

January 23, 2006



COMPANY NAME

The Communique

Home Inspectors Among a Small Minority

Mike Kessel and Casey Raymond are members of a small, but proud minority of professional home inspectors. Their only business is performing home inspections. Many home inspectors only offer the service as a sideline, which is how Mike and Casey began.

“We were both working as salesmen for a plumbing distribution company,” said Mike. “Casey and I were good buddies and we saw a lot of good qualities in each other. Casey spent many years in the construction business and I have a pretty solid business background. We just clicked.”

“After a few years of working together, we started day-dreaming about starting our own business. After talking about it for a few months, we both started studying for our home inspection certification exams after hours and on weekends,” said Casey. “Once we were certified, we filed the paperwork for a partnership and started doing home inspections on weekends.”

Their start-small strategy worked. Within two years, they had enough business to concentrate on their own business full-time.

Mike and Casey credit much of their success to their diverse service offerings. Many part-time home inspection services concentrate only on conducting pre-purchase inspections. That is, they exam-

ine homes on behalf of prospective buyers. To expand their market, Mike and Casey began marketing their services to home sellers.

“By selling our service as one that can help sellers command higher prices and promote faster home sales, we really tapped into an unmet need,” said Mike. “Once customers were educated about the benefits of home inspections as a sales tool, our business took off.”

The partners also attribute their growth to another marketing decision they made. “Our print ads all used our two cell phone numbers. Mike had one number and I had another. At the time, it seemed like a good idea, because we could make our own appointments without relying on an office staff,” said Casey.

“An important part of home inspection service is educating the property owner,” Mike interjected. “If you are constantly answering your cell phone, you aren’t serving your customer very well. It was actually a pretty bad idea.”

Mike and Casey decided to rent a hard-line number through the service and to have all their incoming calls filtered through professional agents and operators. “That changed everything,” said Mike.

“I can’t even begin to tell you



Casey Raymond is co-owner of his own full-time home inspection business. His company relies on a leased land line and professional agents.

how good it was to let someone else juggle the who, what, when, and where’s,” said Casey. “The best part was, the staff would coordinate Mike’s schedule with mine, so we made the best use of our time.”

“I think it also really improved the customers’ perception of our professionalism. Instead of seeing what you knew was a cell phone number, you were given a single hard line number to call. That really sets us apart from the other guys, especially in this market,” said Mike.

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Company Name

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Regulatory changes prompted many credit card issuers to double their minimum payments during the last quarter of 2005.

Minimum Credit Card Payment Increases Affect Many

During 2005, businesses were hit with many increased expenses. Higher gas and fuel prices contributed to overall cost increases in many sectors. Added to that, most minimum credit card payments were raised substantially. This change has an especially large effect on small and beginning businesses because many of them are financed heavily with credit cards.

It has been almost three years since regulators insisted that credit card providers ensure that minimum monthly payments allow consumers to pay off debt in a reasonable amount of time. Now that regulators are strongly urging banks to raise the minimum payments, some credit card companies are taking ac-

tion. The top ten credit card issuers have raised their minimum payments in the last quarter of the 2005.

For many small and beginning businesses, this change has had an impact. Until now, most credit card minimum payments were approximately 2% of the balance. With the changes made in the last half of 2005, it appears that most credit card minimum payments will go up to approximately 4% of the balance. This effectively doubles the payment due per month.

For instance, if a small or beginning business used credit cards to finance their startup with \$20,000, they were paying approximately \$400 per month on the debt. Today, that same debt

would require about an \$800 monthly payment.

For new businesses, this can pose a hurdle to their cash flows, especially with all the other rising costs. Critics state that the credit card companies should not have taken three years to address the situation. They note that credit card issuers could have helped startup businesses to adjust by raising the minimum payments gradually instead of hitting them with a doubled payment.

This increase in credit card minimum payments can create financial problems for startups. However, analysts point out that the changes allow credit cards to be paid off sooner, which is better for the businesses.



Improve and clarify communication in the workplace to minimize problems and improve workflow.

How are Your Communication Skills?

Most businesses have policies and procedures regarding nearly every subject in the workplace. However, businesses have a tendency to fail to communicate these policies and procedures to employees and customers.

