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Cause-Related Marketing: Good for the Community and the Bottom Line

By Heather C. Conover
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*"Men will work hard for money.
They will work harder for other men.
But men will work hardest of all when
they are dedicated to a cause."*

Harry Emerson Fosdick

Many companies believe in giving back to the community as evidenced by their charitable giving, sponsorship, and volunteer activities. While some give to charitable and civic organizations on an ad hoc basis, others have incorporated their charitable programs into their marketing program. This latter group sees a direct link between contributing to a worthwhile cause and positive visibility, an enhanced company image, access to new markets, increased customer loyalty, improved employee morale, and higher sales.

Does it work? Surveys have consistently shown that a majority of consumers not only have a more

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Computer Clutter

By Rich Eichacker
Vibrance Technology Corporation

This quarter, I thought I'd tackle the lighter side of technology and present some tips on reducing the clutter that plagues every Windows system.

Icons Icons Icons

Is your Task Bar and/or Desktop clogged with rarely used icons? Are all those icons really necessary? Unfortunately, today's software stuffs your Task Bar's system tray until it stretches half-way across the screen. The same phenomenon occurs on your Desktop and Programs menu – icons everywhere.

TrayManager, a free program from PC Magazine, lets you selectively hide the icons on your system tray. Hidden icons are placed on TrayManager's right-click popup menu for easy access. A nice feature of TrayManager is that it remembers to hide icons after re-installing an application.

You can organize Desktop and Start Menu icons on your own by moving them into folders and submenus. To create a folder on the Desktop, right-click and select New:Folder. To create submenus on the Programs folder, right-click on the Start button and click Explore, then create new folders with New:Folder. To move the icons, simply drag and drop them into your new folders. By organizing your icons, you will reduce the visual clutter and make finding your programs a lot easier. Remember: moving or renaming an icon does not change or disable the program that the shortcut represents.

Popup Windows

The new paradigm in advertising is to pop up any number of browser windows when you navigate to a site. Not only are these windows annoying, but while they're popping up, they make it almost impossible to navigate or enter information into the target web page (e.g. when logging in).

There are a number of shareware programs that trap and stop popup windows. I use one called Pop-Up Stopper Pro by PanicWare software. For \$19.95, this utility traps and disables popup windows and even gives you statistics on how many popup windows have been stopped from a given site.

The Office 2000 Clipboard

You may find the Office Clipboard distracting as it pops up when you are copying and pasting between documents or spreadsheets. The Office Clipboard can be useful once you figure out how to use it, but for my preference, I'd rather have it turned off. To do this, you need to add a value to the Windows registry. For details, visit ProductivityReports.com.

You can find plenty of utilities to help you organize your Windows PC at sites like shareware.com and in the Utilities section of pcmag.com. (Please visit ProductivityReports.com for URLs)

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Creating Powerful Incentives

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

As you've read in this column before, I know that **incentives work!** Why? Because:

- People come to work intending to do a good job.
- Incentive measures and goals define what a good job means in any particular time period.
- Therefore, people strive to achieve or exceed stated goals, thereby both doing a good job and maximizing their incentive earnings.

Here are some ideas that can help gain maximum leverage from your

incentive compensation program (in no particular priority order):

Align goals. Be sure all individual goals are compatible with one another and with corporate goals.

Drive teamwork. If two or more participants impact achievement of a goal, have that be part of each person's goal list. E.g. inventory turns can be part of both manufacturing and sales goals.

Define appropriate measures. Credit sales reps only after invoice payment. It's their problem as well as accounts receivables'.

Double counting assures focused efforts. If introducing a new product, set new product goals in addition to total sales goals, thereby giving double credit for new product sales.

Involve participants in setting goals. Ask them to propose performance targets. People are more likely to meet or beat goals they helped set than those imposed by others.

Set goals within line of sight. In addition to a joint profitability goal, each participant should be able to directly effect results that determine his/her incentive pay.

Allow for a unique goal. Encourage participants to set a goal representing something that needs attention or seizes an opportunity within their responsibility areas.

Be sure you can readily and credibly track and report progress. People need to know how they're doing vs. goals.

Have confidence in your performance period. In rapidly changing environments, semi-annual or quarterly goals may both provide greater flexibility and limit risk to both company and participants.

Reward results, not process. You want to reward sales, not percent of on-time sales reports; decreasing receivables days outstanding, not number of calls made. Following stated policies and procedures are expected as part of the job.

These helpful hints can go a long way toward creating the participant excitement that leads to outstanding performance and your feeling delighted to share the rewards with those who made it happen.

Cause-Related Marketing: Good for the Community and the Bottom Line

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positive attitude towards a company doing something to better the world, but also believe that it's a good way to solve our social ills. Furthermore, most consumers indicate that they would switch to and stick with a brand if it is associated with a good cause, if the price and quality are equal to other products in the category.

In developing a cause related marketing program, a company must identify its overall goals for program. Once the broad purpose has been articulated, local, regional, national, and international charities—depending upon the company's market—should be researched to determine what cause(s) and charity(ies) will best help them accomplish their goals. This will enable a company to maximize its visibility and resources and ensure that the activities are relevant to the audiences it is targeting, the company, and employees.

After selecting a charitable partner, agreement must be reached with that partner on a variety of issues, including the goals that each wishes to attain and how they will be attained; the time period and geographic area of the program; how the program will be publicized; and how the company can use the charity's name, logo, and other materials. It's also important to determine the specific events in which the company will participate and its role in each. Charities often have existing events and promotions that are of major interest to a company, but may be closed to new participants or competitors of existing sponsors. If these are very high profile events, they may cost more money than a company can or wishes to spend.

