

How Small Business Employers Unknowingly Squander Their Hard Earned Profits

Take just a few key points and watch your profits, people and free time grow.



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Introduction.

Being a business owner is to be highly commended. Without people like you, millions of people in the country would not have an income.

But let me ask you a simple question. Are you in business to make money and provide an income for yourself and your family?

If you are, then you will need to make profits and not put yourself in an early grave in the doing so!

Employing people is likely to be one (if not THE) highest spends you make in your business. On the bright side – that means a MASSIVE amount of potential to make better use of the investment.

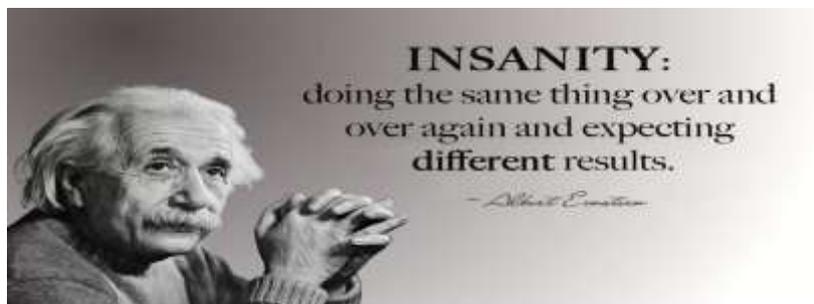
Since 2008 I have been helping the owners of small businesses to grow and become more profitable. 9 times out of 10, this can only be done through the people you employ.

So read on for my thoughts on the “people” side of your business and how it relates to profit. I am probably going to present new ways of looking at things that you have not considered before.

If you have just one light bulb moment and take action on it then this book will have served its purpose.

But beware, the easiest thing for you to do is to do nothing. Take no action and nothing will change. Remain on the hamster wheel of life like the majority of small business employers. The choice is yours.

So first - a favourite quote of mine:



Many who know me personally will be surprised that I endorse all the contents of this book, which in parts may seem a bit harsh in the way I suggest thinking about employees, but my views on this are crystal clear.

If you are better at being an employer, you will have a better life. When you achieve that, your employees benefit too. That I do believe.

Having employees is such a huge responsibility. Not to be taken lightly, but in the cold light of day I see that you require employees for 2 reasons:

- to make a profit from having them
- to make your life easier (i.e. cook, cleaner, chauffeur, etc)

Whichever of the above is most important to you, you will benefit from some of the insights I share in this book.

This is not a story book but a collection of ideas that come from my own experience, the experiences and results (good and bad) of the business owners and directors I have worked with and also from my interpretation of the contents of books and autobiographies written by successful business people.

Primarily, this is written for business “owners”, you’ll see why soon. However, Managing Directors and Directors will also benefit, providing, I think, they are tied into a reward package based upon business performance or simply want to excel in the results they deliver.

Do yourself a favour, set aside 90 minutes, get your tippie of choice, turn off all your electronic distractions and start reading. Make notes of your own insights into what you could be doing differently to make you a better boss (thereby getting a better life in return).

Kind regards,

A handwritten signature in black ink, appearing to read 'Irene', with a long horizontal flourish extending to the right.

Founder of [The Managers Helpful Hub](#)

PS: Profits are the means by which a company protects itself and survives long term. Without them, any company will shrivel and die.

How you use the profits you extract from the business is entirely up to you – whether that be indulging your passion for classic cars, buying the kids their first home or giving it all away to the cat and dog shelter! It's your decision.

Know The True Nature Of The Employer-Employee Relationship

The employer – employee relationship at its core is an adversarial relationship. You can terminate their contract, they can't terminate yours.

For whatever reason, some employers feel the need to promote an "ownership mentality" amongst their staff. Unless you are originally set up as employee partnership, employees do not own your business. You do.

Expecting employees to care as much as you do is madness, despite the idea's popularity with some management gurus. It's irrational.

Your business is your life and your life is your business. They are intertwined and inseparable.

Not so for your employees. Shocking as it may be to you, they have lives all of their own.

They think about all sorts of things a lot that you barely think about at all.

They think Thank God It's Friday. You think: I need another day this week to work.

They hope no clients wander onto site 15 minutes before finishing time to delay their escape; you pray somebody wants another site developing.

You care passionately about profit. They probably don't think about it at all, or, if they do, they resent how much of it you make at their expense, through their sweat and blood.

Don't Cook A Frog...

My friend tells an old story about how a frog can easily get cooked.

Since a frog has the ability to jump quite high, if you take a frog and toss him in a big pot of hot water, he'll jump right out. But if you put the frog in a pan of room temperature water, he'll stay there. Frogs like water. Then if you slowly turn up the heat on the hob he may sit there, not really noticing the water getting warmer and warmer and warmer until – in spite of his ability to save himself – he gets cooked.

This is how a lot of business owners can get cooked by their employees. The employees' behaviour worsens gradually over time. Little by little by little, one bad one poisons the others.

Occasional tardiness becomes frequent tardiness, then constant tardiness.

Sloppy appearance goes from rare to occasional to routine.

Work left undone, rare, occasional, common.

And the business gets slowly boiled dry.

If you occasionally accept occasional unacceptable behaviour, it's only a matter of time before you'll be routinely accepting routine unacceptable behaviour.

Beware the "Good Boss Syndrome"

Most business owners try too hard to be a "good boss", meaning a boss liked by the employees, rather than an effective boss, or one who sets and enforces standards and procedures in order to create maximum possible profits.

I find even ex-service tough guys who are pretty ruthless in other aspects of their business soft as a baby's skin when it comes to managing the people they pay.

Many come up with fear statements, like "If I demand she does that, she'll quit" or statements like "My people just won't do that".

Sounds harsh but somehow, employees and opinion makers have gotten it into their heads that it's your job to make your employees happy. Don't get me wrong, I'd love all employees to be happy doing the job they are paid to do. Sadly, many forget you are paying them to work to generate profits.

I hereby give you permission to behave in a sane manner as a business owner toward employees and offer honest practical advice for doing so over at [The Managers Helpful Hub](#).

