



## AMEX Small Business Webcast Transcript

**Alex Brophy:** Hello and welcome to today's American Express Small Business Session. We have a terrific program ahead of us, all about small business issues and opportunities, with a great panel of experts on hand to share their advice.

Let's meet the panel. First up is social entrepreneur Gary Ng. Gary is the founder of E-Web Marketing and a specialist in SEO, social media, email marketing and web traffic optimisation. He's also the CEO of the World Happiness Foundation. Gary, thanks for joining us.

**Gary Ng:** Thank you, Alex.

**Alex Brophy:** Our second panel member is business coach and founder of One Extra Zero, Abbie Widin. Coming from a corporate marketing background, Abbie now specialises in helping women grow their businesses and develop leadership skills. Look forward to your input, Abbie.

**Abbie Widin:** Yeah great to be here.

**Alex Brophy:** Also joining us on the panel is Gabriel Ong, the president of the Singapore Business Council of Australia. Gabriel's also got plenty of experience as a business owner, and is currently the director of Royal Gold here in Australia. Gabriel, pleasure.

So, thanks for joining us today guys. Let's get straight into it.

First up, a very common small business question about marketing products and services. *In such a competitive environment, how can I make sure my business stands out? I use social media, Adwords, SEO and marketing campaigns, but so does everyone else.*

Gary, how can a small business stand out in a crowded market?

**Gary Ng:** Alex, I think the key is not to get drawn into which marketing medium you use. Whether you use Facebook or SEO or AdWords, the key to marketing is making yourself stand out from the rest of the competition. So, first you want to look at your marketing message. What's your unique selling point? What's your USP? Is it different to your competitors? Or whether you have one? I always say, over 70 per cent of the businesses we work with don't have a clear USP. So, that's the first part.

The second part, if you have a clear USP, a unique selling proposition, you want to look at the actual medium that you're using. If you're using Facebook advertising, what are your competitors doing on Facebook and how can you differentiate yourself from the rest of them? So if everyone is saying that we offer a quality service, you want to offer something else. If they want to use a free consultation as an incentive to get people to make an enquiry, then you want to think what else can I make rather



than a free enquiry? Do I want to give away a free USB key, or offer a money back guarantee? So, whatever is your hook, you want to be different to other people.

Too many operators I've seen, they see what their competitors are doing and they try to copy what their competitors are up to. But then you're always playing catch up. So the key is how can you differentiate your marketing efforts? Whether it's from a USP perspective or whether it's the actual medium that you use, how can you differentiate yourself?

**Alex Brophy:** What's your thoughts there, Abbie. Surely it's a balance between finding, on one hand what works, and trying different things, like Gary said there. How have you found standing out there?

**Abbie Widin:** I might even go back a step and look at what exactly is it that the customer wants. So if it's business to business, what is the problem the client has that you need to solve? Or if it's a consumer business, why is it that people are even interested in this type of product? Then it comes into the USP and the channel, there are so many channels out there, and you can put so much money into various technological channels, but at the end of the day, people are still buying from other people. And finding a way to reach those people and have those conversations, even if it's just picking up the phone, we don't do that enough. We don't go out there and build the business and reach for the business. We sit back and use passive ways for the business to come to us, and often that's just not enough.

**Alex Brophy:** OK. What process do you do? Because it's quite interesting. You go out there and you speak, and then you capture clients off the back of that?

**Abbie Widin:** Yeah, so I have a coaching consulting business and so to try and build that, there are different ways, a hierarchy of ways that are really effective for building professional personal services. So, going out there and talking to someone who already knows you, trusts you, respects you, asking for business then becomes a lot easier than picking up the phone or having an ad on the internet where nobody knows who you are.

So, I go out there to speak, which gives people a chance to find what my expertise is, they can feel the energy, they can feel the credibility. They know quickly whether what you're talking about makes sense. And then from that it opens, if you do it in the right way, you invite further conversation and then take people through a selling conversation where they really feel that they've gained a lot of rapport from you.

**Alex Brophy:** So it's almost establishing that trust, having that unique selling proposition you mentioned (Gary), Gabriel, in a gold bullion business when you've got such a homogenous product, how do you approach standing out?

**Gabriel Ong:** Well, we need to know what actually suits the customer, we need to know what they want. Firstly, I agree with Abbie, we need to know what they want. We may have a unique selling



proposition, but does it marry? We must know what they want then we meet according to their requirements. Basically everybody wants to have a good return on their investments, so how do we bring the message across? Also, the stability of the company is very important. So we need to have that information there for the customer so that they can access that information easily and have the confidence in your company. So past records of the company are very important. Knowing who your customer is is also very important, and knowing how to make the most of their investment is a very rewarding situation for them.

**Alex Brophy:** OK. Let's take a look at something a bit different. Generating that following, getting a bit of interest in your business. Next question, *how can I get more subscribers to my blog and email newsletter?* Abbie, you've got a few tips here.

**Abbie Widin:** Well, I've been actively working on this myself. I started my blog, and at the very beginning, I found that I was putting information out there and it was very good information and great content and people could use it to build their business, but there wasn't actually very much of an authentic voice coming out. So, there wasn't much of my own story coming out, and I found that as I switched it around and started putting more of myself in there, things that I had personally tried, things where I had definitely learnt from those mistakes, I found that then it became a lot easier to pick up subscribers. So, partly it is about making sure it is easy for people to find where to subscribe on the actual website, making sure it's easy for people to send it on to their friends and for their friends then to subscribe. I published a book last week where there's a sequence in the book that helps people get to the bonus downloads from the book which then puts them onto the email list. Because growing that list, the fortune is in that list. If you can have a dialogue, where people look forward to opening your emails, you've changed the game.

