

Signs are it pays to get personal

Mark Fenton-Jones

The business hot spots for the next five years will be in knowledge broking, household services, child and aged care and sport, recreation and entertainment.

Kim Houghton, a director with Canberra-based Strategic Economic Solutions, made these predictions last week at the annual business development industry conference in Sydney.

Dr Houghton said household spending on personal services had grown to about \$6,000 in 2001 from about \$4,500 in 1994. And while growth was predicted to run at 2 to 3 per cent a year over the next decade, the number of households spending in these growth areas would increase as baby

boomers moved into retirement. Although this would mean more dollars available for small businesses that wanted to exploit the household trend to outsource services, entrepreneurs would have to do more than hang out a shingle.

"People who can tap that market, who can offer the types of services with credibility and have the skills customers are looking for, are going to be in a good position to tap this expenditure as it grows," Dr Houghton said.

The characteristics of the successful business are condensed into his five-point plan.

First, don't compete on price. "You've got to have value. You've got to show your client that you're the one they want to keep coming back to."

Second, don't be afraid of the

competition. Dr Houghton warned some people could be so focused on similarities between businesses they failed to exploit the differences.

Third, don't rely on customer satisfaction. "Various surveys show that 60 to 80 per cent of customers who don't go back to a service

"Don't be afraid of the competition."

provider were satisfied. It's not enough. They're buying the relationship, they're buying entertainment, they're buying experience."

A common theme that is stressed by many business development coaches revolves around empowering employees. The chief executive officer of Patcorp Power Business Systems,

Innovators keep ideas flowing

Mark Fenton-Jones

As the drought continues throughout Australia, small businesses are developing innovative methods to guarantee productivity and economic returns for farmers looking for environmentally sustainable methods of production.

In Wingham, NSW, Peter Ryan, who owns The Fodder Factory, has invented a hydroponic system of fodder production that takes a kilo of dry grain and a litre of water and produces 8kg to 10kg of green feed within eight days.

"We built this product out of necessity ourselves as farmers. We were buying feed and I thought

Patrick Lombroso, hammers it home in his *Creating the Eye of an Owner* seminars. Dr Houghton is no exception, although his interpretation on first reading seems at odds with established practices.

"Particularly for microbusinesses, particularly for personal services, you don't train your staff. There's no point in training your staff whatsoever. What you've got to do is engage and empower your staff to replace you as the manager and the driver. You cannot afford to generate a group of clones or a group of subordinates if you want to grow."

His final step is for businesses to avoid the scatter-gun approach to creating brand awareness. "You should woo high-value customers and work out how to keep bringing them back," he said.