knowledge required to do their job, "the company", "the boss", "that supervisor", suddenly becomes "my company", "my boss", "my supervisor". This minor change in language represents a significant change in attitude. How employees feel about themselves and what they say on or off the job can ultimately affect the profitability of the company.

Many business owners and managers, however, have a constant fear. What happens when you invest time and money in a good employee only to lose them to a competitor or another industry? Zig Ziglar, arguably the most widely respected and best training and motivational speaker of our time puts it best when he says the only thing worse than training an employee and losing him, is not training an employee and keeping him. Untrained employees can be a tremendous drain on all company resources; money, time, and morale.

Zig Ziglar

The first step in training an employee is to gain that person's respect and loyalty. Paying people does not create loyalty. Loyalty is only gained when given. *You*, as the business owner or manager have to start the process, though. Start with good communication and honesty. Give information when you have it, good and bad. Let employees know that you are committed to working with them in both good times and bad.

In his book, *Success for Dummies*, Zig Ziglar talks about his concept of "You can have everything in life you want, if you help enough people get everything out of life that they want". This concept applies directly to the training process that should always include instruction and encouragement. According to Mr. Ziglar, "The Six Steps in Ensuring Employee Effectiveness" are:

1. **Make sure the employee has a clear understanding of what you expect from him or her.** Expecting an employee to perform up to your standards if they don't know what those standards are, is both unfair and unrealistic.
2. **Never leave new employees to fend for themselves on day one.** The feeling of uncertainty and insecurity can be overwhelming. Also, always double -check that employees have the necessary skills for the jobs that they were hired to do by walking them through their duties.
3. **"Inspect" to make sure that you are getting what you"expect".** This step is especially useful for new employees, and it is useful on a periodic basis for all employees.
4. **Set a standard for each employee to follow.** People need to gauge how they are doing. An employee who knows the standard can strive to excel and produce above-standard accomplishments.
5. **Keep in mind that failure is an event, not a person.** An employee can fail at a task, without being a failure as an employee. See step 6.
6. **Praise the performer, criticize the performance.** Convey to the employee, "You are too good a worker, you are too talented and skilled, to turn in work like this".

Learning is a lifelong process that begins long before the first day of employment and continues long after. You can finish school, and you can even make it easy. That's not true of education. You never finish education, and it is seldom easy.

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PLANNING FOR PROFIT

by Ron Hequet

Profit must not be viewed as being what is left over after all of the bills have been paid. The profit of the business should be considered as an *expense* item that must be *paid* for out of the sales of the business, just as salaries, wages and taxes must be paid for out of the revenue generated. Therefore, one of the most important activities that Owners/management should undertake is the creation of the annual *Profit Plan*.

Profit Planning is defined as a system that provides control over all of the costs and expenses in relationship to the fluctuation in sales volume to arrive at a predetermined profit.

During the course of the year when deviations are reported against this Profit Plan, corrective actions are decided upon and put into action in real time, not based upon traditional, historical financial reports.

When revenues are lower than projected or expenses higher than planned, the difference will come directly out of *Profits*. **Consider "profits" to be the only bank that will lend you money and never ask to be repaid.**

This system of financial planning is not intended as a device for reducing expenses and costs below the levels necessary for accomplishing specific objectives. For example, it is not a wage reduction plan, but is designed to provide the application of sound management in making decisions on labor when revenue activity dictates there should be changes.

Company performance data on the past three to five years should be analyzed to prepare the plan on facts (if this data is appropriate/relevant). However, Allocation Expense Planning is an option to reviewing historical trends. "Zero-Based" AEP is a method, which requires each line item to be viewed as having no history or justification. The question is no longer whether the line item is increased or decreased, but rather, "is this cost/expense appropriate?".

The "zeroing out" uncovers costs which have been maintained because, "We always have subscribed to, advertised in, or we have always done it that way..." etc. It eliminates the 10% mentality; e.g. increase sales 10% each year and therefore most variable expenses increase 10% per year.???

