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Advice Given, but Least Acted Upon
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Many individuals reading this column can relate to a frustrating situation where you have given advice, but it was not acted upon. Whether you are an educator, parent, business owner, or even a neighbor, some items of advice always appear to go over the listener's head. In a recent seminar, I was asked, "What advice do you give out the most, but is least listened to or acted upon?" The following is a laundry list of advice that applies to business and life in general.

Business

I often advise business owners to take the time to complete a written business plan before any new business endeavor or a major change in the business such as an expansion or slow down. The key here is a *written* business plan, rather than managing thoughts in your head. The business plan often needs input from other individuals that can be weighed against strategies and options. The business plan is not set in concrete and, like a coach's game plan strategy, can be shifted as the environment and business conditions change. Once completed, a business plan needs to be taken out of the file drawer, used, and tweaked as necessary. The business plan often balances emotion with logic, which is a key to success.

One of my frustrations is not following through on a projected cash flow. Even some of my fellow speakers have shunned this important business tool because the environment is too unpredictable. However, 80 percent of a business plan is related to a projected cash flow. As a part of the business planning process, one must record production schedules, prices, cost, financial arrangements, and business withdrawals. If you are uncertain about economic or weather events, use a financial spreadsheet to show the pathways of possibilities. My advice to all educators and administrators reading this column is that spreadsheet development and practical applications should be a requirement for students and incorporated into adult education programs.

Communications

We all have communication challenges in our business and personal lives. To jump start this process, taking a personality assessment such as DiSC, Myers-Briggs, True Colors, or another assessment can be a good foundation to level the communication playing field. The key is to have a strong facilitator that can apply the assessments to practical business, family, and personal situations. This advice is often not taken by the dominant or "D" type personality described as the "bull in the china shop." A personality assessment is very valuable and can be used in normal or stressful situations or when working with others such as a lender, suppliers, or even the next-door neighbor.

Workforce management and employees

I often cringe when a business owner indicates that they cannot afford an employee even though they have excellent credentials. There is an old saying that you can overpay an underproductive employee, but it is difficult to overcompensate a productive one. The 96-4-50 rule applies in this situation. The rule indicates that 96 percent of people will not cause issues for the business; however, the 4 percent of people that do cause issues will require up to 50 percent of your time.

A productive work environment or culture usually represents the following attributes:
1. Hire for attitude and train for aptitude.
2. Have clear and transparent job responsibilities and assessments.
3. Have a good feedback mechanism.
4. The non-financial aspects of employment are becoming much more relevant and critical. This includes flextime, educational opportunities, employment advancement, and pathways for growth.
5. Take advantage of internships to "dry run" or "redshirt" new employees in the same way that many athletic programs do with athletes. This allows the business the opportunity to see if an individual can adapt to the culture and observe their work ethic.

Hiring family members

I once recommended that a family member that was being hired for a management team should have a job description, a six-month probation period, and an assessment conducted by a third party, non-family member. All three of these suggestions were disregarded. The impact was not only financial, but a workplace culture buster! This situation eventually led the lender to actually downgrade the business' loan. Hiring this individual led to capital spending issues and resulted in over one half of the productive workforce leaving. In the long run, hiring this family member was a $500,000 mistake.

<u>Transition management</u>

Advice regarding transition planning and management is often ignored until it is too late. Transition management is often confused with estate planning as a result of business owner or partner demise. The transition plan must start early in the business with open, candid conversations. Some younger individuals can get sucked into the proverbial "black hole" by remaining in the business and assuming that the business will be theirs one day. The older generation is often reluctant to share management and financial responsibilities until it is too late. When transition management advice is not implemented, it often results in negative family and financial outcomes.

<u>Exercise</u>

One nugget of advice that many have heard before is to exercise. However, this is beyond physical exercise. Exercise your mind by occasionally going out, hearing the silence, and enjoying the simple blessings of life. A regular workout, a quick walk, enjoying the sunrise or sunset, or taking time to refresh the mind with a good book or YouTube video can lift your spirits. In today's fast-paced world, getting mental and physical exercise is often on our minds at the start of the New Year, only to forget it by Groundhog Day. Taking care of the mind, body, and spirit can lead to a productive day and set a good example for others who are observing.