THE MONTHLY CEO ADVISORY

MARCH 2020 VOLUME 1, ISSUE 3

Dear Friends,

I am pleased to provide you with the third issue of ***The Monthly CEO Advisory***.

We're already sixty plus days into 2020. Think about that. Time is flying by.

My article this month is "It's March; How Are Things?" My writing goal was to provide some direction and tools to assist you to stay on track if you're pleased about the results you've generated so far or, conversely, if you aren't satisfied with what has taken place in January and February, to give you some thoughts about getting back to where you want to be, and quickly.

While business is a marathon, I know from experience it is hard to have a great year if coming out of the starting blocks on January 1 you fall down.

I advise you to be decisive and make the tough decisions now that need to be made to make up for lost time and missing results. If you wait another 60 days it may well be too late.

Our monthly line-up of short (one page) articles now includes the following categories:

- Employee Benefits
- HR Compliance
- Business Growth & Profitability
- Commercial Insurance
- Manufacturing Excellence
- Information Technology
- CFO Insights
- Commercial Real Estate
- Alternative Financing
- Sales Management

I encourage you to please pass along ***The Monthly CEO Advisory*** to others in your network that might benefit. This could be former clients, current clients, prospective clients as well as your network of business associates.

If there is a topic you want to learn more about, please email me.

In the meantime, enjoy these terrific articles and thank you for allowing us to be part of your continued business education efforts and your success.

Sincerely,

Ken Keller

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Business Growth Opportunities to Consider in 2020

The Monthly CEO Advisory is a publication for business leaders. Please enjoy the articles, send us any suggestions of topics you would like to see covered and pass this on to others so that they might benefit. Thank you. Ken Keller

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BUSINESS GROWTH & PROFITS

IT'S MARCH; HOW ARE THINGS?

How is your business doing? Assuming your company has a plan for the year, are you ahead of plan? At plan? Or, behind plan? How your company has performed so far this year should be of comfort or of concern.

What stands between your company goals and the current situation?

The first step is to properly define what you are trying to accomplish. Many companies cannot do that, or when they do it, they do it poorly.

How can a goal be set improperly? By not being specific; by not having it measurable; making it be unrealistic and hence unachievable; by having conflicting goals; by not assigning an owner; by not having a deadline; by not writing it down; by keeping the goal secret.

Let me address keeping company goals under wraps. Many companies do not share their financial information. But every company can find metrics that all employees can focus on to help the company succeed. Why share? To rally employees; get them and keep them focused on success.

So the second step is to determine what can be shared. This might include volume numbers; widgets sold or hours billed. It could also include on time delivery, customer complaints, returns; customer renewals and so on. The airlines live and die by the on time arrival ranking report issued every month.

The third step is the creation of an action plan to achieve the goal. This is the responsibility of the goal owner. If the CEO writes, "My company has a goal is to increase revenue by 15 percent by the end of this calendar year over last year. The sales manager is accountable for achieving this goal."

So far so good, except one major issue: who knows what the goal is and who owns it? I've been advising many companies where the sales manager doesn't know he owns a goal and no one else does either.

Assume that the sales manager does know about the goal; did the CEO ask the sales manager to write a plan, to secure alignment, assume ownership and to secure appropriate resources?

Did the CEO have any follow-up meetings with the sales manager to discuss the plan? The results? Where find out where help might be needed? These shortcomings happen far more often than anyone ever wants to admit. In many companies the disease NOETMA is part of the culture; it means "No One Ever Tells Me Anything."

There are pitfalls to be concerned about when using this process. The most common is that there are simply too many goals; this is solved by prioritizing and scheduling. The second is the lack of resources. The third is lack of know-how; when the company does not have the capability in-house to achieve the goals. The fourth is resistance inside the company to goal achievement; this is when individuals fight change for any number of reasons. The fifth is that it often takes more time to get started and moving on a goal than is planned.

The last thing I want to mention is that many companies ignore providing recognition and rewards for success. Too many CEOs fail to provide the kudos and thanks in public and private for the people that do the heavy lifting to get important assignments done. A paycheck is no longer enough; people need encouragement and kudos for their efforts.

It's only March; still plenty of time to hit your plan. But you may have to do it differently than you had originally intended.

Ken Keller

I work with Business Owners, CEOs and Presidents leading companies with 20 or more employees, providing advice to increase revenue, decrease costs and improve profitability.

