

# Successful Business Strategies

The Results Group, Inc.™  
Business Advisors

“ A human being should be able to heal a wound, plan an expedition, order from a French menu, climb a mountain face, enjoy a ballet, balance accounts, roll a kayak, embolden a friend, tell a joke, laugh at himself, cooperate, act alone, sing a children’s song, solve equations, throw a dog a stick, pitch manure, program a computer, cook a tasty meal, love heartily, fight efficiently, die gallantly. Specialization is for insects.”

Lewis E. Hitchner  
Dartmouth College Alumni  
Magazine 1982

## Two Keys To Superior Performance

Lots of things add up to superior performance, but two key characteristics are most common to individuals who excel as sales people.

### The first is consistency.

In a superior salesperson, consistency means:

- ✓ Maintaining a positive attitude—even when things aren’t going well.
- ✓ Making prospecting a regular daily activity.
- ✓ Establishing high personal performance standards and maintaining them.
- ✓ Dispensing information correctly and factually.
- ✓ Being considered by customers as an ally who can help solve their problems.

- ✓ Tying the close of a sale to needs and benefits.

### The second is persistence.

Persistence in selling means:

- ✓ Doing the entire job of selling (including paperwork).
- ✓ Systematic follow up with all prospects.
- ✓ Emotional satisfaction from making a sale.
- ✓ Effective use of resources, including time.
- ✓ Working around handicaps until the problem is solved.
- ✓ Continual updating of knowledge and marketplace.

Emphasize consistency and persistence in evaluations. Keeping your sales force



Good sales people build strong bridges between themselves, their company and their customers.

focused on these two qualities will make a positive difference in their performance.

—Effective Sales Management, Tom Johnson, Crisp Publications, Los Altos, Ca.

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## Tips to Remember...

1. When you use your own business card to write some information on the back, cross off your name and address. If you don’t, you might accidentally give away the card.

—Joan B. Taylor, Square Electric Supply Company, Parsippany, N.J.

2. Three words to avoid when dealing with customers: “That’s our policy.” Work with customer service people to prepare them to use explanations that sound credible to customers. Hiding behind policies turns off customers.

—Stanley Fervessy, DM News, New York, New York

3. Avoid telling people you’ve “been really busy” when reminded that you had promised to do something for them by a certain time. It communicates that you’ve placed a low priority on their request.

—Nick Kovalakides, Visitor Services, University of Maryland, College Park, Md.

## Strong Leaders Delegate

Strong leaders recognize that delegation achieves two important goals at the same time.

1. It frees them to focus on the significant parts of their jobs; and

2. It enables their subordinates to develop their own skills and competencies.

If you have difficulty deciding whether to delegate, here are some questions to ask yourself:

◆ Do you have time to complete the task? If not, delegate it.

◆ Does this task require your personal supervision and attention? If it doesn't, assign it.

◆ Is your personal skill or expertise required for the task? If the answer is no, hand it off.

◆ If you don't do the task yourself, will your reputation, or the reputation of your team, be hurt? If the answer is no, delegate it.

◆ Is there anyone on your team with the skill or expertise to complete the task? If so, delegate.

◆ Is there someone on your team who would benefit from the experience of performing the task? If the answer is yes, give him/her the opportunity.

Beside freeing you to focus more on your own job, delegation gives your people the gift of learning by doing, taking risks and becoming comfortable with the consequences of their own performance.

-John A Bucciarelli, *Leaders Are Made* (Blue Note Books: Cape Canaveral, Fl.



Delegating builds skills and enhances performance.

## Kick "Should" Off Your Team

When they hear the word "should"—as in, "This is how it *should* be done"—many people feel boxed in. What was meant as a simple guideline turns into a rigid, fixed process.

Too many rules and expectations can drain your team of its creativity. Give team members freedom by eliminating the "shoulds" that limit them.