Decisions must also be made regarding how much money or in-kind contributions will be given to the charity and systems put in place for accounting for and distributing contributions. Finally, once a program is in place, a company needs a tracking system to ascertain if it is accomplishing the goals set forth at the outset.

Plan Early for a Clean Exit

By Sandra LeDuc, CPA, CVA
LeDuc and Sikowitz

Few of us begins planning our exit early enough in the lifecycle of our business. While we are driven by the challenge and satisfaction of building a thriving enterprise, we rarely take the time to develop our goals and establish the role the business might play in the realization of those goals. Leaving the planning to the later stages of our optimum participation may limit possibilities for a successful and profitable conversion.

There are all sorts of exits. You can sell it, merge it, sell parts of it, downsize it at a time in your life when you want to semi-retire and continue to run it, pass it along to the next generation or to a group of employees or just plain close the doors and walk away.

If you are operating a business that won't be saleable, planning will mean making certain that it is operated in a way that assures you and your employees a good living and an adequate retirement benefit. Explore retirement plans early to get the most cost and tax efficient planning possible. You might have to adjust current expectations to achieve this goal for all your employees.

If you have your eye on the ultimate sale you should be cognizant that value stems from a reasonable expectation of future cash flows derived from, among other things:

- A profitable, well-run business
- An increase in market share
- A new process or product
- Cost efficiencies of combining businesses units

All of your best leadership and management skills will likely build a business that will be attractive to an acquirer or merger partner. Some of

the qualities that make for good targets are:

- Strong management team
- Industry prominence
- Strong product lines and recognized brands resulting in competitive advantage
- Unique niche
- Unique processes
- History of financial strength
- Intellectual property portfolio

Be ready to prove your worth. Maintain good records. Keep tax records clean. Adhere to GAAP in your reporting. Maintain good relationships with creditors, customers, lenders and employees. Pay attention to human resource policies.

Maintain a clean trail of development on intellectual property and explore alternative uses. It could help identify potential merger partners.

Having your goals sketched out early in the game allows you to lay a foundation for the clean, profitable exit.

Using Kaizen Events for Rapid Improvement

By Tom McBride
Partners for Creative Solutions, Inc.

Few improvement tools compare to kaizen events for achieving rapid positive change in an organization. Named after the Japanese word for continuous improvement, these events use highly qualified teams to quickly attack and improve processes critical to an organization's success. Impressive results have been documented for a wide variety of businesses, including manufacturers like Freudenberg-NOK and Wiremold who have used kaizen events for a decade or more to support their lean manufacturing initiatives.

Kaizen events can be used to solve either simple or complex problems, but I prefer to reserve them for the select few areas where they can make a quick, positive impact on a company's strategic goals. The following steps are required to plan and support each event.

Establish the mission – Clearly document what the team is expected to accomplish, along with its scope, budget, deliverables, and timetable.

Choose the team – Teams generally consist of 6-8 members that possess the best skills and knowledge for accomplishing the mission. Include those who work in, or are familiar with the target area, but mix in appropriate expertise and outsiders to stimulate new thinking. Appoint a leader, facilitator, and record-keeper.

Executive sponsor – This team advisor can be the senior process owner or other executive that has a strong stake in the project's success.

Preparation – Gathering meaningful information about the current process in advance will save valuable time during the event.

Finding time for the event – Use of overtime, appropriate timing, and support from co-workers not involved in the event can ensure that customer commitments are met during and after the event.

Running the event – First, provide any needed training on tools and techniques that will be used during the event. Then, the team should proceed with an analysis of current conditions, followed by generation of ideas for improvement. (For more detail, see "A Powerful Process for Eliminating Waste – Parts I and II" at www.productivityreports.com) During a typical 2-5 day event, a team should implement as many improvements as possible and conclude with a short report to management.

Measuring gains – Set up simple measurements for monitoring performance of a few key outputs and providing quick feedback to process users.

Kaizen events are a powerful continuous improvement tool, and when used wisely they can quickly and dramatically improve an organization's condition.

Maximize The Value Of Your Business At The Time Of Sale

By David P. McLean
Fulton Partners, Inc.

A Business Sale Should Be Planned Years In Advance

Many of business owners will devote more attention to preparing their home for sale than they will in preparing their business to realize its maximum value at the time of their exit. As a result, they do not realize the full potential of proceeds and other benefits at the time of the sale due to a failure to position their company to obtain its highest value.

There are many things that can be done to improve a business's value before the sale. The problem is that these things take time. If a business needs to be sold right away, the opportunity to add much value is lost. Consequently, it's possible that much of the potential value of the business will go down the drain.

Guest Column

Most Business Owners Sell Too Late

Unless you are a business owner that has developed superior managers at all levels and you are essentially retired, you will most likely sell too late and not realize the full value of your lifetime effort. There are influences

outside the business owner's control that can affect the value of your business such as changing markets, new technology, economic climate, and health and marriage issues. Many react to unforeseen events instead of having a professionally guided plan in place. Thinking about your exit strategy now will create the best sale, even if it might be years before you actually plan to get out.

Do You Want to Work for the New Owner?

The conditioning of a business for sale is complex. Many entrepreneurs

are the company's most valuable asset. Unless the seller desires to work for the new owner, the value of the business will be determined without the owner in the management of the company. In the years prior to a planned exit, business owners have to consider the impact of all business decisions on the future value of their company.

The Process is Extensive

Even in the best case, it typically takes 12 months to prepare a company for sale and 6-9 months of investment banking activity to complete a transaction. Consequently, if you were now making preparations to sell it is very likely you will be closing the transaction 18-24 months from now. Professionally guided preparation far in advance will accelerate the process.

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