

Michigan CFO Associates

The CFO for *Small Business*

Volume 3, Issue 1

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Winter 2009

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Place your t-shirt
orders now. . .
they're gonna go
fast.

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discipline will set you
apart from
boneheaded
competitors.

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A self-serving
indulgence
disguised as a real
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Exciting news at
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including the new
book, the recent TV
appearance, and our
relocation. Check it
out!

PRESIDENT'S MESSAGE

"YOU CAN'T COMPETE WITH _ _ _ _ _"



Before I fill in the blanks in the above hangman game, here's some good news to keep you motivated and inspired:

1. It's staying lighter, longer every day
2. The Lions season is over
3. The Democrats now have total control . . . uh, sorry wrong list. . .

O.K., so I guess that's it. I didn't say it would be a LOT of good news.

MY "OFFICE FOR A DAY"



For this issue of the newsletter, I wrote the bulk of it sitting on a park bench overlooking a pond with a fountain in Orlando, FL.

I recently attended a conference there, and squeezed in some newsletter time before the conference began. Most of my time was spent in doors, so this was about as close as I came to enjoying the beautiful weather. But it was nice to see the sun and 70 degrees. If you live anywhere with a Michigan-like winter, it reminds you that better days are ahead.

Speaking of better days ahead. . . we all know that 2009 is going to be a challenging year. For some, it's going to be extra-challenging, because of how they approach it. As the saying goes, if you do what you always did, you'll get what you've always got. Except this year there's less activity all around, so doing what you did will result in getting less. But this is no time to sit back and complain about how bad things are. . . it's time to do more, try more, invest more, and let your competitors take care of the whining and moaning.

A few months ago I met with some bankers, and we were discussing the economy and what the bank was seeing from its client base. One of the bankers recounted a story about a client that was complaining that the lack of work in his industry was causing competitors to drop pricing to such an extent that pricing was now below the cost of the materials necessary for the job, let alone labor, overhead and profit. The owner told the bank "I don't know how to compete with that".

The banker said to me: "I told him: You can't compete with Stupid".

I may just print up some T-Shirts with that statement right across the front.

It's true. We all have to find a way to differentiate what we're doing from what the competition is doing. And the easiest, laziest, stupidest (if that's a word), least creative way is to lower your price to the point where you can't make money. Lowering prices is rarely the answer to any problem, even in the short run. Sitting around and complaining about Stupid competitors who choose this path isn't going to help either. So in the feature article for this issue entitled "Don't Make 2009 Tougher Than It Already Is" I'll give you some examples of what NOT to do, and an example or two on how to differentiate your business from your competitors.

Also, check out the "What's Happening" section as there's lots going on right now. Despite the economy, we're optimistic about better days ahead, and continuing to grow in 2009.

Best Regards,



Todd Rammler, CMA, MSA
President

DON'T MAKE 2009 TOUGHER THAN IT ALREADY IS

By now, we all know about the turmoil in the economy, the real estate market, stock market and auto industry. There's no reason to rehash this, or worse yet, pile on to what can be a depressing avalanche of news.

So given that 2009 is going to be a challenge for most businesses to stay flat, let alone grow, it's critical to eliminate ANY boneheaded mistakes made by you, your company or your employees.

"What is that supposed to mean?"

Here's some examples of what I mean (sorry if you're a reader and have unknowingly made the list):

