

RENTONS' BUSINESS TIPS



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MERRY CHRISTMAS FROM ALL OF US AT ACS

How big a part do morals play in your life? What rules do you have for running your business? These aren't company goals or action plans. Instead, they are a philosophy that governs the day-to-day running of your business. Australian Credit Stationers has 11 business morals. You may have rules that are similar or somewhat different. If you haven't stopped to think about your business morals before, then I urge you to read the article below.

Secondly, I welcome any suggestions from you for Rentons' Business Tips. You might like to submit an article, or just send us any comments you would like to make. If you wish to

send me a letter or email, your ideas will be most welcome. Our next issue will be out in February.

Finally, I would like to thank all of you for your business in the past year and wish you and your families a happy and safe Christmas.



Ian Renton
Managing Director
Australian Credit Stationers

11 BUSINESS MORALS

We have all encountered the word 'morals' in our lives before. We all have them, i.e. certain rules that we live our lives by. We often say that he or she has good morals. Basically, we mean that this person treats other people well and behaves in a way that is considered acceptable in our community.

However, we rarely refer to businesses as having good morals. Why not? Is it not possible to be competitive and strive to maximise your profits while at the same time displaying good business morals? In fact, if your business has good morals then surely this would increase your profits as customers would be more likely to do business with you.

Business morals are different from personal morals but generally go by the same principles, i.e. treat others in the same way that you would like to be treated. Below are the business morals of Australian Credit Stationers.

1) **Pay your accounts before the due date. If you don't, ring your supplier for permission to pay late.**

Suppose you reviewed your receivables ledger and you had ten accounts in 75 days. One of those customers actually has a note on the file, requesting 90 days to pay this bill. The other nine customers have no such note. Would you feel more confident of prompt payment from the customer who called in advance to ask permission to pay the account late, especially if all previous accounts had been paid on time? Of course you would.

Of all the morals listed here, this is the one that is used the least. If you have the money available, why not pay all of your suppliers on time? If you are short, why not ring your

suppliers for permission to pay late? Just imagine if all of your customers had this attitude with you. Collection would be easy.

A reputation as a prompt payer is worth having. For those businesses which don't enjoy such a reputation, often it is poor organisation rather than a shortage of money that is the reason.

2) **Exceed your customers' expectations.**

Make your business stand out. Enhance your reputation at all times. You want your customers to remember you so they will order again and refer others to your business. There is no limit to what you can do here. Deliver more quickly than promised. Deliver or do more than you promised. Invoice for less than your customer is expecting. Add a free gift or free information.

3) **Provide a guarantee to your customers.**

You need to stand by your products and services. The ideal guarantee is an unconditional money back guarantee. If you can't offer this, then at least try to do something to take the risk away from your customer.

4) **Exceed your staff's expectations.**

Good staff can make or break a business. Gone are the days when you can tell your staff, "Do it this way or I'll get someone else." There is actually a limited supply of good staff. You compete with other businesses for customers. You are also competing with other businesses for good staff. You actually have to give your staff a good reason

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to work for you. You need to do a lot more than just pay a market based salary and provide a safe and pleasant working environment.

You market your business to your staff in just the same way as you market your products and services to your customers. Never be complacent. Always assume that your staff could easily find work with someone else.

As with your customers, there are numerous things you can do to thank your staff. You can obviously increase their salary but staff are looking for a lot more these days. Train your staff and provide them with modern equipment so they can do their job well. Staff like to be appreciated so praise them regularly. Take an interest in their lives. Buy them a birthday card and a cake. Organise a Christmas party or even a Christmas in July or both. Be flexible. Allow your staff to attend to minor personal matters. Any time lost here will be more than made up for in the quality of their work. Staff often repay their thanks by becoming more and more productive.

5) Apologise if you make a mistake. Fix it quickly.

We all make mistakes. Just by acknowledging your error and apologising, you are one step ahead of your competitors. Handling complaints quickly and efficiently will put you two steps ahead of your competitors. All companies claim to give good service. Welcome complaints and use the situation to show how serious you are about customer service. Don't just fix the complaint, but do something else to exceed your customers' expectations. A complaint solved well is an opportunity to obtain a long term customer.

6) Be polite and helpful to everyone.

This is more easily said than done. However, it is merely a matter of adopting a happy attitude. If you get a wrong number or are approached either by phone or in person by someone selling products or services, then treat them in a polite way. It is much easier to treat everyone well than to choose to be nice to only certain people.

7) Respond promptly to all customer correspondence and inquiries.

Recently, a company expressed an interest in ordering a large quantity of birthday cards from us. This morning I asked Robyn how this was going. She said that the company was also getting quotes and details from other businesses. So far we are the only one to send her samples and prices. Just by responding quickly, you can be sure you will be one step ahead of your competition.

8) Reward your customers who provide referrals.

Whether or not you have a sophisticated referral plan or not, if you know the identity of the customer who is referring business your way, the very least you should do is thank them and provide them with a small gift.

9) Be loyal to suppliers. Only change if there is a good reason to do so.

Suppliers are often the forgotten part of the business chain. We regularly develop staff and nurture customers and neglect our suppliers. If they do a good job, tell them. Don't take them for granted. If you have a favourite supplier who really looks after you, then acknowledge them. We send a few of our suppliers either a calendar or a Christmas card in December. You will always get offers to change suppliers. Don't change just to save a few dollars. It takes time to build a good rapport with a supplier. Just like staff, good suppliers are worth keeping.

10) Give priority and treat as special those larger, more profitable customers.

Whilst we try to treat all of our customers well, it is worth going the extra mile for our larger customers. Firstly, know who they are. If they have a special request, then you are more likely to grant such a request if it comes from one of your largest customers. Treat your large customers as being special. Often they will expect this. Then, do what you can to exceed their expectations.

11) If your customers leave you, make the last transaction they do with you a pleasant one.

Unfortunately, you cannot please all of the people all of the time. There are going to be times when a customer just does not want to do business with you. Whatever the reason, try and end the relationship amicably. If you need to issue a refund, do it promptly. Do whatever you can to make the last transaction with this customer a pleasant one. Your customer will remember you by how you treated them during this final transaction.

You may have other business morals which are relevant to your business. I may have omitted some important issues. However, if you were to adopt just a few of these morals you would be well ahead of your competition since very few businesses are run according to these morals, or indeed any morals. The goal of many companies is to exceed your service expectations. As is shown above, there is a lot more to running a business with good morals than just attempting to deliver exceptional service.

FOR MORE INFORMATION



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QUOTATIONS TO PONDER

The proper office of a friend is to side with you when you are wrong. Nearly anybody will side with you when you are right.

- Mark Twain

Whether you think you can or think you can't, you're right.

- Henry Ford