



KEEPING YOUR TEAM MOTIVATED

Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it.
Lou Holtz

Managers often think that money is the only motivating factor for their employees. Many studies, however, show otherwise. Even though it may come as a surprise to many, the top three motivators are respect, sense of accomplishment and recognition. Money is inarguably important, but it only ranks 5 or 6th on the list. This being said, for this month's InfoPays we have compiled a list of tips that you can use to help you keep your team motivated:

1. Allow people to get involved in the progress of the company.

It is common for employees to want to be involved in the ongoing development and progress of their company. By allowing them to feel involved beyond their day-to-day activities in the big picture, you gain valuable insights, faster buy-in, and less resistance when implementing changes.

2. Communicate, communicate, communicate.

People not only want regular updates on the progress of the business, but also on their personal progress. Keep open communication and provide your team with regular feedback via e-mail, phone, and one-on-one meetings. It is also important that you give them feedback on their behaviour as this will provide the opportunity to make corrections prior to their official performance reviews.

3. Recognize and celebrate good performance.

Make it a point to recognize excellent individual performance by sending a thank you card, thank you e-mail or perhaps recognizing the employee in the company newsletter. Also, don't forget to recognize team performance. A few ideas for recognizing team success: posting performance charts in the office or throwing a surprise gettogether.

4. Set challenging goals.

If you set challenging goals, your team will work hard to achieve them (of course, provided that they are realistic and attainable). Communicate those goals clearly and keep your



team informed of the company's progress towards them.

5. Provide the tools for success.

No team will perform well if they lack the basic tools required for the job. Ensure that any equipment, internal support, inventory, marketing materials, training, etc. is readily available to them.

6. Manage poor performance.

Your team expects you to manage individuals who do not perform up to standard. Even if you prefer conflict avoidance, it is imperative that you address the under-performers and offer recommendations on how to improve their situation at work. Otherwise, you risk having low profitability, low morale, and high turnover.

7. Lead by example.

If you want your team members to treat each other with dignity and respect, you need to treat everyone with dignity and respect. As an owner, manager, or business leader, never lose sight of one thing: your team looks up to you for direction and guidance and setting the right tone is a unique privilege you have.

FIVE ROUTES TO GREATER PROFITABILITY

“A business absolutely devoted to service will have only one worry about profits. They will be embarrassingly large.” — Henry Ford

Increasing the profitability of an enterprise takes some careful deliberation. Popular methods normally deal with increasing sales, controlling and reducing costs, improving the product offer, increasing profit margins or reducing capital employed in the business. In the following text, we review five methods to greater profitability that you can implement in your business:

1. Perform a market analysis.

Market research methods such as focus groups, customer feedback and other commercial market analyses are only some of the options. During the market research process, you should get a clear picture of the market conditions from most perspectives: economic cycles, technological trends, consumer preferences, and, etc.

2. Consider increasing your sales volume.

- Increasing sales may at first seem like a common sense approach to increasing profitability but since sales do not equal profits, managers and owners also need to be proactive about controlling costs, monitoring prices, managing the amount of capital employed in the business as well as the overall product mix.
- Hiring a sales representative to increase the geographical reach of your business is a great method as long as the increased sales produce increased profits.
- If you decide to increase sales by lowering margins, you need to achieve a substantial enough amount of sales for this approach to result in increased profits.
- If you decide to extend credit terms to your customers, you

need to be able to handle this financial pressure on your cash flow. Alternatives include depositing your accounts receivable at a dedicated partner like IPS Invoice Payment System in exchange of immediate payment.

- Understand the impact and potential of different lines of products. Focusing on products that result in losses is bad business practice, unless you have decided to use them to capture the market attention and switch the focus to products with better margins.

3. Look for ways to reduce your costs.

Knowing your costs, especially the hidden costs, cannot be stressed enough. If you do decide to use cost cutting as a way of increasing profitability, be very cautious about the process. Consult with bankers, accountants and auditors and know the impact of each adjustment instead of allowing for arbitrary reductions.

4. Improve your product or service mix.

Just like it is important to quickly identify loss leaders, it is just as important to know the upper and middle end of your product or service mix. This will help you adjust your supply accordingly, and will result in better control over costs as well as increased profitability.

5. Analyze prices and consider increasing profit margins.

This is a fairly delicate strategy -- handle with care. Depending on the market in which you are competing and the price sensitivity of your customers, this approach can either lead to great wins or disastrous profit plateaus.

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