In fact, trying to understand what is actually being communicated is an endless task. Many times, problems occur simply due to a miscommunication, not due to a major crisis.

How can organizations help clarify communications to prevent problems and to smooth workplace processes? This can be a very difficult task, not only for employers, but also for employees and customers. Here are some basic guidelines to help improve and clarify the communication process in the workplace:

1. Say what you mean. All too often, people get caught up in long winded

colorful explanations that don't get to the point and that lack clarity. They don't want to be direct in their communications so they may try to soften what they are saying while sacrificing clarity and conciseness.

2. Acknowledge the individual with whom you are communicating. Look at the person and devote attention to what is being said. If you fail to acknowledge the individual, your actions convey the message that the person isn't important enough to pay attention to. Attending to the other person also ensures that you receive their messages accurately.
3. Ask questions. If you are not certain about what is being said, ask for clarification. Don't just nod your head and hope for the conversation to end

or that maybe you will figure out what is being said later in the conversation.

4. Actively listen to what is being said. Listening is a soft skill that is very important in all aspects of life. If you are really listening it shows and it helps to minimize communication breakdowns. Half-listening causes one to fill in the gaps with assumptions or inferences, resulting in a communication breakdown. It also only gives you part of the story, leaving it incomplete. Similarly, getting only half of the message isn't very useful either.

We all communicate, but successful people generally do it best. It is important to consider what you are saying and how well you are listening to others. Doing so will help you to be understood where ever you are.

Q: *We have a number of local competitors. To increase business, we want to improve quality. Where do we begin?*

A: You've already completed one important step – you've identified how you want to distinguish your company from your competitors. You want to offer the highest quality – but quality what?

Consumers do not only evaluate the quality of products they purchase from your company. They also evaluate the quality of service they receive. You cannot concentrate on one without attending to the other or else your efforts will be lost.

From a product quality perspective, consumers evaluate nine distinct dimensions that affect their perceptions. Those nine dimensions of product quality include: performance, features, reliability, conformance, durability, serviceability, aesthetics, safety, and brand value. Effective marketing is all about meeting or exceeding the desires, needs, and expectations of your customers.

Performance is judged on basic standards that a consumer associates with the product. If you sell computers, customers expect your products to meet or exceed

standards for processing speed.

Customers also compare your product's **features** to those available on competing products. What are the optional extras that distinguish your product from the others?

Don't underestimate the importance of **reliability**. Your product must perform as promised for the length of time your customers expect. If a product frequently needs repair or service, perceptions of quality will decline.

Customers also carry certain preconceptions about **conformance**. Products should appear to meet standards in every way. Variations from standards project an image of low quality.

Related to the idea of reliability is **durability**. Does your product exceed minimum expectations for life-span? A product is durable if it is reliable and continues working beyond the customers' expectations for life-span compared to similar products.

Another related concept is **serviceability**. Think about the copy machine in your office. Copiers require regular service to function properly, especially in high-volume environments. What happens when the service is not prompt or when parts must be

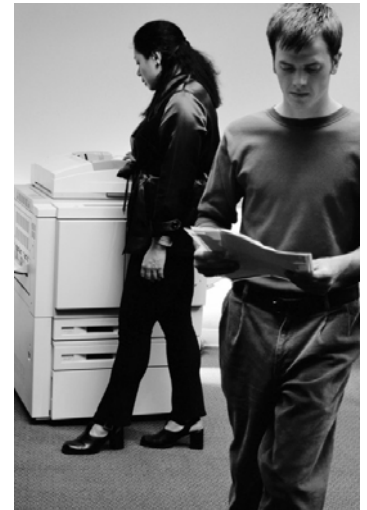
ordered? If your office is like most, it poses a serious problem for your productivity. When problems arise, customers expect them to be handled promptly and with minimal disruption to their routines.

Product designers use the term **aesthetics** to refer to the way a product looks, feels, sounds, or tastes. Attractive products outsell unattractive ones. How do yours compare?

Another important consideration for consumers and business owners alike is product **safety**. Products that are associated with higher degrees of safety are also associated with higher perceptions of product quality.