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COMMERCIAL REAL ESTATE

OPERATING EXPENSE RECONCILIATION AND ESTIMATES

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It's the time of the year again when Tenants receive their Reconciliation for the past year and Estimate Statements for the current year for the operational costs for their building from their Landlords.

These first-year costs of a lease are known as "Base Year" costs and all future operational costs are compared against these Base Year costs. It is essential that Tenants request and receive their Base Year cost statements to be able to compare future billing the Landlord will set forth.

Each year of the lease, the Landlord will set forth a summary of costs for the past year and an estimate of costs for the current year, known as the Reconciliation and Estimate statement.

Tenants receive an invoice in March with an amount due for the past year. The statement will also have an estimate of cost over the Base Year amount which Tenants are required to pay monthly. Statements are issued in March, and there is three months of estimates for the current year, known as "catch-up" that need to be paid upon presentation of the statement by the Landlord.

The provisions in leases that provides the Landlord the opportunity to pass through operational cost is the Operating Expenses Pass Through (OPEX) and Common Area Maintenance (CAM) provisions of lease. Operating Expenses Pass Through and Common Area maintenance costs are based upon Tenants pro-rata share space occupied in the building.

Operating Expenses is a phrase used in commercial leases that encompasses all operating costs associated with repairing, maintaining, and operating a building, including Common Area Maintenance, known as CAM expenses, property taxes, insurance, utilities, management fees and administrative fees.

CAM expenses are a subcategory of pass through expenses that include the repair, maintenance, and operation of common areas, i.e. areas of a building used by all tenants, including corridors and lobbies, elevators, parking lots, and landscaping.

Because the cost to operate a commercial building generally varies from year to year, given changing tax codes, new or modified laws, and economic circumstances, pass through expenses need detailed attention when negotiating a lease. Tenants would be wise to take a close look at the landlord's expense provisions to prevent the burden of unexpected and rising costs.

Landlords want to leave the scope of a tenant's share of operating costs as open-ended as possible and often use terms such as "including", creating loopholes that could leave Tenants on the hook for an infinite number of unforeseeable costs. Whenever possible, insist your landlord enumerate specific expenses, while minimizing or avoiding catch-all phrases such as "all reasonable costs".

While it is reasonable to expect tenants to pay their fair share for the maintenance and repair of common areas (after all, the appearance and utility of the grounds and building are important to attract and accommodate customers), CAM expenses should exclude the roof, exterior walls, and foundation as well as spaces that do not benefit all tenants.

Want to make sure you're not paying more than your fair share? 365 days a year Mazirow Commercial negotiates leases to protect and save Tenants rent dollars on many lease terms, one of the largest items being the Operating Expense and Reconciliation clauses of the lease. The Landlord is fully informed as to the terms of the marketplace, are you? Don't go to the table alone, contact us today. We are the tenant advocate.

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COMMERCIAL INSURANCE

TAKING WORKPLACE SAFETY ONE STEP FURTHER

Every employer should want their employees to go home in the same good physical state they were in when they arrived for work. Most businesses do a pretty good job on Safety and Loss Control. Yet, they often focus their efforts on the logical "big ticket" areas of risk for their specific industry type, only to have employees sustain injuries in other more innocuous and less threatening areas of their business.

Some of the most serious and financially impactful workplace injuries are sustained in areas of a business's operations that are often overlooked from a Safety and Loss Control standpoint. While less threatening than large manufacturing equipment or construction power tools, each of these areas warrants at least a minor level of attention.

BATHROOMS - While most businesses have safety protocols in place for employee bathrooms when they are being cleaned, overflow or spillage from heavily used sinks, wet paper towels left on the floor and even minor plumbing leaks can set the stage for employee injuries.

INTERNAL STAIRWAYS – All stairwells and stairways pose a threat to employees and guests, but those that are not often used can pose the greatest threat of all. A rarely used back stairway may have loose handrails (or no handrails at all) and worn out, threadbare carpeting that an unaware or distracted employee can trip on.

HEAVY GLASS DOORS – Large glass doors can cause devastating injuries to an employee's fingers, wrists, arms and toes. This is especially true when they are suddenly propelled by the strong winds we often experience in Southern California.

