

THE BOTTOM LINE

In this issue...

[Forget Resolutions: Start The Year Right](#)

[When Good Customers Go Bad](#)
[Leadership](#)

KEYS TO GROWTH

ATTITUDE

Passion, patience and persistence always precede success in business.

COMMUNICATIONS

Want to be a better communicator, be a better listener.

PLANNING

Think about the stories you want people to tell. Stories, not platitudes, define a company.

CAPITAL

Vision without capital is probably an hallucination. (Steve Case, Founder AOL)

PEOPLE

Hire to your weaknesses not your strengths. Don't hire in your own image.

INFRASTRUCTURE

Get management control. Management control tells you before it happens; internal control only tells you after it has occurred.

EXECUTION

Flawless execution can save a bad plan. A brilliant plan will never overcome bad execution.

GOVERNANCE

Tough questions are always easier to answer in the Boardroom than a Court room.

According to Dave . . .

January, 2010

Happy New Year!

I'll start the year by professing my embarrassment at the "bribe" our Senator Nelson took to vote for the Health Care Bill. Whether you oppose the bill or support it, I think we would all agree that the kind of money used to buy votes was well beyond the pale. Much less skulduggery has landed many good CEO's and other executives in court and then prison.



I am expecting a breakout in the year 2010. Part of my optimism is based on the success Nebraska has had in turning around its football program. The turnaround is absolute proof that you can hit bottom and rebound quickly if you get the right people in place, do the right things and give 100% effort.

Uncertainty is still plaguing the business world. We don't know about additional government spending, health care over haul, Cap and Trade, the War on Terror, taxes and interest rates. Uncertainty breeds paralysis in the financial world.

That uncertainty will be removed as we get to the end of the first quarter and into the second quarter. It is political suicide not to have the uncertainty removed before the mid-term elections. I'm sure the politicians won't let that happen.

Consequently, let's start getting ready for a rebound on Main Street.

Forget Resolutions talks about not making resolutions but focusing on managing your time and productivity. If you are more effective at giving 100% and managing your time better, you will have a happier and more prosperous 2010.

When Good Customers Go Bad focuses on the reality of the economic recession we are still working through. You're selling less and having even more trouble getting paid for what you sold. The article offers some proven tips to help you get cash flow moving in the right direction.

Leadership talks about the things that I have noticed about leaders over the years. Frankly, I think a lack of solid leadership is one of the things that is hurting the turnaround in the economy. If you think new regulations and more bureaucrats are going to provide leadership and turn around the economy, we need to talk. I think a for pay mentoring session is in order.

As you proceed into 2010, focus on the changes that are coming.

More government regulation and control, inflation and higher interest rates are a good bet. Accept the change and figure out how to use it to your advantage. Manage your time effectively and most importantly, give 100% effort everyday and expect 100% effort from your team. 2010 can be a breakout year for you.

Thanks,

The Bottom Line

Forget Resolutions: Start the Year Right



It's that time of year again when each of us starts making lists of things, resolutions, we are going to accomplish next year. Write a book, be a better person or exercise more are some of my favorites. Usually the hopes and dreams of January 1 are dashed by the harsh realities of January 15. I forget about what I was going to do and just stumble through another year.

Rather than make promises to myself this year, I have decided to focus on things that will help me accomplish one thing in the New Year. Each day will be a step towards the goal of being more productive. It doesn't matter if I'm working, babysitting, golfing or goofing, I will be more productive in 2010. Here is how I'll do it.

[\(READ REST OF ARTICLE\)](#)

Who we are.....

Dave Guenther is the founder and President of BSM Executive Advisors.

Dave co-founded and grew the company *InaCom*, from an idea into a six billion dollar Fortune 500 company.

Dave used these same principles for developing and growing a business to help the owners of *RTG Medical* grow their business from a \$3 million dollar company to over \$30 million dollars in just four years. Helping *RTG Medical* earn national recognition three of the last four years as one of *Inc. Magazine's* fastest growing companies in the country.