- * I recently met with a prospective client that was complaining about revenue, profits and cash flow, as all three have taken a predictable downturn in this economy. After we talked a while, I asked if they maintain a database of customers. They said "Yes". "How many customers are in your database?" I asked. "Roughly 15,000" they said. "Do you do any marketing to them, make them any special offers, keep in touch with them in any way?" "No". Wow. No email, no direct mail, no phone calls, not even a catalog gets mailed to them. No holiday specials, no 2 for 1 offers, no free shipping with order. Nothing. This particular company even has a Sales Director. Not exactly sure what is being directed, though. . .
- * I've used some independent free-lance people on elance.com for various tasks – copywriting, search engine work, etc. Some have been great, some mediocre. If you're familiar with this process, the contractor does the work, then you pay, then you give them feedback on how good they did, similar to ebay. I left feedback for one person who was late and produced a mediocre product. I gave him average feedback, which was accurate. The person says "You're damaging my ability to provide for my family because you didn't give me 5 out of 5 in every category". *Huh???* You can't get 5-Star ratings with 3-Star performance. In tough times, with increased competition, it becomes more important to over-deliver with the customers you have, in order to retain them AND generate referral business. . .which is the next key area.
- * A woman I've known for a couple years calls me up and says her business is slow, and wants to know if I might have any referrals for her. I go through my list, and sure enough, find a situation that might be a fit. So I make the pitch to my contact on her behalf, the contact is interested, so I offer to facilitate the introductory meeting between the two parties. She's happy.

On meeting day, she's 20 minutes late for the meeting, and offers no apology. Ever minute we wait, the prospect is wondering why I recommended her. If your business is *SLOW*, what are you doing that you can't get to a prospective client meeting on time, or at least call and let everyone know??? Then, despite being late, she gets the business. And guess what? I haven't heard from her since. She calls me, asks for help, gets help, embarrasses me by being late, gets the work, then doesn't bother to say thanks. What do you suppose is going to happen the next time she calls when business is slow?

Around the time this referral fiasco happened I was reading Dan Kennedy's book *"The No B.S. Guide to Marketing to the Affluent"*. Here's an excerpt from a chapter that was particularly relevant regarding referrals:

"I cannot tell you the number of times I've heard the same unhappy story –'I send my friend/client/neighbor to X and never got so much as a thank-you note.' Each person telling me that story is expressing deep resentment of not being shown deserved respect and appreciation, and reinforcing his determination never to recommend that business to any one else. I don't think most businesspeople understand just how much it irritates people to deserve appreciation but not get it. . . . When they do you a favor, such as referring a customer, they are waiting for an appropriate acknowledgement. Checking their mail. And –pure and simple–pissed off when nothing arrives."

Referrals are a key piece of any businesses development strategy. Ask 10 business owners how they get most of their business, and I'll bet at least 8 of them say "word of mouth and referral". But are 8 of 10 following basic common sense and sending out a simple thank-you card? Not a chance.

I could fill page after page of similar boneheaded stories. What does it take to be different than the majority? Start with common sense, discipline and attention to detail. None of this is brain surgery. But it's these little things that make a big difference, especially in tough times.

Remember the old sales axiom: *"Little hinges swing big doors."*

MEAL. . . OR NO MEAL



O.K., this has nothing to do with accounting, finance or even business. But it's pretty entertaining.



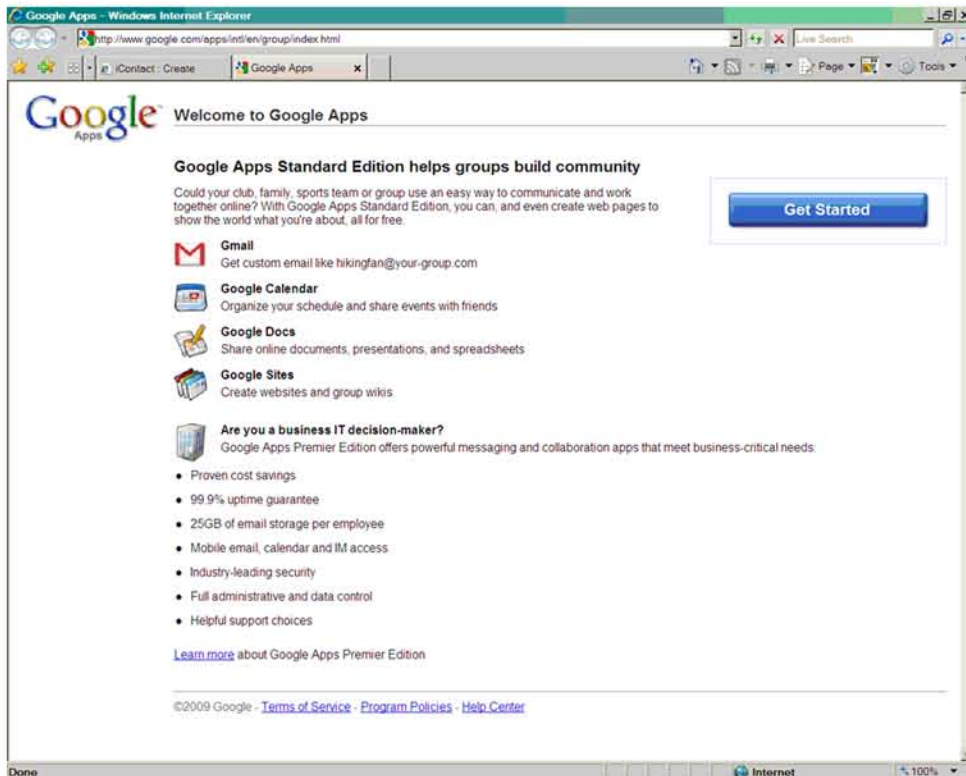
I've got a two year old daughter that likes to watch Sesame Street. A few months ago I turned it on for her, and came across this parody of the game show Deal or No Deal, which I thought was priceless. Even Howie's mannerisms are copied.