SUPPLY AND COPY ROOMS – Most warehouse injuries can be prevented or mitigated by using sophisticated material handling devices and regular employee safety training. For many smaller businesses, their supply and / or copy machine room is their warehouse. However, restaurants, retail stores, offices and other businesses pay little attention to the threat of employee injuries from falling, or improperly stored items. And innumerable back and shoulder injuries are caused by employees – many with pre-existing physical problems – who reach for heavy objects above their chests, or improperly lift weighty items like a box of copy paper.

EMPLOYEE PARKING LOTS – Some are as pristine as an Olympic ice-skating rink, while others can look like World War I battlefields, but all employee parking lots can be the scene of serious injuries ranging from scrapes, to broken noses or broken arms. Clearly, employees can trip on cracks or tree roots, hit their heads on low hanging branches, slip in areas where water pools or be assaulted in poorly lit or enclosed parking areas. However, many injuries suffered in parking lots are self-inflicted by employees who are in a hurry, distracted while on their cell phone, texting, or even just talking with a fellow employee. They trip over concrete parking stops, slip on stairs, and even stumble over their own feet.

No two business facilities are precisely the same, but these are a few of the more innocuous areas where I have seen employees sustain serious injuries. Outside Safety Specialists usually have limited time, so they tend to focus on key exposures to loss at a given location. It becomes important for the employer and their employees to take on the responsibility of identifying and addressing areas of potential employee injury themselves. As always, business owners should look to their broker for assistance in managing their risk as well.

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HUMAN RESOURCES COMPLIANCE

DO YOU KNOW HOW MANY EMPLOYEES YOU HAVE?

Employers must comply with several laws and regulations that involve counting their employees.

Here is a guide for counting employees based on how many employees you have, who to count and how to count the employees.

1. Title VII of the Civil Rights Act, as Amended by the Pregnancy Discrimination Act

2. Americans with Disabilities Act

- Employers with at least 15 employees
- Employees working 20 or more calendar weeks in the current or preceding calendar year.
- Count each full-time and part-time employee as 1.

Barry Cohn, CEO

JorgensenHR

I work with Top Executives of companies with 20-2000 employees, providing HR solutions in compliance, Affirmative Action Plans, technology, policies & procedures, handbooks, workplace investigations and harassment hotlines.

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3. Age Discrimination in Employment Act

- Employers with at least 20 employees
- Employees working 20 or more calendar weeks in the current of preceding calendar year.
- Count each full-time and part-time employee as 1.

4. COBRA

- Employers with at least 20 employees
- Employees (in all commonly owned businesses) on more than 50 percent of the typical business days in the previous calendar year.
- Count each full-time employee as 1. Count each part-time employee as a fraction, with the numerator equal to the number of hours worked by that employee and the denominator equal to the number of hours that must be worked on a typical business day in order to be covered full-time.

5. Medicare Secondary Payer (MSP) Rules Based on Age

A company's health plan is the primary payer and Medicare is the secondary payer for individuals age 65 or over.

- Employers with at least 20 employees
- Employees on each working day in at least 20 weeks in either the current or the preceding calendar year. The 20-employee test must be run at the time the individual receives the services for which Medicare benefits are claimed.
- Count each full-time and part-time employee as 1.

6. The Family and Medical Act (FMLA)

- Employers with at least 50 employees
- Employees working 20 or more weeks in the current or preceding calendar year within a 75-mile radius of the applicable work location.
- Count each full-time and part-time employee as 1.

7. California Family Rights Act (CFRA)

- Employers with at least 20 employees
- Employees working 20 or more weeks in the current or preceding calendar year within a 75-mile radius of the applicable work location.
- Count each full-time and part-time employee as 1.

8. The Shared Responsibility Provision of ACA

An Applicable Large Employers (ALE) must offer health insurance that is "affordable" and provides "minimum value" to their full-time employees.

- Employers with at least 50 employees
- Full-time employees and full-time equivalent (FTE) employees in each month of the preceding year.
- Count full-time (30 or more hours per week and part-time employees determined on a monthly basis). Aggregate part-time hours and divide by 120 to determine FTE's.

9. New Parent Leave Act (NPLA)

- Employers with at least 20 employees
- Employees who have worked for at least 1,250 hours and at least 12 months.
- Count each full-time and part-time employee as 1.

Employers need to understand these laws and how to count employees, so they are not risking fines or penalties from government agencies or employee lawsuits.

MANUFACTURING EXCELLENCE

MAKE IT EASIER FOR YOUR TEAM

It is easy to miss the small things that can make a big difference.

