



**Patricia Steiner**  
 VentureSphere  
*Start Here, Go Anywhere!*  
 P.O. Box 1780  
 Kailua, Hawaii 96734  
 Phone: 808-292-0655  
 patt@vsadvisors.com



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# smart **Advice for Success!** Business™ matters

## SWOT Team

You and your team can use SWOT, a strategic planning method, to reach a favorable desired outcome.

SWOT, which stands for Strengths, Weaknesses, Opportunities, and Threats, is a well-known strategic planning method that can help analyze the value of a project or business venture. SWOT is best carried out by a team of people — a manager, an accountant, a salesperson, for example. So if you don't have a broad representation in staff, ask professional friends and representatives of your target market to assist.

SWOT analysis is more effective if you first determine a specific objective. Your objective might be to increase sales of your new widget, at a strategically lower price, to account for 10% of your gross this year. Once you have an objective, assess your strengths, weaknesses, opportunities, and threats as they relate to that objective.

An illustrated diagram of SWOT analysis often takes the form of a box with two rows and two columns that create four squares: the two squares in the top row are for Strengths and Weaknesses (your company's internal conditions), and Opportunities and Threats (external factors) are listed in the squares on the bottom row. The left column (Strengths and Opportunities) contains positive, helpful factors; the right column (Weaknesses and Threats) contains harmful factors.

Begin by determining and listing your Strengths: the attributes of your company that will be helpful in *achieving your objective*, and your Weaknesses: those harmful factors that may prevent you from achieving your objective.

When thinking of your strengths and weaknesses, think of the 5Ps (product, price, place, promotion, positioning), personnel, finances, customer base, manufacturing,



technology, infrastructure, etc.). Your strengths might be an ace salesperson, a quality product, and a solid infrastructure to deliver. Weaknesses may be a small advertising budget, weak marketing plan, and no marketing staff.

Next, factor in external conditions in the bottom two squares. Opportunities, on the left, are conditions that may help you to achieve your objective. Threats, on the right, are harmful,

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# Cut Expenses to Increase Profit

## 7 ways to save in a tight economy

Outside of start-up expenses, what good is increasing sales if those sales cost you more than you pull in? This is a good time to review the last few months of expenses with a ruthless eye, trim the fat, and get the most you can out of each dollar you spend. Many small cuts can add up to larger savings, so question every expense, and remember that no expense is sacred.

**Assess communications expenditures.** Are there ways to reduce or change service for cell phones, internet access, and land lines? If you constantly exceed time allotments for cell phones, restructure your service. Give your cell phone number out on a limited basis to reduce incoming calls. Evaluate whether all extra services for land lines are really necessary — a one-time purchase of an answering machine could save money on monthly charges for voice mail, for example. Combining cell, land lines, and internet service with one provider may save money. Shop different vendors for better pricing.

**Reduce credit card debt.** Set up a payment plan to reduce credit card debt. Pay credit card bills off early — you will reduce the rolling fee interest. If you have racked up debt on a high interest credit card, look for a lower interest card and try to move your balance or consider taking a personal loan at a lower interest rate to pay it off. Some banks are already offering lower interest credit cards, and many credit unions offer low interest, fixed rate cards.

**Review your promotional and advertising expenditures.** Is there some way to get more for your money? Evaluate all costs — yellow pages, radio, television, and newspaper ads, 800 numbers, etc. Determine which cuts will be most effective. Are you spending too much money in giveaways that are yielding you nothing? Is purchasing a table at a yearly conference worth the money spent, or would it be cheaper and more effective to network or try a less expensive, local conference? Do you take full advantage of your network and face-to-face networking that do not cost much, if anything? Are you using free social networking tools to advertise your business?

**Evaluate perks.** Are there any perks you could cut? You want to keep a positive working environment for employees, but this may be the time to give up company season tickets, reduce the amount of money spent on office beverages and snacks, cut back on lunch meetings, or reduce expenses for an employee outing.