Not Getting With “The Program”

Employers spend vast sums of money on wages, premises, computer systems, cars, nights out entertaining clients etc. but many won’t invest in training their employees (and I am talking other than mandatory safety training).

A lot of business owners get the performance from their employees they deserve because they have no real Program. As in “How we do things around here”

What I’m talking about is clearly stated, illustrated, and taught expectations for how Bob and Betty are supposed to talk, walk, act, do.

If you don’t have a Program, your employees naturally make up their own.

They tell the new guy what their Program is.

If you leave people to their own devices, you risk leaving your outcomes to chance.

Understanding Two Most Crucial Management Questions

The first is - **What kind of an employee do you want?**

Ideal answer – a PROFITABLE one.

Contrary to a lot of other ideas, the only sane reason to have an employee is profit. Somehow you get more profit by having the employee than by not having the employee.

The only reason to have an employee is that you make a multiple of what it costs by having him or her. Unfortunately, a lot of people pile up employees around them for remarkably irrational reasons!

In addition to all the management stuff to be highlighted in this book, meeting this goal requires four other things:

(1) **buying into the premise** – a lot of business owners get bullied into having and keeping unprofitable employees because those employees need their jobs.

(2) **calculating true and total costs** – these are rarely calculated other than basic salaries, NI and other benefits. Have you thought about overheads, cost of mistakes, cost of theft (don't be naive to believe this doesn't happen in your business), cost of waste, cost of over-ordering, cost of your time, cost of absence, cost of replacing.....

When you discover your £45K per year managers are really costing you nearer £85K per year – I expect you will be open to managing them differently.

(3) **creating a means of measurement for return on investment (ROI)** – Now that you know your managers cost you £85K per year, £7,830 per month, £50 per hour. What sort of return on that investment will be satisfactory to you?

(4) **intolerance for unsatisfactory ROI** – even if you were to put your £85K in a high interest account, you would get some return without any effort.

This, finally, gets us to the second most critical managerial question: **How will you quantify and measure the profit produced** by Mary? Most business owners will say they need Mary and are able to describe what Mary does, but hardly any can ever say how much Mary makes for them.

Let Go Fast

Most business owner's take an age to let someone go that isn't working out.

They manage like they go to the cinema. Sitting through a three hour long film that is boring from the 1st to the 180th minute.

Why?

They think it has to get better. They keep hoping it will get better.

Unsatisfactory employees do not cure themselves like ham hung in an Italian barn! Hope isn't a sound business strategy. But that's what too many business owners do. Wait and hope for a miraculous, spontaneous cure.

Being 6 to 18 months late doing anything in business is a very bad idea.

Especially if the reason is you are dreading the difficulty of finding and training a replacement.

Hire Slow

Finally firing the toxic employee, you create a vacancy.

It needs to be filled.

You've done nothing proactive to be able to fill it until your urgent and desperate need has arisen.

Thus the fact that your "best" applicant, the out of work brother-in-law of your projects manager, has no references, and occasionally interrupts his sentences by snarling like a dog is ignored.

Hey, the (insert your own product/service) needs to be done today right!

This is the way almost everybody operates. Do yourself a favour, learn to do the opposite.

There are hundreds of critical factors that go into managing a business for maximum profit. One of the most critical is the finding of useful employees. You can't live with 'em but you can't live without 'em. Or that's how it seems.

Recruiting is a minefield. And a really easy one to step in! The hiring part is easy. Actually way too easy. Most business owners hire too quickly, too casually – and, by hiring, I mean actually hiring employees or selecting contractors, suppliers, advisors or freelancers. "Easy hiring"

How to Recruit

Whatever you invest in getting only high-quality people will pay you back hundreds of times over! You'll find few things as expensive, time-consuming, and painful as winding up with the employee from hell.

I also believe the same is true contractors, suppliers and of clients.

You'll find few things as profitable as winding up with employees, contractors and suppliers who thoroughly understand you, your expectations and work to meet them.

OK, so how do you separate the diamonds from the gravel?

Your goal is to get the maximum results from the minimum amount of time and effort on your part.

Fortunately, finding competent and effective employees, contractors or suppliers boils down to a marketing exercise, just the same as finding customers and clients does.

This is no time to be “woolly”. Invest time in getting very clear on exactly what you want, and just as important - what you do not want. This goes against conventional wisdom but the harder you make it for prospective employees and suppliers to apply to work or do business with you, the better quality applicants you are going to get.

Know That Leadership is Vastly Over-Rated?

After much thought, I have come to the conclusion that leadership is vastly overrated. (unless you want to have a conversation with me around self leadership)

There’s still a place for the much sought after and admired “leadership”, but to think it is some elusive but magical potion that if gotten just right, will transform your collection of average folks into eager beaver, highly responsible superstars is off the mark.

In business, to maximise profits, things that can be agreed on, accurately measured, and proven to deliver predictable results consistently – regardless of who has got their hands on the wheel – are far more valuable. One of these far more valuable assets is systems and procedures, coupled with enforcement.

In many businesses, incredibly, the number one unconscious goal is keeping peace with the staff.

I hear about this from many small-business owners – they shake their heads and say, “it just isn’t worth the grief it’ll cause me in the office”.

These owners are whipped. The business is operating for the convenience and comfort of the staff. A Plumbing Contractor told me that even though he got lots of requests from customers on Friday afternoons, he couldn’t take them because his staff always leave early on Fridays! Good grief.

Appreciating The Underlying, Unwritten Goals

You would do well to think about some fundamental goals that you'd never see written down

- To have a workplace that is a place of work
- To have a workplace that is a “productivity only” work place
- To get a fair, just, full day's work for the agreed upon day's pay. From every employee being paid. Every day.
- To get compliant work, meaning work done as you intend it to be done.
- To quickly identify, eliminate, and replace those employees who refuse to deliver a fair, just, full day of compliant work every day.
- To effectively support the employees who do deliver a fair, just, full day of compliant work, by **not** saddling them with also having to pick up the slack of the poorer performing employees.

