

Low-cost ways TO REBOOT YOUR BUSINESS

The winter's been long, the region's geopolitics threaten to rend Lebanon apart and investment

has dried up across the board. In short, business hasn't been good. We're in search of positive auguries - tea leaves, tarot cards, bird signs - yet keep coming up with nil.

We're still optimistic. Heck, we're always optimistic. And crises (which we're told to never waste) create the space to shake up your business. Now is the time to put in action strategies you were previously able to get by comfortably without, or simply wouldn't even have considered in the past. Casting around Lebanon's business community, we get insights from eight leaders on how to re-invigorate your company. There are no shortcuts; none of these ideas will turn your company around overnight. But each will set you on the right track to secure the present and leverage the economic upswing to come.



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DROP BAD CUSTOMERS

Just because they're buying doesn't mean it's paying off. Some clients are actually costing you cash to keep; figuring out which just takes a little methodical thinking.

When Vic Ciuffetelli, CEO of the international business coaching firm ActionCoach first takes a look at a business, he asks, "What does your ideal client look like?" From the list of attributes he creates categories: A class customers, B class, C and D.

Typically speaking, those D-classes are comprised of people "dragging out bills for 30, 40, 60 days," Ciuffetelli explains. "And you're actually losing money by servicing this person. You could almost increase your profits by releasing them."

Of course, Ciuffetelli

notes that this runs "against the grain" of most owners. The goal is to retain your clientele – not lose them. But what could be better than offloading an expense onto the competition? You hope your most frustrating clients start buying from the other guy. "I couldn't give my competition a better gift than my D class customers," Ciuffetelli exclaims.

Once you've classified your clientele (and cut away the dead wood), you can focus now on those grade A customers. "These are people who generally will buy a good range of your products or services," Ciuffetelli says. "They might quibble about the price, but they're fair and they pay on time. And now we understand what they

look like, we can start growing sales from this group." The question you ask now is: How can you keep your A class coming back more often and spending more money? Marketing strategies can be built to target this niche and develop new leads. In short, it's not about more customers – it's about the right customers.



SOCIALIZE YOUR STAFF

Maintaining a strong brand presence when cutting expenditure on advertising and marketing can be tough. Joe Ghantous, the founder and general manager of Right Service, a digital marketing and training company in Lebanon, mentioned that 76 percent of global companies don't have a social media strategy. He also adds that many companies still have an archaic view that social media should be handled by the IT or marketing department, when it really needs someone who can "relate to people."

Arming your business with the latest advancements in social media by sending an employee to a local workshop (most trainings last one day) is a double win: employee morale is boosted — without breaking

the bank — and the business can start to make an impact by gaining brand loyalty through social media.

Ghantous also adds that many people assume that they can simply learn about social media strategies for business through books and the internet. However, he states that this may be more harmful in the long term: "Localized social media and digital training is important, because our market is different to others. We have to use techniques suited to our market in order to be successful."



Every business needs social media. But they don't have to use every platform: B2B's will

benefit from LinkedIn, while Facebook is great for retail. And that is why Ghantous does not clump all social media platforms in one workshop. Each social media platform is a stand alone class — and Right Service provides constant updates on the latest developments and trends in social media to the attendee continuously after the workshop.

Ghantous has also taken notice of an interesting trend in attendees — especially this year: "We usually get a lot of young people, but this year we have seen an increase in older people – owners and managers. This is a clear indication that even people in high positions have realized the importance of this knowledge."

ADHERE TO THE 3 A's



some good advice about how to give yourself good advice? That is what Dania George and Safaa El Baba of Big Four accountant Pricewaterhouse Cooper want to offer. They think that almost any business can find its own ways of refining the way it works by applying a simple process to its operations. They call it the 3 A's: Assess, Analyse and Act. It's a deceptively simple way of changing how you work with

example by financial robustness or strategic importance to you. "Then you act by offering different terms to different portfolios. It could be higher margins from the smaller clients because theirs may be a one-off order. Or discounts to induce them to pay early. For the big guys, you can prioritize just keeping them coming."