A CEO friend of mine shared that during a meeting with his office staff he asked if there was anything they needed.

The conversation revolved around a variety of usual topics until one of his newest team members asked, "Could I get a 3-hole punch at my desk?" The CEO was surprised by this question. The team member continued, "I have to walk to the break room several times a day as that is where the 3-hole punch is kept. It would be easier for me to have one at my desk." The rest of the staff confirmed, yes, that was the situation.

A new 3-hole punch was ordered and arrived at the new employees' desk the very next day.

This is a classic example of how we can become blind to our own situation, simply by accepting the status quo instead of questioning everything.

This particular story highlights one of the most basic principles of efficiency, whether in the office or on the factory floor: Point of Use (POU).

There are a number of reasons we use to justify centralized storage of tools and materials. We believe we can maintain better control in a centralized location. We are concerned about the expense, especially when it comes to tooling which can run into the tens of thousands of dollars.

But have we considered the expense of employee productivity? The office employee's trip to the break room may be a short walk down the hallway, but consider the productivity implications.

The employee has broken the flow of work at his/her desk. Rather than reaching across the desk to punch 3 holes and maintain the flow of work across their desk, that flow has been interrupted. When they return, they have to re-engage their thought process. Valuable time is lost.

And those 60 second trips to the break room? Well, as the employee passes by his colleagues, other staff members, conversations will develop and those 60 seconds quickly turn into social discussions that could last anywhere from 5 to 20 minutes.

The same process occurs on the factory floor. Having the necessary tools at each work station will add additional cost up front, but the long-term productivity gains must be considered.

An idle desk may be one thing, but an idle machine (while the team member looks for a tool) is one of the highest costs on the shop floor.

Again, this team member is going to have conversations on the way which will add time away from the machine, and which has the additional effect of interrupting the work flow of the other team members with whom he is engaging.

I encourage you to take a fresh look at your office and factory floor. Could you make a productivity difference by considering the implications of Point of Use? Could having the right tools, in the right place, at the right time, make a difference for your staff and your bottom line?

THE ANSWER IS YES.

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INFORMATION TECHNOLOGY

10 SIGNS YOU NEED A NEW IT SUPPORT COMPANY

As we all know, there are only two directions in business - moving forwards or moving backwards. When was the last time you reviewed your technology to ensure it's helping you move forward? Because if it's not recently, you're probably moving backwards.

When your technology is lagging, too often it's a direct result of the IT support company you're partnered with. Moving your business forward should be a key measure of success the partnership is with your IT Support Provider (ITSP).

Any of these 10 signs say it's time to upgrade to a new IT support company...

1. YOU ALWAYS SEEM TO BE HAVING IT PROBLEMS

If your technology isn't working right, neither is your business. Downtime reduces your staffs' productivity which costs you real dollars. You shouldn't put up with this.

2. YOU'RE GETTING POOR COMMUNICATION

If your ITSP doesn't communicate proactively or if you're always having to ask for status updates, something's wrong. The best ITSPs proactively communicate long before you have to ask.

3. YOU'RE GETTING POOR SERVICE

Too often, IT support companies are built on the backs of their owners. As they grow, the quality of their service is dependent on one or two guys who "know your network". This is unnecessarily putting your business at risk.

4. YOU KEEP SEEING NEW PEOPLE

High employee turnover at your ITSP is a bad sign. Too often, this leads to poor service from disgruntled or new staff who are unfamiliar with your technology. When your ITSP relies more on its people than its systems and processes, you feel the pain.

5. YOUR TECHNOLOGY IS OUTDATED

Businesses today are super reliant on technology and your customers have come to expect a certain level of functionality. Having outdated technology impacts your productivity and ultimately your profitability.

6. YOU HAVE NO IDEA ABOUT YOUR BACKUP

No matter the size of your company, it's at risk of being affected by system failures, user errors, and cybersecurity threats (such as malware, ransomware, or data theft). Failure of your backup can be an existential threat to your business.

7. YOU WERE RECENTLY HIT BY SOMETHING

No one can guarantee you'll be 100% secure. But, when you partner with someone who runs your IT with a formalized, repeatable process you increase the odds significantly that you WON'T be hit by something.

8. YOU'RE NOT SURE YOU'RE GETTING WHAT YOU PAID FOR

Chances are when you signed the contract, your ITSP walked you through a laundry list of services you may not have fully understood. Your provider should be transparent and reporting on the services they're providing, so you know the value they're adding.