How I Saved A Client £20K In 2 Minutes

While waiting in the reception area of a clients office. The MD comes in and out through the side door. The door has a buzzer on it, which can be heard whenever it is opened. When it buzzed, I watched his front-desk staff put away the Next Directory, close down amazon.com, pull up work on the computer, and hastily get busy.

Two minutes later when he arrived at the front of the office to greet me, his front office was a place of important looking activity. “Look how busy they are” he said, “I'm recruiting now to find someone else for the team”.

I suggested it would be cheaper to disconnect the buzzer.

Everyone Steals

You will start out vehemently denying it, but **you will have** employee theft occurring in your business.

The only questions are type, quantity, and frequency, not if.

In all probability, it's a big hole through which your profits are disappearing, which can and should be plugged. It's a way to immediately increase profits without investing a £ more in advertising, marketing, products, customers or staff.

To begin moving from your vehement denial to plugging your profit holes, we need to recognise that your employees are thieves like us!

Now you're in denial and insulted 😊

Give me five minutes to change your mind, change the way you manage your business and all your relationships forever, and empower you to make a lot more money from now on.

The Secret of Situational Ethics

For us, there are three things necessary to steal:

- (1) perceived or real need,
- (2) ability to rationalise the acts, and
- (3) belief we can go undetected.

In most businesses, there's a lot of known and shrugged-off theft, like running off the kid's homework project on the company copier using a ream of your paper, your toner, your electricity, and a half hour of your paid-for time. Or the guys on site starting work late, having extended breaks and leaving early – all on your paid for time.

Maybe most dangerous, is all the unobvious, non-sanctioned theft, from stealing toilet paper to theft by sabotage of your advertising and marketing.

There's only one way to plug the holes

You cannot control somebody's needs or perceived needs. If you put 100 millionaires in the room and ask how many need more money, almost all the hands will go up.

Whether psychotic need or real need, effect's the same.

If you aren't safe with millionaires in your employment (yes, they'd still print off the kid's project too), imagine just how unsafe you are with your people, given the wages you pay.

A lot of inside theft and embezzlement starts, by the way, when a usually ethical person is confronted with a new and dramatic ethical dilemma, like your accounts manager discovering her husband has not been making the mortgage payments and now there's £10K needed in 30 days to avoid eviction.

So, usually honest, ethical employee is suddenly faced with a choice; you or her house. She chooses the house and transfers the £10K into a bank account of a newly created fake sub contractor.

You cannot control need or perceived need with pay, pay raises, bonuses, motivational seminars, best-employee-of-the-month schemes, parking spaces, long relationships.

Next, the ability to rationalise the theft

You cannot control a person's inner thoughts and twisted logic. Consider:

- There's a room full of copier paper here. What's one ream?
- There's a warehouse full of cabinets here. What's one unit for the garage?
- I'm stuck here working my socks off while he (the owner) is off cavorting with his girlfriend at the beach/playing with his buddies at the golf course/at some trade show in London – where I never get to go/etc. and the cheap bar-steward hasn't given me a raise in a year ... I deserve this ...
- John, Karen, and Ted are all doing it. Why should I be the only one who isn't?
- Have you seen the size of the invoices he sends out. He can certainly spare ...

Where Are Your “Broken Windows”

Recommended Reading - Michael Levine’s book Broken Windows, Broken Business.

In it tells a good tale to make a valid point.

A leading Thoroughbred breeding and boarding farm has a long, long, long approach road with white three-rail fences on both sides and horses with shiny coats in the pastures.

The owners of the farm have full-time employees who do nothing but paint those fences. They start at one end, paint to the other, turn around and paint back in the other direction. Day in, day out.

Why?

“Because”, the owners said “we are judged by our fences”.

Implicit in this answer is that it would not matter how they cared for the boarded horses, how many winners their studs produced, if people’s perception of the place was “second class”.

Levine says that perception is something that happens in the blink of an eye.

I would add: or in one poorly chosen sentence said from an employee, one abrupt or rude response from an employee, one too-long wait or delay caused by an employee.

Any broken window is one broken window too many.

Simply put, not only do you have to decide to have zero tolerance for broken windows in your business, but you have to be obsessed with it.

Decide that nothing is insignificant. Nothing is to be shrugged off. Nobody excused from ruining a customer’s perceptions of your business as “just having a bad day”.

Of course, most business owners will insist this is totally unreasonable. After all, who can afford to have somebody doing nothing but painting fences, washing windows, immediately repairing a wallpaper tear, policing the message conveyed by the physical facility?

Wrong question. You can’t afford not to.

That cost is nothing compared with your losses racked up in wasted £’s to bring customers through your doors only to develop a negative impression.

But, hey, everybody has a bad day once in a while, right? No such permission can be given. Your people need to show up ready to play, or you'd be better off if they stayed home and had their bad day with only their family as victims.

This is all top down management.

On the Other Hand – Good Enough is Good Enough

Establish the Best Standards for Your Business

Only you (and your customers) can decide what your standards should be, to facilitate your optimum success in the marketplace.

But decide you should.

You must arrive at a comprehensive understanding of the “Good Enough Spot” in every aspect of your business. Determining this is magic of the highest order. This is how you finally quantify what so few business owners can ever quantify. How you clear away the fog of uncertainty, confusion, and vague ideas from your own thinking, your employees, your suppliers, and your customers.

Having a clear and definitive “Good Enough Spot” for every aspect of your business is the most empowering management breakthrough possible.

Your leadership role here is to figure out exactly what your customers value most vs. what they value least in a relationship with a business like yours. Not what's important to you. Not what you think should be important to them. What **IS** important to them.

To figure out what aspects of your business offer opportunity to “wow” your customers and give you some sort of competitive advantage – without undue cost, without the paralysis of perfectionism. To be able to communicate this clearly to the people you employ.

Your marketing role is to turn that into a clear, clearly understood and embraced covenant with your customers.

Your management role is to translate that covenant into clearly defined standards for how your business operates, how your services are procured, managed and delivered, and especially, how your employees perform.

You need to come to grips with both the need to meet your standards 100% of the time without fail, without deviation, and your need not to waste time, energy; or money in seeking perfectionism or excellence outside or beyond those standards.

