

YOUR RESOLVING TO ELEVATE BUSINESS RETURNS IN 2015

All businesses are the same in at least one respect. They need to generate sales, accounts, and customers. Revenue is the goal. To get there, however, a lot of work behind the scenes must be accomplished. While there are no guarantees that any business decision will realize any specific result, everyone would agree that the failure to act will certainly lead to adverse consequences – pecuniary or otherwise - worthy of avoiding. At the beginning of 2014 I presented resolutions geared toward enhancing positive business returns. Did you follow them? How did you do? I think they bear repeating.

Step #1 – Train, Train and Train

Resolve to make sure employees are adequately trained to use the equipment and technology necessary to the function of your business. Take advantage of available training, most of which is free. If your business is subject specific laws and regulations, make sure your employees are aware and following them. Trade associations are a great resource for training and certifications relative to your business. If available, get your employees licensed and/or certified in their fields of work.

Step #2 – Embrace Technology

Resolve to provide your employees with the most up-to-date technology needed to perform their function and conduct business. There are many resources and applications available. Test them. Assess them. Find out what works. Revamp if necessary. Investing in the right equipment and technology will pay off in the end.

Step #3 – Create a Documentary or Electronic Paper Trail

Resolve to avoid litigation or a negative outcome from litigation. Success in litigation often turns on evidence. The best evidence is a document. When it comes to proving the terms of an agreement, documents speak louder than words. Therefore, be sure to document all agreements and understandings. Make sure your material business terms and conditions are clearly revealed and understood by all parties. Send confirming faxes or emails with specific terms and conditions. Print hard copies to place in a documentary file or scan them to an electronic folder. Should a dispute arise concerning terms of an agreement, you can pull out the document, if necessary, to refresh everyone's recollection of the events and enhance your position.

Step #4 – Become Risk Averse

Resolve to manage and avoid risk. There are a number of ways this can be accomplished. Training is one. Adopting and using cutting-edge technology is another. Establish compliance programs and conduct frequent risk assessments. Have policy manuals and require employees to follow them. Consider whether the risk is insurable. You insure your health, home, cars and teeth, so why not your businesses? Credit and other forms of liability/casualty insurance may be an affordable way to avoid losses which are occasioned by events outside our control.

Step #5 – Make Sure All Licenses, Certifications and Permits are in Place

Resolve to make sure your employees complying with applicable laws and regulations to your industry. Most businesses today are regulated at some level - local, state or federal. Promote this fact. If licensing and regulatory compliance are a feature of your industry, make sure all licenses are current and contain up-to-date information. Then let your customers know about it.

Step #6 – Take Advantage of Non-Legal Credit Enhancing Tools

Resolve to take advantage of non-legal credit enhancement tools. If you have suffered more than 10% bad debt losses in a given year you should consider investing in a source of information that will provide a greater degree of certainty that customer debts will, in fact, be paid. Membership in a credit reporting or trade association – like NACM, RBCRS or ACA International - is a good place to start. When contemplating payment arrangements, consider obtaining trade references, personal guarantees, and pledges of personal collateral to secure anticipated debt servicing to avoid collection issues in the future.

Step #7 – Update Internal Documentation

Resolve to undertake a comprehensive review of all internal operating agreements and make revisions to comport with changes in operations made in the preceding year. This may take time; however, if you can identify errors and omissions that enhance business performance and avoid costly problems it is well worth the effort. These include a review of all agreements relating to capital financing, insurance, employment agreements, and management contracts.

Step #8 – Extend Positive Strokes Whenever Possible

Resolve to treat your employees and customers with respect. In his best selling book, *Games People Play: The Psychology of Human Relationships*, Eric Berne describes three role states: parent, adult, and child. Many negative behaviors can be traced to switching or confusing these roles. For example, a controlling, abusive boss (i.e., controlling “parent”) often develops self-abased obedient, tantrum throwing, or other childlike responding employees. People like to be praised and encouraged. Find ways to praise the good efforts and successes of your employees. It makes sense that positive strokes will result in positive behavior and add value to your business.

Step #9 – Do Not Forget the Lessons of 2014

Resolve to build on what you have learned in 2014. Vow to step forward, not back. Someone once said: “Those who ignore history are doomed to repeat it.” This may be good, but it may also be bad. The good you can live with; but you certainly don’t need the bad. Take stock in what worked in 2014 and build on it. Identify and fix problems and take steps to avoid a similar fate in 2015.

Step #10 – When all Else Fails, Seek Competent Legal Advice

Resolve to ask for help! No one ever says: “I hope I have to spend money on an attorney this year.” However, you should feel comfortable saying, “I don’t mind spending a few bucks consulting an attorney to get it right now and, hopefully, avoid spending thousands of dollars on legal fees to straighten out a mess that could have been avoided.” Do not be afraid to obtain sound, competent legal advice on any matter you are not accustomed to dealing with before you act. An experienced business attorney can provide counsel that will be invaluable to your business.

Best of luck in this New Year!

Bruce W. Akerly
CANTEY HANGER LLP
1999 Bryan Street, Suite 3300
Dallas, Texas 75201
(214) 978-4129
bakerly@canteyhanger.com

The foregoing is presented for educational purposes only and should not be relied upon as legal advice. Although prepared by professionals, it should not be utilized as a substitute for professional services in specific situations. If legal advice or other expert assistance is required, the services of a professional should be sought.

© Copyrighted. Bruce W. Akerly 2015. All Rights Reserved.