

# Marketing Instincts

## Working smarter not harder...

This year I am celebrating my fifteenth year in business with Hugh Latif & Associates Management Consultants. I thought appropriate to dedicate this issue of Marketing Instincts to giving my ten golden rules for working **smarter not harder**. See for yourself how these ten rules can make your life easier and more productive. These rules should help you work **on** your business rather than **in** your business.

### 1) The short term vs. the long term:

Managing the day-to-day of any business is crucial to the success of any organization but short term success does not necessarily mean long term success! With no doubt, good short term results help but the long term must be planned through what can be called a **strategic plan**. I love strategic plans because they make you think about tomorrow. They answer these key questions: Where are you heading? Where do you want to go and what you need to do to get there? The importance of planning is key to your long term success. **A lack of planning is a plan for failure.**

Whatever your strategic plan is, it obviously must be the right strategy and then comes the execution. Executing on a wrong plan is just as damaging as having no plan at all. But there is no doubt that using the right road map makes the job of getting to your destination much easier.

Some think that only large organizations need a strategic plan, and that smaller to medium size organizations do not need such a plan. I can assure you that small, medium and large organizations need a strategic plan. The only difference is that large organizations would have a more complex plan vs. a smaller organization. It does not matter if you are driving a small car or a huge truck, all could use a good map.

Secondly, a good plan must be written down on paper. Plans that are only in the mind are really no plans at all. In addition, no matter how good of a plan you have, an annual review is needed to keep it relevant and up to date. Remember that **the pain of disciplined planning is far better than the pain of regret!** No matter how good your business recipe was in the past and how many years you have been in business, in today's fast paced economy and competitive market place, you must be diligent in setting goals to stay ahead. If the day-to-day is taking all your energy and focus with little or no long term planning, you are taking a big risk.

I read recently an enlightening statement that said "**direction, not intention, determines your destination**". This is so true. If you are driving west, I know you are not going to reach Montreal. I do not need to wait. A strategic plan may not guarantee you make it to your goal, but it should show you what direction you need to take.

### 2) Excellence in the Workplace:

Quality work does not just lead to higher profits; it is today a condition for staying in business. Competition is tough and with technology and a global market place, your competitors may not be the traditional ones from down the street as in the past. Competitors can be thousands of miles away. But new customers can also be

thousands of miles away, so **aim for excellence in everything you do**. Please watch that I did not say aim for perfection, as aiming for perfection may not only frustrate you but slow down your decision making process and finally prove to be counter-productive. **Excellence is your true objective**.

### 3) **Coaching vs. Doing**

Too often, entrepreneurs, founders and visionaries have a tendency to do more than to delegate and coach. They say subconsciously, “To get it right, I need to do it myself!” Companies must evolve through stages of growth so that they can continue to meet the needs of their customers. This change is from typically entrepreneurial, seat-of-the-pants growth to well-planned and managed development. Usually, there are 5 distinct stages of evolution for entrepreneurs: the first stage is the **one person band** stage, the second stage is called **early success** followed by the **growing pains** stage, the **people crunch** stage comes next until finally graduation to the **corporation** stage. Which stage are you in?

Reaching the corporation stage requires progress through the first four stages. Real life may have some variations to these five stages but, by and large, I have found these five stages to be very much the path for most entrepreneurs. Some entrepreneurs however do not graduate; they simply get stuck at one of the stages. Most often this is due to one of two reasons:

- (a) **Founders’ Syndrome**: As mentioned, companies must evolve through these five stages of growth so that they can continue to meet the needs of their customers. They need to evolve from an informal entrepreneurial style to a well-planned and managed development. This development however, cannot occur without first establishing a stable administrative infrastructure. Developing this infrastructure often requires a change in the nature of the founder's leadership from that of a highly reactive, individualistic style to a more proactive, consensus-oriented style. Many founders cannot make this transition. As a result, the organization remains managed, not in a manner that provides reliable services to customers, but according to the personality of the founder.
- (b) **Coaching**: The inability to recognise that you need to “let go” of playing on the field and, instead, becoming a coach for your team versus having the role of a captain on the field is another reason. In other words, evolving to become the **orchestra conductor from being the leading violinist!**

### 4) **The Wisdom of Listening to Counsel:**

This may be self-serving but it is of paramount importance to **seek independent and expert advice**. Experts bring wisdom and the benefit of past trials and errors. External experts also bring **objectivity** to your organization. Seeking and heeding to good advice must be one of the key habits for running your business successfully. Strong and successful leaders are often praised for their decision-making abilities. **But wise decision making is rarely a solo performance**. Effective leaders always surround themselves with people who can provide expert and timely information, show the benefit of the information and offer recommendations and advice about the best action to take.

**There is safety in seeking expert and independent advice**. Just as important to seeking advice, you should pick your advisors carefully. Look for people who have the right experience and qualifications, are trustworthy and can be trusted with confidential information. Avoid angry people with big egos and gossipers. Independence is also key. If advice is coming only from insiders such as employees and friends; while they may be experienced and mean well, insiders may compromise by diluting their advice because they may themselves be affected by the relationship.

