

At BMO Bank of Montreal, we are committed to helping Canadian businesses develop and succeed. To this end, we've created a Business Coach Series that provides information and knowledge that can optimize the value of your company's financial resources. The booklets that make up the Series focus on essential areas of financial management allowing you to focus on operating your business more effectively.

For more information on how BMO Bank of Montreal can help your business:

- ✓ talk to your Commercial Account Manager
- ✓ call BMO Bank of Montreal Direct Banking for Business at **1 877 262-5907** or
- ✓ log on to **www.bmo.com/business**

This document is designed for information purposes and should not be considered advice. For specific information on your business needs please consult with the appropriate business professional.

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Using Other People's Help

BUSINESS COACH	SERIES
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- When you need assistance
- Where to find help
- Additional resources



Sound Advice Is All Around

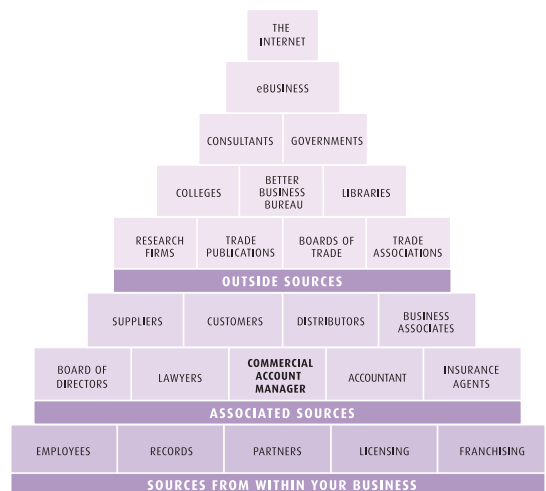
The Situation

As an entrepreneur, as an independent-minded business owner, you may prefer your own way of doing things. After all, you've gotten this far pretty much on your own. There have been times, however, when you could have used a hand, some assistance, some support – but you weren't sure where to look or whom to ask. Even so, you expect that as your business continues to grow, you'll need help to remain successful.

The Solution

At BMO Bank of Montreal®, we are committed to helping Canadian businesses develop and succeed. The purpose of this Business Coach is to suggest sources of help that may be available to you. While some may seem obvious, all are worth considering for various situations. To simplify your search, we've categorized these sources of help into three groups:

1. Sources from within your business
2. Associated sources
3. Outside sources



Sources from within Your Business

Employees

Employees can prove to be a vast untapped source of knowledge and help. It makes sense to take advantage of their experience.

- Hold weekly, bi-weekly or monthly team meetings with Supervisors/Managers and have them meet with those they supervise to ensure that problems are aired, and that views and suggestions are sought.
- Involve your employees in budgeting, setting goals and planning through quarterly performance and strategy meetings; share information with them.
- Give your employees responsibilities and tasks that will allow them to grow, and reasonable freedom to carry out their duties as they see fit, as long as they deliver results. Build in milestones and checkpoints so you can monitor their success.
- Look for special talents among your employees and encourage them to acquire more education through fully- or partially-subsidized courses, workshops, training with suppliers and internal information-sharing seminars. This should result in better work performance and working relationships.
- Express your appreciation for a job well done with internal recognition programs, and team and individual performance bonuses (financial incentives, time off work, lunches, etc.); they can be highly motivating.

Records and statistics

Proper records and statistics can be very helpful. Statistics will tell you what is happening; analysis of the statistics can help lead you to the reasons why.

Statistics in isolation can be meaningless. Using records effectively means making comparisons, identifying cycles, investigating positive and negative results. The insights gained can indicate important trends:

- **Trend over time** (*sales are up this month versus the same month last year*)
- **General trends** (*sales are down against budget, are up more than the industry average, and so on*).

Wherever possible, use percentages to highlight changes and to help make comparisons.

Start with your accounting statements to make comparisons against budgets, a year ago, competitors, and industry averages.

- From **Income Statements**
 - sales
 - gross profit
 - selling costs
 - overhead
 - profit before tax
- From **Balance Sheets**
 - inventory turnover
 - day's receivables/payables
 - working capital
 - debt-to-equity ratio
 - return on investment

TIP | Don't dismiss ideas out of hand. Most suggestions from employees have merit; sometimes you just have to look a little harder to find it.

All businesses have “hot buttons” which signal good health or sickness. They don’t always show up in normal records.

- In addition to overdue receivables or outstanding payables, consider your back-order position, customer complaints, absenteeism and staff turnover.
- Understand what the hot buttons are in your business and monitor them monthly, weekly or, in times of crisis, daily (see the companion Business Coach booklet *Measuring Performance* on this topic).