**Alex Brophy:** Sure. And from a digital marketing perspective Gary, do you echo that sentiment?

**Gary Ng:** Yeah. I think the actual tactics Abbie employed, the E-Book, building a relationship with your database, that's great. What we need to go back to first, is to maybe ask a different question. A lot of people come to me (and say) 'Gary! How do I build my blog or my email database?' But what they're forgetting is why? Why do you want to build it? 'Because oh! Other people have a blog. I should have a blog too! Other people have a bigger database than mine, I need to have a database!' But what if you have a big database and a big blog following and it costs you a lot of time and effort and energy, but you don't make a single dollar from it? Is that success?

So, start with the end in mind. With a lot of businesses, they want to increase their profit. So how does using your blog or your newsletter increase your profit? That's a better question to ask. You could go to a website like a fiverr, and you can get like, a thousand people following your social media pages. But that's not going to help you with your profit. What you want is that engagement. What you also want is having a qualified audience that Abbie is building a relationship with. Not just increasing numbers but engagement. One that is qualified and engaged. And from that, you can start



building a relationship, and if you have a product or service that actually solves their problem, then that's when you can offer a solution.

**Alex Brophy:** So very much looking at the why and then looking at the how you go about it.

**Gary Ng:** Yes.

**Alex Brophy:** We're going to move to business stresses now. Abbie, you've got a bit of experience here. Our next question is about when to work on your business, not just in it. *I never seem to have enough hours in my day. I've been working all day and night and I'm struggling to "switch off." How can I ensure my business is running smoothly without being available 24/7?* Abbie?

**Abbie Widin:** So people generally have two types of problems in their business. Either they don't have enough clients, or they've got so many clients, that if you say, 'let me help you find a way to have more clients', they just fall apart in a screaming mess because they are victims of their own success. These are the people that you're talking about that are working in their business so much that they don't actually have time to put the systems in that would ultimately help them to simplify what it is they're doing. So, I spend a lot of time helping people figure out what does your ideal business look like? Would you like to have a very broad volume of clients where you're charging moderate fees? Or would you like a small number of very high end clients? And I don't encourage anyone to have a small number of low-end clients, I don't think that's a good idea at all.

So if you've got a large number of moderate clients, you need to have systems that help you with your sales, they help you with your marketing, and they help you actually with the delivery of what it is you're doing. It may take a little bit of time to implement those, but once that happens, people manage to get their lives back.

**Alex Brophy:** OK. What's your experience there Gabriel? Because obviously (you're) president of the business council, and the director of another business, how do you manage that?

**Gabriel Ong:** I think the important thing is to know your strengths and weaknesses. So you concentrate on your strengths and try and let go of the things you're not good at or you can't spend enough time with to get someone else who can do it better. I think a lot of management are worried about letting go. But it's very important to be able to plan succession policy, so that people are given a chance in your organisation to perform to the best of their level. Instead of you trying to do everything yourself.

**Alex Brophy:** I'm a big believer in that. In training people up to the point where you're redundant, because otherwise you're not having that growth in your role as well. As a small business owner, it's incredibly difficult to find that balance. What's your experience Gary?

**Gary Ng:** I think one of the keys is to when you go home, turn off your phone. Don't bring your laptop home.



**Alex Brophy:** Simple as that!

**Gary Ng:** Yes, it's just as simple as that. Even leave it upstairs. And when you have dinner with your kids, or your wife, or whoever you have dinner with, be with that person. Be present. And you can switch off just like that. A lot of businesses that I've worked with think the issue they're facing, as long as they climb over this hill, they'll be fine. But as we've all encountered, there's always another hill after the one you've climbed. So problems in business are never ending. You get into business because you love the challenge. You want to grow. If it's always the same, it's predictable every single day, it'll be boring. So we expect problems, it's how we deal with the problems. It's like 'Wow. OK problem coming up. Great, I'll deal with it tomorrow. Tonight, I'm going to have dinner.'

**Alex Brophy:** Sure. And Abbie as a one man band, is the approach any different?

**Abbie Widin:** You need to be able to know when to turn off. If you don't take the time to recharge, it's exactly as you say, you've got to be present for other parts of your life as well. Having said that, at the end of the day, the buck stops with you, so if a challenge or a crisis comes up, if you don't want your business to go under, you need to be there and you need to step up and be responsible for it. I also like the bit you said about the peaks and troughs, because you have to learn to really love the battle because the victory, as well as the defeat can be empty in itself. Because there's always another one to go. You have to enjoy being in the cut and thrust of the business.

**Alex Brophy:** Sure, some great tips there guys. Now we're going to move onto something that you can do in that spare time: networking. Our next question: *my business has been relying on word of mouth for referrals but I need to meet more potential clients and fellow business owners. What's the best way to network and how do I know which events are worthwhile?* Gabriel, you're a man of many networks I understand. What are your tips here?

