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## Building a Culture for the Internet Age

By John A. Haas, Ph.D.  
Management Strategies Group

It's become clear that the Internet is no passing fad! It has already revolutionized how we conduct business, and "we ain't seen nothin' yet!" Many ".dot.coms" became ".not.coms," helping to make "clicks and mortar" the strategic direction of choice. How did we survive without e-mail and the many websites we use daily, let alone without voice mail and cell phones? We've become a 24/7 society that demands more and better goods and services faster.

### Organizational Implications

Enlightened companies have created an environment where employees feel valued and challenged, and have avoided the voluntary turnover that has been so rampant in the past few years of easy employment. Others have felt considerable turmoil as good people leave and replacements were hard to find.

Either situation can be problematic. It's hard for highly stable organizations to develop new business models. High turnover companies often find it difficult to create high-performance teams that effectively combine new and old thinking.

Enlightened companies have also

*Continued on page 2*

## Creating a Productive Sales and Marketing Team

By Heather C. Conover  
Conover & Company Communications, Inc.

Salespeople commonly complain that marketing departments don't understand the sales function and point to the failure of marketing to give them the tools they need. As sales people see it, marketing typically gives them materials that may have worked for some other purpose, but not what they, the users, find helpful. As a result, sales often bypasses marketing, creating their own materials. Chances are that while these latter presentations might be more on the mark, they also result in organization inefficiencies, inconsistent messages, and a confusing corporate image. In the end, they will neither achieve the potential growth in sales, nor advance a company's competitive edge.

Marketing communications' role is to support the overall goals and objectives of an organization. For organizations that want to stay in business, increased sales is a primary goal. Hence, what separates sales and marketing is not a shared purpose, but rather a failure to communicate.

To enable marketing to support sales activities, a strategic planning session should be held yearly with sales and other key members of management. This meeting should include an articulation of the company goals and objectives, the potential customer, current customers, competitors, other stakeholders, the markets, and the messages for each of the target audiences. Next, marketing strategies and tactics can be developed with input from sales, as well as other divisions.

But, this is only a start. Marketing professionals should go on sales calls periodically to understand the realities facing sales. Marketing should also involve sales management and members of the sales force in defining materials for use in the field. A tracking system should be developed to determine which materials are being used most frequently, for what purpose, in what territories, etc. And, marketing and sales people need to find ways to regularly communicate—whether by e-mail, one-on-one meetings, and/or by phone. All this input should go into the creation and constant re-creation of materials to reflect changing needs and to help sales people and the company succeed.

At the same time, sales needs to be realistic about what marketing communications can achieve. The best materials won't make a sale, if there's not a good product, if there's no market for that product, or if it's not competitively priced.

### Also in this issue...

**2 E-Cash for Non-E-Tailors**  
By Rich Eichacker

**3 A Powerful Process for Eliminating Waste – Part II**  
By Tom McBride

**3 Employee Retirement Savings is Focus of the New Tax Law**  
By Sandra LeDuc, CPA, CVA

**4 Email & Internet Use in Business**  
By Mary C. Casey, Attorney

## E-Cash for Non-E-Tailers

By Rich Eichacker  
Vibrance Technology Corporation

As a consultant or small business without an e-commerce site, you may find it convenient for your clients and customers to pay you electronically. With today's technology, it's easier than ever.

### Credit Cards

If your clients are interested in paying by credit card, the traditional method is to sign up with a credit card service. A number of vendors provide this service, including: Charge.Com ([www.charge.com](http://www.charge.com)), VeriSign ([www.verisign.com](http://www.verisign.com)), which has merged with CyberCash, and IntelliPay ([www.intellipay.com](http://www.intellipay.com)).

Rates typically range from 1.5% - 5% of each transaction, plus a transaction fee of around \$0.25. There may also be an application fee of a few hundred dollars or more.

Each of these services provide a number of different ways to accept credit card payments: web-site integration, stand-alone PC or Mac software packages, and credit card swipe terminals. A caveat, you may have to enable your web site for e-commerce to use some of these services.

Another option for credit card processing is your ISP. At the very least, they may be able to help you set up the service. The benefit here is that ISPs already have relationships with payment services and the whole process may be much smoother because of it. Their fees and service offerings will probably be similar to those of credit card transaction vendors.

### E-Cash

An alternative to credit cards is e-cash, especially if you plan on infrequent transactions or low volume. E-cash grew from the on-line auction phenomenon as a way to facilitate payments, but it is now finding its way into more general use. E-cash systems are inexpensive and secure, but in some cases limit the dollar amount you may receive per day or per month. Fees for using e-cash vary, but they are typically less than credit cards. Also, e-cash systems don't require a setup fee or special software or hardware.

