

- ▶ **Design A Logo That's Right For You**
- ▶ **Let Someone Else Do It – Learning To Delegate**
- ▶ **A Vision Shouldn't Be A Mirage**
- ▶ **The Power Of Numbers**

Design A Logo That's Right For You

Attracting new customers and getting them to recognise the benefits of using their product is a perennial problem for SME business owners. One basic brand element with the capacity to attract attention and enhance the way the public views your business is the logo you use.

Developing an effective logo means thinking carefully about two issues; the graphic image that will work best for you and how to get it translated into a good piece of artwork.

Coming up with an image begins by defining what your business is about - what does it deal in and how do you want customers to think of you? A house is a natural logo element for a real estate agent, a tree for a nursery. But images can also represent concepts such as reliability or growth (think of the associations of an acorn or an elephant) and some firms might prefer to foreground what they stand for rather than what they do. Even an entirely abstract design might create the right message for some businesses – a young high tech company can use orbits or geometric shapes to create a dynamic image.

To focus your thinking, summarise the message you want to convey in a statement like: '*We are a construction firm specialising in low energy, environmentally friendly housing.*' Keep the statement simple. You don't want to include so much that you can't hit on an image that encompasses the core message you want to get across. A simple and attractive logo has the best longevity. Now think about the images that might suit your description.

When you have a suitable statement worked out and some preferred images, you're ready to start the design phase. To turn out a really good design it's usually best to call on the services of a professional graphic designer. Because they are familiar with a wide range of graphic elements and with how to match them to the aspirations of a business, they may also have some valuable ideas to offer in the way of an image.

Check out a number of designers and ask to see examples of their work, especially logos they've designed for other firms. If you like what you see and the price is satisfactory, you've found the right person for the job.

Whether developing a DIY logo or working with a designer, keep in mind the factors that will influence its final usability and cost. Using lots of colours, a rainbow for example, is going to lead to expensive printing costs as well as difficulties in reproduction. Keep the number of

colours to a minimum and you'll save quite a bit in the long run. If the logo is to appear only on stationery it's usually possible to reproduce any colours you like. If, however, you're going to use it in newspaper or magazine advertising, problems in reproducing colours can arise. As a general rule, the easier the logo is to reproduce the better it will meet your needs, both now and in the future. What size will it be reproduced in? Some logos look really great on a billboard but can't be seen when reduced to the size needed for a business card. The design has to work in both large and small scales.

If you're designing your own logo stay away from clip art or the dummy logos that come with some programme on your PC. Chances are pretty good that someone else has already used them. You want a design unique to your business, so these just won't do.

When you have everything worked out go ahead and develop several concept designs or get your designer to come up with a number. That's plural – you'll need to see several possible versions of the logo before you decide on the one that works best.

Even when you're sure you have a winner don't rush straight into having all your stationery reprinted. Give the new logo a test run with as many people as you can. Dummy up some business cards and letterheads with your new logo to see how it works on these two important items of stationery. Ask a range of people, including customers, to take a look at it and give you their impressions. If they all ask you "*What does it mean?*" or comment on how the colours clash, you need to rethink the design.

When you're absolutely certain your new logo is just right for your business, make it work for you – display it on every item of stationery your business uses as well as in your signs, advertisements and other public touchpoints. Every time people see the logo they should think of your firm.

Let Someone Else Do It – Learning To Delegate

Almost every business owner has too much to do and not enough time to do it in. And the situation seems to get worse as the business grows. But there is a solution – get your employees to take some of the weight off your shoulders by learning how to delegate effectively.

Delegation is one of the hardest things to learn because it involves relinquishing control over certain parts of the business to other people. In effect, you're letting go of the reins and giving someone else the job of driving the cart.

But as a business grows delegation becomes essential. It's the only way you can free yourself up to concentrate on doing the jobs where you add most value to the business as well as finding time to work ON the business rather than IN it by doing the planning necessary to grow.

A manager who tries to do everything alone is a candidate for high blood pressure and frazzled nerves. With their energy and concentration dissipated across a dozen jobs only they can do 'properly', they also run the risk of producing inferior work and losing customers.

According to Gerard Blair, author of *Starting To Manage: The Essential Skills*, delegation is "*primarily about entrusting your authority to others. When you delegate, you give someone authority to act and react to situations without constantly referring back to you*".

