



NDSU Extension

Small Business Newsletter

Business Owner Tips and Resources

December, 2011

By the time many of you open this email, we will be into 2012. I hope that your business met your 2011 goals and that you have an even better 2012. For those of you not yet in business, keep thinking about your ideas and making plans to move from the idea stage and opening the doors. In saying that though, please remember not to make a quick decision. Take your time. You want to do it right at the right time and have identified who your audience is and how you will reach them.

Thanks to all of you who participated in my survey looking at what help you found most useful and in what areas you would like more help. Help with marketing led the list of most useful and most needed followed with help to get your business started. The third most common response was general help to manage and operate a business. I will keep these in mind as I do my work in 2012.

One opportunity for marketing ideas is in the online/social media area. I along with colleagues from the University of Nebraska-Lincoln Extension Service have started an online newsletter for "Direct Food Marketing." Go to <http://paper.li/UNLeShip/1319999929> to check it out and subscribe. Actually anyone doing online marketing or thinking about it will find the newspaper helpful. We put out a new issue every week gathering articles to support your online marketing efforts.

Along with the newsletter, we are also putting the finishing touches on an online educational program to help with direct marketing of food products. Early thoughts are to offer a workshop covering this material in June in North Dakota. Keep watching for more information.

Well enough from me. I hope you enjoy the resources found in this newsletter. I have enjoyed developing this resource and look forward to providing more help during 2012. Remember that I also try and put regular posts on my "small business" Facebook page as well as ongoing tweets passing along more information.

Till next time,
Glenn Muske
glenn.muske@ndsu.edu

Importance of Customer Service

Have you ever walked out of a store because of poor customer service? How many people might you tell about your experience? See what Consumer Reports found - <http://bit.ly/vQV80i>

Starting Your Business

Last month, one of the articles looked at questions to ask when you are thinking about becoming a small business owner. This article discusses some of the first steps you need to take once you decide to start. This includes things like determining your business name. Does

the name say what you do? And can you use that name without running into legal issues? Or how and when do you need a Federal Employer Identification Number? These are just some of the questions. Check out the rest at: http://www.cbsnews.com/8301-505143_162-57330250/the-quick-start-guide-to-setting-up-a-small-business/?tag=nl.e857

Business Pricing

Pricing a product or service is a topic where business owners often feel uncomfortable acknowledging they do not know where to start. The approach used by many owners is to base one's price on what the competition charges. This is often done without considering the cost of production and shipping. It also often overlooks your value-added components or customer recognition of your brand. Often too things like owner's return on investment, taxes, and paying for equipment and building replacement are not included.

Online business owners often seem hesitant to put any price at all. The fear is that doing so will give the competition an advantage or scare away the consumer. Read this short article that encourages you to have your prices online. It is all part of your building an open relationship with your client base. <http://bit.ly/u2FjS3>

Customer Loyalty: The Name of the Game

Although the article, <http://www.cnbc.com/id/45496511>, discusses customer loyalty in terms of operating in today's tough economy, the reality is that customer loyalty has and always will be a key in building a successful, ongoing business. The article offers some timeless tips on how you can develop customer loyalty in your business.

Today there are tools such as GroupOn. Yet there are other loyalty programs that can be as effective depending on what you sell and where you operate. How many customer loyalty cards do you carry with you/ (I checked my billfold and came up with 4 – Two are punch-card based and 2 are digital.

But there are other ways to build loyalty. Obviously good customer service is one such method. Another is visible community support and a third is some means of personal contact.

To start you need to understand who your customer is, what they value in terms of building a relationship with your business, and knowing the best way to stay in contact. Good luck.

What Drives Customers Away?

Authors suggest it is not price and not the economy. What else could it be? Although just a look at one industry only, the article provides something to think about. Number one, nothing new, customer service. What other factors were found? <http://bit.ly/v4sqzm>

Looking Ahead – Year-End Evaluation

Every business owner needs to, and probably does, set goals. Yet fewer take the time at year end to see how their results compare to what was planned. This occurs because you are busy or that you know things did not work out the way you planned.

If your reason is the later, that is okay. Plans are just that, ideas of what you want to do. If you changed direction, no problem. The issue is understanding why you changed direction and did it improve your business outcomes?

If the answer is your just ran out of time, make yourself that you will find the time at the end of 2011 to look back on what you wanted to achieve and what you did achieve. Remember those goals do not have to be in writing. Everyone has mentally set future goals. So make the time. You will be surprised how much you can get done in even 30 minutes of concentrated effort.

This article, <http://blog.intuit.com/money/5-year-end-questions-to-evaluate-your-business/>, offers five questions for you to consider during your year-end evaluation. They are a great place to start. Good luck.

When Marketing Campaigns Go Wrong

Probably every one of us can give an example of a marketing/advertising campaign that did not work. So what can be done to avoid this problem? The two upfront steps are to know your audience and test the campaign with your intended audience as well as with others to see how these nonusers might react.