I know, this contradicts so much of what you read and hear.

But the reality is that all the most successful, sustained successful, dominant and profitable companies in every category of goods or services find their way to the place I've described. They establish a matrix of exacting standards and meet them.

Finally, **your supervisory role** is to enforce your standards. No exceptions, no excuses, no creative deviation, no improving. I mean "enforce" in every sense of the word. Not just teach (although you must teach), not just reward (although you must reward). Enforce.

This is the responsibility nobody likes; just about everybody neglects it and desperately rationalises and ardently defends the neglect.

Combined, it delivers a giant guilt trip. There's the "if you don't trust your people, how do you expect them to trust you", the "you can't run a business like a prison", the "these are old, outdated ideas that won't work with the new worker", and another hundred or more anti-enforcement themes woven through the books, the articles, the seminars.

The problem is, everything else you might do right and get right is sabotaged by lack of supervision and enforcement.

Every investment you make reduced in value.

Every customer you acquire at constant, high risk of loss.

Every grand idea, every noble policy, every clever marketing strategy castrated.

This side becomes much easier when you master the tool we say is the Number 1 for improving employee performance. Takes seconds to deliver when you get the hang of it. [This is available when you join our subscribers site](#)

The Four Responsibilities of Business Owners When Dealing with Employees

<p>Leadership (Motivation)</p> <p>One, three, five, 10 year strategy Big ideas Visionary viewpoints – seeing what others can't yet see Defining purpose, a mission –“what is this business about”? Setting major objectives and directions – never losing sight of the profit imperative Influencing a culture:</p> <ul style="list-style-type: none"> - By example and more authority - By strategic plans 	<p>Management (Implementation)</p> <p>Annual, quarterly, monthly plans Translating the big ideas into:</p> <ul style="list-style-type: none"> - Practical action plans and projects, including the plans designed to ensure maximum profit - Assembling and allocating resources to support plans - The Programme – how things are supposed to be done around here - Incentives, recognition, reward, enforcement, and punishment policies - Measurement and accountability systems <p>Integrating the Programme with the promises made by marketing SERVING marketing in every way possible</p>
<p>Supervision (Enforcement)</p> <p>Minute, hourly, daily, weekly; individual acts Police work Getting compliance with the Programme. ESPECIALLY getting compliance with the Marketing-to-Sales Programme Police work Disciplining and where necessary eliminating the noncompliant Police work Making things run on time Police work Creating an environment supportive of maximum productivity Police work Meeting profit targets</p>	<p>Marketing (Customer acquisition, value optimising, retention)</p> <p>Years, year, quarter, month, week, day/campaign, project, event Translating of the big ideas into a “position” in the marketplace Leveraging what the business does best into covenants with customers Attracting customers most appropriate and most profitable for the business Repelling customers inappropriate and least profitable for the business Seamlessly integrating advertising, marketing, sales and fulfilment Integration with MANAGEMENT and SUPERVISION to successfully honour covenants with customers</p>
<p>All 4 Areas Covered = YOUR GOLDEN TICKET</p>	

But My Business is Different

Everybody has some excuse for being unable to manage people effectively.

They are letting themselves off the hook and the escape route often starts with “I totally agree with you but, my (this) business is different”.

There are just two things you need to know about this:

1. **No, it's not.** Your business is not different. The sooner you get over the limiting belief that your business is different, the sooner you'll be able to borrow best practices from wherever you find them, from diverse businesses outside your own world and use them to improve your business.

This gives you a big competitive edge because all your competitors have the same narrow perspective. When you broaden yours, you can see what they can't, embrace what they automatically reject, and improving in ways they bar themselves from using.

2. **People who are good at making excuses are never very good at making money.** The “but my business is different” statement is nothing more or less than an excuse for staying stuck with the status quo.

As an aside, this is first about you and then it's also about the people around you.

Having people around you who are good at making excuses for themselves or for others creates an entire culture of missed deadlines, broken promises, lost customers, missed sales, waste and inefficiency.

When bonuses become obligations

You can't buy morale or compliance this way.

My position is that bonuses should buy something of value that you can clearly and definitively measure.

Bonuses may be used to correct unprofitable behaviour, encourage profitable behaviour, encourage education and self improvement, encourage doing difficult or uncomfortable things.

They are not gifts or obligations - they are tools.

Let's also clarify the difference between “bonuses” and “recognition”.

Getting the employee-of-the-month award, for example, is recognition. It is not a bonus.

A bonus is money, extra time off, or things money buys like holidays or products.

Recognition is pins, plaques, newsletter articles, parking spaces.

Bonuses are very troublesome things, and team or group bonuses are the most difficult. Frankly, I'm not convinced there are any good answers to this conundrum, although some seem worse than others.

I'm not a fan of group bonuses tied to sales or profit, because far too much of that outcome is outside the control of the individual employee, and the reward is almost always overly generous to some and miserly to others.

In my last "employed" role, the organisation had, in my opinion, a near useless, although very generous, bonus scheme linked to overall profit and your salary. I watched as employees who contributed very little to business success get paid more bonus than those who, without doubt gave their all towards making the business more successful. All because their basic salaries were different.

The best results seem to come from **very targeted, behaviour-based**, individual bonus plans. These are usually engineered to get an employee to do something he tends to avoid, neglect, or find uncomfortable or difficult, often connected to making that employee and his job function more profitable for the company.

Such bonuses do, however, become obligations.

If you take away the bonus compensation, the bought-and-paid-for compliance also goes away.

Such institutionalised bonuses can be perfectly okay and profitable, but you need to realise what you're getting into before you start.

Undoing any is really very ugly.

Look For People Doing Things Right

Easy this one.

When you see an employee going something right – tell them. Give them some feedback.

Hey Fred, can I share something with you.

Yes Fred, whats up?

I wanted to say that when you get the quotes into me before the absolute deadline, it makes my life so much easier when assessing the tender. I appreciate it, keep up the great work.

Cheers boss.

This is simple but very effective. Guess which behaviours you will get more of? Positive recognition feeds our ego, so when you catch an employee doing something right, they will do more of what they got praised for.

