

Let\$ Make Money

A MARKETING, FINANCIAL & BUSINESS PRACTICES GUIDE FOR FPP MEMBERS – Issue # 41, 2006

Photography Business Dashboards




Understanding how your business is performing every month, and sharing that information with key stakeholders (e.g., investors and employees) is critical. The best practice method is using a “dashboard” – key performance indicators (KPIs) or metrics on a display.

Firms tend to achieve what they measure, and measurement should track their progress towards their goals. A dashboard requires setting a restricted set of metrics that will be used to evaluate and communicate performance. The analogy is a car dashboard.

The best practice dashboard framework being used is a Balanced Scorecard™ (BSC). This framework requires looking at the firm from four equally important perspectives. The underlying premise behind the BSC is called the “Z Factor” for its shape: “If we have skilled employees doing the right things, then the customers will be delighted and we will keep / get more business.” And of course, more \$\$\$ successful.

Using a light indicator system gives a quick visual if you are on track or not.

Key:

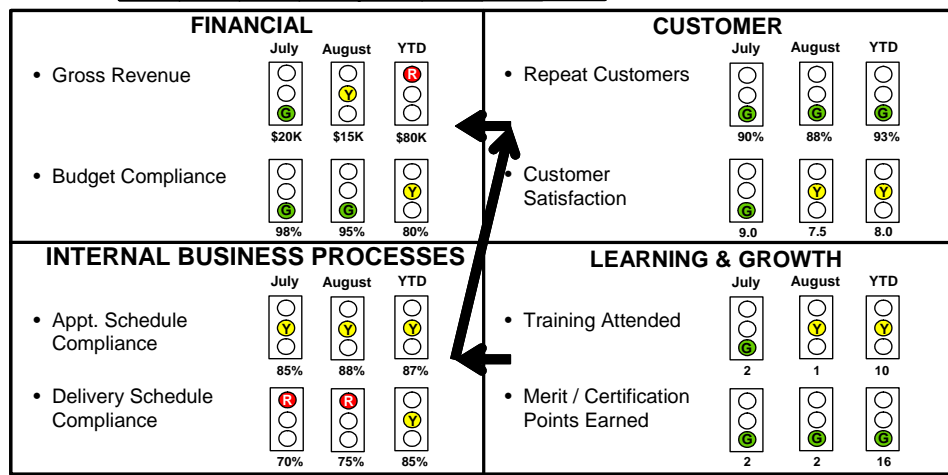
-  More than 20% off the target
-  Within 20% of the target
-  Greater or equal to the target

Source: Excerpt From “Behind the Wheel” by B. H. Clark, A. V. Abela, T. Ambler; *Marketing Mgmt.*; May/June ‘06

FEATURES

- 161 – Dashboards
- 162 – Security Freezes
- 162 – Promises Mgmt.
- 162 – Client Loyalty
- 163 – Business Bag

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec



Florida Takes Bite Out of Identity Theft

Effective July 1, 2006, residents of Florida can put a security freeze on their credit. Since the Federal Trade Commission (FTC) says credit card theft is the most common form of identity theft, this is a key way to reduce risk.

With a security freeze, nobody can issue credit in your name without your prior permission.

If you are < 65 years old, there is a one-time cost of only \$10 per credit reporting company and there are three: (1) TransUnion, (2) Equifax, and (3) Experian.

To put this in place, call TransUnion's Consumer Protection Center for instructions: 1-800-680-7289. Equifax's and Experian's information can be found on their respective web sites:

www.equifax.com
www.experian.com

Take action today!

Source: Multiple, 2006

Promises Management

There is no doubt that customers prefer good surprises to bad ones. For example, most would prefer to find a marshmallow in hot chocolate rather than a cockroach.

But, if we look closely at customers' behaviors, it becomes clear that most value consistency over even positive surprises. Generally, customers simply want to know what they can realistically expect from the marketer's offering on an ongoing basis.

Does over-delivering pay off? Setting aside that customers don't really like surprises, and that continuing to surprise them is a near-impossible challenge, one of the biggest risks of over-delivering is wastage (and lost \$\$\$).

Because customers will take whatever is on offer (and they'd be crazy not to do so), over-delivering is a dangerous game.

Source: Excerpt From "Promised Land" by R. Price & D. E. Schultz; *Marketing Mgmt.*; July / August 2006

Customer Loyalty

On average, loyalty leaders grow more than twice as fast as the industry average and do so with lower costs. And, firms with high marks for customer satisfaction enjoy above-average \$\$ performance with less risk.