As the chief contributor to *The Bottom Line*, Dave is seeking to share the same fundamental principles and sound advice that created *InaCom* and grew *RTG Medical* with other business owners seeking to gain an

When Good Customers Go Bad



In the current economic climate, some historically good customers stop paying their bills on time. If you have a 10% profit margin on sales, a \$10,000 write off requires another \$100,000 in sales just to make up for the collection you didn't make. Selling is important, but collecting for the sale is critical.

There are red flags to watch for. If customers that always cleared in 30 days suddenly start paying in 45 days find out why. Customers that start asking you to resend invoices may be using this as a delay tactic. Some may tell you that the check has been written but neglect to inform you that it has not been mailed.

If you start seeing unusual activity with any of your customers, act swiftly. Don't assume that it is just a glitch. In business, the most vocal get paid first.

[\(READ ARTICLE\)](#)

advantage in an increasingly competitive economic environment.

LEADERSHIP



Everyone talks about leadership. We hear it every day on the news and read about it in business journals all of the time. Many people have their thoughts on leadership and suggest that anyone can be a leader. They are right.

Everyone can be and is a leader in something at some point in their life. For some it is organizing the bake sale, for others it may be running the PTA. Some people take leadership of youth athletic programs and some run Divisions of company's or Company's. Some even take leadership positions in politics even though it is sometimes hard to see how they lead.

So what are the characteristics of leaders that propel them to be a leader at a specific time? I think the following list is critical.

[\(READ ARTICLE\)](#)

Start The Year Right



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The first thing I intend to do is leave the bag of rocks that most call bad decisions of prior years behind me. I can't change the decision I made. All I can do is strive to make better decisions in the coming year. Guilt from the past is just not a useful emotion as you try to move forward.

Every day I am going to finish my day by writing down the things I intend to accomplish tomorrow. I will have standard things listed that I do everyday plus the tasks that come up during the work day. I will be organized rather than rigid or frazzled. When I get to the office, I should know exactly where to start and won't waste time procrastinating on what to do. I will be productive from the start.

My to do lists will be hand written, not kept on the computer or in Microsoft Office task reminders. It is far easier to ignore a computer list than it is to ignore that piece of paper that is lying on your desk.

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I am going to work in thirty minute increments and then take a ten minute break. I will set the timer on my cell phone and when it goes off I will stop for ten minutes. The point of this is to keep me focused. You can do any job, no matter how unpleasant, for thirty minutes.

I will write down or keep track of my progress every day. Work or getting things done is just like golf. If you measure what you're doing and work on the things that are holding you back from your goals, you will improve. I will not just wander through another year with no idea of what I did yesterday.

I will limit checking email and using the Internet unless I have specifically identified projects that must be done. I will check email twice in the morning and twice in the afternoon. I will not start the day or end the day by checking email or taking a peek at the Internet. I am not going to lose control of my day to the technology monsters.

Action creates results. If working in increments and doing a better job of planning my work will force me to do what I know I need to do, I will have made tremendous progress is in being far more productive than I was last year. If I am more productive, I will achieve something.

I will keep you posted on how it's working as I move through the year. If you decide to try some of the tactics, let me know. If you have some other helpful hints, I would like to hear about them as well.

[BACK TO TOP](#)

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If you start seeing unusual payment activity with any of your customers, act swiftly. Don't assume that it is just a glitch. In business, the most vocal get paid first.

Every company should have good collection practices. Some practices that can help get your money are described in the following paragraphs.

Document every call you make to the customer. Get the person's name you spoke to and their supervisor's name. Write down the names, dates and what was said

for every phone call you make into the account. If you leave a voice mail, write it down. If you send an email, note it.

Get the salesman involved. The salesman has the relationship with the customer and is getting paid by what gets sold to the customer. He has a very vested interest in getting any problems resolved. In addition, the salesman knows who to talk to and how to talk to them to get results.