Craig Pollack

FOUNDER & CEO

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9. YOU'RE NOT EVEN SURE WHAT YOUR IT COMPANY DOES FOR YOU

A clear sign that you're not getting what you need is when it's unclear what they're doing for you. At a minimum, a quality ITSP should be proactive in preventative maintenance, responding to issues, and meeting with you regularly.

10. YOU'VE OUTGROWN YOUR IT SUPPORT COMPANY

Many times, successful companies grow to the point that their existing IT support company just can't keep up. They no longer have the skills, capabilities, or bandwidth to handle your increased size. This appears as any one of the symptoms detailed above.

The needs of your company will change over time. So, you need to make sure your IT changes with it. If you're experiencing any of these symptoms with your current IT support company, it's time to consider looking for a new one.

COMPANY BENEFITS

WHY EMPLOYERS NEED TO BE HIPAA COMPLIANT

HIPAA compliance for employers is a complicated and nuanced topic.

Employers are responsible for protecting employees' Personally Identifiable Information (PII), Non-Public Private Information (NPPI) and Protected Health Information (PHI).

PII and NPPI is any data that could be related to an individual. This includes employee & dependent's names, social security numbers, credit or debit card numbers, driver's license numbers and state identification card numbers. Under ERISA, you have a duty to protect information about your employees from privacy and security breaches.

According to HIPAA, if you provide health insurance to your employees you will need to comply with both ERISA and HIPAA regulations. If your company transmits any PHI electronically (through email or fax) then you must comply with the HIPAA Security Rules.

Examples of this would be collecting health care screening forms and sending them to the carrier, helping employees address claims issues, or receiving benefits information from your insurance agent. If you are performing any electronic transactions, you must comply with HIPAA. There are no exceptions!

I hear from a lot of employers, "We don't see or hold any PHI," or "We only see a little PHI." The reality is, you're probably seeing more PHI than you realize. Where PHI lives in your office:

1. Health Insurance Portal (online benefits enrollment)
2. Employees self-reporting health issues (written, electronic, or oral)
3. Employees asking for help with submitting claims
4. Enrollment forms
5. Information on premium payments
6. Claims issues
7. HSA and FSA accounts
8. Coordination of benefits

If you can hear, physically see or hold, or receive in some electronic format you have information that must be protected. Once the plan administrator or executive of the company is in possession of it, the employer is required to protect that information and fully comply with both the Privacy and Security HIPAA Rules.

Information disclosed about a family member undergoing cancer treatment, the birth of a child, or other medical conditions shared by an employee with a plan administrator is PHI.

You're probably wondering what you need to do as an employer to become HIPAA compliant. Under the law you are required to do the following:

- Adopt and implement written Privacy Policies and Procedures that meet the requirements of the regulations
- Provide a Notice of Privacy Practices – to each employee
- Train employees on the company's Privacy Policies and Procedures
- Appoint a Privacy Officer
- Obtain authorization to use PHI for purposes other than payment and health care operations
- Disclose only the minimum necessary PHI

Companies are required to perform a Risk Assessment, create Privacy and Security Policies and Procedures, and have a Breach Plan in place and train your employees.

- Employees entrust you with their sensitive personal information
- They have a reasonable expectation that you will protect it
- The Office of Civil Rights can fine companies $50,000 up to $1.5 million
- There are state laws protecting this type of information
- Lawsuits have been brought against carriers, employers, and healthcare providers who failed to safeguard that information.

Most businesses are not prepared to deal with the consequences of a breach which can be costly. With the vague privacy and security guidelines in ERISA, HIPAA is the best option for your company to protect itself and your employees.

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CFO Insights

"LIES, DAMNED LIES, AND STATISTICS"

I guess you could say the perceived use and value of statistics has changed a bit since Mark Twain popularized this phrase in the early 1900's. Today, there's no disputing the power and value of statistics in business, though it is woefully underutilized by small and midsize businesses. The redemption of statistics from Mr. Twain's satirical antipathy began in earnest during WWII. Here is one of those stories that Americans can be thankful for.

Chase Morrison

I provide CFO services to manufacturing and distribution companies with revenues ranging from $5M to $40M in revenue, with a focus on helping clients better utilize their ERP/accounting systems to overcome barriers to growth and profitability.

