

SMALL BUSINESS MATTERS

Management: Lack of Communication Could Sink the Ship
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There are so many people involved in the day to day activities of most businesses. Businesses may involve a varied combination of people that work directly with the business or interact with your business. It varies by the size and type of business. There are owners, managers, employees, customers or clients, investors, suppliers, bankers, accountants, lawyers, even families in a family owned business and the list can be endless.

For the business to be successful from day to day, week to week, and month to month, ensure the right people are getting the right information at the right time. Businesses or organizations in general are made up of people so it makes sense to have good communication. Some businesses have excellent communication processes and practices, others have little or none but do fine nonetheless, and a few could use a complete overhaul in the “communication” garage.

You are probably thinking that forgoing paragraph is ridiculous to refer to “communication processes and practices” for a typical small business, especially those with only a few employees and a short list of key contacts. Well in some cases you would be absolutely right. Conversely, there are some instances it is critical for a business to pay attention to communication.

Bad communication could cost money. For instance, frequent mistakes in taking and placing customer orders create inefficiencies, potential for lost sales, and could impact company reputation. Employees failing to inform management and/or management failing to inform the business owners of critical customer feedback could result in nothing being done to address the issue.

Businesses and organizations must promote listening to the customer and open feedback between employees and management to avoid the aforementioned problems. So how do you evaluate communication? Just pay attention and observe the day to day activities of your business.

First, look at people. Do you and your employees listen to the customer carefully? Is there open information sharing between employees and management? Are there good relationships with suppliers? Do understand your financial dealings with banks and your creditors? Do you consult your accountant and inform your investors?

After you have looked at people, go beyond the relationships. Review all aspects of the business. Are inventory levels correct and appropriate? Does current promotion and advertising appear to work? Is proper maintenance done on equipment and facilities? Are orders placed correctly? How is sales and overall business profitability doing?

Finally, look at everything you have observed. If there are things that need to be improved or could be improved determine if and how better communication will help. If things are doing fine you may find that good communication is a contributing factor. In either case, you will have to use communication to reinforce what is working and to change what needs to be improved upon. *Lack of communication could sink a ship!* Do not let it happen to your business.

For more information on business financing and other services of CBDC South Coast call 1-800-303-2232 or 538-3846.