

Business Plan Workbook #25

| | |
|------------------|--|
| Course | Managing Your Dream |
| Topics Addressed | Managing Good and Bad Employees Managing Time and Money |

Key Points

Motivating and Rewarding Employees

Employees want to know what is expected of them. Part of being a good manager is to find ways to motivate your employees and reward them when they succeed.

Recognizing Good Work

One of the most powerful ways to motivate people is to recognize their good work.

If you have a few employees, you could even recognize an “employee of the month”. Or you could do something to showcase the employee’s good work. For example, you could post a customer compliment in the employee break room.

A good way to reward good workers is to allow them to make more decisions on their own. By showing employees that you trust their judgment, you can continue to motivate them.

Other Ideas for Rewards

There are plenty of creative ways to reward your employees. How about giving employees an extra day off or offering to take them to lunch?

A good place to start is to think about what sort of thing a particular employee would value the most.

Dealing with Performance Issues

If you have an employee who is not performing, your first step is to try to figure out why this person is failing. Is the issue a result of their skills or their behavior?

If the issue is related to **skills**, it might be a matter of retraining the employee. Or it might be that you need to work with this employee closely to teach her or him exactly what needs to be done on the job. Another solution may be to give the employee a different job in your company, especially if your company has grown very quickly and you have an employee who has not “kept up” with the new challenges.

If the issue is related to **behavior**, try to determine why the behavior is happening. Perhaps an employee is late to work every day. Maybe the lateness is due to laziness, or maybe it is because the bus schedule does not fit with the

employee's work hours. If you see that an employee has troubling behavior, you should talk professionally with her or him and see if you can get to the root of the issue, and work together to find a solution.

Remember that it's always best to have these conversations in private, and not around other employees. A private chat will decrease the embarrassment and will be seen as a professional approach by the other employees.

What if An Employee is a Bad Fit For Your Company?

Sometimes no matter how hard you try to help an employee succeed at your company, she or he is simply a bad fit.

It's important to share your concerns with the employee when you first start to notice issues and to keep a record of your conversations.

If you have tried your best to work with a problem employee and you cannot fix the situation, then it's best to make the decision to fire as soon as possible. Keeping an obviously underperforming employee in the company too long will send an unwanted message to your other employees. This is never an enjoyable experience, but sometimes, it cannot be helped.

Firing An Employee

If you need to fire an employee, you will want to choose a time and place to talk privately. Before your meeting, take some time to think through what you are going to say and how you will explain the reason for your decision.

Be professional and calm when you meet. Even if the employee gets angry or upset, concentrate on being composed. Try to answer her or his questions, but be firm in your decision.

Remember, if an employee is not a good fit for your company, it is better for everyone if you do not allow the employee to continue in a job in which she or he will be unsuccessful.

Take some time to familiarize yourself with federal and state labor laws so that you know about any legal issues with firing employees. If you are unsure about something, be sure to ask someone who either has experience with the law or can refer you to someone who does.

How Do You Manage Your Time?

Every day you will be forced to make decisions about what you spend your time doing. Very often, you'll find yourself solving immediate problems that weren't even on your to-do list for the day.

But be sure to set aside time to think, reflect, and plan for your company's future. Don't just focus on the current day's events.

You may want to set aside time in the early morning or the evening, when your business is closed or very quiet, and you don't have to worry about interruptions.

Managing Your Money

Managing money is something that you need to do every day in your business, not just at the end of the month when you might be doing your monthly records. Your daily records will show you how your business is doing.

Remember, you are the person responsible for managing your money. You might feel uncomfortable with numbers or think that managing money is difficult in the beginning. But the only way to get comfortable is to practice.

Paying Employees – Including Yourself

Be sure to think about how you will come up with the money to pay your employees.

And while you may not think of yourself as an employee, you are actually the first employee of your company. So as you think about how you will pay others, you also need to think about how you will pay yourself.

It's also important to keep the finances of the business separated from personal, family finances. It can be tempting to pay for personal expenses from money belonging to the business—this makes it difficult to “keep score” on how well the business is doing, and, in some cases, it may be against state or Federal tax laws.

Related Business Plan Questions

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: How will you compensate those that fill leadership or management roles?

Q: Write down how your salespeople will be compensated. Will you pay them by the hour, by the day, a percentage of the sale, etc.?

Q: How will you compensate your other employees?

Q: How do you plan to compensate yourself?