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STATISTICS IN THE TRENCHES

Around 1933, the brilliant statistician Abraham Wald immigrated to the US and was recruited to help with the US war effort by the Statistical Research Group. Early on, the group was presented with photos of returning battle-tested planes riddled with bullet holes and asked to find a design solution for armoring future planes. Most holes were in fuselages, wings and tails with few in engines. The military wanted more armor in the areas with the most bullet holes and asked how to better protect planes. Wald famously gave a counter-intuitive answer to their query. He explained that you don't want to put armor where the bullet holes are. The armor needs to go where the bullet holes aren't, which was on the engines. Wald insight, which today is called survivor bias, save many lives by focusing on why planes were not returning, which was due to bullet holes in engines.

WHAT DOES THIS HAVE TO DO WITH BUSINESS?

There are many lessons in this story. One is that there is frequently more value in dissecting failure than success. When analyzing business failures, such as customer losses or employee departures, take a "lessons learned" approach and then implement remedial solutions. Another is the importance of statistics to continuous improvement. Like in war, in business small improvements have outsized effects.

CUSTOMER SATISFACTION AND STATISTICS ARE HIGHLY CORRELATED

An example in business relates to product service levels and reorder points. A service level for a given product is the probability that it is available when ordered. A 95% service level also implies a 5% chance of stockout. Applying statistics to historical demand and lead time, one can compute a reorder point that ensures a 95% service level. Utilizing this statistical technique with clients, we bring greater confidence to their replenishment efforts and greater control to inventory levels, helping them make better decisions that drive profitability and cash flow. No lie! Contact us today to learn more.

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ALTERNATIVE FINANCING

SMALL BUSINESSES CAN USE A/R FINANCING TO COMPETE WITH LARGE COMPANIES

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If you are in an industry that gets paid right away by cash or credit card, consider yourself one of the lucky ones. Even paying the discount fee to your credit card processing company seems like no big deal when you consider the alternative-waiting 30, 60 or 90 days to get paid when you don't have deep pockets and you have payroll and lots of other bills to stacking up.

Some reports estimate that more than 91% of businesses suffer from late payments. The turnover rate for A/R varies some by industry but averages about 47 days on a net 30 invoice.

Unfortunately, business that try to clamp down on late payments may run the risk of losing customers.

Accounts Receivable Financing (aka Factoring) is one-way business owners speed up payment on their B2B invoices. It's the oldest form of business funding-currently a billion-dollar industry. Let's look at a business cycle with factoring.

YOUR BUSINESS CYCLE AS IT IS TODAY	YOUR BUSINESS CYCLE WITH A FACTORING PROGRAM
TODAY	
Your company provides a service or product to another business. Upon completion of service or delivery of product, you invoice your customer on credit terms; for this example, we'll use $1,200 at Net 30.	Your company provides a service or product to another business. Upon completion of service or delivery of product, you invoice your customer on credit terms; for this example, we'll use $1,200 at Net 30.
DAY 1	
You invoice your customer and put the invoice in the mail.	Upon invoicing your customer, you present the $1,200 invoice to the factoring company. In as fast as 24 hours, a wire for up to 90% of the face value of the invoice ($1,080) is sent to the bank account you designate.
DAYS 2-59	
You wait for payment from the customer. Unfortunately, your customer takes longer than anticipated to pay their invoice. You may have to: • Call your customer numerous times, or • Send them another copy of the invoice, as they misplaced the original, or • Wait for a check that was supposed to be in the mail. In the meantime, you've had to make payroll (probably 4 times), pay your suppliers, pay taxes and make lease payments. Worse, you may have lost opportunities for new sales as your time, staff and money were tied up in this unpaid invoice.	With your money in the bank, you can return to the day-to-day management of your business. The account executive team informs your customer to send payment to a new PO box and can handle the details of collecting from the customer. Because you received the bulk of your payment on Day 1, you avoid both cash flow shortages and collection hassles. Additionally, during the past 2 months, you were able to use that money to pay bills, purchase more supplies, generate for sales and grow your business.
DAY 60	
Whew! You finally receive a check for $1,200 on Day 60. Now you can get back to business and start the cycle all over.	The factor finally receives a check for $1,200 on Day 60. Your reserve is refunded back to you.

We have established a network of the industry's most aggressive small business funding sources. If A/R financing is right for your business, we will work to get you a competitive offer.

