

# Tips from the Top

Business insights from those at the top for those at the top.



THE ALTERNATIVE BOARD

*Change Perspective.  
Improve Business.  
Enjoy Life.*

*Touted as the most valuable and beneficial business advisory organization in the world, The Alternative Board® has been featured in leading business news sources from the Wall Street Journal, Business Week, the Washington Post, CNN and many others.*



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## This Is The Time To Make Relativity Adjustments In Pay

If pay cuts are needed, take the opportunity to make relative adjustments instead of across-the-board reductions. If you believe you are paying, say, one employee more than they should be making in relation to the rest of the staff, this is the time to dial down their compensation. It's never an easy thing to make pay adjustments but, if you need to, now is the time to bring everybody's salary to the right level.

Board 402, TAB Greater Hartford, CT

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## Pay Cuts Can Improve Morale

A member of our board reported that, due to the difficult economy, he had to cut salaries 10 to 15 percent earlier this year. He explained to his employees that he had to trim costs because the company was losing money, but he did not want to lose any of them because he considered them all valuable to the company. As he was trying to avoid layoffs he reduced his own compensation as well.

What surprised him most was that not only did his employees understand and accept the situation, but in fact, this action seemed to create a kind of esprit de corps—people bonded together, rolled up their sleeves and seemed to work even harder than they did previously. The bottom line is, if pay cuts are needed and are explained properly, employees will not only accept the situation without balking, they may surprise you by their willingness to be part of the solution to getting the company back on track.

TAB Greater Hartford Board, Hartford, CT

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## Institutionalizing Post Mortems

It's important to remind clients about all the things you do for them that go above and beyond what they ask you to do.

We have now started to put in place a formal review process that takes place after each project is completed. It is prompted when an invoice is sent out and it involves looking at everything we did that had an impact on the project. The result is a formal report that we deliver to the client along with the invoice.

Mark Rickard, Rickard List Marketing, Melville, NY

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## Working with TAB Business Vantage®

TAB Business Vantage®, The Alternative Board's online business performance assessment tool, is designed to give an in-depth, 360-degree snapshot of a business's current performance compared to its business priorities. It can be intimidating, but it needn't be if approached systematically.

Start by breaking it down into its 10 sections and address one at a time. Use the graph to help set priorities. Establish the current score on the section, say, 28 percent. Then identify the items in the section where you want to go for more and

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## Events

*Upcoming Meetings,  
Online Events &  
Workshops*

**Social Media Matters for Employers**  
**Mon., December 14, 2009**  
**8:30 a.m.**  
**Ames Corporation**  
**Hamburg NJ**

**Next Level Companies: eSeminar- Planning to Succeed**  
**Tues., December 15, 2009**  
**4:00 p.m. - 5:15 p.m.**

**TABTalks! Blog Talk Radio Social Media in Hiring Today**  
**Mon., December 21, 2009**  
**Live at 3:00 p.m.;**  
**Session recording will be available after 4:00 p.m.**

**TABBoard #411 Members Only Meeting**  
**Mon., December 21, 2009**  
**Sew 'n Sew Bridal & Tuxedo**

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## Hear How We Help Our Members



Watch Video ►

Tips from the Top are now available in a searchable online format to registered AchieveNextLevel users, allowing readers to now search for best practices in hiring, marketing, growing and leading their companies

To access the free resource portion of the website, you must [register first](#). Once you are logged in, simply [Click](#)

what you want to do. Write it all down! Then recalculate the new score, say, 72 percent. Create an action plan out of the items in the section before moving on to the next section.

At the end of the year, you can re-do TAB Business Vantage and see, first, what improvements you've made and, second, what you want to tackle next. This is a very effective way to make progress—and to measure your progress.

*Jonathan Watkins, Wright Music, Port Washington, NY*

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## Explore the Benefits of a Bonus Program

It's always a challenge to retain quality employees who reach the high point of the corporate pay scale for their job descriptions. One solution is to share the company's budget and profit goals with everyone and then develop a bonus program that, at the end of the year, distributes bonuses based on profits exceeding budget. This allows maxed-out employees to share in the corporation's profits while staying motivated to continue their excellent work.