Don't Confuse A Happy Workplace With A Fun Workplace.

Most business success has a whole lot more to do with organised, disciplined, machine like work, than with fun.

There's a profound difference between enjoying your work and the people you work with, doing work you're confident at, good at, and proud of, feeling rewarded by work ... and trying to turn work into fun.

Beneath the fun veneer of some companies (e.g. Disney) lies a comprehensive, micro detailed, and aggressively enforced collection of policies that keep tight control over what seems to be footloose and fancy-free employees and that focus on, measure, and manage profits.

To the casual observer, it may seem improvisational. To the insiders, it is rigidly choreographed.

And beware: most books lauding these highly "creative" companies delight in telling anecdotes that further the legends that strengthen the idea easiest to sell – that just creating a fun place and letting people loose in it will somehow create profits.

These books devote little or no attention to the rigid choreography behind this image.

Managing People Past Their Mental Hurdles

There is a mysterious force that sabotages.

This force impacts the staff, managers, and even the business owner. You can't see it or touch it, but you can readily observe its effects once you've been trained to spot it.

Left uncorrected, this problem will keep businesses well below their potential and limit growth. I've struggled with it myself in the early years of my career and business life, and now coach the business owners and directors I work with to identify and overcome it.

Here's the problem:

People have mental hurdles – self-limiting beliefs about what they can achieve. Mental hurdles can be based on past performance, the performance that is expected from them in their current work environment or what they see as industry “norms”.

How much money are you losing every month to your mental hurdles?

Mental hurdles or self-limiting beliefs, are costing you money in lost sales, decreased production, and missed opportunities. These hurdles also cause frustration, stress, and disappointment.

Ready for some good news?

Mental hurdles can be eliminated. It is possible to raise the bar on expectations. You must change the environment, to change the thinking, to get the results you desire.

Within The Managers Helpful Hub we can help you with this.

MID POINT – WAKE UP CALL

We are about half way through this insightful little book.

I wanted to ensure you are still awake and share with you a brilliant lesson whether employing people or engaging suppliers.

The ultimate disease of our time is vagueness of expectations.

The biggest improvement you can make as Business Owner or Director:

Stop accepting less than you can get.

If you get nothing else from this book or do nothing else as a result of this book, you ought to at least take a fresh, analytical, tough-minded look at what you are getting from your people (and suppliers) as a whole and individually for the money you are spending.

Most business owners accept shockingly poor results as if they make sense.

Now, let us continue.

Avoid Top Secret Missions

Please don't mistake this book as a giant exercise in blaming the employees.

Another favourite quote alert...



Some employees won't perform and need to be replaced.

But a lot of employees who would perform don't. Largely because nobody has ever defined what they're supposed to be doing, taken the time to explain why, and provided enough initial and ongoing training so they're able to perform if willing.

Business owners who spend money on marketing, entertaining, building and decorating their facilities, fortunes on equipment, cars or vans balk at spending any money on training and are too busy to bother with it themselves.

It's an epidemic: top secret missions understood only by management...

In his book *The 8th Habit*, Stephen Covey describes a poll taken of 23,000 employees drawn from a mix of companies and industries. Only 37% of these employees said they had a clear understanding of what their organisation was trying to achieve. Only 20% could enunciate the direct relationship between their tasks and the business's goals. And, understandably, only 20% were "enthusiastic" about their company's goals.

This equates to a football team – where only 4 of the 11 players on the pitch would know which goal was theirs. Only 2 of 11 would care. Only 2 of 11 would know what position they played and what they were supposed to do.

A colleague had a client run this exercise in her business: She wrote out, from her mind, job descriptions for each of her people and ranked in importance what she believed they were doing. She had them do the same. Notes were compared. No matches. Zero. Not even close. Worrying!

That particular glitch is fixed with quick, specific training, establishing expectations, and incentives, rewarding effective performance, and eventually firing the nonperformers.

The loss of any £'s through this is entirely, 100% the Business Owners/Directors fault. Not the employees fault. This is but one little micro-example of the losses and opportunities that reside in just about every business with their root cause in the existence of top secret missions.

Beware Of Activity Masquerading As Accomplishment

This is a big one!!! Especially in our day and age of results been more difficult to measure. Much easier in the industrial age when you could count how many widgets had been produced.

If you could do nothing else but cut “activity masquerading as accomplishment” by half, you’d sky rocket your profits.

Some people intentionally hide their lack of accomplishment behind the mask of activity – even frantic activity.

Others just can’t tell the difference between the two.

So, let’s begin with definitions. Defining **activity** is easy. You see it all around you and you engage in it, pretty much every minute of every day. There can be a lot of people putting in 40 hours a week and even running around while doing it with nothing getting done. Meetings held. Paper moved. Tasmanian Devils stirring up their own little tornadoes – but when the dust settles, there’s nothing to show for it.

Defining **accomplishment** is a bit more difficult, because it needs something to be measured against. It requires context.

In something like a football game, it’s easy to discern the difference. A team can have a lot of activity between the lines and never score. It can even win the game statistically, for instance in time of possession, but still manage to lose the game on the scoreboard. Accomplishment is getting the ball into the goal. And putting more points on the board within 90 minutes of play than the opposing team.

The question of accomplishment has one answer evident to everybody in the game and everybody watching the game. It’s a clear picture.

In business, it’s a lot cloudier. Why?

First of all because, usually, victory or defeat can’t be measured within 90 minutes. This, however, can be fixed, and the intensity and accuracy of the football game’s 90 minutes can be approximated and simulated in business.

Doing so is a breakthrough in personal productivity, individual productivity, and team productivity. A major management mistake is measuring accomplishment in too big measurements over too long a span of time.

Annual or bi-annual performance reviews and quarterly P&L accounts stretch the game clock out way too long and make it ridiculously easy for confusion, deliberate or accidental, of activity and accomplishment.

Time Management Tip for Business Owners and Managers.

Not saying this is the best or only way, but it is a starting point.

Not doing something means you'll be doomed and destined to the monstrous frustration that comes from unending, frantic activity but little accomplishment.