Finally, customers make other judgments about product quality based on subjective measures, such as **brand value**. For example, Harley Davidson has a highly diversified product line. In all sectors, the brand has a loyal following.

To set your business apart from your competitors, ensure that the products you offer your customers meet or exceed their desires and expectations in all nine areas. Next month, we'll talk about the dimensions of service quality that can help your business stand out.



Consumers' feelings about product quality come from their evaluations of product:

- **Performance**
- **Features**
- **Reliability**
- **Conformance**
- **Durability**
- **Serviceability**
- **Aesthetics**
- **Safety**
- **Brand Value**

BlackBerry Dispute Dismissed by USPTO

The U.S. Patent and Trademark Office has dismissed five recent patent applications by NTP. The patents were at the center of a patent infringement suit between NTP and Canada-based Research In Motion, the operator of the BlackBerry System.

The lawsuit has constrained growth of BlackBerry devices. Industry analysts stated that the ruling in the United States will likely have an effect on a similar patent infringement lawsuit filed against BlackBerry in the United

Kingdom. The BlackBerry wireless platform offers consumers a number of wireless communications solutions including email, telephone, text messaging, and web browsing.

The developments in the patent-infringement case bode well for BlackBerry, which enjoyed growth during 2005. The company's net income rose to \$103 million during the fourth quarter of 2005, up from \$77 million during the same quarter the previous year. However, earnings

were well below the company's potential, according to experts who blamed the uncertainty surrounding the lawsuits.

The luxury automaker, BMW, will play a large role in BlackBerry's growth in 2006. BMW will be integrating BlackBerry's address book into its automobiles. This integration will allow drivers to enjoy cellular telephone service through on-board hands-free devices in the vehicles.



BlackBerry patents are upheld by the U.S. Patent and Trademark Office, effectively ending infringement claims.

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Insuring your business can be a difficult and time consuming process, so don't treat it as a formality. Many businesses find out too late that they are improperly insured and their claims may not be covered in times of need.

Insuring Your Business Properly Can be Difficult

Insuring your business can be difficult. Many times, business owners don't have an accurate replacement value for their business. In other cases, business owners don't know how to calculate losses. Other times, businesses don't fall into a typical category, making it difficult for the insurance agent to provide proper coverage.

Sometimes, insurers are not familiar with the specifics of a particular business. All of these challenges highlight the importance of finding an insurer who wants to work with you and meet the unique needs of your business.

To insure your business properly and protect your investment, you must know your business and you must know your insurance agent. Unfortunately, both take time and energy.

Every insurer is different, but asking the right questions and providing the insurer with the proper information can make the process a little less stressful and more productive. Here are some tips to help with the insuring process:

1. **What have you invested?** When you go to insure your business, calculate a

value of what has been put into the business, so you know what it is worth. You must also determine what it will cost you to be out of business if a loss occurs. For many unfortunate businesses, discrepancies between the insurer and the insured can and do occur. The owner should insure the business at an agreed value to prevent this from happening. Also calculate what it will cost you to not to do business and insure your self against lost productivity.

2. **Do you have the right kind of coverage?** Make certain that the business is insured for it's proper purpose and know the policy restrictions. All too often, business owners don't take the time to educate themselves about their insurance coverage. Then, when a claim occurs, they may be sorely disappointed in their coverage. Ask your agent to explain the policy to you.
3. **Are you adequately insured?** Even though you may not believe you are at risk, don't try and cut costs by underinsuring the limits

and coverage on your business. You risk being forced to cover claims out of pocket. It is better to pay a little more and be properly insured than to have a claim that isn't adequately covered.

4. **Is your start-up covered?** If your business is in the beginning stage, consult your insurance agent. Many insurance companies differ on how they will handle start-up businesses. It is very important that start-ups are covered. If a claim occurs in the beginning stage of the business, without insurance the business is usually lost because many new businesses cannot financially handle the loss.

For all businesses, insurance offers important protections against many kinds of losses. Each business is different, so it is important to be prepared and get to know your insurance agent. If you cannot find insurance coverage that fits your business, contact your local Insurance Department for a listing of insurance companies that specialize in business policies.