consider these factors:

What is your relationship with this customer? It's unlikely that you will want to set out collecting on an account a day after it's due if it is a family member or an extremely good customer who has an otherwise good history of paying the account.

How much money is due?

If the balance is large and you're depending on it to pay your own

bills, you may very well decide to collect after a very short period of time.

If it's a smaller balance, it may be worthwhile to wait a bit.

If you would like more assistance, please contact us. We can help.

"Time Out"

No matter how unpleasant your alarm may sound in the morning, you can be thankful that it only hurts your ears – the early "alarm clocks" were much more painful.

The first devices used to get people up were actually lit candles that medieval monks would stick between their toes.

When the flames began nipping at

their feet, they had no choice but to leap out of bed!

A clockmaker who loved to rise early is given credit for a less painful way of getting up, and he invented the first alarm clock.

Levi Hutchins loved rising at 4 am...but in 1787 there were no early morning wake-up calls so he put his knowledge of clocks to

work.

He devised a gear that would trip and strike a bell when the hour hand struck 4am, awakening him to enjoy a long and full day and for that matter, a long life.

Hutchins lived until he was 94.



Do You Need Help Generating Publicity?

Generating publicity requires focus, detail and attention. Here are some tips for considering whether to outsource your promotional needs or to do it yourself.

Outside agencies:

Offer specialised expertise in specific fields

Have a wealth of strong established media contacts

Give an unbiased and dispassionate assessment of your organisation and its marketing strategy

Bring an outside perspective

Are up to date with the most

advanced techniques and resources

Leverage the experience of an entire team of professionals

Eliminate the cost of benefits, training, holidays and team member expenses

Offer a menu of services available from strictly writing press releases to planning events to occasional consultation to full media campaigns

Internal publicity operations:

- Offer in-depth understanding of your business

- Let you determine the degree of

control and participation in the process

- Are solely dedicated to and focused on your business's publicity needs

- May have established media contacts

- Can be cheaper to maintain

- Are more excited about your business

- Know your customers well and may elicit better success stories

- Know the latest and greatest news about your company first

The 5 Commitments to Customer and Employee Loyalty

Consider incorporating these 5 commitments as part of your company's overall mission. Feel free to hang these around the office, print on business cards or work with your team to rewrite and reorganise to best suit your company.

1. Everyone in this company has the right and responsibility to serve our customers beyond their

wildest expectations.

2. We say what we mean and mean what we say.

3. If we are unable to deliver on a promise to employees or customers, we admit our mistake as soon as possible and offer the best possible alternatives.

4. Our employees are our *partners* in bringing the best solutions, services and products to our customers.

5. We acknowledge that we cannot be all things to all customers and reserve the right to say no to customers once all other avenues have been explored.



*"There is real magic in enthusiasm. It spells the difference between mediocrity and accomplishment."
Norman Vincent Peale*

Important Information - Gather the Data

To target your customers, you have to know something about them. Here are some basic types of information that can help you identify your best customers (and more like them):

Demographic information-average age, average income range, location, occupation, education, marital status, gender, race, disposable income

Lifestyle information - hobbies, interests, what they do for fun and entertainment, political beliefs, memberships in organizations, cultural practices

Psychographic information-personality traits and emotions that affect purchasing decisions (e.g. do they see themselves as fiercely independent, do they

long for stability, do they want to keep up with everyone else or stand apart from the crowd, are they adventurers).

We can help you profile your "ideal" customers and get a better "bang" for your marketing buck.

Important Solvency Ratios

These important ratios help you manage your business. Whether you decide to prepare your own financial statements, to use a software program or to have them done for you by a qualified professional, understanding these ratios will help you keep track of your profitability and debts.

If you ever need to acquire financing, knowing these ratios and figures will be invaluable.

Debt to Equity = Total Debt / Owner's Equity. This indicates the degree of financial leverage that you're using to enhance your return. Discovering a rising debt-to-equity ratio lets you know to be careful with your fixed assets and can prevent increases in debt caused by purchases.

Debt to Assets = Total Debt / Total Assets. This measures the percentage of assets financed by creditors compared to the percentage that have been financed by the business owners.

'Manage your business.'

Coverage of Fixed Charges = Net income Before Taxes + Fixed Charges / Amount of Fixed Charges. This measures your ability to meet any fixed obligation of the business. Often banks and lenders require you to maintain this ratio at a specified level, so that the lender has some assurance that you'll

continue to be able to make your payments.

Interest Coverage = Operating Income / Interest Expense. This measures how many times your interest obligations are covered by earnings from operations - the higher the ratio, the better your ability to meet interest payments.

For assistance with these ratios or to discuss these further, please feel free to contact us.

About Our Consulting Services

We are not your 'average' accounting firm. Far from it.

We are members of the Principa Alliance, an international network of consulting accountants.

So when you work with us to improve your business you're gaining access to a global knowledgebase and a wealth of consulting experience that is much more powerful than any one firm could offer.

Combining our knowledge of your business, the personal relationship we share with our clients and the consulting tools, support and networking power of the Principa Alliance, we can help you achieve more with your business than you imagined possible.

Our goal is to help you build a stronger, more profitable business and enjoy a higher quality of life as a result.

We can do so much more for you than just 'keep the score'.

Contact us today to discuss how we can help you build a business that delivers on its promise.

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