And as they see it, the approach brings benefits no matter what sector you are in, or what area of your business you choose to apply it to. As George points out, she can as easily apply the 3 A's approach to her area – she is part of PwC's Academy, the training and education division – where it can be used as a way to identify areas where extra training is needed, and test whether the training is achieving its aims.

Suggestions about how to get your business running smoothly are only as helpful as they are relevant. A great piece of advice on how to manage your team isn't going to be of much use to

a sole trader; and a tip on ways to invest revenues in your long term growth won't feel like a lifesaver if you're worrying about paying the bills from month to month.

So how about a meta-tip,

what you already know about your business. El Baba gives the example of a business with cashflow problems. "You assess your clients for companies you want to business with, and analyse them to sort them," for

FOSTER COMPANY CULTURE

Every owner aspires for a culture of "professionalism" within their companies. Few succeed. Elie Daccache, managing partner at Saturn Human Resources Consultants, is hardly confused why. "There's an entire business ethic that comes with professionalism; it's a lifestyle. 'Professionalism' is a big word."

Swayed by the beanbag furniture and flip flop culture of such companies as Google, many CEOs are letting their employees take "business casual" to an extreme. Professionalism suffers as a result. "We don't know how to draw the line!" Daccache exclaims. He recommends setting standards: not just KPIs for each employee, but written expectations for office

dress and communications. Eventually, a company and its staff might mature to a point where rules can be relaxed. But you can't be Steve Jobs from day one.

Paradoxically, downturns are a great opportunity to improve professionalism in your company. Daccache discourages employers from firing during this time, but also advises against giving out bonuses. "All staff members should feel equally responsible and contribute to reducing expenses."

Employers too will have to make some changes. They must learn, for instance, "to be transparent with their staff in regards to the company's financial status." It's a difficult concept to swallow in a culture where

CEOs prize confidentiality and see themselves as either the matriarch or patriarch of the company, protecting its members from the scary truths of the big world.

Finally, temper the team-wide tough love by

encouraging your staff to make use of their accumulated vacation days. If the weeks are unavoidably slow, there's never been a better time to get your staff to take a well-earned breather.



ESTABLISH A BEACHHEAD

"The hunter that chases two rabbits catches neither." The old Chinese proverb might as well have been said in reference

to high-tech startups. According to Mazen Skaf, managing director at Strategic Decisions Group, your foremost idea ought to be to "focus on your

beachhead." Every business needs to start with a niche.

For most companies, finding your beachhead is an "iterative process," Skaf describes. From the start, you'll have necessarily focused on just a few market segments. Yet with time, there will be one or two markets where "you'll find 60 percent or more of your successful business development in the early stages." It's there where "your product or service has a distinctive value proposition that resonates with decision makers or consumers."

Those market segments will allow your company to achieve "referenceability," i.e. you'll become the go-to company for your particular good or service. This allows you to "reduce churn and marketing costs to secure new business."

At that point, Skaf

recommends you drop the other, less-profitable market segments in which you might be working. "Only if you're in a stable industry would you want to keep a foothold in one or two other market segments." Unfortunately, as Skaf observes, there are very few such stable industries any longer. Everything has become high-speed.

From your established beachhead you can start casting your eyes up and down the coast. Leverage your core competency and search out "adjacencies." As an example, a company that provides software for restaurants could transition into hotels. Or it will mean geographic expansion into Turkey or the GCCs. Until that time, however, "it's the focused players that will win."



EMPOWER YOUR SALES TEAM

Buying habits of Lebanese have changed dramatically over the past couple of years. Long gone is the heyday of impulse purchases allowed by the economic boom of the early 2000s. "They [customers] are purchasing because they need a product. And people try to fix their appliances rather than purchase new ones," says Georges Ged, a sales trainer at Khoury Home (Lebanon's leading retailer of household products). Now is the time to rethink a company's sales approach — especially on customer satisfaction and after-sales services.