To illustrate his point he sketched the example of a cleaner instructed to empty bins every Tuesday and Friday. If the bins overflowed on Wednesday, too bad – you would have to wait until Friday for them to be emptied again since that was the instruction.

If, however, you had told the cleaner to empty the bins as often as necessary to maintain health and cleanliness in the area, you would have delegated authority to the cleaner to decide when the bins needed emptying.

Delegation involves more than just assigning someone a job - it means empowering them to use their intelligence and make decisions about how and when the job should be done. Some managers feel they will lose control of their business if they allow anyone else to make decisions. But, as Blair notes, this need not be the case.

“If you train your employees to apply the same criteria you would yourself (by example and full explanation) they will be exercising your control on your behalf. And since they will witness many more situations over which control may be exercised (you can't be in several places at once), that control is exercised more diversely and rapidly than you could exercise it yourself.”

The sort of jobs you might delegate includes those which you can easily teach or explain to others, and any job in which an employee has more experience or knowledge than you.

Don't make the mistake of delegating only the boring or routine jobs. If they must be done, distribute them as evenly as possible while spreading the more interesting jobs generously as well by matching specific projects to specific employees with the capability of doing them. This way your employees will remain keen and motivated.

Employees will naturally be more enthusiastic about a responsibility or task if it's something they love to do or want to learn more about. Once you have delegated a task, really leave it to the person you have chosen to do it. Peering over their shoulder and making constant suggestions or criticisms will only intimidate them and negate the discretionary power you supposedly delegated to them. Let them know they can approach you, or someone you designate with the appropriate experience and knowledge, any time they have problems and then let them get on with the job.

That doesn't mean you relinquish all responsibility and control. As a manager you are responsible for the final outcome so you need to set up a formal reporting mechanism, preferably based on some relevant key performance indicators (number of items produced, number of substandard items turned out, etc.) that allows you to stay in contact with how things are going.

While delegation may sound scary, properly implemented and with the understanding that short term errors will result in long term gains, it will take off some of the pressure and provide you with more time to get the important things done.

A Vision Shouldn't Be A Mirage

A 'vision' is defined as '*An image of the future we seek to create*', or, in other words, who and what we want to be. Individuals can be so motivated by a compelling vision of what they want to achieve that they take fate in their own hands and move heaven and earth to attain it. It can work the same in the organisational context – a business' vision can be the unifying and motivating force that lets employees know where the business is going and generates the enthusiasm to keep them working towards it. It can be a signal to customers too, about what they can expect from your business.

A good vision statement is a sentence or short paragraph consisting of two to four sentences or a number of bullet points. McDonald's has a very precise vision statement:

'McDonald's vision is to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile.'

But don't be deceived by the apparent simplicity of that statement, developing a good vision statement is based on a lot of preliminary hard thinking. Here's the basic process.

1. Make separate lists of the following things that might suggest ideas for the vision statement:
 - Products/services: what you do and how well you do it
 - Technology: in some businesses creative use of technology forms the core mechanism of reaching their vision
 - Employees: good employees are vital to achieving business goals and many vision statements include a reference to the value the business places on respecting their team
 - Customers: customer focus and customer service are absolutely pivotal to achieving business success so they always get mentioned in a vision statement
 - Your values and philosophy
 - Your vision: how you see the business in the future
2. Pick out the most important points.
3. Obtain input from other people: A vision can be a highly personal thing and in some businesses the personal view of the owner becomes the vision. But for employee buy-in purposes brainstorming with them can work best. It can then draw on the imagination and intuition of many people, providing they all share similar interests in the organisation and have sufficient knowledge to project it into the future. Keep the ideas realistic – a vision statement must be achievable as well as inspirational.
4. List some positive words – words of aspiration and inspiration for your statement.

You now have the raw material for writing up your vision statement.

Select your most important words and combine them into one sentence or develop a number of sentences and put them into one short paragraph.

There are no hard and fast rules about creating a vision statement, either as to exactly what they should contain or how they should be developed. What is basic to the process is to take your time so as to be very clear just what the things are that the business does aspire to and to phrase the result in a positive and inspirational manner.

One good paragraph can describe a wide range of things – your values, services and what the business will look like. It is the pursuit of this image of success, what success will look like, that really motivates people to work together.