When you make a call, it's not enough to just discuss the past due invoices. Pin the person down. Ask who is holding the check up. Inquire when the check will be issued, what the amount is and what the check number is. Make sure the customer knows that you will look for the check and let them know you will continue to follow up until the matter is resolved.

If the customer can't clear the account, try and set up work out terms. One very effective way to work accounts down without closing down the customer is a 1 for 2 payment schedule. On this program the customer can buy \$1 dollar of new product for every two dollars they pay on the account. Don't be afraid to go to \$1 to \$4 or \$5 if the amount owed is large.

Never make threats you can't keep. Don't threaten to put the account on hold unless you are willing and able to put the account on hold. Don't threaten legal action unless you are at the end of the process and are willing to pursue the issue in court. The customer needs to believe what you tell them. Make a threat that you don't or can't follow through on and you will have lost all credibility with the account.

Remember, not every customer is worth having. Some customers should be cast aside because of their actions. A benefit of firing a customer somewhat publicly is the message it sends to other customer. You expect to be paid for the products and services you deliver. That is never a bad message to have in the customer domain.

[BACK TO TOP](#)

Leadership

Everyone talks about leadership. We hear it every day on the news and read about it in business journals all of the time. Many people have their thoughts on leadership and suggest that anyone can be a leader. They are right.

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So what are the characteristics of leaders that propel them to be a leader at a specific time? I think the following list is critical.

Leaders get others to take them where they want to go.

Leaders understand that people are critical to achieving their goals. They know they cannot achieve success by themselves. They create an atmosphere that will let others on the team succeed as they move toward accomplishment of the goal.

Leaders are always passionate about what they want to achieve.

If the leader of a project or Company is not excited about what they are doing, no one else will be excited about it either. A leader must believe that the project or what they are doing is absolutely critical to moving things forward and achieving the goal.

Leaders have credibility.

Leaders don't have to have experience in doing something; they just have to convince people that they can do the job. That's why young people and older people, new hires or tenured employees are more than capable of being a leader on the right project. People believe, based on what they see and know, that the individual is up to the task.

Leaders are positive, not negative when approaching people.

Leaders are positive about the potential of achieving the goal. They don't focus on what could go wrong, they focus on how to make things go right.

Leaders create change they do not just manage the process.

Leaders have a vision of what they believe will happen and what it will take to get there. When they get others to see and believe their vision as clearly as they do they win.

Leaders have empathy.

Bill Clinton said it best when he proclaimed "I feel your pain." In four words he made hundreds of thousands of people believe that he felt the same way about things as they did. This positioned him as someone with credibility that was interested in changing their plight.

Leaders accept responsibility for where they are and focus on moving forward, they don't blame others.

Real leaders don't waste their time talking about what the other guy did or the fact that they did not create the problem. Leaders know their followers don't care as much about how as they do where.

Leaders understand that that you are where you are. How you got there doesn't matter until

you have left the area behind and then only to the extent it will help you avoid the mistake in the future.

Leaders are interested in getting it right not who is right.

Leaders are interested in getting results, not credit. Leaders listen to people before they make their final decision. While ultimately the decision is theirs, they seek advice and give credit when credit is due.

Leaders don't see failures; they see results that need to be changed.

Leaders succeed because they keep trying until they get the result they are looking for. They do not believe in trying something and just walking away if they don't get the result they want. They don't fail because they know that as long as they are taking action, they are one step closer to success.

Leaders don't disappear when things get tough and reappear when good things happen.

Real leaders face the tough issues and questions head on. Leaders don't shirk their duty to deal with bad results. Leaders don't expect someone else to resolve the negative issues like firing people, announcing poor earnings or detailing projects that have not produced. Real leaders share the glow of success with their team.

I'm sure each of you has things you would add to this list of what is required of a leader. The most important thing, however, is getting the job done. Words are not leadership, action is leadership.

[BACK TO TOP](#)

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About Us

Dave Guenther and BSM Executive Advisors work with you to find innovative answers to issues in Business execution, Strategy and Management. BSM delivers results.

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[BACK TO TOP](#)

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