Ged implements several methods to motivate the sales team — and they are easily implemented within SMEs and new businesses. First, he sends monthly emails to

the entire sales staff that highlights a specific product in their showroom. These e-mails digest heavy technical information and provide the team with the main USPs of the product that they can then easily relay to the customers.

Competitive pricing is no longer an edge, Ged reports. The best sales tool available is to ensure excellent customer experiences. Though there is no "magic wand" or cheap way to do this — especially for new or struggling business — not investing in sales people in the short term will come back to haunt you later on. Ged visits one to two showrooms daily, where he discusses with the sales team issues such as sales technique troubleshooting, how to close the sale and, most importantly, dealing with dissatisfied customers.

Talking to the sales team, sharing knowledge (from management to the sales floor) and holding regular meetings are all crucial. This is true for large companies as well as

small mom and pop stores: "People are no longer loyal to a certain company or even a certain brand. But people will always return to where they have been well treated."



RETHINK YOUR MARKETING



In tough economic times it's sometimes hard to see the silver lining. But according to Marc Dfouni, CEO

of Eastline Marketing (a digital marketing agency) it's a time for companies to take advantage of the situation — especially when

it comes to online marketing and advertising. Dfouni's own clients have been increasing their online marketing spend by 15 to 20 percent year to year.

Those who benefit most from online marketing are SMEs and startups due the minimal amount it takes to start a campaign. A company or small business can start a Facebook campaign for as little as five dollars a day, and both the budget and strategy can be amended daily according to the results. Using Google Adwords will cost slightly more.

Another important differentiation between online and offline marketing, according to Dfouni, is the flexibility: "You can actually track from A to Z whatever activities you're doing online. So given you have the numbers you can actually manage your

decisions. Whereas offline — TV, print, billboards — these measurements are nearly impossible to obtain."

Going online forces brands and companies not only to be more innovative and creative, but to think twice about what they are putting out there. Traditional TV and print adverts are static, while online is a "two way communication" and will get immediate feedback — positive and negative.

Dfouni also stresses that brands need to move away from the trend of getting as many "likes" and "follows" on Facebook and Twitter to figuring out how to convert the fanbase into actual leads and sales: "Clients are going to see they have many fans on their page, but then what? Being innovative by linking offline with online is the key."

CREATE A TRUE FOLLOWING

Serial entrepreneur, author and marketing professor Bob Debbas has well over 130,000 followers on Twitter. But he's under no illusion: One day, Twitter could very well suffer the same fate as Myspace. His immense following would be worthless.

For Debbas, his social media goal isn't simply to gain "followers" or "likes;" rather, it's to drive traffic to his blog. And so he differentiates between a "fake" and "true" follower. The former is ephemeral; the latter persists, engages with the brand and helps a business to grow.

How do you develop a true following on Twitter? Debbas lays out a straightforward strategy. First, go ahead and follow those who you believe are potential clients. "There's nothing wrong with seeing

who your competitors are, and following their followers," Debbas exhorts.

Next, he recommends using such services as Twellow.com or Tweetadder.com to discover potential followers by their interest, and most importantly for some businesses, geographic location. "If you run a restaurant in Beirut, target users from that region. No one more than 50 miles away - aside from tourists - will come to your restaurant."

In terms of what to Tweet, Debbas cites a few sure-fire bets. "People love quotes on Twitter. Be positive, and set up a quote of the day." Consistently retweet others, make sure to thank others, and don't be afraid to post content not related to your company. One example would be pets. "Any day you want to



drive traffic to your Twitter account, ask people how many pets they have, or the names of their pets. If you have 2000-3000 followers, you'll get 100 responses."

And tweeting about pets isn't totally irrelevant, Debbas notes. "The more you know about your followers, the better."

Twitter promotions are another cheap and easy marketing approach. "If you're a pizza restaurant, write that the 100th retweet gets a free pizza. You'll be retweeted 100 times." Now you have engaged followers competing with each other to get in the door.