SALES MANAGEMENT

Paul Mitchell
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Sales team motivation is really the art and science of inspirational leadership in action. If you want to be a great leader, you must *motivate others to do more, achieve more and be more.*

With that in mind, then, here are **6 ESSENTIAL RULES FOR SALES MOTIVATION:**

SALES TEAM MOTIVATION RULE #1: SET A GREAT EXAMPLE

We learn best by example; and we find inspiration in people who are role models with high standards and high achievement. So, whether you are a sales manager, director of sales, sales VP or other sales team leader, work hard to model the behavior and outcomes you seek. If you want your sales reps to operate with integrity and treat others with respect, be the role model for those traits.

SALES TEAM MOTIVATION RULE #2: COMMIT TO COMMUNICATION

This one should be obvious, but it bears repeating because great communication IS essential to inspiring and motivating your sales team to excellence. If you want your sales reps to do more, achieve more and be more, explicitly let them know what that means.

SALES TEAM MOTIVATION RULE #3: SHOW RESPECT TO THOSE YOU LEAD

Listening is a sign of respect. So is honesty. So is a commitment to communication. But respect is also demonstrated when you understand and value, as well as find ways to utilize the unique talents and skills of your sales team members. When you recognize their gifts, you can personalize your leadership and motivational efforts to what suits them best. You can coach one-on-one from a position of recognizing their one-of-a-kind importance to your sales team.

SALES TEAM MOTIVATION RULE #4: SET CLEAR GOALS AND EXPECTATIONS

Everyone deserves to know what is expected of them – it is unkind not to share that information. Furthermore, your sales reps can't attain quotas and reach goals they don't understand. So, make sure your expectations are well-defined, clearly communicated and in writing.

SALES TEAM MOTIVATION RULE #5: EQUIP YOUR TEAM TO SUCCEED

A sales rep who is ill-equipped to succeed can hardly feel motivated to achieve the impossible. So, provide the training and development they need to grow their current skill set. How? First, get out in the field to observe their behavior and skillset. It is difficult to know what help your team needs if you don't see them in the arena where they perform. Above all, whenever they ask for help, give it. Belief and support are super motivators!

SALES TEAM MOTIVATION RULE #6: INCENT, RECOGNIZE AND REWARD

There's a reason I've saved financial incentives and other perks for last. These incentives, alone, will not provide the motivation for sales team members to succeed. If you don't have the other leadership aspects of motivation in place to support sales team goal achievement, then bonuses and commissions won't optimize performance.

THE BOTTOM LINE:

Sales team motivation requires skilled leadership. It also requires essential strategies and day-to-day tactics to fuel sales excellence. Set a great example, communicate and show respect; then establish clear goals, equip your team for success and deliver rewards. Leaders motivate – and motivation inspires sales teams to "win big!"

For a quick visual reference on how to motivate top sales team performance, download these Sales Motivation Rules here, You can also connect with me via email at pmitchell@salesxceleration.com or calling me at **(310) 946-9287**

HOW DISC HELPED 30 PROFESSIONALS BECOME BETTER NETWORKERS

Several years ago I was asked if I would conduct a communications assessment for a chapter of a networking group. The group had been together for a few years, and was operating well, but there had been some turnover, people leaving and joining, and so it was an appropriate time to take measure of everyone and see how they communicated with one another.

The group was a mix of varying professions; attorneys, CPAs, bankers, insurance agents, financial advisors and consultants with many different specialties. Participation was encouraged but voluntary. Those that had taken the assessment were encouraged to print out a copy of their report as I would review it with everyone, page by page.

If you've ever taken a DISC assessment, there are unusually spot on; meaning, eerily accurate.

While everyone was naturally interested in what the report said about them, I was more interested in helping the group to communicate better with each other with the express purpose of better understanding so that more business could be referred back and forth.

I explained the signals a person makes can help others to identified their preferred style of communications; how each person can contribute to the team, which is what a networking group actually is, and some cautions about how people may react under stress.

How did it work out for the networking group? It took them to new levels of openness, of trust, of getting to know the others in the group to a deeper level of intimacy. The end result: more referrals and more business.

Whether you run a networking group, a non-profit, a Board of Directors, a baseball team or a company with one or ten thousand employees, using DISC simply makes good business sense.

If you're ready to improve how your people communicate, please call me and let's discuss what cost effective assessment would work best for your situation.