**Gabriel Ong:** I think find one that's suitable for your business and concentrate on it. Not trying to go to too many networks and you're spreading yourself thin. So, concentrate on one and give your best because in finding the right niche for you, you'll grow your business and meet the right people and that's where the contacts grow. You don't really need to go out every night and network, just find the right network for yourself.

**Alex Brophy:** And how do you do that? How do you find the worthwhile events for you and your business?

**Gabriel Ong:** For me, because I'm a Singaporean by birth, but I've lived overseas for nearly 20 years, I was in New Zealand and Australia. To me, networking is about people. Getting to know the local people is very important for your network, so you can connect your business with the people back home. And finding what sort of line you're in. If you're in gold, then you try and find people in the investment fields, so that you can have similar interests and similar networking opportunities.



**Alex Brophy:** OK, so it's about finding complementary businesses as well as prospects and finding that balance. Gary, you're big on networking at the World Happiness Foundation, how do you cultivate that?

**Gary Ng:** Well, one thing that I want to put out there Alex is a lot of business, naturally they're not great networkers, and they don't enjoy it. In business, you should focus on your strength, as Gabriel mentioned. And if you're not a great networker, you can either train yourself up to it if that's your area of passion. But if it's not, that's not the only way you can grow new business. You can focus on your marketing, you can get a telemarketing team, there's a lot more other ways. But the thing is, not focusing on networking as the only way to go. If you do like networking, what I would say is one of the strategies is, especially when you first exchange contacts, people tend to ask 'what do you do?'

It's all about marketing. Just say for example, if I'm an accountant and I tell people I'm an accountant, what's the immediate thought that goes through people's minds? 'I know what you do. I don't need to enquire any more about what you do.' Unless they have a particular tax situation. So, instead of calling yourself an accountant, you can say 'I'm the money man' or 'I'm a financial guru'. Whatever terms that people get a sense of what it is, it arouses curiosity to find out more and that's when you can get a conversation going easily, versus people know what you are, and don't want to talk to you anymore.

**Alex Brophy:** Sure. And fine tuning that elevator pitch is really important, and we'll come to that a bit later. Abbie, I'm going to come to you again. As a sole operator, is the approach any different? Do you really have to put in more work to network?

**Abbie Widin:** I think it all depends whether you're looking for clients or whether you're looking for referral partners. So, there are so many different ways to grow a business. The worst thing you can do in networking is go and hang out with your peers. People who don't necessarily need your services and who won't refer you to other people. That's just like hanging out with friends. It's not a business activity.

**Alex Brophy:** Very comfortable.

**Abbie Widin:** So if you are going out and spending time at a networking event looking for clients, it's much better to be the speaker or the presenter at the front of the room or helping to organise the event in some way rather than just a person mingling in there. If you're going out looking for referral buddies, people who you share the same client with but you have complementary services, then this is where networking can become really powerful to build strong relationships over a period of time. Because you'll find a steady stream of new clients will come without you necessarily having to put in a huge amount of effort for every one of those.

**Alex Brophy:** OK. Great tips. Follow up question here. *What makes a good elevator pitch?* Do you want to take that or Gary?



**Abbie Widin:** If you want to start I can help finish it for you?

**Gary Ng:** (laughs) I'll let you have a go first.

**Abbie Widin:** I think that you're right in terms of attracting people's attention. So making sure that whether you're the money man or the financial guru, having something that sparks people's interest and gets their attention is really critical. In terms of following up that, so they're like 'OK, that sounds interesting enough, tell me more about that,' having that really benefit focused on the person you're talking to is critical. So I generally teach my clients to structure it in a way that describes who you work with 'so I specialise in working with...', what their struggles are, so what their problem is. So, 'I help small business owners who never seem to get their books in order,' for the accountant. 'I take their books away and I do my magic with it so that then they can focus on growing their business', or something like that. The bit you also want to put in there is what you're so passionate about doing it. So why you feel this is aligned to your life purpose. Because then people know, you're going to be doing this, not only well, because you've managed to articulate what their problem is and what the solution is, but you're going to be doing it with a sense of passion and purpose, which people want to latch onto those values. They want to be part of that.

**Alex Brophy:** Sure. Anything to add there, Gary?

**Gary Ng:** Yes. Perfect segue way. My company's vision is we exist to bring happiness, success and fun to everyone. So that's my passion in making people happy. So when people ask me, 'Gary! What do you do?' 'My job is to spread happiness.' 'That's great because everyone loves happiness, but what do you do to spread happiness?' So naturally, they will ask me follow up questions to learn more about what I do. And that's when I share that I've got numerous businesses, profitable and not-for-profit that I work on and this is what they do. So if you can connect to people's shared passion, or what they're passionate about naturally, inquisitively they want to learn more about you. Because they like you.

**Alex Brophy:** So giving them those little crumbs so you get that engagement and follow-on conversation. Elevator pitch, Gabriel?

**Gabriel Ong:** I make investment returns of 20 per cent per year.

**Alex Brophy:** There you go. Hard to beat that (all laugh). Speaking of returns, it's time to move on to cash flow here. Gary, I'll hold you again for this one, our first question: *my business spends a lot of time chasing debtors, how can I start getting paid on time?*

**Gary Ng:** One of the most important keys that we work on in our business, we've got a few hundred clients, so it's not easy to get every single one of them to pay on time. Certain industries have certain habits of paying late, and that's the nature of it. So before they become a client, we train our client what our expectations are. If you work with us, we want our bills to be paid in advance and further bills to be paid on time. We prefer spending our time working with you to grow your profits,



versus chasing bills. Does that sound fair? And you agree to it, then that sets the foundation for getting bills paid on time. And from that, you also want to reinforce the positive behaviours as well. Thank you for paying my bills on time. And if they're late, hey, I noticed it's still early days, but the bill is two days outstanding. Is this going to be an ongoing issue? You want to address the issues early to your key points of contact. Because otherwise, when they get away with it once, they probably think that this is acceptable behaviour that they can continue doing the same thing again.