Don't think the process stops with having developed the statement. Its real purpose is to enthuse employees and keep them on track. Even if they have been part of the development process there is an ongoing need to remind them of what the vision is. There is a personal responsibility as well. To be truly successful your visionary attitudes (such as providing superior customer service) have to be reflected and communicated in what YOU do and way YOU do it.

It may seem like stating the obvious, but a business that has a vision of where it wants to go is much more likely to get there than one that does not.

The Power Of Numbers: Liquidity Ratios

Your balance sheet contains important data that enables you to interpret trends in the overall performance of your business and reveal emerging problems. The way to unlock this information is to use ratio analysis. A number of ratios have been developed that analyse different aspects of a business – liquidity, solvency, efficiency and profitability being the main ones. In this article we'll look at the most common liquidity ratios, others we'll discuss in later *Grow Your Business* issues.

Liquidity ratios relate to the ability of your business to quickly generate the cash needed to pay your bills. This makes these ratios of interest both to you (since the inability to meet your short term debts would be a problem that deserves your immediate attention), to your creditors and to lenders if you are seeking funding.

Current Ratio: this ratio gives an indication of whether your business has enough current assets to meet the payment schedule of its current debts with a margin of safety for possible losses in current assets, such as inventory shrinkage or collectable accounts. The current ratio is the standard measure of any business' financial health.

Formula: total current assets / total current liabilities

Example: a company has total current assets of \$100,000 and total current liabilities of \$75,000.

$$\text{Current Ratio} = \$100,000 / \$75,000 = 1.33$$

The result indicates the company has \$1.33 of current assets for every dollar of current liability (1.33:1). The rule of thumb is 2:1 or better.

Generally speaking if the current ratio is too small a business will encounter problems in paying bills as they become due. On the other hand a current ratio that is too high may represent excessive cash balances, excessive inventories, or excessive accounts receivables consisting of many slow accounts. A financial ratio can be a guide to actions you need to take. For instance, if you decide your current ratio is too low you may be able to raise it by:

- Paying some debts
- Increasing your current assets from loans or other borrowings with a maturity of more than one year
- Converting non-current assets into current assets
- Increasing your current assets from new equity contributions
- Putting profits back into the business

The **Quick Ratio (aka Acid Test Ratio)** takes the current ratio one step further for companies with substantial inventory to indicate how well they can cover short term liability with current assets minus inventory value. Inventory is eliminated because it represents that portion of current assets that are most difficult to liquidate rapidly into cash.

Formula: (total current assets – inventory) / total current liabilities

A business with a large quantity of slow moving inventory would not be signaled of this by their current ratio but it will certainly be evident in their quick ratio calculation.

The rule of thumb is 1:1. A lower ratio indicates illiquidity. A higher ratio may imply unused funds. Apart from its importance to you, it can be used to evaluate the financial health of potential customers since it also indicates whether a business can pay off its debts quickly. A

firm with a low quick ratio may be more likely to delay payments because its assets are tied up elsewhere.

Ratios are also very useful for making comparisons between your business and other businesses in your industry. For example, comparing ratios can indicate whether your business is holding unusually high inventory or collecting receivables more slowly than comparable organisations. These comparisons provide insight into areas where your business could improve its operations.

For more information on how ratios work and to arrange to have them reported discuss them with your accountant. There is a wealth of financial ratio analysis tools available for analysing the different operations of a business, not just finance. Regular reporting of a judiciously chosen set will turn your raw figures into 'real world' performance measures that will give you a handle on managing the business more effectively.

Regular Pieces

How To Make The Most Of Your Newsletter

Be sure to read each article with the mindset 'How could this apply to our business.' Thinking of it that way will guarantee that you get value. Better yet, take notes as you read and commit to having the ideas implemented by the time the next edition arrives. Also, make copies for each team member. To really make sure something positive happens, work with your business development specialist to talk your team through the ideas and how to set a schedule for getting them implemented. We're here to help you get started.

Memorable Quotation

The problem is never how to get new, innovative thoughts into your mind, but how to get old ones out - Dee Hock, Founder of Visa

An Important Message

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

Terms Of Use

All rights to the content in this publication are reserved by Bullseye Business Solutions. Any use of the content outside of this format must acknowledge Bullseye Business Solutions or its licensee RAN ONE as the original source.

For further details please contact Nathan Rose on 03 95327160 or e-mail

nathanrose@rocroseconsulting.com.au

www.rocroseconsulting.com.au