Joint ventures, franchising, licensing, strategic partners

Help from within can often be secured by working jointly with or through another company that can supplement your own strengths and make up for your weaknesses. Any joint venture, partner, franchisor, or licensor may be of value in some or all of the following areas:

- *Marketing.* New products, location research, markets, means of distribution, customers or customer lists, corporate image and awareness, market data and leads.
- *Management.* Provide the benefit of their management experience, suggest personnel training methods, introduce systems and control.
- *Finance.* Directly by investing or lending. Indirectly by co-signing leases, guaranteeing lenders or suppliers, giving credibility through their name and reputation.

Associated Sources

This group of sources of help comprises people who know something about your company but are not employees.

Your commercial account manager

Beyond your normal banking relationships, you should consider using your commercial account manager’s practical experience and ability to access information for the following:

- general economic conditions
- regional and industry trends
- marketing/new product opportunities
- leads to other financial and non-financial help, including introductions and references when needed, and
- credit checks and suppliers.

Remember, your commercial account manager has a vested interest in your success – it can add to his or her own. And if the manager doesn’t have the answer to your problem, chances are that someone in the division or national office does have it and will be glad to help.

Your accountant/auditor

An outside accountant can help you with such items as:

- setting up systems and controls
- advice on personal and business tax issues
- leads to sources of financing
- preparation of credit applications
- completion of tax returns, and
- preparation of cash flow forecasts (see the companion Business Coach booklet *Cash Flow Planning* on this topic).

Your Board of Directors (if you are incorporated)

A well-chosen Board of Directors will bring knowledge and expertise to the running of your business.

- Consider your directors as a “sounding board” for your own judgment and access to talent not ordinarily available to you.
- Board members can provide industry information, specific expertise, contacts and leads, an objective overview.
- Consider the following professionals for your board:
 - retired bankers
 - lawyers, accountants
 - retired government employees
 - university instructors or professors
 - active business people.
- Look for a good mix of personalities, backgrounds, and contacts – beware of conflicts of interest.
- Meet regularly, perhaps four to six times a year. Set aside a part of each meeting for special subjects on a cyclical basis: marketing and product planning, personnel planning, annual budgets, accounting and control.
- Good board members are worth an honorarium, if not a fee. Remember: you manage, your board directs! Its function is to protect the company when it “cannot see the forest for the trees.”

TIP | Because your commercial account manager deals with so many types of businesses, his/her experience can often be useful.

Your lawyer

Most businesses use lawyers when getting started, and afterward only use them for legal matters. Your lawyer can also be useful for:

- leads to alternative financial sources, particularly personal investors
- political contacts
- board meetings and finding board members
- guidance on legal obstacles that might appear during a deal, long before documentation.

Your customers

Whether you have your own salespeople or you use distributors or wholesalers, your business depends on the customers.

- Talk to your customers regularly; find out how well your product is meeting their needs.
- Define your customers; your records should allow you to build a customer profile that can be maintained and evolve.

Your suppliers

It's in your suppliers' interests to help you in as many ways as possible. Count on them for:

- conditions in the industry, including their competitors; where the industry is going next year; new regulations
- new materials, models, production methods
- information on your competitors*.

Your insurance agent

Your general insurance agent and life insurance agent can be valuable links to contacts, business prospects and individuals in your community who have money to invest.

* Subject to privacy and confidentiality laws.

Outside Sources

Although farthest removed from you personally, this group of potential helpers represents the broadest range and diversity of help.

Trade associations

If your industry has a trade association, consider joining it. Associations are a good source of information and contacts, so be prepared to play an active part in yours.

Business clubs, boards of trade, chambers of commerce

- Influential people can be found within business clubs, special interest groups or committees.
- Meet and learn from new acquaintances at Chamber of Commerce workshops, seminars, luncheons and trade missions.
- You will exchange a large number of business cards; keep these cards on file.

Better business and local credit bureaus

- Ask local bureaus about your new clients or customers, and learn from the experiences of others. The Better Business Bureau also can help with hints on business conduct.
- Ensure that the firm that looks after your credit and collections is a member of the Credit Bureau in your area or industry.
- Go online at www.bbb.org to get valuable tips and information on business ethics and more.

Governments

In addition to direct loans and grants, Canada also has a variety of government programs to assist small business. There's usually some form of government assistance to help create or preserve jobs, develop exports, promote local manufacturing, conduct technical research or develop new skills. If you have difficulty locating the appropriate program, consider asking your federal Member of Parliament or provincial representative for help.

