



Michigan Home Business

UPDATE

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Extension Bulletin E-1803 Designing your Game Plan Volume I Number 1

Designing your Game Plan...

Owning your own business can be a dream come true! According to Albert Lowry, a nationally recognized authority on small business, more people than ever are starting their own businesses now — and succeeding at them. Why? Because they're planning their new ventures step-by-step, scientifically and carefully.

As the owner of a small home business, your most important goal is to attract, keep and satisfy customers. Once you've decided the product or service you are going to provide, you must then pinpoint the type of person most likely to want your product or service. This process of fitting product to person is not a one-time exercise — it must be updated periodically. Times and people change — your approach to business has to be flexible, too.

WHO ARE MY CUSTOMERS?

Often, your first customers are family and friends who have thought all along that your product or service would be welcomed by the general public. It's grand to have that kind of encouragement as you're starting out, even when you know it's prejudiced in your favor!

Your supporters are, however, a valid starting point for the first written description of your target customer. You want to know six characteristics, which are: age, sex, marital status, occupation, income, and location. List these in one column and write the results of your investigation on the other side of the page.



BROADENING YOUR BUSINESS BASE

Now that you have a nucleus of customers, you can expand on that base. Building up your clientele is another task that requires organized effort.

Develop a master file of all of your customers' names, addresses and phone numbers and update it regularly. How are you going to find these customers? Have a guest book in your home that customers (and their friends) can sign. Make a list of names and addresses from checks your customers write. If you subscribe to a charge card company, ask for addresses and phone numbers on the receipts.

Look for potential customers by advertising (which will be discussed in detail later on). Attend trade shows. Set up exhibits at fairs and festivals and have people register

for prizes. Always take time for a pleasant chat with salespeople and suppliers who visit you, even if you aren't buying anything from them. They, your present customers and your employees can be gold mines of information.

Try to be aware of and respond to your customers' special needs. If you develop a reputation for solving problems and tackling tough specifications, people are going to think of you when they need help.

Subscribe to trade publications. They contain the latest news about contracts or purchases in your line of business and they can be a source of new users for your product or service.

As a subscriber to trade publications, you may also receive announcements of seminars and meetings periodically in the mail. These are usually two- or three-day courses that teach you an incredible amount of new and valuable information. There are a couple of drawbacks, however. These seminars are quite expensive, usually in the \$500 and up category, buy if you find one that is really tailor-made for your home business, try to attend. (As a business expense, it's tax deductible.) The other problem you may face is finding someone to handle your business while you're gone, because most of these courses are given during the work week.

COPYRIGHTS AND TRADEMARKS

Many people think of copyrights only in connection with books or other printed material. But a piece of art or a hand crafted design can also be copyrighted. Ideas cannot be copyrighted, but the object that results from the idea can.

A copyright gives the designer the right to control how, where and when the designed object is used.

Though the law says you automatically have the copyright,

you should mark the object with the copyright symbol, your name and date. This warns others not to copy or use the object or design without your permission.

The 1978 revision of the copyright law gives the individual much more protection than the old law. Most importantly, a work is now considered to be protected by federal law as soon as it is created.

Some rights for using

copyrighted material are implied. For example, when a store sells a copyrighted craft object, the store has the right to photograph that piece for an advertisement. Or, if the object is in a gallery or museum, a newspaper can photograph it and use the photo with a written review. However, the photograph could not be used as a book illustration without your permission.

KEEPING THE CUSTOMER HAPPY



You've attracted customers to your home business. Now, how do you go that extra mile to satisfy them better than your competitors can?

Personal attention will make your customers feel important. In fact, a study of older consumers showed that many would even pay higher prices at a store where they are treated with courtesy, dignity and patience rather than disinterest, impatience and rudeness.

Check with your customers periodically to make sure they are satisfied with your product or service.

Keep a list of requests from your customers and do your best to fill them. When you are working to answer a customer's special want, be sure to keep that person up to date on your progress, or lack of it. Then, even if you do not succeed, the customer will be impressed by

the time and effort you devoted to the project and will remember your willingness to help.

Apply the same diligence to problem solving. Establish a procedure to follow, a careful step-by-step approach that works for you. Again, follow up by personal contact to make sure your customer is happy.

The above procedures establish your reputation as a knowledgeable, hard-working and sincere businessperson, but there is still more you can do to make your customers feel important.

Send them a Christmas card, hold an open house or run a special customer appreciation sale. If you can't supply an item they want, send them to a place they can get it, even if it's to the

competition. Or, if you're temporarily out of an item customers want to buy, give them a rain check plus a small discount on the item when it becomes available. Helping customers get what they want, even if it means they go somewhere else to buy it, is a basic part of positive customer relations.

The aim of all these public relations efforts is to make customers feel special. All have your personal touch. This closeness between you and your customers is invaluable, and it's something big business can never achieve.

As you can see, satisfied customers are the best assets your business can ever have. As they go about their daily routines, they'll be talking about you to their families, friends and business associates — and they can be the best kind of advertising you'll ever get.

A copyright may be transferred or sold. Usually this is done for a specific use in a specific geographic area for a specific length of time. For example, you may sell a magazine publisher the right to use your painting as an illustration in the July issue that will be sold only in North America. All of the details for the transfer should be written in a contract signed by both you and the publisher.

A trademark is another legal protection. It is more time consuming and expensive to apply for. The filing fee is \$175. All information can be obtained from a booklet, "General Information Concerning Trademarks," which is free from the Patent & Trademark Office, U.S. Dept. of Commerce, Washington, D.C. 20231.

If you want an interesting book on all subjects concerning legal

issues, look for: "Making It Legal — A Law Primer for the Craftmaker, Visual Artist, and Writer," by Marion Davidson and Martha Blue (New York: McGraw-Hill Book Company, 1979).

This book is certainly not a substitute for good legal advice, but it can help you understand some of the many legal concerns of running a business.



CHECKING ACCOUNTS

For the business person, a business checking account is a must. Shop for the best deal on such an account by checking local banks and savings and loans for the following:

- Is there a charge for each deposit you make?
- Is there a charge for each out-of-state check you deposit? (This can be very costly to mail-order businesses.)

- Do you pay a charge for every check you write, or do you buy checks in quantity for a flat fee?
- Is there a minimum balance you must maintain to avoid a penalty, such as having to pay check charges or a service fee?
- Does your checking account balance earn interest?
- Does the institution offer other services you might need, such as a line of credit to established businesses?

- Are bank card charge services available, in case you should want to offer this to your customers.

Estimate a month's banking activity — checks written, checks deposited, normal balance in your account, etc. — and figure out what these services would cost you at the various institutions you have checked out. You may be surprised to find out how these costs vary.

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