Whenever you hear yourself or someone else using a "should":

◆ See what happens if you substitute "could" for "should". *Reason:* "Could" immediately opens up the possibility of choice, without discarding important rules and guidelines.

◆ Ask "Why" five times—building on the answer each time. *Example:* Why should your print five copies of the report? Because five managers want to see a copy? An so on.

When you've asked and answered "Why" five times, either you'll see the strategic reason

behind the "should"—or you'll have uncovered a senseless argument that discounts it.

◆ Pose smart questions. Uncover the heart of the task. Questions like these can help: "What do you do that impedes...?" "Who's responsible for...?" "What can I do to ensure...?"

-*Sharpen Your Team's Skills In Developing Strategy*, Susan Clayton, McGraw Hill, N.Y., N.Y.

**Replacing words that suggest passivity or procrastination with words that suggest action and performance helps increase productivity and improve results.**

## What is Customer Service?

Good customer service is broad and proactive. It includes not only the handling of customer complaints and problems but also any interaction between a company and its customers.

Good customer service includes:

◆ Providing fast answers to customer inquiries and problems.

◆ Offering an 800 phone number, a 24-hour service,

prompt callbacks and whatever it takes to make doing business with you as easy as possible.

◆ Friendly, concerned, and responsive people, from the switchboard operator to the shipping department—and everyone in between.

◆ Making personalized service available whenever possible.

◆ Backing your product with an ironclad guarantee.

◆ Delivering more than you promise...every time.

◆ Showing courtesy, consideration, and concern in all your dealings.

◆ Being honest, responsible, and reliable.

◆ Giving customers the best value for their money.

-*The Complete Customer Service Letter Book*, E.W. Werz & Sally Germain, McGraw Hill, Inc. N.Y

## Honesty: The Best Policy for Uncertainty

Any time you want to make a big change in your organization, you have a major challenge ahead: selling the idea to your people.

There are many reasons why humans are reluctant to change. But in a business setting, there's one concern that you should deal with right from the start: every employee's worry that a change may involve his/her layoff.

No matter what you say about a projected major change, every employee is likely to react with a silent, gnawing "I'm-going-to-

be-fired" response. Thus, it's essential that you address the issue of layoffs head-on. Otherwise your change effort will be adversely affected.

*There are only three possibilities:*

1. No layoffs. If there will be no reduction in staff, quell anxiety at the outset. Announce that fact first, announce it loudly and announce it often. The latter is important because it may take time before you're believed.

2. Some reductions. If there will be layoffs, treat your people

as adults. Tell them the truth. Besides gaining trust and credibility, you also avoid a bigger problem: the potential for each person to imagine far worse scenarios than the simple truth.

3. You're not sure. It is possible that you don't yourself know what the staffing requirements will be during and after a change. Admit it.

*-Michael Hammer and Steven A Staton, The Reengineering Revolution (Harper Collins: N.Y.)*



Keeping people in the loop reduces anxiety and creates trust.

## Two Strategies for Spending Less Time Hiring Better People

It takes valuable time to interview job candidates. Here are two strategies that will not only save you time, but will also help you identify the best candidates:

**Pre-screen:** Spend five minutes on the telephone with applicants with the best "on-paper" appearance and qualifications.

You don't necessarily have to do the telephone pre-screening yourself. Delegate the task to someone who is intuitive and

has good listening skills. After a short conversation on the phone, it is usually possible to eliminate some candidates from consideration, saving your time -- and theirs.

**Give job aspirants a task:** It can be as simple as requesting cover letters with resumes (so that can assess written communication skills) or as complex as asking applications to visit your web site and write a brief report on their impressions.

Some candidates won't follow

through. Indeed, one company that asks applicants to assess company-supplied blueprints never hears from half of them again.

As for the remaining applicants who do follow through, you will have additional assessment tools in hand: their completed tasks. Thus, you can now limit your interviews to only a few applicants -- the cream of the crop.