All of the approved forecasts are put into final form and fully reviewed with all responsible and accountable personnel to confirm the final plan. The "Plan", after several reviews is finalized no later than two weeks prior to the end of the current fiscal year. The profit for the business has now been *predetermined*. Since the plan coordinates all activities on all levels it becomes a **fully attainable business plan**.

Cont. 4

Planning for Profit— continued

This plan is then developed into a monthly management operating statement format *(as opposed to that which is prepared for taxes or bank presentations)* to provide the basis for comparative reporting. The monthly plan is one of twelve opportunities for management to achieve overall fiscal goals and objectives.

After operating data has been computed at the end of the month or any specified period of time or schedule, it is necessary to compare the actual operating results to the planned sales, costs and expenses. This "Deviation Analysis" must be produced no later than the third working day of the new month (if monthly) and distributed to the Management Team in preparation for the Team Meeting on the next day. Where significant deviations exist, whether favorable or unfavorable, it is up to the appropriate manager to provide the President and other Management Team members, specific reasons for the deviations and a "plan" to overcome the unfavorable trend or to perpetuate favorable ones.

A budget is something used by the government and has, in my opinion no place in today's business planning process. A complete Profit Plan system requires a complete and documented forward looking plan, results reporting in real time, and management accountability and empowerment. In order to take control of your business, plan for and control the profit.

Gossip— continued

faced?" If you have gossiped about a person, take a fearless moral inventory of your motives for doing so. Ask yourself, "Have I been hurt and feel the need to retaliate in a indirect way? Am I afraid to confront directly? Do I need approval and am I attempting to get acceptance from the individuals to whom I am gossiping? Have I gotten used to a damaging habit?

If someone begins gossiping to you, ask them, "Have you talked to (the person) about this?" or reply "I don't see that person that way at all," or "What does that have to do with your job?" Remember, gossip is an unhealthy foundation for a relationship. Your "real" influence of those around you diminishes the more you gossip. If the relationship between you and the person you're gossiping to ever changes for the worse, your past habit of gossip may come back to haunt you.

The practice of gossip in many organizations goes unchecked and unchallenged but its damage is far reaching in time and space. I recently heard an ousted leader of an organization return to reconcile himself to the group that had ostracized him eight years earlier. He said to them, "If I had done half of the things I later heard I had supposedly done, I would not be worthy of standing before you". Ihara Saikaku, a seventeenth century Japanese author said, "There is always something to upset the most careful of human calculations." That something all too often is gossip.

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A BEAUTIFUL LUNCH

There once was a little boy who wanted to meet God. He knew it was a long trip to where God lived, so he packed his suitcase with Twinkies and a six-pack of root beer and he started his journey.

When he had gone about three blocks, he met an old woman. She was sitting in the park, just staring at some pigeons. The boy sat down next to her and opened his suitcase.

He was about to take a drink from his root beer, when he noticed that the old lady looked hungry, so he offered her a Twinkie. She gratefully accepted it, and smiled at him. Her smile was so pretty the boy wanted to see it again, so he offered her a root beer. Once again she smiled at him. The boy was delighted! They sat there all afternoon eating and smiling, but they never said a word.

As it grew dark, the boy realized how tired he was, and he decided to go home. He had just taken a few steps when he turned around, ran back to the old woman and gave her a hug. She gave him her biggest smile ever.

When the boy opened the door to his own house a short time later, his mother was surprised by the look of joy on his face. She asked him, "What did you do today that made you so happy?" He replied, "I had lunch with God." But before his mother could respond he added, "You know what? She's got the most beautiful smile I've ever seen!"

Meanwhile, the old woman, also radiant with joy, returned to her home. Her son was stunned by the look of peace on her face and he asked, "Mother, what did you do today that made you so happy?" she replied, "I ate Twinkies in the park with God." But before her son could respond she added, "You know, he's much younger than I expected." —author unknown

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