1. Decide what you are going to **Get Done** (Get done, not get started or worked on)
2. Assign each item a block of time for its completion
3. Script your entire day minute by minute in advance, incorporating the Get Done items and their assigned blocks of time.
4. Bar all interruptions and distractions until you are Done.

One study of a large organisation's top 25 execs found that, by their own accounts, they average fewer than 40 minutes a day of actual accomplishment.

Most put in 10 hours a day. Nine hours and 20 minutes a day, by their own account, could not evidence any accomplishment.

It is, as they described it, time that gets away; time sucked up by others; time lost forever with nothing in exchange. I don't doubt their assessments.

I suspect most business owners operate with similarly depressing ratios. Yet, there's also reason for hope there. If you are getting only 40 minutes of accomplishment time out of a day, you need only get to 1 hour and 20 minutes – about the same amount of time as given to a lunch break – to double your personal productivity.

If you're at 40, it's a safe bet most of the key people working for you are at 20. This means there's a whole lot of room for more accomplishment!

So, exactly what is Accomplishment?

- A problem interfering with maximising productivity or maximising profits - solved
- A decision made and acted upon
- A person fired or hired
- A needed supplier found and contracted with
- A marketing campaign implemented
- A contract won
- A client acquired

Here's a litmus test: accomplishment is always described presently in past tense.

Conversely, activity includes things done that don't produce profits, but more so, things in progress moving along toward an uncertain end with an uncertain arrival time.

Activity is a nagging or recurring problem thought about, mulled over, discussed, handed off to a committee, or otherwise kept stewing. A decision unmade. Activity is always described presently in present or future tense.

Don't tell me about the labour pains – show me the baby

I heard this account from a fellow consultant, and knew I'd like to share it here.

Recently I worked in-depth with a fairly large and bureaucratically hamstrung corporate client on a major overhaul of its entire advertising, marketing, and sales efforts – a project targeted for completion in 4 months that dragged on painfully for more than 12.

This is a rarity for me, and I became increasingly frustrated with the client and the 5-person team underneath the MD who were responsible for implementation.

The only real good news was that the MD became increasingly frustrated with them instead of me. One day he asked me why I thought every little thing was taking so long. I said, "Because you are not holding any of the buffoons responsible for accomplishment.

They are telling you what they are DOING, you are telling me what they're DOING, but nothing's ever DONE". Every day he was getting an update on the labour pains. But no baby ever popped out.

Being unflinchingly accomplishment oriented

The cliché is “Leadership is top down”. I suppose it’s true. Certainly you set the tone for what goes on around you – or at least you should. The people working for you and around you should be strongly influenced by you, not the reverse. I think the best thing you can exhibit is an unflinching accomplishment oriented attitude.

If you cut every DOING conversation short and demand to either see a DONE or be left alone so at least you can be productive, people will get the idea.

Don’t immediately go on the defensive and say “but that doesn’t happen in a small business like mine, there’s nowhere to hide”. I am simply raising awareness here 😊

Create Teams

To properly grow a successful business, it takes a team approach – you will be limited if you try to do everything yourself.

The collaborative efforts of individuals on a team are always stronger than the sum of its individual parts. And your team will need to have a very clear sense of the business’s priorities and what you really stand for as an organisation, to be truly effective.

You will have to instil a sense of mission into all your employees, ideally beginning on their start date with you. Everyone involved will need to have a laser like focus on what the most critical components are that drive your business higher and produce the results (profits) that truly matter.

Nothing can be allowed to deter you and your team from these goals. It’s about having a cause – nothing short of that – and this keeps everyone aligned.

Your job as the leader here will be to set this guiding vision and to get your people buying into it – yes, you will have to sell and resell them on this until they will walk through walls for you.

You cannot expect your people to dedicate themselves to the cause if you cannot make them easily understand the “why” and “how” they directly contribute to it.

As the leader of your company, it is your responsibility to consistently put forth the vision and hitch your employees wagons to it. They’ve got to head in the same direction as you, or they shouldn’t be your employees anymore. Some won’t like it ... but who’s paying whom after all?

Enable Emerging Entrepreneurs

Routinely pushing decision-making responsibilities back toward employees gives them more autonomy and saves you time. [We can help you with that within subscription site.](#)

It doesn't do any of them any good if you make all of the decisions ALL of the time.

Sometimes they'll make mistakes, but you never want to punish people for taking smart, calculated risks.

A lack of the pursuit of excellence is a far greater sin in my book. If you want to be innovative, you're going to have to take risks and experiment and test.

This means you'll deal with failures regularly or, as I like to think of them, obstacles to be overcome.

Minor failures are merely learning opportunities, but the important thing is that you're taking action – most don't.

You can't set the pace of innovation in your business without constantly testing the edges of what is possible.

Hire Blank Slates and Winners, Not Whiners

I personally hire for attitude and work ethic first, knowledge and skills second.

How They Should Communicate With You

Generally, people have no idea how to communicate effectively and efficiently.

Enormous amounts of time gets wasted.

Here's an example:

You telephoned one of your site managers, got his voice mail, and left this exact message: "I need to know when you will have the 2nd fix complete on the ground floor so I can tell the Client it's ready to inspect. Call and tell me".

Here's the message he leaves you in return: "I'm working on the 2nd fix now. Call me back if you have any questions".

Did you have any questions? Well, yes you did. The same one you called with the first time - that he didn't answer.

Train Staff How To Communicate With You About Problems

Someone I know once had 47 employees in a troubled company environment where there was some sort of crisis every hour on the hour.

He gradually trained his employees not to bring him a new problem without simultaneously bringing him the basic information he needed to make an intelligent decision plus at least two possible solutions.

If in a template, it would look like the diagram on the page after the next one.

When you force people into a process like this, you accomplish quite a bit. First of all, it stops people from bursting into your office screaming or sending you a hysterical and incomprehensible e-mail.

Second, it forces the person with the problem to actually think about it before he can dump it in your lap or anybody else's.

If they're worth having around at all, they'll wind up deciding on a solution and handling the whole matter on their own some percentage of the time.

