

# ..:SHARPENED:.. BUSINESS TIPS



**A** sound course of action and wisdom are one and the same. So there is merit in doing what has worked in the past—except when there is not.

Yet how does a manufacturer or distributor strike a balance between stasis and dynamism? Try this: Look at the best ideas as favored, high-quality pencils. Take those with the best tips and sharpen them.

Reviewing articles penned for this column between 2002 and 2005, we found plenty of recommendations worth following today. (Month and year citations below correspond to the date of publication in *Cleaner Times*.)

**Refining the Best**

Pay attention to the little things as well as the concerns that loom large. Sales are essential to cash flow, but do not become so smitten by a sale that the expense of completing it diminishes—or erases—the profit. For instance, negotiate for good shipping rates (Apr. 2002). Do the same to get the optimum rates on credit cards (May 2002).

Never look at a customer as a commodity, but do look at the time spent with a customer as a cost center. A customer that demands too many hours of attention or extra resources, such as costly freight charges or repetitive technical assistance, may represent a sale that is simply too costly to have made. Avoid the error in the future by screening prospective customers, even checking their references by talking with other vendors.

The well-worn textbook adage is that 80 percent of business often comes from 20 percent of customers. Firing a customer can be good for business.

At the same time, do not be too quick to jettison product lines, facilities, and vehicles. Take a deep breath before getting rid of a malfunctioning piece of equipment, for example. It may be more economical to repair than replace (Jul. 2002).

Perhaps the money saved by repairing things can be used to invest in novel technologies or product lines. Apply new methods that might fill a growing niche. Environmentally-friendly products are the rage. But green tools are as old as life on the planet. And approaches for tapping biological methods for cleaning and wastewater treatment have grown up with the

industry. They solve disposal problems, even as they enhance public relations (PR) opportunities (Jun. 2002).

PR ventures that bring contractors to a distributor or a distributor to a manufacturer begin with thinking about the endpoint: the industrial, commercial, or residential customer that contracts for work. Manufacturers and distributors must take the initiative in highlighting all the environmentally-friendly features of their products. Labeling and supplementary material can be a boon to a contractor; and that also makes it a boon to the maker and the vendor.

Besides letting customers know all the good things about your company, let people know where you are and how to reach you. Is print advertising passé? No, it is not (Dec. 2002). Calm, quiet print ads in the right hands bring customers.

So do websites, of course, if they are robust. Remember that a potential client wants a feeling for the business, including where it is located, even if first contact is via the Internet.

**Solid and Scrupulous**

Shun avoidable costs. How? Do everything that is expected by the regulating entities.

For example, maintain good employee records (Feb. 2003). Be sure the barrier between confidential and business-critical information is secure (May 2003). Protect identities of customers and employees (Apr. 2004).

Understand the laws that apply to benefits such as health care. (Aug. 2003). And hire the employee that will fulfill the expectations of the job (Oct. 2003). Once employees are on board, make sure they are kept safe (Nov. 2004).

In late 2003, the unemployment rate was just over six percent, a statistic that seems positive, or at least tolerable, in retrospect. Even so, just as retention (Nov. 2003) was a concern then, it is still a concern. Do not assume the best employees will stay just because the economy is less than perky. In fact, they may be the most likely movers.

If the worst of the economic cycle has affected business, consider part-time or contingent staff arrangements to maximize productivity (Mar. 2003). And consider offering the same to outstanding full-time employees as preferential to a layoff.

Just as employees want to know they are valued, so, too, do customers. Distractions detract from sales (Mar. 2004). A

good, loyal customer deserves undivided attention.

Due-diligence with potential hires extends to potential customers. But if a new customer seems too good to be true, he may be. Unfortunately, fraudulent orders (May 2004) continue to be a part of business life. So the seller must be cautious.

Sluggish economic times may seem like a disaster. But they are surmountable and they do pass. Be prepared for genuine disasters (Jun. 2004)—both natural sorts and human caused, because they can put an end to a company faster than any downturn in the business cycle.

### Leap

Now may be the time to expand (Jul. and Aug. 2004). Add a new product or a new service. If there is an idea that a manufacturer or distributor has been mulling, acting on it may lift sales. It takes temerity to do something new when the climate for business is so chilly. Yet if customers are not buying what is being sold,

could part of it be that they want something that is not being sold?

Consider one example: There are customers that want U.S.-manufactured products and are willing to pay for them. They are also willing to wait for them. A manufacturer or distributor that can point to U.S.-made goods will gain an edge in many markets. Similarly, if a product is homegrown, point to the employees in Anytown, USA that made it.

The literature on business cycles implicates just about every possible cause, save perhaps sun spots (although by extension, they may be in the mix). Among the causes, psychology is particularly interesting: If everyone believes things are bad, does that make them worse?

Intuitively, every manufacturer and distributor knows that once the supply chain begins to freeze, or is frozen, a thaw must occur at some point in order to get it to churn again. Think about what you can do to contribute to that liquidity.

Perhaps the first effort will not lead to a full, change-making burn, but the glow of kindling is a beginning. Yes, shore up methods in accounting and order tracking and sales monitoring, but first and foremost keep cash flowing.

Keep a pencil—a sharp one—and a pad at hand. Jot down every idea to fortify and grow as it comes to mind, ideas such as the following: plan a low-cost and high-volume promotion; add a local vendor, and through professional ties, encourage others to do the same; talk to others about doing instead of waiting. Soon there will be a surfeit of choices, good ones.

Prioritize by using years of experience. Experience contributes to wisdom, which should be tapped and never discounted. Choose among good possibilities and then, get going.

Resolve to do one new thing (Dec. 2004). That was good advice five years ago; and it is good advice today. Moreover, just imagine if every manufacturer and distributor does the same. *CT*

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