

Five warning signs for business owners

Even if your business is currently stable in today's economy, do you feel safe for what lies ahead in six months or a year? If your business is weathering the uncertain economy so far, don't rest on your laurels. Things can turn bad in a hurry. Here are five danger signals for business owners to pay careful attention to.

1 You are spread too thin. If you are forced to answer every question and solve every crisis, it is a sign that you are not delegating well. It is natural for a business owner or top manager to try to run the whole show. For a while (particularly during a start-up phase), doing so may help the company become profitable. However, over time you may find that you have overextended yourself without training anyone to back you up.

Delegating might be difficult at first because you may feel as if you are uninvolved in what's going on. However, once you get used to delegating you will find that you are still involved in every aspect of your business because you are still responsible for managing each task's satisfactory and timely completion. Assign tasks to others as part of a long-range training program. Not only does this relieve some of the burden on yourself, but it shows which people are capable of handling comprehensive and tougher assignments. You hired people you trust for a reason, now show them you trust them by delegating to them.

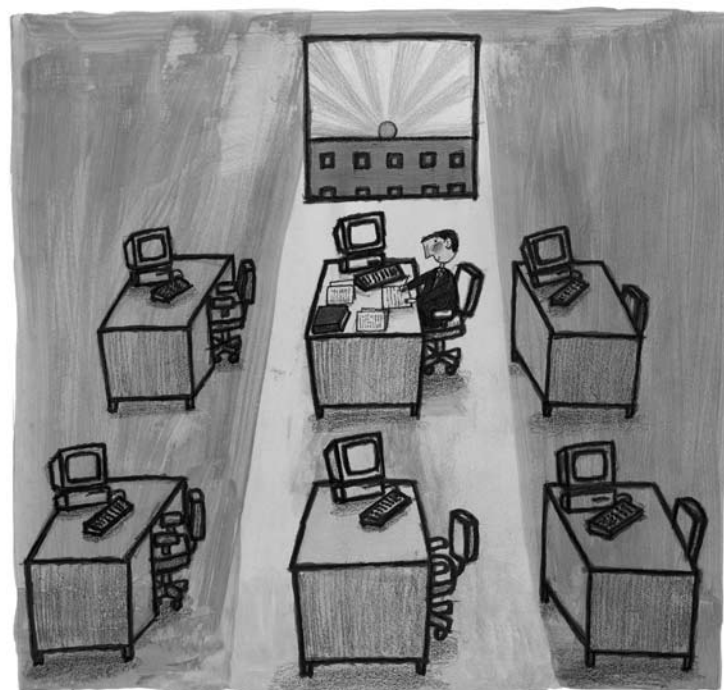
2 Employees leave the job in droves. A high turnover

rate can be a sign of any one of a number of problems within a company. Do you know where your company stands with the overall national turnover rate? Are you above or below the national rate?

If you find your business on the high end of turnover in its industry there could be many reasons for this. Maybe your initial screening process is faulty, or your training is inadequate. A particular employee may be driving people out the door. Whatever the reason, you want to get to the bottom of it and decrease that percentage as quickly as possible.

To improve your business' turnover rate you can use exit interviews to pinpoint the reasons why employees are leaving. If it is for any reason other than those normally associated with job moves (e.g., career advancement, higher salary), address those issues. Similarly, new hires should have an accurate picture of their job duties and responsibilities, as well as their chances for advancement.

3 Orders are down. Typically in a shaky economy you will find that your orders are down, but you cannot assume your company's decrease in orders is due to the economy. When orders are down you always want to find out why. Is it the economy, or is it something more serious? It is one thing for a customer or client to order less because business is slow; it is another if the drop is due to dissatisfaction with your company's products or services. Start your research to find out the reason for the lows. If you find out it's due to discontent, then have your



sales people find out the reason for the dissatisfaction and use that information to reverse the trend.

4 You do not have accurate information. Not being knowledgeable of your company's fiscal health is just as threatening as a shaky economy. To make sure you are in the know, make it a company policy to have all key financial news—profit and loss statements, receivables reports, sales reports, etc.—sent to you on a timely basis. This can be a weekly report or a monthly report; whatever suits your needs.

5 Employee absences and tardiness are increasing. If you find that absences and tardiness are due to low morale, perhaps it is a sign that employees are unsure of exactly how the company is performing and what

its goals are. Hold meetings with employees on a regular basis. You can explain the objectives of the company and the efforts required of them to meet these goals. Update the employees on how well the company is doing. It will make the employees feel important to receive such information. At the same time, really listen to your employees. This is a good way to keep minor complaints from becoming major concerns. Other ways to boost employee morale are to hold team buildings, give out awards for positive attitudes or establish a program around what the employees want for taking time off.

Often, owners are the last ones to know that the business is in trouble. Do not let this happen to you. Get a plan in place so you are prepared. **e**