**Alex Brophy:** OK. Gabriel, do you have a similar thing? Do you have the conversation up front?

**Gabriel Ong:** We don't because you have to pay us cash before we give you gold (laughs).

**Alex Brophy:** So that's a very hard line then isn't it? (all laugh)

**Gabriel Ong:** So cash flow is not a problem because if we don't get cash from you we can't give you the gold.

**Alex Brophy:** And what about in terms of payment terms. Because in a lagging economy, they do tend to blow out a bit. Do you give some leniency now? *What sort of terms are realistic for a small business to hit?* Is it 14, 30, 60 days?

**Abbie Widin:** For a small business that's relying on a larger business to pay, you generally have to fit in with their corporate billing cycle. So if you do work in month one, it may be the 15<sup>th</sup> of month two that they pay. So you might have something between 45 and 15 days before you get paid. You just need to stay very close to that. It's unlikely that you're going to be able to change the policy of a larger player. However you want to make sure that it's not month three or month four before they get around to paying you.

**Alex Brophy:** So you've really got to find that balance between running a hard line and working with your clients?

**Abbie Widin:** If you notice they're getting late, then you really need to find clients who value what you're doing and are willing to pay you on time for it.

**Alex Brophy:** Sure. Another one on cash flow, Gabriel I'll ask you this one. *How often should I be looking at cash flow forecasts?*

**Gabriel Ong:** I think for us, it's a weekly thing where we look at our forecasts, in terms of the money business. Of course every six months we have a higher management meeting on how our cash flow is going, but because we are a cash flow business, we don't really worry about that. But generally for business, every three to six months you should be looking at your cash flow situation.

**Alex Brophy:** Ok, and Abbie?

**Abbie Widin:** I like to track the cash daily.



**Alex Brophy:** Right. Very diligent then.

**Abbie Widin:** I like to know what's coming in.

**Alex Brophy:** And how far out do you forecast your business?

**Abbie Widin:** Generally I have a 12 month view of it. And as you get to know your business, you know what marketing works. So while you're always trying to optimise your marketing, you know what works. So if I do this activity, I will get this result. And then you play around with it. So how many clients do I have? Which is one lever. What is the price per client? And how many times can I transact with that client in a year? And if you change each of those things a little bit, you get a much more magnified effect. So knowing what marketing activities you're doing will give you the baseline, and then it should be all cream on top.

**Alex Brophy:** And is that easy enough to build that sort of model yourself? In terms of having a spreadsheet where you've got client, probability, number of transactions?

**Abbie Widin:** Yes.

**Alex Brophy:** So it shouldn't scare off small business owners?

**Abbie Widin:** Absolutely not. They should know what activity they're doing and what result comes from that. Because otherwise you're playing with a hobby. It's not a business then. Business is a system that is meant to generate cash.

**Alex Brophy:** Moving onto online presence. Gary you're our expert here. *When it comes to building an online presence, my business has Facebook, Instagram and Twitter, but how can I reach more people organically online?* Outside of that social network side of things.

**Gary Ng:** 99 per cent of the clients that I work with, they don't have clarity over every single marketing dollar that they spend. What is their return on investment? Because they don't, every single marketing decision they make is out of fear or comfort. What do I mean by fear or comfort? Well, if I say that Facebook has this new advertising platform, and you should give it a try, it only costs you \$5, most business owners would say yeah, let's give that a try. But if I say that it's going to cost you \$50,000 to give that a try and it's got great benefits, same pitch, a lot of them would say no, too much. They wouldn't even be interested to learn what their return on investment is. What if that \$5, the return that you get is actually zero dollars? But what if the \$50,000 is going to be ten times the return that you get? So rather than looking at which form is the best, it's similar to Abbie's approach, it's important to actually have clarity and track the return for every single marketing dollar. And for a lot of small businesses, what they aren't tracking is the time they spend working on the marketing themselves. Designing a logo, sending out emails, updating a blog, updating Facebook, all these require time and energy. And they're not tracking that. So to be fair, you need to track every single one of your inputs into the marketing campaign, and see which one is the most effective. From there, you can make careful assessment on which one is working. And the ones that



aren't working, how can you optimise it to work better? Too many times a client has come to me to say 'Gary, Adwords has been one of the best returns for our business. It's taken our business from nothing to now, we've got a team of 20 people now.' Fantastic. 'However, it's also our business's biggest expense right now. That's why I want to spend less on AdWords. I want to get my SEO organic ranking up. Which is free. Can you help us?'

Great. But the question I ask them is if Adwords is working for you, every single dollar you spend is making \$2 in return, why would you want to cut the budget or slow it down? It doesn't make sense. You should try both mediums and get that going at the same time.

**Alex Brophy:** Just following on from Gary's point there, Abbie. How do you go about benchmarking and measuring your return on investment? Is that following up with new clients as they come in and asking where they came from?

