

RENTONS' BUSINESS TIPS



Vol 3 No. 19

Australian Credit Stationers is wholly owned by Renton Management Services Pty Ltd
ACN 001 307 900, ABN 17 001 307 900 of 21 Anvil Road, Seven Hills NSW 2147.

WHAT IS SUCCESS?

According to the dictionary, success is a favourable result or to have something that turns out well. However, success is much more than this. Perhaps you prefer Ralph Waldo Emerson's definition of success.

To laugh often and love much;

To win the respect of intelligent persons and the affection of children;

To earn the approval of honest critics and endure the betrayal of false friends;

To appreciate beauty;

To find the best in others;

To give of one's self without the slightest thought of return;

To have accomplished a task, whether by a healthy child, a rescued soul, a garden patch or a redeemed social condition;

To have played and laughed with enthusiasm and sung with exultation;

To know that even one life has breathed easier because you have lived;

This is to have succeeded.

What is a successful business?

We regularly associate success with a particular event. This may be a sporting event or a political election or something else. However, in business the work is never complete. There is always another order to fulfil.

All successful businesses must be profitable, have a positive cashflow and a return on capital which reflects the risk of running a business. It is the responsibility of all businesses to create wealth for their owners. As well as maximising sales, businesses should control their costs. It is no longer acceptable to have extravagant corporate headquarters and surplus staff with little to do.

Successful businesses have customers who want to do business with them. These customers are proud to use your products and services. Doing business with you is a pleasant experience so your customers are pleased to recommend your business to others. It is impossible to classify a business as successful if the only reason your customers do business with you is because there is no one else who can help them.

All successful businesses have good staff. It is the staff which help make your business successful. Your staff should enjoy working for you because your business is a pleasant

working environment to be in. More importantly your staff want to be appreciated and be able to recognise the role they play in the success of your business. Again, a business can't possibly be deemed successful if the only reason the staff stay is because they can't find comparable work elsewhere.

Suppliers are an important part of the business process. Successful businesses have great relationships with their suppliers. Without reliable suppliers you could not please your customers or maximise your profit.

There is an old saying in business - you grow or die. It is impossible to imagine a business being successful and not growing. If your customers are happy, then not only will they stay with you but they will refer others to your organisation. You can control the rate of growth by the amount you spend on marketing your products and services. Successful businesses market their products and services effectively so growth is inevitable.

Your reputation is determined, to a large extent, on what you do, i.e. how you treat your customers, suppliers and staff. Successful businesses have these strong relationships in place. As a result, these people as well as potential customers and staff will have a positive image of your business.

A successful business should not be judged by the products and services it sells. Instead, successful business owners should strive to be the best in their particular industry. Nevertheless, it is still important that your business makes a worthwhile contribution to the community. The community may be your suburb or even the whole world. It depends on the size of your organisation. Caring for the environment and for those less fortunate than yourself are goals worth pursuing. Today, businesses strive to minimise pollution and larger organisations often make donations to any number of worthwhile causes. External factors such as these are taken seriously by successful businesses, even though there are no obvious financial benefits. This is because success in business means a lot more than just how much money you can make. Contented staff, happy suppliers, satisfied customers and a positive image all help to make a business successful.

Visit our website at www.austcredit.com.au to read earlier articles from Rentons' Business Tips.

WHAT DO LEADERS OF SUCCESSFUL BUSINESSES DO?

For a business to be successful, it must have a strong leader. Leadership can make or break a company. This is why public companies pay several million dollars for a new chief executive officer. Below are ten characteristics of successful business leaders:

1. **Have a positive attitude.** Believe that your business is the best business in the world. Self-confidence leads to decisiveness and in particular, the ability to back your own judgment and to take risks. Be determined. Be persistent. Be resilient. Overcome setbacks. Do not dwell on past mistakes and learn from your errors.

2. **Love what you do.** Enjoy your work and the challenge it provides. Work should be fun, not merely something to be tolerated. Enthusiasm generates a hard work ethic and a passion which becomes part of the culture of your business.

3. **Seek wealth creation.** Aim to maximise your sales by increasing your prices, selling more to your existing customers or obtaining more customers either in your local area, in another state or in another country. Control your costs. Eliminate waste. Sell unproductive assets and discontinue unprofitable products. Know your business. Measure your marketing. Strategic partnerships with suppliers and customers can give your business greater flexibility and enable you to better manage your costs and maintain or increase your margins. Maintain your competitive advantage. Study your competitors' assets, capabilities, marketing, costs and culture.

4. **Delegate.** It is impossible to do everything yourself. It is also unwise as it is more productive to get those with the appropriate skills to do appropriate tasks. The ability to get people with different skills to work as a team is a starting point for all successful businesses. Recruit high quality staff with complementary skills and organise these people in the most efficient way. Motivate your staff and encourage them to think independently. Non-performing staff which don't fit the culture of your business need to be fired quickly because they can affect relationships with your customers and other staff members and ultimately the profitability of your business.

5. **Seek financial, marketing and legal advice.** Have a vision and clear goals. These goals should include future income and the achievement of various tasks. A strategy to grow the business and a detailed business plan consisting of marketing and financial plans are important. Manage your growth at a rate that enables your cashflow to remain positive.

6. **Concentrate on doing what you do best.** Specialise. Focus on single industries rather than diversifying. Maintain

your core business. Outsource non-core activities and functions. Dominate a niche market rather than attempt to serve a large number of markets.

7. **Have systems in place.** You need the business to run efficiently even if you are away from the office for 12 months. The best example of a company with efficient systems is McDonalds. Teenagers can run their outlets profitably and efficiently because appropriate systems are in place.

8. **Work smart.** Success does not mean working 100 hours a week. Today, it is more likely to mean working 35 hours a week and spending time with your family and pursuing your leisure interests. Working smart is much more important than working hard. Spend time working *'on'* your business and not *'in'* your business. Seek continual improvement. This may mean more efficient procedures, better systems, better marketing or better cashflow.

9. **Have a good support base.** Hire staff you can rely on for advice. However, use discretion when listening to advice from others. Encourage training. Foster an attitude of continuous learning both for yourself and your staff. Have a mentor. Be a mentor to your senior staff. Read and attend seminars. Notice what others are doing.

10. **Be flexible and adaptable.** Grab opportunities as they arise. Products now have a shorter shelf life. You need to move fast to meet the changing needs of a global marketplace. Be highly responsive to customers' needs. Make adjustments to your business before your competitors make theirs. Develop new products quickly. Speed to market is vital.

Naturally there are endless characteristics that a successful business leader should have. Here are a few more:

- Be humble. Admit to not knowing something.
- Know your weaknesses.
- Be fair, equitable and honest.
- Exhibit good communication and problem solving skills.
- Make sure your personal goals fit your business goals.
- Have time to help other people no matter how busy you are.
- Lead a healthy lifestyle.

Great business leaders lead. They don't manage. They set an example. They are humble yet command respect. Staff are willing to follow. They seek continual improvement and set high standards. They have a vision. For business leaders with all of the above qualities, success is inevitable.

QUOTATIONS TO PONDER

"Success is the progressive realisation of a worthy ideal."

- Bob Proctor

"Wherever you see a successful business, someone once made a courageous decision."

- Peter Drucker

"The toughest thing about success is that you've got to keep on being a success."

- Irving Berlin

"Success is a journey not a destination."

- Unknown

FOR MORE INFORMATION



Telephone: (02) 9674 2260
Toll Free: 1-800 226 202
From NZ: 0800 128 727
Email: sales@austcredit.com.au
Website: www.austcredit.com.au

© Copyright 2004 ACS