**Study utility bills.** If you are spending more for the basics, come up with a plan to reduce your use of electricity, gas, and water.

**Examine subscription, professional development, and software costs.** Cut magazine subscriptions you do not fully utilize. Postpone expensive training costs. If you do not have a pressing need for the latest software updates, skip them for now.

**Reappraise employee costs.** It may be time to reduce pension and health plan expenses. If you are truly struggling, you may have to ask employees to take a pay cut or to take unpaid time off — this is often a better alternative to layoffs. The toughest part of the process is letting a valued employee go. If you do not have enough business to meet payroll, you will have to consolidate positions, eliminate unnecessary tasks, and reduce your staff.

If you can cut expenses to break even or make a profit without increasing sales volume, you have made a good start on the road to survival. Then you can focus on building a cash reserve and increasing your sales.



## Off the Bookshelf - *The Artist's Way*

Whether your business is art, law, or manufacturing, if you feel the need to jumpstart your creativity, pick up *The Artist's Way* by Julia Cameron. Cameron sets up a 12-week, 12-step process to get your creative juices flowing through daily walks, daily "morning pages" (writing), and weekly "artist's dates." There is work involved, but you can gain a better understanding of yourself and how you deal with others, begin to come up with creative ways to solve personal and business issues, and keep a balanced outlook on life. Warning: following the directions of this book may cause you to come up with innovative ideas when you least expect them! Other books by Cameron you may find useful include *Finding Water* and *Vein of Gold*.

# T.M.I.?

## Manage Your Information Overload

Phone calls, cell phones, e-mails, website updates, tweets, blogs, social networking sites, professional networking sites, RSS feeds — do you feel like you are spending too much time managing information and that you are constantly pulled away from work that requires your attention? You are not alone. Rest assured, you can take back control.

- First, block off time on your calendar for your billable work. If you work best early in the morning or later in the afternoon, be fairly ruthless about keeping that time sacred for work. Hang out your “do not disturb” sign, and do your best to tune out the information flow during those hours.
- Create a schedule for regular website and blog updates. Depending upon the type of work you do, website maintenance and updates and blog entries can be daily, weekly, or monthly. Determine what is best for your circumstances.
- Set aside certain times of the day to initiate phone calls. If you have a pressing deadline, consider letting incoming phone calls go directly to voice mail.
- Unless your livelihood depends upon internet orders, set aside certain times of the day to respond to or to send e-mails — once, twice, or three times a day. If you travel extensively, you can answer and initiate e-mails during your plane flight, keep them in your drafts folder, and then send them later when you reestablish an internet connection.
- Set aside time to update or explore professional networking sites, such as LinkedIn, or social networking sites, such as Facebook and MySpace, if you are utilizing those for business purposes.
- If you are using Twitter and the information overload is too much to handle, there are programs, like TweetDeck, which can help you manage information from Twitter, Facebook and more.
- If you don't use it, lose it. If you find yourself tracking many blogs, RSS feeds, or other information sources, cull out the sites that you do not use on a regular basis. If you want to further reduce the flow, drop any sites that, although interesting, you can do without.



## Take A Walk

Feeling a little burned out? A walk around the block might be just what the doctor ordered.

There are many good reasons to “take a hike.” Walking has numerous medical benefits. Walking is good for weight management: it can help build muscle and burn calories. Your eyes can look farther than the confines of the office, relieving eye strain. You can get a healthy dose of Vitamin D from the sun. Walking also helps to control blood pressure and reduce risk of disease.

There is another good reason to take a walk — it may be good for business. Small business owners and entrepreneurs tend to work long hours and perform many varied tasks. Walking is a great way to clear your mind, reduce stress, increase creativity, and provide you with an increased sense of well-being.

Even a fifteen-minute walk around the block can help you to let go of your stress. The change of scenery and fresh air can help you find a new perspective on your work. As you clear your mind and relax, you may find that creative solutions for your business simply present themselves!