Third, you can actually have an intelligent conversation about the problem and potential solutions if you must, instead of always having at least three or four consecutive conversations.

He also developed a code, sort of like a terror alert thing. If you arrived with a problem, the first thing he asked you for was its numerical ranking, from 1 to 5.

Five meant that life on this planet might end if it wasn't dealt with immediately.

One meant that it was bugging you, but waiting a day or two to deal with it probably wouldn't matter much. After a while, people got that they had to accurately answer that question. This reduced the number of emergencies, led to more thinking on their part, and kept him from wanting to take a jump off the bridge!

The point is not to specifically use this technique, but to have a set way for how people communicate with you that **works best for you**.

Problem – Solution Communication template

Name of problem or crisis _____

Five key facts you need to know about it:

1. _____
2. _____
3. _____
4. _____
5. _____

Two possible solutions to consider:

Solution 1 _____

Pros

Cons

_____	_____
_____	_____
_____	_____

Solution 2 _____

Pros

Cons

_____	_____
_____	_____
_____	_____

How to Hold Effective Meetings

Nothing crushes the soul – or your productivity – like a day full of meetings.

Pure torture.

Not only a wearying time suck, but also double whammy: every minute wasted in mind-numbing boredom was also a minute lost attacking GETTING DONE the various tasks on your list.

It's up to you to prevent this common misuse of time and energy from taking over your company.

The best meeting may be no meeting

The first thing to do is to avoid having all these meetings in the first place. There are other options for collecting input and disseminating information. For example, posing a question to people and making each one respond separately in writing forces them to think: avoids emotions linked to interpersonal conflicts and jockeying for position from colouring the input; eliminates all the time consumed by tea making, joke telling, arguing; and gives you something you can quietly consider. Improves everybody's productivity.

If you can't cut out a meeting, consider cutting down the people in it. Not everybody with two cents to offer or a need to know needs to be there. Some can contribute in advance in writing; some can be informed after the fact.

If you feed 'em, they might move in

The second thing to do; stop feeding them. I have been to meetings where you get bacon sandwiches in the morning, bagels at break, sit down lunch etc etc. Productive people hate these things. Unproductive people love them. You can reduce their appeal by taking away the food.

Insist on Outcomes

The third thing you can do is actually manage the meeting. Have a preset agenda with defined objectives, time pre-allocated by topic, and the decision to occur by meetings end pre-defined. Participants need to know the meeting has a purpose.

Employees And Contacts Are Friendly As Long As You Give Them What They Want

As the owner of a business, I am sorry to say but ultimately you are alone.

You may have a fifty employees around you, you may get nice gift baskets from your suppliers, you may be the local hero at the federation meeting, you may even be famous to your peers in your industry or profession.

Never let any of that fool you.

Let something negative and cataclysmic happen, and you'll find nearly all of these people have gone missing.

Ask anyone who has gone out of business with a bang to compare the numbers of people eager to be around them at the height of their success with those who showed up 2 weeks after bankruptcy!

Given that this is true – and it is – you must ultimately, always do what you judge to be in your best interest. You have to give yourself full permission to do that, no qualms, no strings attached.

This is the way it is. Every single day, you, the business owner, put yourself at risk. The others who disapprove of your actions put nothing at risk (i.e. employees).

Every employee thinks he or she is smarter than the boss.

Consider a car maker. How many times have you heard about a recall of thousands of cars with various manufacturing defects being announced.

When these occur, do you suppose all the employees who actually worked on these cars and put all the brake lines in backward or neglected to seal the sun roofs all come forward, march over to the CEO's office, and say, "Hey, our screwup. Please dock our pay appropriately, so all the shareholders who've invested here with the perfectly reasonable expectations that we're going to be awake while assembling these cars don't suffer?"

Does the head of the trade union call a press conference to announce the employees eagerness to share responsibility for the recall costs, damage to the company's brand, and inconvenience or danger and harm to the customers?

Profits of businesses are shared, by paying salaries, bonuses, and benefits to employees at every level, by paying taxes to local and central governments, by purchasing goods and services from suppliers and on and on.

After all that profit sharing, you, the owner, gets to keep whatever's left over. That might be anywhere between a negative % and as much as 50% or over. Regardless, it's a long, long way from 100% of the money.

But 100% of the responsibility is yours and yours alone. Don't ever lose sight of this fact.

This knowledge has to empower you.

To empower you:

- to think about yourself
- view your business as a means of achieving your personal goals
- to always do what you judge to be in your best interest

You have to give yourself full permission to do that, no qualms, no strings attached. This flies in the face of plentiful advice about putting customers first and others advice about putting employees first.

He or she who puts their chips on the table and neck in the noose every day gets priority.

Why You Can't Do These Things

The reasons business owners tell me they can't do the obviously, patently logical and sensible things described in this little book include:

1. My employees won't do it
2. My employees won't accept this kind of environment
3. Joan (an employee) won't let me
4. It's bad for morale
5. It makes me look like a tyrant
6. What will people think?
7. My business is different
8. I don't have time for this kind of management

Regarding excuses 1, 2, and 3: One of the saddest things I ever hear from the business owner is "but my employees won't let me". It seems the employees are running the business.

Of course, it is possible to present your new Program in such a negative, belligerent way that you spark mutiny – and deserve it. This does have to be sold. But it is also likely you are living in tyranny in your own business, and you really should stop.

Employees are replaceable. Lost profits are not.

Regarding excuse 4: Morale is a funny thing. It's subjective and variable. While a definite Program and supervisory enforcement are hated and resented by some employees, it is welcomed by others.

There are plenty of people who prefer working in an environment with strong leadership, good management, a well-defined Program, clearly defined opportunities and rewards and penalties, and elimination of bad employees around them.

They actually want to do the work, do the work well, and have accurately measured accomplishment.

Everything I've talked about in this book is absolutely awful for the morale of noncompliant, unprofitable employees. But you may be surprised at its effects on the morale of productive, profitable employees!

Regarding excuses 5 and 6: The only opinions that really matter are those of the customers, or clients who make deposits to your bank account.