The clip is a little long, but pretty darned funny.

<http://www.youtube.com/watch?v=xUiaWt1pQN0>

You might be wondering to yourself, "Was this just an excuse to put a picture of his daughter in the newsletter?" Well, I'll answer that in the Spring issue in a story entitled "Why my son loves Sponge Bob." Photos will be included. Stay tuned.

TECH TIPS: PRACTICAL TOOLS YOU CAN USE EVERYDAY



In this issue, I'm sharing one application with you, but it's a pretty big one. . . primarily for small businesses. It's called Google Apps and it's available for free.

Google Apps allows you to integrate email, share calendars, share and store documents, create user web sites/start pages, and many other features. Below is a screen shot of the starting page. This application can eliminate the need for an Exchange server, remote connectivity software, and configuration headaches. It is particularly helpful if you have a small number of employees that work off site but need to get access to shared resources.

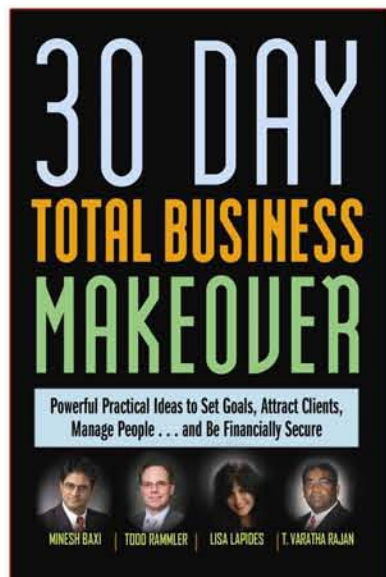
They also have a more robust package that is available for \$50/user per year.

For more information click <http://www.google.com/apps/intl/en/group/index.html>

If you come across any "must have" utilities you'd like to share, please [email me](#) and we'll include them in future issues.

WHAT'S HAPPENING?

EXCITING NEWS AT MICHIGAN CFO ASSOCIATES!



Book is available: I have been featured as a co-author for a new book entitled "30 Day Total Business Makeover" in which I highlight the strategies we use every day to assist clients. In addition to the financial side, there are contributing experts from other fields offering their strategies for the total business makeover.

The book retails for \$20. If you are interested in getting a copy, please email me at info@michiganCFO.com.

TV Appearance: In mid-November I was interviewed by Tara Kachaturoff, host of Michigan Entrepreneur Television. The program is designed to support and build entrepreneurship within the local community as well as throughout the State of Michigan.

If you were unable to see the interview on TV you can watch a short clip or two at www.michiganCFO.com/videos.html. If you'd like a copy of the entire interview, email me at info@michiganCFO.com and I'll send you a DVD copy.



We've Moved! New office location is 44056 Mound Rd., Sterling Heights, MI 48314. We will continue to maintain the Romeo Plank address for client correspondence.

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