*David Williams, Bill Yount Signs and Electric, Inc., Overland, MO*

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## 10 Tips On Reducing Expenses

Here are a handful of suggestions for trimming your corporate expenses:

- **Reduce your W-2 wages** and do distributions for the rest of your salary. This will reduce Medicare payments. It does require you to do tax planning and save a percentage of your distribution to pay Federal and State tax, but it will also save you 2.5 percent for Medicare.
- **Consider discussing with your employees the need for layoffs** and see if they prefer having a pay reduction to maintain their employment
- **Consider negotiating** with the union.
- **Rather than giving bonuses**, utilize "pay for performance". In this way, the employees do not feel entitlement and you only need to pay if in fact they get their work accomplished.
- **Review your liability insurance** since it is based on revenue. Reducing your insurance if you have a decrease in revenue is important.
- **For worker's compensation insurance**—even though you paid in advance for the year—you can ask for a payroll audit to reduce or get a refund if you reduced your payroll.
- **To maintain travel expenses**, consider giving only the IRS allowance to your employees rather than paying for meal expenses. Also, discontinue paying for alcohol.
- **Use airline points** to pay for airplane tickets.
- **If you have a timeshare** and you will be traveling, consider using the timeshare instead of a hotel.
- **Lower the IRS allowable mileage** since gas has gone to a lower rate-per-mile.

*TAB Board 502, Suffolk County, NY*

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## Do You Hear What is (not) Being Said?

I love to ride horses. It's a fact. I don't have the space to board my own, nor the time (nor talent) to train and care for them as they should be. But I do have a friend who has a beautiful farm where I can ride and where the owner is not only talented in training horses, but in training people to ride them. As with many of us with families and businesses, sometimes our passions get put on a back burner so my friend and I try to make a date every Friday to ride together. Usually we confirm the day before and weather permitting, get some riding time in while kids are in school and phones are on hold.

Recently our riding time was sabotaged by a communication breakdown, which in retrospect is something that happens so often in business.

[here](#), or go to My Community (from the right hand side of the screen) and then My Documents and you can view the Archive of Tips from the Top.

## Private Appointment

**Want to know what owners of extraordinary businesses know?** Request a private appointment to meet with Marcy Turkington, to learn how The Alternative Board may be a resource for your business success in 2009. There's no obligation or cost for the private consulting meeting. Simply click below or call Marcy at 973.940.2020.

[REQUEST A MEETING](#)

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*Marcy Turkington, Achieve Next Level with The Alternative Board*

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## Quick Tips

### Don't Let Phone Time Hang You Up

Do you drop everything when the phone rings? Stop letting the phone interrupt you and start managing your time by using a professional phone answering service. You set the parameters, you dictate what gets through to you and what doesn't and you maximize the use of your time.

*Ken San Pedro, The Carpet Cleaning Guy, Long Island, NY*

### Dealing With Government Clients

When selling to the government, small businesses frequently become frustrated at all the endless delays. Instead, stay calm and try to understand the mindset of the government bureaucrat. If there is no pressing problem to fix something, what is the upside of approving something new? If it fails, it's his fault. If it succeeds, things are merely no worse than they were previously.

*Jeff Garvens, Acme Holdings, Inc., San Antonio, TX*

### Consistency In Operations

Adjusting your operations every time business gets better or worse requires too much misplaced effort. We try to operate like we're breaking even or worse, losing money, all the time. Don't be one of those companies that doesn't operate as tightly when business and profits improve. It's to your advantage to be consistent and to operate like things are bad all the time.

*Danny Selman, Lone Star Pet Supply, Schertz, TX*

### Seeking New Representation

If you are seeking new representation for your product and don't know who to use, try contacting some of your current customers and asking them if they have any suggestions. They may have some good ideas you never thought of, especially if they have the opportunity to suggest someone they believe would be good for your mutual business relationship.

*Jerry Lawson, W.W. Wood, Inc., Pleasanton, TX*

### Manage Your Clients' Expectations

Don't be afraid to re-set the client's expectations when something occurs that keeps you from meeting the original terms of the order. All too often when we encounter delays to the performance of the order, whether it be from the failure of a client to supply needed information to a key supplier changing the delivery date of materials to be incorporated, the change is not communicated promptly to the client as our staff tries to otherwise scramble. This may only compound the problem when the information must be ultimately shared on the actual performance period and conditions due to the delay.

*Tracy Fisher, Covenant Food Marketing, St. Louis, MO*

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**ABOUT THE ALTERNATIVE BOARD®**

The Alternative Board® is comprised of members who are business owners, CEOs or presidents who run businesses in non-competing fields. During a TAB Board meeting, you receive the benefit of the collective experience of the board members, who offer practical solutions to your problems-not theories.

**You can learn more about TAB, which has been helping business owners succeed since 1990, by visiting [TheAlternativeBoard.com](http://TheAlternativeBoard.com).**

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