**Abbie Widin:** So when you're looking at, understanding the lifetime value of a client is as important as knowing what the cost of acquisition is. So you want to make sure that you're not just looking at the initial transaction that they make with you. You (Gabriel) would probably have clients that invest with you over a number of years. And so knowing what their lifetime value is means that you can generally think about how you go about investing in finding those new clients in quite a different way than if you're just focused on what that first sale is worth.

**Garry Ng:** If I can chime in to give you an example, we run events for some of our clients and we send them to a seminar. So the objective is not to attend the seminar but whether they purchase a program at the seminar. So we track the cost per click. They land on the website, a lot of business owners will think 'great! Facebook is cheapest, 30c per click.' But are they actually registering? So that's one the first lead indicators. The second indicator is once they've registered, do they actually turn up to the event? A lot people, especially if it's a free event or low cost event, may not turn up. The third indicator is once they turn up, are they actually purchasing a program? And if you have multiple programs, are they purchasing a lower priced program, or higher priced program? So we actually track not only which one is the lowest to send per person, but which one is actually the lowest at the end of the funnel that actually makes a purchase as well.

**Alex Brophy:** That's quite a comprehensive measurement system. Gabriel, do you have a similar thing? Transacting right across Asia and Australia, how do you go about profiling measuring customers as you land them?

**Gabriel Ong:** I think for us, we find that it is less expensive to find new clients than to keep our existing customers. So we always keep our customers happy. And then they will have repeat business. That will reduce getting new customers coming in. I think customer relationships is very important. Not trying to get new customers all the time but keeping existing customers and grow them. And they will give you referral business. That's how our business grows, from referrals.



**Alex Brophy:** So not necessarily much of a digital strategy, just getting back to the basics and keeping customers happy.

**Gabriel Ong:** We do give them updates nearly every week on what is happening in the investment field. But this is a personalised relationship we're building with our customers. Rather than trying to say 'you have to subscribe to us'. It's all free. We find that when we give, it comes back manyfold.

**Gary Ng:** What I would suggest in that scenario what you could do is even with each email you send out, you could test the type of subject line that you send out to see whether it impacts on the open rates. For example, you could send one newsletter that's more information about Singapore, or there's one you may send about global economic perspective. Maybe the one with the local perspective will get more open rates than the global perspective one. Or maybe you want to send one that's product based, and track the open rates as well. So just track the different dynamics and you can AB test all elements.

**Alex Brophy:** And it's quite easy these days, isn't it? Using email marketing programs to segment your audience into different regions and with different product offers.

**Abbie Widin:** Yeah, and also which channel they come into you by. So you can have different campaigns so that if somebody does open up the email and clicks through to the website, then that will then trigger a new sequence that's specifically going to talk to somebody that's interested in that particular activity.

**Alex Brophy:** And once you've set that up, is it all automated?

**Abbie Widin:** Completely.

**Alex Brophy:** Beautiful, too easy. Now looking back to social media. Gary, I'll come to you again here. *How often should my business be posting on social media?* It's a very common question. Is there any hard fast rule here?

**Gary Ng:** It depends on what is the result? I go back to posting online is just marketing efforts as well. And if you don't know what return you're going to get, how are you going to assess where you're going to go forward? It's like throwing blind punches. So I asked some of my friends, what do you want from your social media platform? They said they want branding. OK. So how do you assess what the campaign looks like if it has been successful in 12 months' time? 'More people will know about us.' What about in measurable terms? 'We'll get more likes on our page.' OK. What if you get more likes but no increase in engagement? 'No we actually want engagement.' What if you get engagement but no increase in profit for the business? 'No, then we wouldn't do it.'

So just be clear on what the outcome is, but generally posting, you can test it. Everything we do is about testing, measuring and adjusting as well. So you can do it two times a week, test what the open rate is, increase it to four times a week, test what the open rate is. If your content is good, your



consumer most likely will have an appetite for it. But what is their limit? That's something you want to test, measure and adjust accordingly.

**Alex Brophy:** And is setting those really specific measurable goals the same at both of your businesses too?

**Gabriel Ong:** We don't do a lot of social media. A lot of our investments are through seminars.

**Alex Brophy:** Is that a similar approach for you, the seminars?

**Abbie Widin:** So social media is a nice way of engaging people. But the way that I ask my clients to look at their businesses is to focus on the profit projects. So whether it's getting new clients in or servicing existing clients, you want to be spending about 85 per cent on that. If you're fixing the font on the picture that you put up on Facebook, people can spend an awful amount of time on there and not get a concrete return for it. So, going back to what Gary said, you need to be really clear on why you're doing that activity and if you don't have a strategy for continually adjusting to Facebook's changing algorithms, where you fall off the edge really quite quickly, then there's probably a different and a better and maybe even a cheaper way of reaching your fans.

**Alex Brophy:** So there's no real hard or fast rule there, it's about responding to your audience and results as they come in with your specific goals there, Gary?

**Gary Ng:** Yes. Absolutely. And just a tip on the side, a cheaper way of doing it is you can outsource this. You can get people to post it for you if you've written it in Word document. You can get freelance copywriter to do the posting for you and check the quality as well. And you can outsource for people to find the picture you want to use online as well. So that will reduce your time as a business owner.

