

Unit 33: Small Business Enterprise

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Learning Outcome 2

- Be able to propose changes to improve management and performance:
 - AC 2.1 recommend with justification, appropriate actions to overcome the identified weaknesses management in business
 - AC 2.2 analyse ways in which existing performance could be maintained and strengthened
 - AC 2.3 recommend with justification, new areas in which the business could be expanded

In this Session

- LO1 Be able to investigate the performance of a selected small business enterprise
 - AC 2.2 analyse ways in which existing performance could be maintained and strengthened:
 - Maintaining and Growing Business
 - Strengthening Business Performance
 - High Productivity in lean Workforce
- Further Readings
- References

Introduction

- As a leader and business owner there are many skill sets to acquire, one of which is learning how to maintain peak performance (Somjee, 2016). It is pivotal to do this in part by managing overload so you can function at optimal levels. Improving your performance for the long-term is ultimately dependent on the specifics of who you are as well as your business.

Maintain and grow a Business

- Cisco.com (2016) identify several areas companies may focus on to maintain and grow business in difficult times. These are related to Suppliers; Customers; staffing; technologies and marketing and advertising.
- O'Berry (2016) notes that one key to your success as a small business owner is the ability to build relationships with other people. She uses Ty Fareyvogel to illustrate: "The going-it-alone mentality may cause you to forget the employees, vendors, customers, and others who help keep your business running smoothly. Not only should you make it a point to strengthen these critical relationships, you should make it New Year's Resolution #1."

Suppliers

- Renegotiate with suppliers – lower suppliers cost will bring ongoing benefits which can be done in different ways. IF you don't have cash available, extend payment term which can prevent you borrowing money to pay suppliers.
- Expand your suppliers base – don't depend on any one or two suppliers so if they fail it means you won't fail with them too.
- Build rapport – this will allow you to negotiate better terms.

Customer Focus

- Focus on your existing customers – now is the time to give priority to your existing customer. The cost of gaining new customer is significantly higher than growing your existent customer base and intelligence about buying pattern will help you in offering special deals which will build customer loyalty and continue spending

Staffing Needs

- Critically evaluate your staffing needs – reduce excess staffing, while be sure not to affect customer service level. This can provide an immediate cost saving. Some services can be outsourced by agencies.
- Keep communication open and enlist staff support – mobilise staff around a common goal.

Invest in new Technology

- Invest in new technology to lower costs and increase competitiveness – the right technology can help your business work more efficiently, cut costs, improve customer satisfaction and help you stay ahead of the competition.
- Technologies that enable a smooth collaboration between employees, partners suppliers and customers are sure way to boost efficiency and reduce costs.

Marketing and Advertising

- Increase marketing and advertising – in downturn, it is the best time to raise brand awareness and create market demand for your product or service as you'll be doing so when your competitors are likely to be scaling down efforts.

Strengthening Business Relationship

- O'Berry (2016) cites Freyvogel ten ways to strengthen business:
 - Learn as much as you can about everyone you work with. Then, act on that knowledge.
 - Treat your vendors like honorary employees. It's important to nurture relationships with those people who aren't necessarily working for you but who service you or your company regularly.
 - Know everyone's birthday. You might be thinking, How much of a difference will saying "Happy birthday" really make? Well, the answer is a big one. People love to be acknowledged no matter the reason.
 - Encourage a sense of ownership among your employees. Whether it comes from having a voice in major decisions, being able to work directly with clients, or actually owning stock, a sense of ownership will go a long way toward creating strong ties between your employees and your business.

Strengthening Business Relationship

- Have one-on-one conversations with your customers to find out what you can do better.
- Make your start-up loan payments on time, no matter what. Always have enough money in your account to make your monthly loan payments when they're due.
- Contact your mentors frequently.
- Constantly recognize a job well done. Everyone likes to be told they've done a good job on something, especially your employees.
- Be flexible with the people you count on. As a business owner you should know that rarely will a day turn out exactly how you had planned for it to.
- Make sure employees have everything they need to do their jobs.

High Productivity for lean Workforce

- In the past few years, Gallup scientists have found that there's an accelerant to engagement -- an element that produces more engagement, higher productivity, and more profitability (Asplund & Blacksmith, 2011).
- To maximize performance, you need both engagement and ability. Ability -- an innate talent for the job or task at hand -- is one key component.

THE 12 ELEMENTS OF GREAT MANAGING

To identify the elements of worker engagement, Gallup conducted many thousands of interviews in all kinds of organizations, at all levels, in most industries, and in many countries. These 12 statements – the Gallup Q¹² – emerged from Gallup's pioneering research as those that predict employee and workgroup performance.

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

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Somjee (2016) Do and Don't for maintaining peak Performance



- prioritize
- work smart
- schedule
- take breaks
- transition time



- ignore professional development
- forget time off
- forget to set limits
- ignore thoughts
- ignore basics

Further Reading

- <http://expertbeacon.com/how-maintain-peak-performance-when-growing-small-business/#.V1E7Mk10yM8>
- <http://www.gallup.com/businessjournal/146351/strengthening-company-performance.aspx>

References

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- O'Berry, Denise (2016) Ten Ways to Strengthen your Business relationships retrieved from <https://www.allbusiness.com/10-ways-to-strengthen-your-business-relationships-4974150-1.html>
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- Somjee, Lubna (2016) How to maintain peak performance when growing a small business retrieved from <http://expertbeacon.com/how-maintain-peak-performance-when-growing-small-business/#.V1E7Mk10yM8>