Regarding excuse 7: No, it isn't.

Regarding excuse 8: If you decide to put a small herd of livestock in your backyard, you'd better make time to feed them, water them, care for them, and constantly repair your fences. If you are going to have employees, they come with a collection of responsibilities. If you are going to have profitable employees, these responsibilities cannot be ignored.

What is “Profit” Anyway?

A company’s No 1 responsibility is not to the customer but to the shareholder. That doesn’t mean the customer isn’t very important. But the people who invest in the company own it – not the employees, not the suppliers, not the customers, and not the community.

Accountants can make fabulously unprofitable companies seem profitable. Enron leaps to mind, but almost every quarter, some big company is “restating its earnings”. A lot of small-business owners are similarly confused. Since this is a book includes managing employees for profit, I thought it might be worth a stab my definition.

There are different kinds of profit.

One is the amount of money that you, the owner, remove from the business in cash as yours. This might include your salary, bonuses, contributions to your retirement accounts, car usage and health benefits.

“Net cash profit, retained” that matters most, because this is the only number that can translate into financial security for you and your family.

Another type of profit is equity.

An asset is worth only what it could be sold for, today.

As a side note there is an asset that gets short shrift on balance sheets, that is worth much more than any bean-counter formula allows, that you should be investing in acquiring and nurturing: customers and good, active relationships with them.

Buildings burn down. Locations go from great to awful because of road construction. Products and services are vulnerable to competition. Technology can be antiquated. Every single thing most business owners think of as solid assets are actually paper-thin.

The only asset that can be kept safe from every threat and made to appreciate in value year after year is the relationship you have with your customers. Not just a list of customers. Relationship with customers.

Most business owners do a terrible, terrible, terrible job managing this asset. They take it for granted. They refuse to invest in it. They abuse it by communicating with it only when asking it for money.

Worse of all maybe, **they let their underperforming employees loose upon this relationship...**

Customer Relationship as Equity

For every business, there is a Present Bank and a Future Bank. Both require attentive management.

The Present Bank has to do with today's sales and profits.

Within a specialist contractor or service provider, the Present Bank statistics to manage might include the number of jobs on site or ready to start. Those will immediately affect the sales and profits deposited that month. The Future Bank has to do with customer relationships initiated or nurtured.

The thing to wrap your head around, although few business owners do, is that managing the Future Bank is as important or more important than managing the Present Bank, because the Present Bank is merely income, and the Future Bank is equity.

There's a way to manage the Future Bank in nearly every business. You need to figure it out in yours. I love talking about this stuff so could help you with that if you were to join the toolbox subscription.

In the Next 3 Months

You have read this far, congratulations. Most people who have business books never actually read them!

But the next step is ACTION.

My burning question to you is:

What will you DO as a result of your thinking spurred by having read this book?

And I would pose an even tougher question to you:

What will GET DONE in the next 3 months?

Most people think of 12 month goals. More and more research is finding that this is too long a timescale to be most effective.

3 months or 90 days. Now that's a timeframe that works well for me.

So I therefore urge you not to put this book away on a shelf or loan it to a friend until you first bolt yourself in a room with nothing but it, a note pad, a pen, and a drink of water and go through it again page by page. Think, then decide what you will GET DONE in your business in the next 3 months, 3 weeks, 3 days.

Your lists may include things you've been tolerating that you will no longer tolerate, people who should have been replaced already who now will be, new initiatives in training and supervision, reshuffling of priorities and people, and more.

Don't just read the book. Make the lists. DO. Get DONE. Fast.

Recommended resource:

I would of course LOVE it if you were to join our support service specifically for UK small business owners who employ people. There I can help you get through the things on your list and more. <https://themanagershelpfulhub.co.uk>

At time of writing we are offering a 1 week trial to check it out before subscribing in full. If you don't see this on the webpage, email support@themanagershelpfulhub.co.uk and I'll have the team honour this for you.

Final thoughts

Molly coddling employees will kill a company.

They don't need another parent; they need a leader, a boss that will teach them everything he/she knows, hold them accountable, and make them better business people for the company's benefit as well as for their own.

You show them you care by being tough when you need to be. To do otherwise is to act like some site supervisors I know that "care" so much about the underperforming apprentices that they keep allowing the colleges to qualify them and then say they don't want the newly qualified tradesperson on their site as they are rubbish!

It hurts all parties involved and doesn't have to be that way.

Unfortunately some employees make it abundantly clear they do not value work, do not equate work to honour, have no work ethic, and have very little interest in work. Their jobs are simply inconveniences to them, which stops them from doing what they really want to do.

These employees have to go.

Let me conclude this book by saying that I think you ought to get rich.

As rich as your business can possibly allow under the very best of created circumstances.

It is my belief and experience that just about any business, especially small businesses, have the potential to make their owners quite wealthy. Financially and otherwise – and a lot richer than those owners think.

But it doesn't happen by accident.

It requires a willingness to continue to explore, to test and to learn what's needed to be a great employer and boss.

That's the work which is necessary for a business owner to move from making a living to creating real wealth in life.



I wish you every success to your business journey and if any of my ideas shared here have resonated with you, I invite you to explore [The Managers Helpful Hub](#).

A handwritten signature in black ink that reads "Irene".

PS: If you really are snowed under, you can easily add another member of your team to your subscription. We work with fellow Directors, your Office Manager or trusted Administrator so we can help them with all things “employee” related on your behalf.



The most cost effective way we can help you to recruit, manage, retain or let go of staff.

Meaning you can run a great business.

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Jeff Hall
Director

“ ***Our recruitment costs were slashed...*** ”

Within a few minutes of bouncing around ideas, Irene gave us a process that means we no longer pay to advertise many of our vacancies.

This has saved us thousands and made things much easier. ”



Jackie Winship
Office Manager / MD's PA

“ ***People needed replacing...*** ”

When I first joined the business there was work to do with some long serving members of staff that did not match up with what the business needed in the future.

With Irene's help and guidance I was able to work through replacing people with new team members and I now have the skills to recruit, manage and develop my team which makes my MD's life easier. ”