



THE SMART ENTREPRENEUR'S GUIDE TO EFFECTIVE BUSINESS MANAGEMENT



Index:

1. The importance of effective business management	2
2. What you need for effective business management	4
a. Identify your ideal customer	5
b. Staffing and staff management	6
c. Customer satisfaction	7
d. Manage your finances	8
e. Market your business	9
3. What HOMEMAKERSfair can do for your business	10



CHAPTER:1

THE IMPORTANCE OF EFFECTIVE BUSINESS MANAGEMENT

1. The importance of effective business management

The value of successful business management can never be overstated. If you think of your business as an orchestra, management fulfils the role of the conductor – without it, the orchestra never plays. Equally, in business, all the components of business (raw materials, labour and capital) can never come together well enough to make up a meaningful, or even profitable, business without a stable management structure.

Arguably one of the most popular answers to the question “What is the leading cause of business inefficiencies?” is “poor management”. Professors, textbooks and industry thought leaders all agree that the first area to scrutinise when a business is in trouble is the management. Businesses rot from the head, after all. But enough about poor business management, we’re here to discuss the exact opposite.

With effective business management, any enterprise can expect to run a lot smoother and with as few inefficiencies as possible. That’s because even in its most basic form, good management can provide coordination and organisation to any establishment. Sometimes that’s all effective business management is, really: coordinating business processes and providing an organisational structure to the enterprise. But business owners often underestimate the power of having everything in its place at the right (or all) times, usually to their detriment – which is why you can’t afford to.

Another key benefit of successful business management is being able to look into the future – sort of. A well-crafted and resolutely implemented business management strategy gives you the room you need to plan ahead for your enterprise’s future. This can mean anything from sales projections to business risk management and trend forecasting. A poorly managed business can’t have any of these things, at least not to any significant degree. The ability to be able to detect areas in your business that could become problematic in future (and remedy them before they do) is an invaluable asset for any business owner to have.

The nature of business is always uncertain; anything can happen, and frequently does. Being a successful business manager, essentially drawing links between human and material resources, can often mean being more than just an orchestra conductor. You have to be a peacemaker, a magician, a juggler, and, sometimes, even a follower. Effective business management is important because the problems of any given business aren’t the same every day. And the best business managers already know this.





CHAPTER:2

WHAT YOU NEED FOR EFFECTIVE BUSINESS MANAGEMENT

There's no magic formula for effective business management, but history and experience have taught us enough to know that there are proven essentials that every smart business owner needs in order to become a good manager. The rest is a lot easier once you've mastered the following fundamentals.

What you need for effective business management

a. Identify your ideal customer

The best way of tendering incredible products and services is by tailoring them to the specifications of your clients. Start by figuring out what your target market is then narrow that down to your ideal customer. Depending on the type of business you're running, and what you're offering, you could have one or a few ideal customers. However, be wary of having too many ideal customers because this usually leads to an overly general ideal client base that can't be specifically catered to.

An easy way of discovering your ideal customer is by looking at exactly what it is that your business provides and working your way back to a problem, question or worry that your product or service solves. This gives a general idea of the issues that bring people to your business. Take it a step further by working out a list of issues that draw people specifically to your business instead of a competitor's. These are the people that your product or service is perfect for, and they should be the people whose attention you seek.

There's also a little imagination that goes into correctly defining your ideal customer. It helps a tremendous amount to imagine these customers as real people with full lives and figure out exactly what those lives involve. How old is your ideal client? Where do they live? What kind of job do they have? What kind of home life do they have? These are all questions that will help you paint a more vivid image of who your perfect customer is and help you improve how you market yourself to them as well as how you serve them.



What you need for effective business management

b. Staffing and staff management

If you were to take an informal vote about the worst kind of managers, the result, probably unanimously, would be micromanagers. Managers who circle above their employees' heads through every task might have good intentions but they slow down the rate of business by second-guessing the work of their staff. A practical way of avoiding becoming a micromanager is by hiring qualified and capable staff that will produce work of superlative quality. But that's easier said than done because employers typically fall into the trap of hiring the most available candidates that can produce adequate work for a reasonable wage. The way you should really be going about staffing your business requires a lot more discernment than that. You have to start with the best and keep it that way.

So how do you attract the best employees? It starts by having a comprehensive list of criteria that you would like an employee in each position to fulfil. This list shouldn't be inflexible or exhaustive but should definitely be able to give you a broad view of your deal-makers and breakers. Next, you have to know which questions to ask during your interview process. Throw out that generic "Top 9 Questions to Ask Interviewees" template you keep reusing and draft a line of questioning that gets you closer to discerning which candidates are the right fit for your business. Lastly, don't be afraid to have more than one round of interviews if you're dissatisfied with the candidates you have, or exploring other ways of hiring like head hunting. It's not meant to be easy or quick, it's intended to yield results.

