

Brought to you by the team at WG Chartered Accountants

The 4 Ps of Positioning

You may be thinking that your business is just a business. But you can't afford to take that position. In business, often you have to create a position – a positioning message that is. And the position you want to create is the one that makes you the obvious choice for consumers.

To do this, you have to know your 4 Ps:

1. Product – what exactly are you offering your customers? How can you find ways to distinguish your offering? Are you able to clearly and quickly articulate the benefits of your offering? For example, a feature of a car is an air bag. The benefit is increased safety during high impact car accidents.

2. Price – we do not recommend that you engage in price wars that can ultimately cut you out of business. Instead, find ways in which you can deliver superior quality and customer service so the consumer prefers your company.

'..makes you the obvious choice for consumers.'

3. Promotion – do you actively and relentlessly promote the ways in which you deliver superior quality and customer service or are your campaigns mostly centered on discounts, coupons or rebates?

4. Place (distribution) -- do you know how and where your product or service is delivered? Are there ways you can use this to differentiate your business? For example, a company could make a positioning statement and a promotional campaign centered on delivering its product in pristine condition within 24-hours or your money back.

To discuss your positioning statement, please feel free to contact us. We can assist you in making a position statement that truly reflects what your business does and why it should be the obvious destination for your customers.

Creating Differences to Create Great Business

If many businesses perform the same tasks, offer the same services at similar prices, how does one become a leader and the other not? They create differences to create the position as the industry leader or the best family-style restaurant in town or the most reliable and convenient dry cleaning business.

Think of Colgate and Crest

toothpaste. Essentially they are the same product and they perform the same functions – preventing cavities and cleaning teeth. Yet Crest is the number one toothpaste. Why? Because it decided to position itself as the choice most dentists recommend.

Have you given thought to what it is your business does? Consider why you started your business. What did you want to do? Were you hoping to create a better product than

what was readily available? Were you interested in creating a family business? What is it about your business that current customers keep coming back for?

Answering these questions can help you create the differences that will set your business apart.



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The Sales Force Motivators

If your sales are slow, it may be time to evaluate your sales team and systems.

Is your sales team motivated by the sell itself?

Are team members compensated based on amount of sales and value of sale?

Are salaries low and incentives high?

Are commissions competitive?

Do bonuses and commissions reflect a percentage of the value of the sale?

High salaries that aren't commission-driven are excellent de-motivators. While the most successful sales people are driven by the sell itself, the challenge and the *reward* are important to keeping people pumped.

That does not mean that people who are apprehensive about being seen as pushy, annoying or unsolicited will be poor sales people. With the right systems, these people can overcome their apprehension. Use your most

successful sales person to create and document the system that works best for your business. Share success stories with your team and offer praise consistently.

*"I can give you a six-word formula for success: Think things through –then follow through."
Captain Edward V. Rickenbacker*

Ask Us About The Annual Business Performance Review

Managing Your Stock Successfully

It's important to be aware of all the costs associated with stock, especially the costs of carrying too much stock. This includes not only direct costs of storage, insurance and taxes, but also the cost of money tied up in stock. Consider these important tips:

Maintaining a wide assortment of stock -- but not spreading the quick-selling products too thin

Increasing stock turnover without sacrificing the service level

Keeping stock low without sacrificing service or performance

Obtaining lower prices by making volume purchases without ending up with slow-moving stock

Having adequate stock on hand without getting caught with obsolete items

Computing your stock turnover ratio is a simple way to monitor and measure how well you are doing. This value gives a rough guideline by which you can set goals and evaluate performance. Remember that the turnover rate varies with the function of stock, the type of business and how the ratio is calculated (whether on sales or cost of goods sold). You can obtain industry averages from trade associations.

Just as an emerging business develops an accounting system, it should also develop a human resource system. For instance the following employee information should be available and checked for accuracy at least once each year.

- Name, Address, Nationality, Date of Birth, Dependents, Date employment commenced
- Company job history: Title,

Employee Number, Location, Salary rate, Education including degrees

- Specialty training
- Pre-employment work experience: Key responsibilities and levels, Professional licenses or certificates, Professional publication and speaking engagements, Teaching experience

- Leadership evidence: Company, Civic, Career goals

- Emergency contact

Review your personnel files periodically to ensure that the information is correct and current. Implement a system that will make updating personnel files a fairly simple routine.

*"Goals determine what you are going to be."
Julius Erving*

Effective Delegation

Delegation is an important managerial skill. Delegating allows you to focus on where your business is going, while your employees move it toward that direction. Use this checklist to determine if you are taking advantage of opportunities to delegate authority.

Do you have time for the following:

- Training and development of subordinates?
- Planning?
- Coordinating and controlling work?
- Visiting customers regularly?
- Remaining involved in new product development?
- Visiting branch locations regularly?

- Attending business meetings outside your business?
- Participating in civic affairs?
- Is no one on your staff as good as you are?
- To effectively delegate responsibility and authority in your organisation you must:

'Delegation is an important managerial skill.'

- Accept the power of delegation.
- Know your team's capabilities.
- Ensure that specific training is available.
- Select specific responsibilities to be delegated.

- Clearly define the extent and limits of delegation.
- Match each with necessary authority.
- Provide periodic monitoring and interest.
- Restrain the impulse to insist on how to do something.
- Remember there are many ways to accomplish a specific objective.
- Assess results and give feedback.
- Praise and offer constructive feedback.



The Power of Public Relations

Public relations may seem fruitless. But the truth is free publicity can generate more business than expensive marketing campaigns, especially when it comes to discerning customers.

What do you believe more: the glossy, expensive ad that promises to grow your hair back in 30 days or a news report featuring people who have regained their hair

because of this new prescription? News coverage lends legitimacy.

That's why publicity must be strategic. Know what *your* message is. Don't leave it to the media to make it up for you. Think about what programmes and publications your target customers enjoy. Get to know the journalists and the types of stories they

feature. Have a list of available sources willing to talk to the journalist. This is publicity with a strategy, and it's *free*.

7 Steps to a Better Business

1. Increase the number of customers you deal with.
2. Increase the number of times they come back.
3. Increase the amount of referral business you get.
4. Increase the commitment of your team members to your business' success.
5. Have more fun and increase the rewards you get from doing what you do.
6. Increase the effectiveness of everything you do.
7. Systemise your business

These are 7 sure-fire profit building strategies that you can apply to your business today, and every day, so you can eliminate the guesswork and build a more profitable business, fast!

WG Chartered Accountants can help you achieve the 7 steps to better business using our business developments tools, if you would like to find out more please contact Kate on 01242 260445, or email kate@wgca.co.uk.

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