



## Redefining Employee Roles Can Increase Performance

How well do your employees understand what's expected of them, and how well do you or they manage those expectations to increase performance and meet company goals?

Effectively managing staff and communicating each employee's role are perhaps two of the most difficult tasks you will face as an entrepreneur or executive. Performance expectations based on performance may appear bipolar depending on whether the employee knew what was expected of them. Many good-hearted managers are well-intentioned professionals who advanced into management based on their own job performance. As a result, unless they receive proper training or coaching, these managers lack many of the skills required to skillfully manage employees and positively impact performance and productivity. To add fuel to the fire, many companies lack the tools necessary to adequately address an employee's work performance because job descriptions are either dated or may not exist at all.

Lack of both job expectations and the knowledge it takes to communicate the expectations can take its toll on properly managing employees because employers constantly must redefine employee roles. In a perfect world, the astute employee would know what's expected, and would turn those expectations into increased performance, and, ultimately, an increase to your company's bottom line.

So how can you redefine employee roles to increase performance? Perhaps it's best to follow Stephen Covey's advice and begin with the end in mind. However welcome or dreaded, a well-delivered performance review is a good indicator of not only expectations, but how well the employee is progressing within his or her role. The evaluation also is a good time to set next year's goals and expectations.

Here are five ways to establish expectations and align employee roles with performance.

1. **Maintain an Updated Job Description With Written Expectations.** It is difficult for you to create an evaluation without a benchmark. It is even tougher for an employee to self evaluate on an ongoing basis if s/he has only a vague idea of what results s/he should achieve. A job description and a statement of written expectations provide the criteria to perform the employee evaluation while leaving the employee with a clear set of job expectations.
2. **Meet One-to-One With the Employee.** Periodic (monthly or quarterly) meetings can help you and your employee monitor progress and performance. For example, a short, scheduled meeting provides the time to review past objectives and professional development. You become more aware of the employee's strengths, accomplishments and areas to develop, while the information focuses the employee's performance on key behaviors.
3. **Provide a Monthly Progress Report.** Continuous reports help you gather information on employees' performance and allow them to track their progress. At the end of each month, ask employees to submit a short report stating their accomplishments, major tasks in progress, any training received and areas identified for improvement. Your job is to review this report, discuss it during the one-to-one session, and keep the reports as a reference tool for annual and semi-annual performance evaluations.
4. **Conduct a Self-Evaluation.** Most employees welcome the opportunity to provide constructive input. Ask each employee to draft a self-evaluation. These personal insights will help you immensely with setting performance goals and aligning your expectations with employee competencies.
5. **Other Forms of Feedback.** Without being too intrusive or sly, solicit feedback from customers and co-workers about each employee's performance. Concentrate on behaviors, not subjective ideas about a person's motivations. For example: Johnny attends to customers in a slow manner vs. Johnny is lazy and isn't concerned with attending to customers. A word of caution: Be sure the information you receive is accurate and sources stay protected.

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## Redefining Employee Roles Can Increase Performance (cont.)

What can a job description do to help define roles? A good job description will:

- establish, communicate, and document management expectations and employee understanding and acceptance;
- form a basis for establishing employee goals and for conducting employee performance evaluations;
- communicate and document changes in employee responsibilities during the course of a performance year;
- identify training needs;
- help determine employee job classifications;
- inform job candidates about prospective positions; and
- assess employee workload so managers can make strategic staffing decisions.

Most employees want to hit the target; often, they just don't know what the target is. Taking these points into account can help ensure performance meets expectations, but more than that, it helps produce skilled, knowledgeable employees who will work even harder to produce your desired results. If you are interested in learning more about how incremental improvements in performance can significantly impact your company's bottom line, gives us a call today.



## Are You Speaking Your Customers' Language?

No one would argue that competing for time and attention in today's business marketplace is a difficult proposition. However – as if this alone wasn't difficult enough – the company that truly understands the buying habits of current and prospective customers is the one that will most likely succeed in the long-term continuum.

Why? Knowing the reasons why customers purchase from your company is important for positioning your product or service for future sales. Moreover, the way in which this purchasing knowledge infiltrates other aspects of your business is key to customer recruitment, retention and business continuity.

Let's say, for example, that you retained a seemingly satisfied customer who comes to you for advice or perhaps a product, yet you have never bothered to take the time to figure out why s/he comes to you year after year instead of taking his or her business elsewhere. Did you ever think about asking? Perhaps you thought about it, but were afraid to stir calm waters.