Once you have the best staff you could hope for, it becomes all about retaining the talent you have – this is where effective management becomes essential (and micromanagement becomes fatal). It's not enough to simply hire the best and hope for the best; you have to give your team the leadership, resources and environment they need to thrive. From the basics of equipping them with the right equipment and systems to perform, to on-the-job perks like upskill programmes, performance bonuses and generous leave agreements. Most times, staff management is basically a civilised form of crowd control, so sharpening your mediation and conflict resolution skills goes a long way towards keeping your employees happy, or keeping them, period.



What you need for effective business management

c. Customer satisfaction

Whoever it was who first quipped that the customer is always right was probably a customer. Every smart business owner knows that there's an implied "almost" in that adage. That said, customer satisfaction is probably more important today than it has ever been before. [According to Zendesk](#), 82% of consumers have stopped doing business with a company because of bad customer service. So the customer might not always be right, but they can often point you in the right direction.

This is not to say that your business should obsess over every dissatisfied customer or subscribe to any form of consumer sovereignty. Instead, your business should focus on maintaining good relations with its client base, and that starts by listening to your customers and gauging their satisfaction. Thankfully, in the modern business age, comment boxes have been replaced with customer relationship management (CRM) technologies. With the relevant CRM resources, you could easily quantify the satisfaction of your customers using sophisticated and reliable metrics.

That was the easy part. The hard part is maintaining (or increasing) the satisfaction of your clients. Creative thinking is vital for this since most customer retention strategies have been recycled until they became gimmicks. Besides providing consistently excellent service, you need to give your customers added value that they can't get from your competitors. Loyalty programmes are still a useful way of both keeping customers delighted. Personalised buying experiences are also a growing marketing trend. Consumers like to feel like kings and whether they're right or not, pretending that they are – even just a little – pays off.



What you need for effective business management

d. Manage your finance

Mismanaged funds are the commercial kiss of death. That may seem hyperbolic but, considered carefully, it holds a lot of truth. All entrepreneurs get into business to build and grow enterprises that are successful and profitable. In short: to make money. If you aren't handling your business' money responsibly, your business will struggle to grow or turn a profit. In fact, [studies](#) show that only 45% of startups survive beyond five years and 80-90% of those fail due to cash flow problems. So perhaps "kiss of death" wasn't hyperbolic enough.

The paradox many small businesses face is that they don't have the financial resources to hire a financial manager. So small business managers find themselves putting on yet another hat and fulfilling yet another role. But even for the layman, managing a business' finances needn't feel overwhelming. A combination of planning, discipline and good old-fashioned common sense are really all you need to sustain your business financially.

Small and medium businesses have to be a lot more cautious with their finances than bigger businesses, so the majority of your financial management will be aimed at mitigating unnecessary financial risk and securing your enterprise's future. Project your cash flow for a full year, regularly negotiate with your suppliers and vendors, sow profits back into the business and borrow conservatively. The point is to keep it simple and play it relatively safe, unless the risk is worth it.



What you need for effective business management

e. Market your business

In the world of marketing as it exists today, it can be difficult for small businesses to distinguish themselves from bigger companies with bigger budgets to play with. But that doesn't mean that small businesses can't or shouldn't market themselves at all. In reality, sharply targeted marketing is exactly what a small business needs to avoid staying small forever.

Marketing is all about getting your business' name out there, and that's important for businesses that are starting out and looking to grab their share of the market. Consumers generally don't trust brands they don't recognise so they hardly ever try anything new unless it's marketed well. Marketing, therefore, isn't something you can skip as a small business. It's actually one of the things you should start with.

Beyond just establishing your company and its reputation, a well-executed marketing is almost guaranteed way of disrupting the competitive space and driving up revenue. Marketing also brings you closer to your ideal customer by providing you with insight into what works and what doesn't. And despite popular belief, it doesn't have to break your bank; there is a good amount of affordable ways to get your business known. Even something as small as a clever and engaged social media presence could suffice. All it takes to develop a marketing plan that works is for you to think outside the proverbial box.



CHAPTER:3

WHAT HOMEMAKERSfair CAN DO FOR YOUR BUSINESS

If you are a home improvement business owner looking to transform the way you manage your business through marketing, there might be a page for you in HOMEMAKERSfair and renovate. Both publications are the foremost authorities in the home improvement and renovation sector in South Africa with a combined market share of 67%. Homeowners nationwide trust us to provide them with all the inspirational home improvement and renovation content they need to help them bring out the best in their homes. By advertising with us, you would be speaking to your ideal customer directly.

HOMEMAKERSfair and renovate reach over a million upmarket South African homes, positioning us in the centre of a highly sought-after demographic group. 83% of respondents to a HOMEMAKERSfair survey said the publication is read by more than three people and 78% of respondents keep copies for future reference for up to six months. While 85% of our renovate survey respondents used our publications because of a need that had arisen at a particular time. Our magazines are never late, meaning our readers never miss an issue, meaning your ideal customers never miss an opportunity to discover your business.

If you want marketing that is strategically targeted and fruitful, you want HOMEMAKERSfair.

