

Better Business Bytes

Experts answering questions to help grow your business.



The “Soft Stuff” Delivers Hard Cash For Business

By David Farrar, President and CEO FGRAssociates LLC

Focusing on people issues is likely to be the single best way to improve your organization’s success and profitability. Here are three simple steps to deliver hard cash to your bottom line and set yourself up for sustainable success.

Q: OK, but before you begin, isn’t this “soft stuff” a waste of time?

A: Let’s define “soft stuff” as getting the right people doing the right things in the right way for your business. Everything critical to the success of your business depends on soft stuff: customer satisfaction, employee well-being, productivity and profitability.

Q: So what is a cost effective and easy place to start?

A: Implement a simple, legal, effective pre-employment testing and interview process that will identify high-potential performers who will contribute most to your business.

In most jobs the top performers are 30-130% more productive than the lowest performers. A good pre-hire process will identify these people.

Q: What about the employees I already have?

A: Plan to fully engage your employees and key stakeholders in the success of your business.

You can think of engagement as the enthusiasm that employees, customers and others bring to your organization that makes them loyal, say good things, bring their creativity to work and put in great efforts. That enthusiasm is unlikely to be generated by pay and benefits alone. It is most likely to be affected by the relationships you build and how people perceive they are being treated.

Studies show highly engaged employees outperform their disengaged counterparts by 20 – 28 percentage points.

Q: How do I make sure everyone is doing the right things the right way?

A: Get a professional business advisor or coach who understands the people side of your business.

Choosing a good coach or advisor is probably the best thing you could do for yourself and your business. They can help you focus and ensure you develop your employees and hold them accountable. The return on good coaching is higher than for any similar investment. In a 2001 Fortune Magazine survey managers described an average return of more than \$100,000, or about six times what the coaching had cost their companies.

Q: Will all this make a real difference?

A: Absolutely.

Most businesses have external resources they call on for expert financial or legal advice. If you have the time, expertise and motivation you can do this all yourself. Otherwise, it makes sense to get outside help. A simple discussion is likely to uncover a few things that will make a big impact on your growth and success.



The MRCC B2B group provides information in a different area of expertise each issue of the Business Briefing. **For more information on being more successful by paying attention to the people side of your business**, contact David Farrar at David.Farrar@FGRAssociates.com and on 612.423.2723. All published articles in this column will be archived on the B2B page of the MRCC website.

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