PayPal ([www.paypal.com](http://www.paypal.com)) is one of the most popular e-cash systems and sending cash is as easy as sending an email. After registering, you can send a payment request to your client. They in turn go to the PayPal web site and make a payment to you using a bank account or credit card. For this transaction, you would be charged 2.9% + \$.30 at the Business Standard Rate. Once you've received the payment, you can either obtain a paper check or have the funds transferred to a bank account.

Most e-cash systems work similarly to PayPal, however, terms and fees vary greatly, so do your homework!

Other e-cash sites (please visit [ProductivityReports.com](http://ProductivityReports.com) for URLs): Billpoint, Citibank's c2it, Yahoo! PayDirect, and BankOne's eMoneyMail.

## Building a Culture for the Internet Age

*Continued from page 1*

developed healthy attitudes toward change. They are willing to question old assumptions and try new approaches. They use technology to help collect, spread, store and process information, yet encourage active team-based employee projects and initiatives. They create work groups that combine newcomers with fresh ideas and up-to-date skills with veterans who have established relationships internally and with outside stakeholders. Many have strictly focused their efforts where they can add greatest value, and outsourced those services deemed outside their core competencies.

### Forming an Effective "E-Culture"

In her new book (*Evolve! Succeeding in the Digital Culture of Tomorrow*) Harvard professor Rosabeth Moss Kanter presents four key elements gleaned through survey research in a diverse worldwide sample of some 800 companies. These are:

1. See strategy as more like "improvisational theater" than following a script. Develop details through interaction with your "audiences."
2. Nurture networks of partners rather than one at a time. Thus, the network's combined power greatly exceeds that of any member.
3. Reconstruct your organization as a community, rather than as isolated silos. All team members should feel responsible beyond their own contributions to the entire team's results.
4. Attract, develop and retain internet-savvy and creative employees able to absorb, transmit and share vast amounts of information, to enable faster decision-making. Such people can move from team to team, adding value individually and in different configurations.

She summarizes the cultural elements needed to win the "talent wars" as the "three Ms":

- **Mastery** – the ability to work on important problems using cutting-edge tools;
- **Membership** – creating the sense of community; and
- **Meaning** – to engage people's moral sense and offer personal growth opportunities.

## A Powerful Process for Eliminating Waste – Part II

By Tom McBride  
Partners for Creative Solutions, Inc.

Our last issue introduced a hybrid approach to eliminating waste that has been very effective in office and support areas, as well as on the factory floor. Part I addressed the “discovery” stage, where the waste-chaser seeks the most fertile ground by performing a fact-based analysis of existing conditions. Good detective skills combined with the right analysis tools and a Pareto (80-20 rule) philosophy will lead to the discovery of a set of root causes. These are the targets that must be attacked in the next stages to eliminate waste and improve your business results.

The next two steps in the process constitute the “creative” stage.

- 7. Visualize the perfect solution –** Forget about how it is done now. What would be the ideal solution; that is, one in which *all* waste is eliminated? Visualizing the

perfect solution bypasses incremental thinking and produces much more effective solutions.

- 8. Brainstorm –** This step helps groups generate ideas that are beyond the obvious. To be effective the group must get into a *creative* mode as opposed to a *practical (get things done)* mode. Sessions should be short and lively, and absolutely no criticism of ideas is allowed. The objective is to generate and document a huge quantity of ideas.

The final stage is “project management”, where the work gets planned, executed, and followed up. Projects run the risk of losing momentum at this point, and getting results demands a solid commitment from organizational leaders.

- 9. Select action items –** Evaluate each brainstorming idea and select which ones to implement. It is critical to prioritize your list

by weighing the benefit of each against its difficulty of implementation. Keep the list short and powerful.

- 10. Action plan –** Do the low cost, high impact items immediately, and develop an urgent but realistic timetable for completing the rest.
- 11. Monitor the plan –** Stick to the plan and avoid “starts and stops.” Status reviews keep management involved and help to avoid “scope creep.”
- 12. Measure results –** Track progress against goals to ensure success. Frequent posting of meaningful measurements is vital to sustaining gains. Don’t forget to celebrate successes.

This process works well in any type of organization. When the going gets tough, using this process will get you back on track. (Part I of this article is available at [www.productivityreports.com](http://www.productivityreports.com))

## Employee Retirement Savings is Focus of the New Tax Law

By Sandra LeDuc, CPA, CVA  
LeDuc and Sikowitz

Employees have confirmed their commitment to retirement savings through their support of salary deferrals in 401(k) and SIMPLE plans. This commitment is supported by the final 2001 Economic Growth and Tax Relief Reconciliation Act. In addition to higher overall limits, contributions have been raised another notch for employees over 50 years of age to give them an opportunity to catch up as they get closer to retirement.