Business Development Bank of Canada (BDC)

With services available across Canada in both official languages through a network of more than 80 branches, the BDC offers financial services, consulting services, subordinate financing and venture capital. They have a particular focus on the emerging and exporting sectors of the economy. You can find them online at www.bdc.ca.

Provincial departments of trade and commerce

Every province has offices concerned with trade, commerce and industry. The names may be different, but generally their purposes are the same. They are helpful on regulations, trends and markets. Sometimes provincial grants are available to conduct market research. The departmental web sites can provide you with invaluable information and links to other resources.

TIP | A note of appreciation can often prove more rewarding than cash; let your employees know they are important.

Statistics Canada

Almost every statistic imaginable can be found in some section of StatsCan. Their web site at www.statcan.ca offers a wealth of census information, daily updated statistics, community profiles, Internet publications, online databases and much more.

Universities, community colleges

Many colleges hold weekend or one-day seminars for business. Some business schools provide students to counsel small businesses. Call the Dean of Business, or check out their web sites to see what is offered in your community. You can find links to most Canadian universities at www.aucc.ca.

Consultants, research firms

Consultants and research firms charge professional rates. Depending on how you use them, and the nature of your problems, they could be your most expensive or your most economical form of help. They are near the end of this list because you should have considered all the other sources before you look to them for help.

Libraries

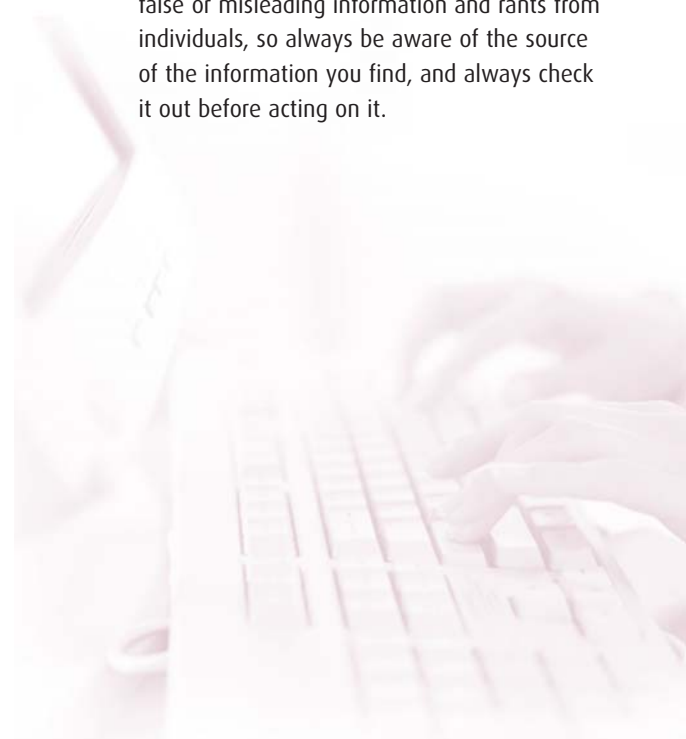
Your local library, or that of a university or community college, offers limitless knowledge. Introduce yourself to the librarian, who could be very useful in pointing you in the right direction. Many offer online access to collections and other resources. A good place to start looking is the Library and Archives Canada web site at www.collectionscanada.ca with a search for "business help".

Trade and business publications

There is a lot of data published in the trade press – market trends, new products and services, "how to" articles. Most publications offer extensive online versions, usually with more in-depth coverage and links to background and related topics. Many also will answer questions from enquirers and maintain libraries.

The Internet

Get to know search engines such as Yahoo! and Google. A good search engine can become your virtual assistant in gleaning information from the ever-growing online world. Learn how to use their search options to focus on the specifics of what you are seeking. Searches can turn up information from sources that range from non-professional special-interest groups to university libraries and business associations. They can also turn up a lot of false or misleading information and rants from individuals, so always be aware of the source of the information you find, and always check it out before acting on it.



How to Ask

Before you ask anyone for help, consider the following steps:

1. Do your best to know what it is you don't know; if you don't recognize the scope of your problem, you could look for help in the wrong places.
2. Don't be reluctant to ask; another person's viewpoint may be just the thing you need to help you solve your problem.
3. Keep an open mind; if the solutions offered do not agree with your own ideas, don't cast them aside without seeking more information.
4. Work towards a specific decision or definite course of action; information is only useful if it enables you to make the *right* decision or to take the *correct* action.
5. Start with the people you know. Ideally you should start at the base of your potential-helper pyramid (see the chart at the front of this brochure) and proceed toward the top; it makes more sense and it's usually less expensive.