This customer is intelligent, and knows he or she could look elsewhere for similar services, but as it turns out, s/he implicitly trusts your judgment and advice, and truly believes you have rendered good service time after time. What the customer may not know is that you also offer other services or products that could benefit him/her. While you think you may have effectively communicated your company's entire product or service offering to your customer, and these offerings appear all over your collateral materials and Web site, the customer, still, may never have received the message.

If you knew "trust" was the main reason the customer stayed, you could have cross-sold other products or services, and, in the process, tremendously improved your bottom line. Companies that understand the buying habits of customers can naturally – and easily – transition this knowledge into a more compelling selling proposition.

The bottom line is that you when you are speaking your customers' language, you will be on the same communication wavelength, and will be able to easily hear clues that reveal your customers' buying postures.

Look at this from another perspective: Why do you prefer to do business with one bank over another? Is it service, lower fees, location or something else? If bank executives knew why you chose their institution, they could provide more services or products that aligned with these reasons. In addition, bank employees who understand these preferences could be more knowledgeable or helpful in ways that are meaningful to their customers.

A good example of a company that is on its customers' frequency is Amazon.com. If you've ever ordered from the retail giant, you would know that each time you log in, the merchant offers you many choices for similar products you've bought in the past. If you are into fitness books, the newest fitness book is likely to be offered to you. Statistics show this is an effective way to "sell" or market to customers.

We've all heard Customer Relationship Management (CRM) is a way to increase sales and manage customers, but is CRM really an effective tool for speaking the language, or is it just today's trend of the moment? Dataquest, a unit of market researcher Gartner, reports that CRM services market totaled \$22 billion in 2001, up 10.6 percent from the year before. Dataquest also expects that number to grow to \$25.3 billion this year and reach \$47 billion by 2006.

All the money spent on CRM doesn't translate into future sales if your employees don't understand why a customer makes the decision to buy. How do you effectively accomplish this, and to what lengths do you go to do it?

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One Midwest design and research firm used a process called "video ethnography," in which the firm videotaped customers while they were in the process of buying so they would get a clearer picture – literally – of the process. We certainly can't shine the spotlight on customers 24/7, but you might try the following techniques:

- **Don't assume that buying is universal and predictable.** Try to gather as much information about the buying or purchasing process as you can. Start from the time your customer decides to ask for a service or makes the decision to buy, and follow the sales process through to calling or contacting your company and making the purchase.
- **Think beyond what you offer or are currently offering.** Even though you might be selling a product, your customer may actually be buying for other reasons that have nothing to do with your product. Perhaps your straightforward business communication tips the scale in your favor. Or, maybe the customer buys from you because your guarantee is the best. If you think in terms of the purchase "decision," it is easier to translate buying habits into future sales.
- **Use multiple methods to gather information about your customers' buying habits.** Ask your employees to stay on the lookout for patterns in buying and record client or customer comments. Combine this information with customer surveys or other response mechanisms. You're sure to spot trends within this combined feedback. Strategically leverage this knowledge and you are on your way to dramatically impacting your bottom line.
- **Try to understand how people are using the product or service you sell.** Understanding why customers buy and what the customer's desired end result is can uncover opportunities or even new product or service markets. If you sell aloe vera plants as a medicinal product and your sales increase by 10 percent in just one month, you may find that something is behind this activity. On further inspection, you may learn that a popular glamour magazine touted aloe vera as the next wrinkle defense. All of a sudden, you have a new market that wants to buy your plants.

Training an employee's ear to carefully tune into the buying habits of your customers significantly increases your odds that the language you are speaking is music to your customers' ears. The bottom line is that customers find and loyally buy from those companies that make customer concerns and desires priority one. Remember, you aren't alone. Give us a call. We'll help you develop a plan of action that can increase future sales, customer retention and buyers' loyalty.



## Investing in Employee Growth Makes Bottom Line Sense

For many owners, traversing the peaks and valleys of a fluctuating economy is just part of the entrepreneurial adventure. And when the market takes a downturn, a natural survival reaction is to cut overhead. It's a logical place to start. But where and when do these cuts adversely affect your business?

Employee training often is seen as double overhead because employee salaries reside in the expense side of the business, while things such as equipment appear on the balance sheet as assets. Because the company invests in training and educational courses, with the added costs of travel and lost productivity; employee training is often one of the first things to go when money becomes tight.

What some employers don't consider is that while cutting these training and development programs may immediately help lower overhead, the affect of putting employees on a company backseat can have long-term ramifications that result in financial negatives.

To compete in business today, companies need to understand that most potential employees are no longer simply seeking a job; they're seeking career advancement. However, this advancement does not necessarily mean promotions; it can be as simple as knowledge and skills. New-generation employees know career development requires a commitment to growth. They seek companies that understand that a paycheck is only part of the career equation. In fact, training, education and degree-completion programs are some of the most desired employee benefits available today.

