

Does Your Small Business Have These “Big Business” Building Blocks in Place? (Part Two of a Three-Part Series)

Description

Welcome back, readers. Today we’re going to continue our series on the key structural and foundational elements small business owners should build into their organizations early on. If you need to catch up on this subject, click [here](#) for the introductory column that ran earlier in the month and [here](#) to read last week’s installment.

To refresh your memory, we’ve been talking about how bigger corporations almost always have these foundational pieces in place. Unfortunately, most small business owners are so overwhelmed by their day-to-day responsibilities that they put off thinking about them until “later” (which often never comes). They are so busy working IN the company that they don’t have time to work ON the company.

Putting in these building blocks solves many issues and prevents others from popping up in the first place. Most obviously, having a solid foundation in place eliminates the uncertainty that makes people feel anxious and disempowered. It creates clarity, spells out what the rules are, drives decision-making downward, and in general heads off a lot of the problems that cause businesses to struggle and fail.

Last week we covered mission, vision and values, standards of behavior, and clearly defined goals. This week we’re moving on to manager development, measurement of employee engagement and customer satisfaction, and a system for well-run meetings. Let’s get started:

Development for Everyone in a Supervisory Role

Managers are so important to the performance of your company. They have to juggle many tasks, manage their time well, hire well, coach employees on their performance, serve customers, and more. Yet too often in small business, many owners will skip over management and look just at frontline employees. This is a mistake.

It’s important for a small business to know a) what skills the leaders in your organization must have, and b) how effective each one is in these areas. This can be achieved through a combination of self-assessment and assessment by a direct supervisor. Once you have a solid inventory of where your leadership strengths are—and which skills need to be developed—you can use it for the basis of a development plan that includes workshops, formal training, coaching/mentoring, and more.

A Way to Measure Employee Engagement and Customer Satisfaction

I put these two together because they work together. Engaged employees create satisfied customers and vice versa. When employees feel their work has meaning and purpose, they are driven to making customers’ lives better. Then, when customers express that they are satisfied, employees become even more engaged. It’s a virtuous cycle and it leads to strong financial performance. One of our 2016 EntreCon keynote speakers, Julie Weber, vice president and chief people officer for Southwest

Airlines, showed data that when they connected engaged employees with wowed customers, it led to record-breaking financials year after year.

Because so many small businesses have shared with us at the Studer Community Institute that they believe they can't afford to measure, we have created a very cost-effective way to gauge employee engagement. We recently completed our own engagement survey for the Bodacious Shops and the Pensacola Blue Wahoos. For our full-time staff, we were in the top 1 percent (or 99th percentile). However, for part-time, we were in the 74th percentile. This information told us loud and clear that we need to focus on the part-time workers in our organization. Once you know the metrics in both areas—employee engagement and customer satisfaction—you can take steps to improve both.

A Well-Run Meeting System

Poorly run meetings are a waste of time. So are too many meetings. Even worse than the inefficiency factor is the likelihood that attendees will leave a meeting not knowing what they're supposed to do. Obviously, all of this can have a dramatic negative effect on the performance of your business. This is why being able to facilitate a productive meeting is a skill every manager needs to be successful.

Every small business needs a standard method for running good meetings. All leaders need to be trained in the key components: pre-meeting communication, agenda, rating of the meeting, and follow-up. Having a standardized operating procedure for meetings saves time, shows great respect of all attendees, creates much better meeting outcomes, and allows for the sharing of wins and best practices and creates an opportunity to connect employees back to the *why*—the reason the company exists in the first place.

Next week we will wrap up this series by covering a few more building blocks that help small businesses hire great people and set them up for success. Thank you for reading.

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