**What information consumes is rather obvious: it consumes the attention of its recipients. Hence, a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it.**

— HERBERT SIMON, ECONOMIST

and potentially disastrous, to achieving your objective. External conditions include technological changes, legislation, economic factors, social factors, the marketplace, and your competition. Your opportunities may be that one competitor has closed shop, a second competitor sells higher priced widgets, and the marketplace is looking for a lower priced widget. Threats may be that overall, widget sales are down, your competitor has a widget with added benefits, and there's talk of adding a widget tax.

SWOT analysis can help determine the steps you'll take to achieve your goal. It can also help you to determine whether a goal is attainable. If not, develop a new objective and re-test. Once you have your list and your analysis shows you have an attainable goal, you and your SWOT team can ask questions. How can we use and exploit our Strengths? Can we mitigate our Weaknesses? How can we benefit from Opportunities? How will we cope with Threats? How do our Strengths match up to our Opportunities? Can we convert our Weaknesses and Threats into Strengths and Opportunities?

SWOT is a great tool to analyze your most pressing business objective, and you can adapt it to assess other aspects of your business— such as analysis of each of your competitors as part of your marketing study.

**Every tool has a weakness. Don't fall into the trap of compiling lists that may not be crucial to achieving your objective or desired outcome. Be critical and honest when seeking to convert Weaknesses and Threats in to Strengths and Opportunities. Don't try to use weak Opportunities to offset strong Threats.**

## Why This Tweet May Not Be a Tweet

While many of Twitter's "tweets" may seem inane to outsiders, it may be unwise to belittle the idea of Twitter as a potential business application.

Twitter is a free, social networking service and micro-blogging application that enables users to send and receive "tweets." Tweets are 140-character text-based posts that are displayed on the user's profile page and delivered to other users who have subscribed to follow them. The original goal of these tweets was to answer the question, "What are you doing?" As a user, you can restrict delivery of your tweets to friends, or allow anyone access to them. Users can send and receive tweets through the Twitter website, or through Short Message Service (SMS) or other applications such as Tweetie and Twit-terrific or CoTweet for businesses. Service is free over the internet, but SMS may result in phone service provider fees.

What gives this social service big business potential? Twitter came on the scene in 2006 and by November 2008 it had an estimated four to five million users. One report estimated the number of unique visitors to the site per month was roughly 6 million and the total number of visits in a given month as high as 55 million. That's a lot of traffic, and businesses are taking notice. Businesses are using Twitter to build awareness of their products and services, to build relationships with customers, as a public relations tool, to provide information and tips, to roll out new products, to find employees, and to release breaking news. Jet Blue has announced new flights, provided info about delays, and advertised promotions. Whole Foods has connected people to causes and answered customer questions. 10 Downing Street has provided links to pictures of the G20 Summit. The New York Times announces breaking news stories. Dell provides tips as well as information on new products.

If you're interested in using Twitter, social media advisors like Chris Brogan recommend that after setting up an account, you first use Twitter to listen. Listen to what people are excited about, listen for business opportunities, listen for your name and your competitor's names, and listen for words that relate to what you do or what you are passionate about. As you use Twitter, remember, even though it is about you, it is not all about you. Talk to people about their interests. Share links to events or causes in your community or to informative website articles. Rather than answer, "What are you doing?" you might want to answer the question, "What has your attention?" — or "What are you passionate about?" When you talk about what you are doing, make it helpful, and do not be afraid to ask questions to get opinions.

Twitter may prove to be a useful tool in your marketing toolbox, and even better, right now it is free!

### Check out these other tools designed to help you get more out of Twitter.

<http://www.Tweetdeck.com> – to organize your Tweets and Followers

<http://twtpoll.com> – create a quick poll and post out to your networks

<http://tweetlater.com> – Use Alerts feature to identify people you want to connect with

<http://search.twitter.com> – to search for people

<http://budurl.com>, <http://tinyurl.com> – to shrink URLs for Twitter (also use Ping.fm)

<http://www.twitscoop.com> – to see what is trending on Twitter in real time