So what does the company have to gain from investing in employee growth? When a company satisfies employees' desire to obtain more training, the result often can be a company team that is more capable and willing to accept responsibility and control over the part they play in the company's success. Well-trained employees often need less supervision, leaving management with additional time to focus on other critical areas of the business. In addition, a well-trained employee generally has a higher level of productivity, and is more inclined to remain loyal to the employer that has taken a vested interest in them.

Savvy employees see training as a way to create value for the company. They know it's the difference between their company merely surviving and thriving. In a world that grows ever more competitive, many employees fear their company may fall behind competitors and lose market share.

In 2000, the American Management Association conducted a survey of 352 human resources executives. The AMA's findings confirmed that among issues of top importance to employees were certain enhancement issues. These issues also had a direct correlation to increased retention.

*"Investing in an employee's future is more important than immediate compensation," said Eric Rolfe Greenberg, AMA's director of management studies. "Programs that improve work skills and future career development are seen as particularly effective."*

The AMA survey identified the following skill enhancement techniques (the percentage of companies employing them as a retention strategy is noted as well):

- External conferences and seminars, 78.1 percent
- Tuition reimbursement, 67.3 percent
- Managerial training, 66.8 percent
- Company support for degree, 62.2 percent
- Interpersonal skills training, 56.8 percent
- Technical training, 54.5 percent
- Employability training, 35.2 percent

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## Investing in Employee Growth Makes Bottom Line Sense (cont.)

In a study of more than 3,100 U.S. workplaces, the National Center on the Educational Quality of the Workforce found that, on average, a 10 percent increase in work force education led to an 8.6 percent gain in total productivity. While a 10 percent increase in the value of equipment increased productivity just 3.4 percent.

Investing in employee growth is a philosophy first and a program second. No matter how strong the training or mentoring program, it only will be successful if principal business decision-makers are fully committed to it. Employee development cannot be an item that easily hits the chopping block when times are tough.

If you are unsure about where to begin building an employee development program that nurtures your employees and creates long-term relationships, consider an anonymous survey. For best results, be sure to provide employees time to think about the questions and provide meaningful responses. Obtaining information straight from employees is a great way to increase their sense of importance, and helps you avoid wasting time by offering programs that are not valued by your team.

Investing in employee growth can go a long way to creating loyalty, saving your company money and providing a platform to reward top performers for exceptional work. A well-rounded program will put company goals in line with employee development, and can deliver a measurable return on investment. We're here to assist you as you navigate new territory. Call us to learn more about how skilled employees are one of your company's most important advocates.



## Business Performance Advantage Success Story

### ***Managing Key Performance Indicators Increases Profits and Customer Service for Manufacturer***

#### *The Challenge*

A local manufacturing company needed new equipment; however, with dipping profits and projections which didn't seem attainable, bankers denied the company's request for a loan. Company owners turned to a Business Advantage Performance Management specialist to identify why profits were declining and what they could do about changing the company's situation.

#### *The Results*

In less than a year, the firm increased profits by more than \$300,000, secured funding for new equipment and significantly improved customer service.

#### *The Performance Management Solution*

After thorough analyses of key performance indicators (KPI) such as realization per machine hour and realization per labor hour for each customer, the Performance Management specialist discovered a critical issue: The company's largest customer represented 40 percent of the business yet produced only a 14 percent margin. The remaining customers returned an average overall margin of 27 percent. Further investigation revealed that the largest customer adversely affected the service level for all other company customers. Company owners were shocked to find that the largest customer presented time demands that made it impossible to deliver on time to other customers.

With this information, the solution was clear. The company would have to transition the large customer to another manufacturer. After six months, the company completely phased out the large customer's business. Strategically, the company went to its second-largest customer and discussed prior delivery and service issues. With a penalty clause for missing a delivery date in place, the customer agreed to give the company another shot. It worked. The customer, which was about to fire the manufacturing company, tripled the amount of business it did with the manufacturer.

Over the next six months, the company, working closely with the Business Performance Management specialist, implemented new processes that directly affected KPIs such as realization per machine hour, realization per labor hour, and on-time delivery. Incentives were put in place for on-time delivery and zero defects.

The results speak for themselves. Bankers, impressed by the phenomenal, rapid results the manufacturer experienced, funded the equipment purchase. The manufacturer now enjoys 100 percent quality and 100 percent on-time delivery. Profits increased 300 percent (putting the company back where it was five or six years earlier). And, because customer service is strong, customer loyalty is at an all time high. The owners are ecstatic about the remarkable shift they experienced in just one year.