Unfortunately, at the same time, research is abundant on how badly firms are delivering on their promises. For example, 80% of firms believe they deliver superior customer experiences, but only 8% of customers agree.

And, more than 80% of customers find that experiences don't match the promises made and are disappointed. Also, while more than 70% of customers state poor service caused them to take their business elsewhere, firms believe price is the prime factor for defection.

What your customers remember will build or destroy their loyalty.

Source: Excerpt From Article by L. A. Crosby & S. L. Johnson; *Marketing Mgmt.*; July / August 2006

BUSINESS BAG

“Thanks for Complaining”

Do you wince at objections or welcome them? Depends on whether you're a pro or an amateur. Top earners view complaints as positive buying signals. Others see them as irritating annoyances.

Retired executive Len Smith says, “Objections can be either the prelude to lost accounts or opportunities to restore goodwill. Not only do smart salespeople welcome objections, they take steps to draw them out. You can often tell a customer's manner and bearing if something irks him/her. That's the time to pinpoint the reason, and plan how to reinstate the good relationship.”

Source: Article by R. Dreyfack; Selling Power; June 2006

Insurance

To check up on an insurance company:

1-800-342-2762
www.fldfs.com

“To the attentive eye, each moment of the year has its own beauty.”

Ralph Waldo Emerson

Don't Take People for Granted

Mark Twain said, “I can live for two months with a good compliment.” Employees can live even longer than that.

“Don't take your key people for granted,” counsels Brody Communications. “If you think they're great, let them know, and others too.”

Source: Article by R. Dreyfack; Selling Power; June 2006

Employee Pet Peeves

Percentage of employees who said the following were their biggest pet peeves:

- 30% – Cell phones ringing at work
- 11% – Personal conversations
- 9% – Use of PDAs during meetings

Source: USA Today, 6/20/06

Ethics vs. Price

Would you prefer to purchase products and services from a company with ethical business practices and higher prices or from one with questionable business practices and lower prices?

- 72% – Good ethics with higher prices
- 18% – Questionable ethics with lower prices

Source: Caravan Survey from Opinion Research

Monitoring Employee Web Usage

Does your company monitor your emails and Web usage? “Yes” ...

- 27% – < 50 employees
- 48% – 50-99 empl.
- 55% – 100-249 empl.
- 60% – 250-499 empl.
- 71% – > 500 empl.

Source: Hudson Survey

Optimism Falls

Small biz optimism fell to its lowest level in 3.5 years in August 2006.

Source: USA Today, 9/12/06

BUSINESS BAG (continued)

Workers' Skill

How would you rate the overall skill level of your workforce?

- 43% – Better than competitors
- 39% – About equal to competitors
- 14% – Industry-leading
- 3% – Worse than competitors
- 1% – Non-existent

Source: *Accenture High-Performance Workforce Executive Survey*

High Cost of a Bad Hire

How much does it cost to replace an employee who doesn't work out, including recruitment, training, severance and lost productivity?

- 15% – Equal to employee's annual salary
- 42% – Two times
- 26% – Three times
- 6% – Four times
- 11% – Five times

Source: *Right Mgmt. Survey*

"A diamond is a chunk of coal that made good under pressure."

Anonymous

Computer Security

What types of computer security issues does your organization face?

- 70% – Virus / worm
- 60% – Lack of user awareness
- 46% – Abuse by authorized users
- 45% – Remote access
- 40% – Browser-based attacks

Source: *CompTIA's 4th Annual Benchmarking Study*

Pet Postcards

Postcards featuring pets you photograph are available from Transword Creative Communications. Proceeds benefit the Humane Society of Tampa Bay. Info from:

CatsandDogsCard@gmail.com or
humanesocietytampa.org

Source: *Fetching Communications*; 9/9/2006

Photo Jewelry

If you're looking for an additional product line to boost sales, check out photo jewelry. There's a variety of styles and prices to meet the needs of your target market:

www.planetiill.com
www.draperimaging.com
www.mylifedesigns.com

Source: *"Wear Your Love," Professional Photographer, September 2006*

Completed: **Sept. 15, 2006**

LET\$ MAKE MONEY

A publication of the Florida Professional Photographers, Inc.

Executive Director:
Teri Crownover
Ph: 1-800-330-0532

Send comments & contributions to the Editor: Judy Stimson
BestImagePhoto@aol.com; Best Image Photography;
P.O. Box 5806;
SCC, FL; 33571-5806

Material in this publication may not be reproduced without the consent of FPP.

© All Rights Reserved