*-Pierre Mornell, Harvard Management Update*

*Discovering an applicant's written communication skills can be critical to your success!*

## How the Best Companies Develop Change Leaders

To develop the kind of leaders a changing organization needs, you have to accomplish three things:

1. Recognize that change is a learning process, not a series of programs, and seek people who are willing to learn and change in light of what they already learned.

2. Make leadership an important criterion for promotion.

3. Manage your people's careers to develop leadership skills.

Smart companies know this -- and have honed successful approaches to meet the challenge of developing change leaders.

These companies do it by:

◆ Placing a premium on learning and moving managers from job to job and organization to

organization according to what they need to learn.

◆ Assigning successful leaders to units that are targeted for change.

◆ Sharpening people's leadership skills by moving them into the company's model units where leadership skills are demanded.

*-Michael Beer, Russell A. Eisenstat, Bert Spector, HBR*



Pick your best people to lead change.

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## The "10" Most Frequent M&A Transaction Mistakes

1. **The owners do not understand the value of the business:**

Most owners of closely-held businesses have suppressed profits to reduce taxes. The company's financial statements don't begin to reflect the true value of the business. The actual financial statements need to be restated to eliminate the owner's discretionary income and non-recurring personal expenses. Attention also needs to be drawn to "off-balance sheet assets," tangible and intangible. Historical financial statements don't tell the real story.

2. **The owners have an unrealistic price in mind:**

Recent surveys indicate that few companies have a current, accurate business valuation. Half of the time owners are unrealistically high in their asking price, and the other half of the time they are low. Whether you think it's worth \$5M or \$50M, without a professional opinion for reference purposes, you can't begin to discuss or justify a selling price that makes sense.

3. **The owners do not understand the investor's motive:**

Rather than emphasizing the business growth potential, they dwell on past performance. Investors are looking to the future for return on investment and growth potential. "BUYERS DON'T BUY WHAT THE SELLER THINKS HE IS SELLING".

4. **The owners do not have proper counsel:**

Talk with business owners who made an ill-fated attempt to sell their own business

Most wish they had used an experienced intermediary. Without professional help, they are prone to taking advice from the wrong people.

5. **The owners try to sell to the wrong people:**

One of the biggest mistakes is to think that the best investor for the business is a competitor, customer, supplier, or employee. If the deal doesn't happen, and most don't, then a great deal of confidential information about your company has been disclosed. Suddenly, everybody knows more about the company's profits and operations than they should. Keep your intentions confidential unless you're ready to sell at a rock-bottom price.

6. **The owners assume the best investor is local:**

Most sellers naturally assume that the market for their business is the immediate surrounding area. The world is now your market place and the best investor may be anywhere across the country, or around the world. Thousands of very quiet private investment groups and offshore investors are interested in acquiring profitable, U.S. based privately-held companies.

7. **The company is not positioned to sell:**

Organization, growth opportunity, reputation, market conditions, and industry leadership are some of the many intangible qualities investors appreciate. Documenting improvements that could be made by an investor with new capital helps you better position the company and increases value. There can

be a swing of 50% or more in sale value if the company is solidly positioned for future growth.

8. **There is improper documentation:**

Investors are evaluating the purchase based primarily on future growth potential and expected return on investment. They want to see what the profits would have looked like if you had run the business like a public company. They also want you to prepare 3-5 year pro forma financial projections backed by solid market research substantiating the future potential of the business. Simply stated...create a presentation to explain the past and sell the future.

9. **The owners do not plan for the sale:**

Many business owners have not thought about what their real personal financial needs will be. If you're willing to wait for some of the payments, the investor has more flexibility to pay a higher price. If you insist on an "all-cash" deal, savvy investors will discount their offering price by 35% or more.

10. **Don't be first to mention price:**

One cardinal rule of negotiating is to never be the first one at the table to mention price. An experienced acquirer, who sees the future potential, may have a higher price in mind. Value is very subjective. You will always regret "leaving money on the table" if you make this pricing mistake.

-Alliance of Merger and Acquisition Advisors