Ken Keller, Strategic Advisory Boards
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A Laser Beam-Focused Workshop to Uncover Obstacles to Growth

10 Reasons to Get an X-Ray for Your Company Today

ONE: Walk away with a winning short-term and long-term view of your company's strengths and weaknesses and turn them into action steps.

TWO: Target what and where your key issues are: People, Process or Profit and gain insight on how to address them in order of priority.

THREE: Get your company focused on the right path to improving performance.

FOUR: Remove the hidden barriers that are causing performance to slump, people to disengage and profits to dwindle.

FIVE: Lock onto your five greatest challenges and take them on one by one until performance begins to improve.

SIX: Uncover the Rules of the Road for your stage of growth. Take a hard look at how well you have completed each Rule for your stage of growth. Based on our research not getting these done at the right time is a huge 'performance drainer' for all companies.

SEVEN: Learn the secret behind your builder / protector ratio (this is your 'confidence / caution quotient'). Find out why your employees are so uncomfortable with change. Figure out how to create an atmosphere of confidence with just the right amount of caution.

EIGHT: Create a "language of growth" that will resonate with every single employee, helping them to understand how they impact a company's profitability.

NINE: Learn how to maximize your company's ability to stay focused on the right things at the right time.

TEN: Determine if you are "running ahead of your headlights" and what that means to your business performance in the next 6 to 12 months.

For a free consultation on this workshop, please contact Ken Keller.
Ken.Keller@StrategicAdvisoryBoards.com or call 661.645.7086

Zeroing in on Your Company's Profit Zone™

Identifying how every person on your payroll impacts your bottom line.

Myth #1: Employees have little interest in how their company makes money.

Myth #2: The concept of profitability can't be taught to employees who don't understand a financial statement.

Myth: #3: If employees knew how much money a company made they would demand more money.

This program is designed to:

- ✓ **Explode these three myths and many more.**
- ✓ **Improve your bottom line.**
- ✓ **Help each employee understand the value they bring to an enterprise.**
- ✓ **Educate each employee as to how they impact profitability of your company.**

What is Your Profit Zone?

The Profit Zone is the relentless, precise and intense staff mindset to make and keep money for your company. Your Profit Zone is responsible for maintaining and improving:

- ✓ **Revenue generation**
- ✓ **Strategic and tactical focus of the company**
- ✓ **Gross and net profit margins**
- ✓ **Cash flow**
- ✓ **Cost structure**
- ✓ **Customer satisfaction**
- ✓ **Staff voltage**
- ✓ **Product/service quality**
- ✓ **Company innovation**

Less than 10 percent of most company's staff understands how a company makes and keeps money. Employees choose to be employees and not entrepreneurs because they want the certainty of a paycheck. Ironically, most employees don't understand their direct role in making sure those paychecks happen. They just assume the boss will make sure there is enough money to pay them. The staff is rarely connected to the reality of how they directly affect the company's ability to make payroll.

The goal is to bubble up the growth of an enterprise. In order to make this a reality and not just theory, there must be real work involved in educating the staff and building this knowledge into the DNA of the company.

How strong or weak a company's Profit Zone is, determines the health of the enterprise. When a company is sloppy or ineffective with any of the Profit Zone activities, it makes and keeps less profit.

If it underperforms on too many of these items, it goes out of business. The Profit Zone is the Strike Zone, the profit sweet spot so necessary that the company's very survival and success depends upon it. When every employee knows how his or her job responsibilities directly impact the Profit Zone, you are another step closer to bubble up growth.

What are the Company's Profit Sequences?

The Profit Sequences are the three-step combinations that result in profitability. Any activity an employee or staff member is involved in should not be any more than three zones away from the Profit Zone. It is a way for the entire staff to 'mind the generation of profit' is in the business.

Zone 3: the employee's activity supports the processes of maintaining and improving one or more of the nine activities of the Profit Zone.

Zone 2: the employee's activity supports the people who are maintaining and improving one or more of the nine activities of the Profit Zone.

Zone 1: the employee is actually the person who is making it happen. They are directly maintaining and improving one or more of the nine activities of the Profit Zone.

If you would like to learn more about how your company can be more profitable and how you can get your employees engaged in making money for your business, please contact:

Ken Keller

Ken.Keller@StrategicAdvisoryBoards.com

Telephone: 661.645.7086