



Tips FROM THE Top[®]

Business insights from those at the top for those at the top

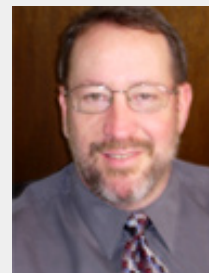
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THE ALTERNATIVE BOARD[®]
Achieve Success with Peer Advice and Coaching



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MEMBER SPOTLIGHT

What is the client thinking?



Ken Fox and his staff know the answer because they ask the question. Constant communication with a client, asking the questions that may seem obvious and listening for signs of anxiety are the techniques they use to help them validate their clients' thoughts and words. The company's focus on "what is the client thinking" is a natural extension of the impetus for the start-up of Fox Architectural Design in 1987. Ken started his own firm because he wanted more control of client relationships and the direction of design

services to them.

Finding a former high school building in Wharton to house the company allowed Ken to concentrate on expanding the size of his business without concerns about outgrowing the space. He attributes the company's growth from a single-architect firm to a staff of ten to networking and a solid reputation for quality work. He is always working on new ways to get business.

The company takes on residential and commercial projects that range in size from single room additions to shopping malls. Ken enjoys projects that require him to solve technical problems in an aesthetically pleasing manner.

Of his TAB affiliation, Ken says, "Instead of shooting from the hip running the business, I have learned to focus on things I like to do and things that will make the

CALENDAR OF EVENTS

7 Secrets of Great Entrepreneurial Masters

by Allen Fishman

Thursday, September 21, 2006
6:00 PM - 9:00 PM

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QUICK TIPS

business more profitable.” Advice from his TAB board has given him the focus to set short-term goals that will lead to fulfillment of long-term goals. Ken says, “I want an office that runs itself with me to keep excitement high to spur economic growth and the acquisition of even more challenging design projects.”

Of his Rotary Club membership, Ken says, “I am blessed to be involved.” The opportunity to personally participate in local and international philanthropic acts is extremely rewarding for Ken. His Rotary district sponsored open-heart surgery for a young patient from Iraq and he was able to witness the life-changing results.

Closer to home, Ken and his staff are volunteering their time to design a handicapped accessible residence for Army Specialist James Benoit who was injured in a roadside bomb attack in Baghdad. The town of Wharton donated property for the project.

For more information about Fox Architectural Design, [click here](#) to go to www.foxarch.com.

STRATEGY

Competitive Analysis Exercise

We recently conducted an analysis of our competitors by having each of our 20 staff members draw one or two names from a basket with the task of learning as much as they could about the firms they drew. There were no limits on how information was to be gathered—personal interviews, telephone calls, Web searches, etc. We ended up with mounds of information, which each staff member reporting back to the whole team in a series of staff meetings. Not only did we collectively reaffirm our belief in our position as a market leader, but everyone had tremendous fun sharing stories about our competitors. This exercise has brought my team together powerfully!

Sharlene Massie, About Staffing Ltd., Calgary, AB

FINANCE

Express Costs in Relation to Sales

Some business owners are too quick to write off bad debts. In my experience as a CPA, it is often because the owner wants to avoid the cost or emotional discomfort of aggressively pursuing the amounts owed to them. But the economic cost of writing off a bad debt is often greater than the cost or hassle the owner is trying to avoid.

For example, if the bad debt is \$20,000 and your gross margin is 20 percent, you would have to generate \$100,000 in additional sales to make it up. Let’s take it a step further, if your net profit is 10 percent, you would have to generate an additional \$200,000 in sales to offset a \$20,000 bad debt write-off.

Wayne Hoover, Hoover, Harris & CO., P.C., Greeley, CO

Big Problem Philosophy

Any time I face a problem to which there is no immediate apparent solution, my approach is to first figure out what the smaller component problems are and then attack each one individually. It may sound obvious, but I've used this approach successfully for many years. It just works.

Graham Kilshaw

Item Publications

Plymouth Meeting, PA

Inexpensive Alternatives

I spend much of my time meeting with clients. Translating their needs and changes to our staff in the office can be difficult to track and communicate in a timely manner. I've contracted with an inexpensive medical dictation service. Now, I call from my cell phone and dictate the updates for our staff. My verbal notes go to e-mail to the correct employee, with a copy to me.

Lara August

Robot

San Antonio, TX

Employee Motivation

In our civil engineering company, I periodically take our designers and engineers to job sites during construction so they can see what they have been designing. It helps them to visualize the site they worked on, plus we usually see things that we can do better on the next job.

Al Schmitt

Schmitt Engineering

Wookstock, IL

OPERATIONS

Turning Exit Interviews into Gold

You should ask the following questions to anyone who leaves your company.

- If you owned the company, what are the first changes you would make?
- What conflicts existed while you were employed that negatively affected your morale or your performance?
- What conflicts exist that you feel are affecting the morale or performance of other employees?
- Are there any other employees who you think may be leaving the company, and if so, why?
- Did you have a job description with clear responsibilities that you understood and felt were fair?

The answers to these questions can give you good insights into improvements to your business.

Allen Fishman, Founder & CEO, TAB Boards International, Denver, CO

OPERATIONS

Quality Problems Cost You Three Times

When we have a quality problem in my business, I see it as costing me three times.

- I had to pay the first time to have the original work done.
- I then had to pay a second time to have the work re-done.
- The "third time" is the opportunity cost of the lost revenue that the crew could have earned on a new job if they weren't out fixing the first one.

This perspective helps my management stay focused on getting things right the first time, and on staying ahead of issues and not letting a bigger problem get created.

Geno Benvenuto, Benvenuti & Stein, Evanston, IL

FINANCE

Attention to Detail

Remember those early days when you looked carefully at every expense because it was important? As the business grows, priorities distract us and we have less and less time to question expenses. A recent experience reminded me why we should periodically question those expenses we take for granted. We called to cancel the contract on a surplus mobile phone. There was a large cancellation fee on the old contract, but we could convert to a new, much less expensive program with no penalty. In fact, it was such a better program we converted all our phones and saved close to a thousand dollars a month.

Roger Galippo, Lorain Ruled Die Products Inc., Lorain, OH

The Alternative Board® brings business owners, CEOs and presidents of non-competing businesses together in boards, where members can present challenges and opportunities to the board for seasoned, practical advice from other owners who understand one another's perspective and contribute meaningful solutions. The boards consist of up to 12 members, meeting monthly under the guidance of a TAB-Certified Facilitator. Over 300 TAB Boards are operating each month across the United States, Canada and South America. Since its inception, thousands of businesses have benefited from membership in The Alternative Board®. For more information on The Alternative Board®, visit www.TABBoards.com



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