**Alex Brophy:** And then you're not spending too much time changing those fonts, Abbie. Let's move on to sales now. Our first question here is pretty straightforward. *I'm an online retailer. How can I increase the number of sales I make? Gary?*

**Gary Ng:** Fantastic. In our business, we've developed something called the 7 profit triggers, which Abbie has touched some of those triggers on. First one, if you've got a money making machine from your website, just spend more money. Spend more money on your existing marketing. If AdWords is working for you, Facebook advertising is working for you, affiliate marketing is working for you, just spend more dollars on that to increase it. Obviously every single marketing medium has a law of diminishing return, but until you've reached that, you can continue to spend more and that's how you can grow. That's the easiest way. The second way is how can you increase more leads? And there are many different ways. Through SEO, pay-per-click, AdWords, and optimising your marketing to a greater extent can get you more traffic as well. The third way, how do you increase your conversion? Which is a big one. Rather than sending all this traffic through to your website, and it's just completely leaking the traffic, you're wasting potential leads. Why don't you improve the



conversion of your website. Always AB testing. Do heat mapping. You can even put in software that tracks where the mouse activities are moving to. So you know what the users are actually doing. The fourth one. How do you increase your pricing? How do you increase your average transaction value? How to you upsell, cross sell, down-sell? The fifth one, how can you look at your profit margin? And improving your profit margin. Sixth one. How do you increase your closing ratio? If you've got a sales team that's actually following up to call, how do you improve the sales skills of your sales team or maybe work on the culture of your sales team. And the last one, how do you get more repeat purchases? That's a lot of different marketing strategies you can implement on a case-by-case scenario. But those are the seven different triggers we can look at. So a lot of different weight on a strategy standpoint and each one of them tactically, there's a lot of other ways you can follow them as well.

**Alex Brophy:** So it's quite a clear step-by-step approach, and a matter of just sitting down and spending the time doing it.

**Gary Ng:** Yeah. And usually what we do with our clients, rather than saying we're going to work with all seven of them, is to identify what is the lowest hanging fruit. So which one, by spending the least amount of traffic will give you the largest payoff? And that's the key to success.

**Alex Brophy:** OK. And Gabriel, looking at a more traditional route, *how can we encourage return customers?* Referrals, new business that way.

**Gabriel Ong:** We make sure that their investment grows all the time.

**Alex Brophy:** (laughs). Purely performance based.

**Gabriel Ong:** Performance based, yeah.

**Alex Brophy:** What if things are going against you?

**Gabriel Ong:** So far, we have been on track for giving that sort of return for clients. But I think the important thing is to know who your customer is. For us, online is not something we use a lot. Because our customers are more the older generation, they like to have that contact to be there, to listen to what we have to say and to give the update in a personal relationship building way. Rather than just sending an email saying this is what's happening, we always are in close contact with them. So we have to know what their business is, what their business model is and what works for each person. I think that's important.

**Alex Brophy:** And do you depend on them to refer their friends and associates, or do you actively ask them, 'do you have anyone who might be able to use our services?'

**Gabriel Ong:** We do ask, but most of the time they refer because they find that when we are giving them a good service, you are genuine with what you're trying to do for them they'll refer. I think people know whether you're genuine or not. You cannot just feed them general information



because it's a very specific market. So you have to be able to give them quality information that they enjoy and that they learn from it. And they'll refer business to you when they know that you are able to perform at what you promise.

**Alex Brophy:** Sure. And Abbie, how do you generate more sales? How do you really boost things when times are getting a bit tough?

**Abbie Widin:** So, I think this strategy of building the relationships is really important. For a maturish business, 75-80 per cent of repeat business is great. But you need to have the new clients still coming in.

**Alex Brophy:** Is that a hard fast target that you should be looking to hit there?

**Abbie Widin:** For a professional services firm, that's a great target. You want to have ways of still building the business with your existing customers but the old saying is that they move away, they pass away or they fade away. So you need to make sure you're still bringing in new people into your business. Different ways of building referrals – you can be quite passive about it, but you can also be quite proactive about it. Talking to people about 'I'll actually generate this return for you.' I want to go through and talk about the level of customer service and going almost as far as saying, 'wouldn't you be doing your friends a terrible disservice if you didn't help them to get these types of returns. I want to make it really clear. Do you want to be getting this type of return, while your friend who you see every week in the school yard isn't getting this? You could be helping them.' And really being proactive about how you incentivise that as well.

**Alex Brophy:** And how do you approach that conversation? Because a lot of small business owners are terrible at blowing their own horn. Do you have a specific strategy to how you broach this with your clients?

**Abbie Widin:** First of all, I want to make sure that my clients are really proud of what they do. They know what they're providing incredible value and that they're really delighted with the contribution that they're making for the world. So having said that, if they're not going out there and trying to amplify that message, then they're doing themselves and the world a disservice. So if you position it that way, it then becomes a lot easier for them to think about how to get out there and promote myself. How do I make sure that I am building the business and not just waiting for the business to come to me? By going out there and saying, 'I know that what I'm doing is good and valuable for the world', it makes it so much easier to approach people.

**Alex Brophy:** So a lot of it's just having that conviction in the first place and then it's a natural progression on to telling people all about it.