### Individual Retirement Accounts

Individual Retirement Accounts (IRAs) have long represented an option to taxpayers who have had no access to a deferral plan or wanted to supplement employer plans. A taxpayer can make deductible contributions of 15% of compensation up to \$2,000. If an individual or spouse is covered by an employer plan, the \$2,000 deduction limit is phased out depending on

income. Non-deductible contributions allow for tax-deferred savings even if the AGI test phases out a deduction. Subject to certain income limitations the contribution can be made to a Roth with after tax dollars and, so long as certain conditions are met, will never be taxed.

The Act will increase IRA limits beginning in 2002 when they will go up to \$3,000 in 2002, \$4,000 in 2005 and \$5,000 in 2008 and thereafter. Those taxpayers over 50 can add \$500. All the increased limits apply to the Roth and nondeductible contributions as well.

### Qualified Plan IRA Features

Beginning in 2002 employers will be able to add an IRA feature (traditional or Roth) to certain qualified plans to make supplemental retirement savings easier for employees.

### 401(k), 403(b) or Salary Reduction SEPs

Employees’ pre-tax deferrals to these plans will go up to \$11,000 in 2002 and will increase by \$1,000 per year until 2006 when the limits will reach \$15,000. Thereafter, they will be adjusted for inflation. Older individuals can add of \$1,000 in 2002, \$2,000 in 2003, \$3,000 in 2004, \$4,000 in 2005 and \$5,000 in 2006 and thereafter.

### SIMPLE PLANS

Employee deferrals will be raised from \$6,500 in 2001 to \$7,000 in 2002 and will increase by \$1,000 per year until 2005 when it will level out at \$10,000. Catch-up contributions for older individuals are identical to those for 401(k) plans.

This Act has provided taxpayers with better mechanisms for savings than have been available anytime in the past.

## Email & Internet Use in Business

By Mary C. Casey, Esq., Jean D. Sifleet, Esq., CPA and Susan Joyce  
The Harbor Law Group

Email is a fast and efficient way to communicate within your company and with customers and suppliers. Used properly it increases productivity, reduces telephone tag and the need for long phone messages. Unlike fax documents, emailed documents usually arrive without any loss in document quality. Email arrives almost instantaneously for a fraction of the cost of regular postage mail.

As usage proliferates, it's important to establish business policies concerning the appropriate use of email and the Internet in the workplace. Inappropriate uses such as online shopping, joke swapping, and personal correspondence reduce employee productivity, consume company computer resources, and expose the company to potential liability.

A three-step approach can save your company time and money.

**First Step** - Establish a policy. Key elements include:

- Email and the Internet access systems are property of the company.
- The systems are primarily for business use.
- Limited personal use is allowed as long as it does not interfere with business operations.
- Employees should not consider their information on the system private.
- Company information should be treated as confidential.
- The systems are not to be used for offensive or disruptive purposes.
- The systems are monitored.

**Second step** – Communicate the policy.

Communication is critical. Communicate the policy both in writing and verbally. As with any important initiative, it's important to prepare the workforce.

**Third step** – Enforce the policy.

When you become aware of any inappropriate use, take action and

reinforce the policy. Consistent enforcement is key.

In conclusion, email and the Internet are powerful tools to run your business. Take steps to ensure these tools are used effectively to enhance communication and improve productivity.

The following sample policy maybe helpful as a guide.

### Sample Policy:

#### INTERNET/ E-MAIL POLICY

The electronic communication systems, including hardware, software, and networking capabilities, supplied by [The Company] to its employees for electronic mail (e-mail) and Internet access are the property of [The Company] and are to be used primarily for work-related matters.

There is to be no display of sexually explicit images, messages or cartoons or any transmission of e-mail communications that contain pejorative or derogatory language or images relating to race, color, religion, sexual orientation, national origin, sex or disability. In addition, employees are strictly prohibited from downloading offensive or pornographic materials from the Internet. Violation of this policy is considered grounds for disciplinary actions up to and including dismissal.

[The Company] considers all materials generated, transmitted or stored in these systems to be its sole property and therefore reserves the right to audit these systems and their contents at any time and for any purposes without specific prior notice or permission of the employee.

### Guest Column

## Contributors:

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**Mary Casey, Esq., Jean Sifleet, Esq, CPA, and Susan Joyce, Webmaster.** After teaming up to provide a well-received update on Internet law for the Worcester County Bar Association, attorneys Mary Casey (**The Harbor Law Group**, 48 Maple Avenue, Shrewsbury, MA 01545, harborlaw.com), and Jean Sifleet (435 King Street, Suite 12, Littleton, MA 01460, www.smartfast.com), and webmaster Susan Joyce (President of **NETability, Inc.** 186 Main Street, Marlboro, MA 01752, www.netability.com) decided to work together to co-author a number of articles on key legal issues in doing business on the Internet. They are currently working on a book in this subject area.

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