Please remember that **“the value of advice is in direct relationship to the expertise of the giver. However, the value of the advice is indirectly related to the degree of their involvement or interest.”**

## 5) Managing Debt and your Credit Rating:

Proverbs 22:7 gives pretty strong advice: “The poor are ruled by the rich, and those who borrow are slaves of moneylenders.” These may be strong words but are very true. As a consultant I see everyday what excess debt can do to companies and to individuals. Make sure you use debt wisely. If you are a businessperson don’t just look at your profit and loss statement, make sure you **review your balance sheet**. Keep your liquidity high and with a healthy and conservative debt to worth ratio. Make sure you have adequate working capital. Watch for demand loans that can be suddenly called by “banks” that have decided they want to exit your business for whatever reason; term loans are much better.

Remember that **you cannot borrow your way out of debt!** If you are taking from Peter to pay Tom; sooner or later it will catch up with you. Manage your credit rating too, whether personally or for your company; check regularly what they say about you and make sure your positive business achievements make it in the credit report. Avoid litigation and disputes by going the extra mile by learning to forgive your offenders. Turning the page is not always easy but is most often a wise decision.

## 6) Integrity and Honesty:

While there is no course called integrity and honesty at school and university, this would be a worthwhile course to include in every academic curriculum. Not one day goes by without the media reporting stories about the lack of ethics in business, government, academia, judiciary systems or any other sector of our society. **We can legislate ethics but we cannot fundamentally legislate integrity.** Ethics are principals, moral values and beliefs while integrity is honesty, truth and uprightness. While the gray color does exist, many things in life are really black and white. Compromise is good and helpful in commercial negotiations but cannot be applied to honesty.

A good leader creates an atmosphere in which truth and openness are **respected, encouraged and rewarded**. If you are in a position of authority and leadership, test yourself by checking if you encourage the people under you to be honest; or do you just assume they will be. Do they see honesty demonstrated in your treatment of them? It is a tough test indeed, but the rewards of living a life of integrity and honesty in everything you do will give you **exceptional freedom and strength**.

## 7) Respect your Customers:

No TOP TEN list would be complete of course unless we include the customer in it! All of us in business say that we know the importance and value of the customer. Take a short stroll in the business section at your local bookstore and you will see that more than 1/3 of the business books are “preaching” customer importance in one way or another. There is so much written on: customer focus, customer care, customer service, customer satisfaction, exceeding customer expectations etc.

I prefer to use the word “respect” because I believe that while today’s executives and managers know intrinsically the value and importance of the customer, their hunger for short term profit and greed is stronger.

Here are two examples:

You show no respect for the customer when you have a one day sale on hammers on Monday and a one day sale on nails on Wednesday! Why? Because this is saying you want to trick me: come for the cheap hammer and we will probably get you on the overpriced nails. Isn’t it better to make it easier for the customer by having the sale include hammers and nails? When you advertise a 75% discount, aren’t you saying that you usually over price? I assume you are still making a profit with a 75% discount, so what kind of a profit margin are you making on regularly priced merchandise? Oh, I can fill pages and pages of examples...

Sales and Marketing managers should ask themselves the following question: Do I respect my customer? Does my pricing, promotion, advertising and sales and marketing plan show that I respect my customer? Here is a very easy way to police yourself: **Treat your customer the way you would want to be treated!**

#### 8) **Never Give Up!**

In my younger years, I used to play soccer and always told the team that, while it is important, **it does not matter how you start; it matters how you finish the game!** Of course, a good start would be great but... never give up in face of challenges and obstacles. Never give up when you make an error. Learn from your past but don't be captive to your past. Learn to turn the page. Focus on the present moment and plan for the future. Intelligent people learn from their mistakes. Smart people learn from others mistakes. Dumb people persist in repeating the same mistakes.

**Be smart, learn from your own mistakes and the mistakes of others, swallow your pride and press-on toward your goal. You are now well equipped!**

#### 9) **Effective communication:**

Effective communication is the back bone of successful leaders and the most powerful ingredient for managing your troops with excellence. Whether you are a CEO, a General Manager, a Sales Manager, a Minister, a Headmaster, an army General, a Soccer Coach or a Homemaker your success as a leader will largely be influenced by your ability to communicate effectively. Almost any position or role requires some kind of leadership and **leadership depends on effective communication!** Whether you want to make convincing presentations with confidence, negotiate with ease or resolve conflicts quickly, effective communication is decisive.

The ability to "get your message across" effectively and clearly is vital. How you set goals and objectives; communicate with your staff, train and develop, instruct, encourage, correct, lead, present, coach, reward and so on, are all crucial components of communication. *For more specific and concise advice on the "How to" for effective communication please review **Marketing Instincts** Special Edition of 2011 available through [www.hughlatif.com](http://www.hughlatif.com) and by clicking on the RESOURCES PAGE.*

#### 10) **Life in the fast lane (Keep life in balance):**

Today, more and more people live in the fast lane. They talk fast, eat fast, work fast, expect to climb fast and want to get rich quickly. However, they may be saddened to find out that life is indeed short. There is nothing wrong with achievement and hard work nor is there anything wrong with wanting to advance, but a **good life equilibrium is essential to a happy life.** We are only passing through this world. If you constantly travel at high speeds you will unfortunately miss the scenery. I often hear people that work excessive hours per week say that they compensate with quality time with their spouse and children. I disagree; change your attitude and enjoy every moment including Mondays, your work, your boss, your commute and so on... **you can make every moment a quality moment...**

I hope you not only reflect on these ten rules, but that you start living them... Enjoy the ride and may you have success.

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