**Abbie Widin:** That's right.

**Gary Ng:** I've come across a lot of the businesses that I've worked with, one of the biggest challenges they have to work with is to overcome their limiting mindset. A lot of them, when they think of



selling, it's a yucky word. It's not like 'selling! Wow! I love selling!' So a lot of people when they think of selling they think of a used car salesman. And nobody loves to get sold to. So in essence, when it comes to telling about the price and the actual offering, you can see a lot of the business salespersons, their energy goes down because they don't believe their product is actually value for money. They say 'how can I ask for that much money?' And that comes across as a different issue. How a business prices their products or services, whether they price it based on a time base pricing, so how much hours you put in versus how much you should charge, or you're pricing it based on value, how much value you're adding. So a lot small and medium businesses I see them, they're still on the time based, versus value based. And unless they can overcome that, they'll always be trading their time for money. So when you can start to move towards value based, you can start to get a lot of the cream on top of the pie.

**Alex Brophy:** So having quite a firm value proposition within your business so you're confident going out there pricing. Let's move on to workplace culture now. The all-important HR function guys. It's something that in small businesses is very tricky to manage. *I'm about to hire my first employee. What policies do I need to consider?* Fundamental stuff. Gary?

**Gary Ng:** My company has been rated one of the best places to work in the local magazines. And it hasn't always been like that. I started the company with the intention to have a lot of fun working on something we're passionate about, and working with a bunch of like-minded people, and make money at the same time. Great. But there was a stage in business where we just had wrong people in the business. And they started complaining about our clients, about the office, about the managers and it just brought this negative energy to the workplace. It felt terrible.

**Alex Brophy:** So what policies did you put in place? What are the key things?

**Gary Ng:** So what I had to do was start to put in core values within the organisation. Every single company has a set of values. But whether it's dictated by the people or from inception of what those values are, it's up to the management team. So with our organisation, the five core values we have, for example, act with integrity. So you do what you say you're going to do. Number two. Be passionate about learning. Always growing and learning and so forth. So of the five core values, if someone is not acting in line with the core values, you pull them up, versus you say 'you know what, John? Today you came in late. You told me you were going to be on time, and on time is one of the thing we agreed to. It's quite important to the business. You acting out of line of our core values. What do you think?' versus the traditional approach in a lot of organisations: 'you came in late. I don't think you should be doing that.' It becomes a subjective matter, where the manager versus the employee, versus something that we collectively all agreed to, to be part of this organisation, to be part of this family that we wanted to create and harmonise as well. So that's one of the keys. The second key that I was going to say that you need to have, is to have a company vision. What does this company stand for, above just making profit?

**Alex Brophy:** Sure.



**Gary Ng:** If you're just making profit, people don't care.

**Alex Brophy:** And does the approach differ at all as a sole trader? Do you still need policies and these vision statements?

**Abbie Widin:** I think you need to know where you're going with your business. So once you figure out why you're doing what you're doing, you project about five years out, and you say that would just be magnificent and delightful and a land of milk and honey. If you've got that and you know the values that operate it, it lets you amplify your message to your clients or your customer base. But anyone you bring on, even as a sole trader, a sole proprietor, you're still going to have team you work with. You're going to have a graphic designer, you're going to have a book keeper, you're going to have a web developer or implementer who helps you make things happen in other parts of the business. So you need to be able to communicate why you're doing what you're doing and why it's so important that they work to budget, work to time and actually get the stuff done well.

**Alex Brophy:** And is that an important conversation you have upfront then? As part of the initial briefing in of a freelancer or contractor, you say this is what I'm doing, this is why I'm doing it, and this is how we want to do it.

**Abbie Widin:** Absolutely. Yeah, and this is when I need it to be done by, rather than how long will this take. So being clear about, if I'm writing a book or if I need to get a design done, this is what I'm hoping the impact will be on my business. It's either to get more clients straight away or to help me, what is my next click? If I want them to land on my website, what is the specific action that I want them to take? And being really clear about that so that the copywriter or the designer of the fancy little button knows the prominence and the importance to put on those things.

**Alex Brophy:** Abbie, we've got another question for you here on if the hiring process doesn't go to plan. *I'm finding it difficult to manage an employee I don't particularly like. Do you have any advice on dealing with this without causing too many problems?* Tricky one.

**Abbie Widin:** I think the first thing you need to do is be really courageous. Hiding under the doona or putting your head in the sand is the worst possible thing you can do because the problem will grow over time. You need to know what it is you're upset about and what the desired outcome is before you start any conversation. As the business owner or the leader of the organisation, you need to know what you want to happen. You then need to create the right environment to be able to have that conversation. And I'm assuming it's not something like fraud or theft or that sort of thing.

**Alex Brophy:** Not that clear cut.

**Abbie Widin:** But if it's somebody who's values are not as aligned with the organisation as they should be, then you need to be able to have a very open conversation about how do you see your role here? This is what we're trying to do. Are you able to help us with that? And probably, if the



person doesn't see that they're able to help, hopefully they will make their own decision about where they see their future.

**Alex Brophy:** But if not, you've got to keep one eye on the law don't you to make sure you're doing it the right way.

**Abbie Widin:** Oh absolutely.

**Alex Brophy:** You can get yourself in trouble very quickly. Looking at turnover now, when it comes to company culture, a good indicator of employee satisfaction is turnover. If things are going well, the sentiment is certainly on the up. This question for you Gary. *My industry uses a lot of casuals and travellers. How can I retain employees and keep staff turnover low?*

**Gary Ng:** I think if you have a great company culture, that's a great start. People you can say they want to work for money, but if you look at the inner motivation, you've got people working on Wikipedia for free. Why? Because they feel part of a greater vision. So if you've got a great company culture, they enjoy spending time there, and they can see this company has a greater cause beyond just making profit, you're going to get those casuals and temps to stick around.