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May/June 2002

Redefining Employee Roles  
Investing in Employee Growth

Customers' Language  
Business Performance

BPA ALERT



## Business Performance Advantage ALERT

The Business Performance Advantage is dedicated to ensuring your company operates at maximum performance. Sometimes, though, we include information about issues that could affect you personally.

The Office of the Comptroller of the Currency (OCC) has issued an alert (<http://www.occ.treas.gov/ftp/alert/2002-3.doc>) to banks, asking them to warn customers about a new fraud scheme that uses fictitious IRS forms and bank correspondence.

The scam involves a letter (<http://www.occ.treas.gov/ftp/alert/2002-3a.pdf>) outlining procedures to be followed to protect the recipient from unnecessary withholding taxes on his/her bank accounts and other financial dealings. The letter instructs the recipient to fill in the enclosed IRS Form W-9095 (<http://www.occ.treas.gov/ftp/alert/2002-3b.pdf>) and return it within seven days. According to the letter, anyone who doesn't file the form is subject to 31 percent withholding on interest paid to them. A fax number is provided for the recipient's convenience.

The IRS form is phony and is just another attempt at identity theft. Anyone who has filled in the form should immediately contact the fraud department of each of the three major credit bureaus and report that their identity has been stolen. Telephone numbers and addresses are provided in the alert, as well as additional advice to follow in case your account has been fraudulently accessed or opened. The OCC's advice includes filing a report with the local police department and contacting the IRS's hotline (1-800-829-0433). Additional information about identity theft is available from the Web sites of the OCC (<http://www.occ.treas.gov/idtheft.pdf>) and Federal Trade Commission (FTC) (<http://www.consumer.gov/idtheft/victim.htm>).

### Unleashing the Power of Google

In our last issue, we listed Google in our feature, "Web Sites for Busy Business Owners." This issue, we provide you with tips and tricks to get the most out of your search engine experience.

Change the preferences of the search engine. If you prefer to see 100 "hits" on a page at a time, go into Google preferences to ensure you don't have to change the number of pages viewed at a time from the "normal" default of 10 to 100 ([www.Google.com/preferences?hl=en](http://www.Google.com/preferences?hl=en)). You also can request that when you click on a "result" page, the browser opens up a new window. This can be VERY handy when searching the entire Internet and getting stuck on a Web site that won't let you get back to the Google results page.

Install a toolbar. Want to always have Google at your fingertips? Install the Google toolbar at [toolbar.google.com](http://toolbar.google.com) and your functionality will be greatly enhanced. After you use Google to search, you can use the toolbar buttons to further search the page you are viewing. It also brings to the front of the browser a handy little tool normally buried on the Internet Explorer toolbar. If you find a site with exactly the information you need, but want to know if there are others out there just like this site, click on "Page Info;" you now have the option to view similar pages.

Use the Advanced Search features. This feature is very handy when you think a topic should be on a specific site, but the regular "blanket" search of all the documents on the Web just isn't coming up with the right information ([www.google.com/advanced\\_search?hl=en](http://www.google.com/advanced_search?hl=en)). Place the key words you are searching for in boxes that will instruct the search engine to only find those words — in that particular order — on a site. You can further restrict the search by stating the domain name of the site for Google to search. For example, this comes in handy when trying to find specific troubleshooting information on the Microsoft site. Place your keywords in the "exact phrase" box, and then place "Microsoft.com" in the "only return results from the site or domain" box. This makes Google only look inside Microsoft.com. Of course, you can get a bit of "advanced searching" even without visiting this page if you merely place quotation marks around the phrase you are searching, forcing Google to look for that specific phrase.



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## ALERT (cont.)

Use Google's restricted searching tools. Want to search only U.S. Government sites? Try [www.google.com/unclesam](http://www.google.com/unclesam). Only Linux topics? Try [www.google.com/linux](http://www.google.com/linux). Need information for Macintosh? Visit [www.google.com/mac](http://www.google.com/mac). College information? Try [www.google.com/options/universities.html](http://www.google.com/options/universities.html).

If at first you don't succeed, try another variation.

Google does not allow for wildcards (or \*) in its searching, so if you are unsure whether you will get the information you need with the term Airline or Airlines, try it with both versions.

If at first you don't succeed, try it again with fewer words. If you don't receive the "hits" you need, use fewer words to widen the search. You always can search inside the results once you get in the right area.

Try going to the root page of a Web site. If at first your "hit" is a page that is a sub page under a site and it doesn't quite meet your needs, try going back to the site's root page and start clicking. Many times, you will find yourself with a page that is many layers deep under its main site. The information is useful, but not quite what you needed. Before you go back to the Search engine and try again, go up to the browser window and "strip" off the additional address to that sub page and go back to the main root page of the site.

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