But even with upfront work, campaigns still fail. The most important piece of advice is to deal with the issue. Things will not get better by ignoring them. In today's viral world, you are simply flirting with the possibility that what could have been a little thing expands rapidly into a big deal. It is tough to admit a mistake but it may save you a great deal in the long run.

<http://bit.ly/uaPBpu>

Changes in Postal Service – What are your plans?

Changes are coming in terms of service from the US Postal Service. You have all heard and read the stories. I am not sure the final word is written yet but feel safe in predicting that some things will change.

So what does this mean for your business? Will it change how you do business? If nothing else your time horizons just got extended but I think there will be more changes than this.

I don't have the answers to what will happen or what you should do. I do know that you need to start your planning now for possible scenarios. This article from *Entrepreneur* can help jumpstart your thinking - <http://www.entrepreneur.com/blog/222393>

Watching What Your Industry is Doing

A key element to staying in business is being aware of what your industry and your competition is doing. In the past this has meant attending meetings where other business owners in your field get together. It also has meant reading trade publications, forming networks, and reading a broad range of business literature gathering bits of information as you can.

One newer method of gathering information is to read the blogs of people in your niche area or areas related to your market niche. This article spells out how you can find this information. Take advantage of it. <http://morganlinton.com/small-business-sunday-read-blogs-in-your-niche/>

Working From Home

Eric Giltner with the Grand Forks office of the Small Business Administration reflects on the opportunities and challenges of running a home-based business. While often considered a great idea, a chance to blend work and family, Eric's article outlines some of the possible issues when one does blend the two together. As he points out, working from home offers some distinct benefits but to do it successfully you must be able to separate work time and place from personal time and place. Read the full article at: <http://www.sba.gov/content/home-based-businesses-require-separation-home-and-business>

Local Businesses: Where do people get their information?

Today business owners often express confusion regarding where and how they should market their business. The truth is there is probably no single answer to the dilemma. We hear a great deal about websites and social media but traditional media sources also score well in some research. Of course word of mouth still has strong influence. And today, word of mouth can be in person but can also take the form of some type of online recommendation.

So what should the business owner do? As mentioned there probably isn't one answer to that question. One thing the business owner must do is to continually gather information on what is working now and what the trends seem to be for the future.

The Pew Internet Research Project provides ongoing, valuable information in this area. They have just released a new report, "Where people get information about restaurants and other local businesses." You can find a summary and a link to the entire report at: <http://bit.ly/uLgFYS>.

Picking a Name for Your New Business

Starting a business? Are you looking for a name? This article, <http://blog.startupprofessionals.com/2011/12/10-rules-for-picking-company-name-that.html>, provides 10 tips to help you in that process.

All of the tips are helpful. I like #6, "give a clue." So often I see a business name but have no idea what they do. While that may work once your brand is established, in the early stages it may hinder your visibility. Also #7, checking to see if the name is available, is crucial. There are too many stories of businesses that get started only to be faced with learning they do not own the rights to use their chosen name. Avoid that problem which, at best, slows you down, and, at worst, might spell the end of your business.

Cash Mobs

You have heard of or seen flash mobs. Check out cash mobs. Can they work in your town for your small businesses? Always new marketing ideas to try.

<http://bucks.blogs.nytimes.com/2011/12/19/cash-mobs-promote-spending-and-socializing-locally/?nl=your-money&emc=your-moneyema4>

Apologies for When You Mess Up

Harvard Business Review (Dec 14, 2011) offered a simple answer to this issue.

DECEMBER 14, 2011

The Right Way to Issue a Company Apology

When your company messes up, avoid the half-hearted, half-baked apology. Instead craft a clear, strategic message that explains what went wrong and how you're rectifying the situation. Here are three tips for doing that:

- **Keep it simple.** Get to the point and don't deviate. Don't include any veiled attempts to shirk responsibility or appease investors. You'll just upset customers and muddle the message.
- **Mean what you say, and say what you mean.** If you're truly sorry for your company's actions, say so and leave it at that. Avoid clarifying phrases and long, self-lauding explanations.
- **Reaffirm your company's core values.** Reaffirm what your company stands for and communicate how you intend to bring the company back to the values that guided it to success in the first place.



Today's Management Tip was adapted from "Smart Apologies Should Be Strategic" by Rosanna M. Fiske.

QUOTE OF THE MONTH

A failure is not always a mistake, it may simply be the best one can do under the circumstances. The real mistake is to stop trying - B.F. Skinner, psychologist

Upcoming events

Feb 3-4, 2012 - [Dakota Grown Local Foods Conf & NDFMGA annual meeting](#) (Holiday Inn, Fargo - For more information or to register E-mail pritschet@nd.gov)
March 20, 2012 – Pride of Dakota Annual Meeting – Doublewood, Bismarck -

MORE INFORMATION

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