**Alex Brophy:** And Gabriel, another one on reducing turnover, which I'm sure you've got a lot of experience in. *I want my employees to be satisfied and to do their best work with me, but I can't afford to pay them competitive rates. How can I get talent on board without the big pay check?*

**Gabriel Ong:** In our business, we actually pay them very well (all laugh). But let's say if your business is not giving them that return, I think you need to sell them the why. Why is your business doing it? If they buy in to the why, they will actually stay on even if the returns are not as good now, because they can see the potential in the future.

**Alex Brophy:** Are there any other ways to motivate people and keep them on board, apart from the value and pay?

**Gabriel Ong:** I think you must have a win-win situation not only in pay. We believe people want to do good. People want to offer good things to others. So if they know what they're doing is for a good cause, like Gary said, people will stay on and hold down the hatch for you.

**Alex Brophy:** So Abbie, what's your advice for small businesses with employee retention problems?

**Abbie Widin:** I think that the businesses that do best in retaining their employees are going to be, particularly for professional services, are employees that have got high extrinsic motivation, so they're high achievement oriented, but they're also collaborative. They value collaboration and teamwork. And if you put those two traits together you end up with an organisation where the employees are likely to stay. If you've got a large number of travellers coming through, they're on a different mission with their life, they're trying to get around and see the world, it's always going to be hard to retain those people because what they're seeking isn't what you're offering. So you want



to make sure that if you're looking for people that are motivated by high returns, pay them really well. If you're looking for people that value a high quality output of work but still working well with other people, look for those people that have got those traits. Make sure it's a match with your organisation.

**Alex Brophy:** So through the hiring process it's more than just hitting that job's description, but going as far as to probe for what motivates them as well.

**Gabriel Ong:** Yeah. I think initially when they want to join the organisation they must know why. Is it because the pay is good or because the cause of the organisation is good? If they're looking for pay and you're not offering that sort of pay, then it's not a good fit.

**Alex Brophy:** And if they've got fabulous performance and want to be paid well, then they need to come see you.

**Gabriel Ong:** Yeah (laughs).

**Alex Brophy:** Next up, we're going to take a look at testing a business idea. Abbie, I'll get you to field this one. I've got a great idea for a new product but I want to test it before going to market. *What's the best way to test an idea on a budget?*

**Abbie Widin:** Walk out of your office, walk onto a busy street and see if you can get someone to buy the concept.

**Alex Brophy:** That's not bad. Nice and succinct.

**Abbie Widin:** Yeah, it should be as simple as you should be able to take a piece of paper with an idea of this is what my product is, or if it's something a bit more conceptual, be able to just sit down and talk to somebody about it and gauge their interest in it. You want to make sure that if you're trying to sell it to kids, you're not talking to an elderly person. I used to work for organisations that spent hundreds of thousands of dollars on testing products and concepts way before they came to market. It meant that it was slow, it was often really cumbersome and there were so many variables that the things that tested well sometimes flopped in the market. For smaller businesses, where the risk to the business is higher if you wait longer, then you should just get out, see if you can make it work, if people are interested in buying it, you'll know within half an hour.

**Alex Brophy:** Gary, what's your advice here for testing a business idea on a budget?

**Gary Ng:** There's one popular book, it's called the Lean Startup. And what that talks about, for example, there's a software company that costs a few hundred thousand dollars to produce a prototype. So they pitched the idea to potential investors. The investors liked the idea but it wasn't enough for them to give them the funding. So what they did is went back to the drawing board to find what they could do to create something called the minimum viable product. MVP for short. So the minimum viable product they came up with is just capturing on video what the actual software



looks like. In fact it's so real, they put it on the website to say this is what the software looks like as if it's already been made, who would be interested to be one of the alpha testers, and they got so many people overnight subscribing to say they want to be one of the alpha testers, they took that back to the investors to say look at the response we got, and this is what the prototype looks like, the investors gave them the money right away.

**Alex Brophy:** That's a very unique approach isn't it, as long as you make sure you're prepared to go through with the idea.

**Abbie Widin:** I've also seen people now start to use crowdfunding a lot more to get a product off the ground. I have a friend in New York who had a viable social media business working mainly with musicians she really wanted to switch the focus into working with entrepreneurs. And to make that transition and build all the collateral that went to that, she went to a crowdfunding source that quickly gave her \$60,000 to redesign everything in the business and she didn't have to put in any of the cash flow for that.

**Alex Brophy:** And what was it that made her pitch so successful?

**Abbie Widin:** The value she'd been giving to her followers over the preceding five years meant they knew and trusted the material she put out, the content she put out was so strong that they wanted to give back. It's just the act of asking.

**Alex Brophy:** And that comes back to our first topic today, developing that following and usership, if you will. That's all we have time for today guys, thank you for tuning in, it's always great to put all those prickly questions to the experts and you guys have been terrific, a fabulous panel with all the answers it seems so far.

A big thank you to Gary, Abbie and Gabriel, really appreciate your time and advice today. That's it from us again. Thanks for joining the American Express Small Business Session, and we'll see you next time.