

SMALL BUSINESS



Rhonda Abrams
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Landing customers takes effort

Without customers, you don't have a business. But it's difficult and costly to land a customer. So once you have a customer, how do you keep them coming back? That's where customer retention and loyalty programs come in.

You're familiar with loyalty programs already — the most obvious example is the airline frequent flier program.

Remember Rhonda's Rule: "The best source of future business is a past customer." Not only are satisfied customers more likely to buy from you again, they're the ones who generate word-of-mouth marketing and referrals.

Most marketing specialists agree it's far less expensive to keep a good customer than attract a new one; it's estimated that it costs from two to 10 times more to acquire a customer than to retain one.

What keeps customers coming back?

The first and most important reason, of course, is the quality of your product or services and the way your company is run. If your sandwiches are lousy or customers have to wait too long at lunchtime, it won't matter if you have a punch card for your sandwich shop.

But this isn't enough for every company, and even if you have a terrific product or service, you'll need to make special efforts to retain customers.

All loyalty programs have basic attributes:

- The customer gets a reward — a discount, freebie, upgrade or special service — for being a regular or big customer.

- There is a way to keep track of the customer's purchases — you can have a sophisticated computer database, a handwritten ledger or a simple punch card.

- Generally, but not always, the customer gives the company his contact information, which enables the business to keep marketing to and communicating with him.

Some structures of customer loyalty/reward programs:

- A free reward after multiple purchases: Enticing customers to keep coming back to you by offering them something free after they make a certain number of purchases. Examples: a punch card at a car wash, where you get your 10th car wash free.

- Buy-ahead discounts: A significant discount or freebie for buying multiple products or services in advance.

- Membership/clubs: Discounts or rewards for people who agree to sign up to be a member of your "club" and continue to be associated with you. Example: supermarket "clubs" with discounts in return for enabling the supermarket to track your purchases and communicate with you.

- Upgrades/special services: Many customers want special treatment (or better products) because they see themselves as a valued customer. Examples include an upgrade to first or business class as a reward for achieving a certain number of frequent-flier miles or a hotel room upgrade after a certain number of nights booked.

- Discounts after purchase: Discounts given as a reward after a customer makes a purchase, to both encourage future purchases and to thank customers.

From time to time, evaluate the cost of your loyalty/reward program. Are you giving free stuff to customers who would have been buying from you anyway?

But don't forget: The longer a customer remains with you and continues to buy, the more profitable the relationship. That's why it pays to reward customers and keep them loyal to you.

Rhonda Abrams is the president of The Planning Shop, publisher of books for entrepreneurs. Their newest is "Finding an Angel Investor In A Day." Register for her free business tips newsletter at www.PlanningShop.com.

GROWING YOUR BUSINESS



Rick Ameil, co-owner of Grill-A-Burger in Palm Springs and Palm Desert, shows one of the 24 different kinds of hamburgers on his menu.

Burger bonanza

Grill-A-Burger's recipe for success remains the same: keep it simple

Rick Ameil's passion is food. He says he loves to eat and loves to cook for others.

Three years ago he and his partner, Dean Talbot, opened Grill-A-Burger in downtown Palm Springs and now have expanded to the Plaza de Monterey in Palm Desert.

Recently, Ameil sat down with business reporter Dennis A. Britton to talk about his approach to his businesses.

QUESTION: What is the core of your business?

ANSWER: We do one thing really well and that's hamburgers. We do 24 beef-based hamburgers, and we have chicken and turkey. We also have great homemade fries. We are going to stick with our theme of great hamburgers.

What is your strategy to grow your business?

What made us grow in Palm Desert is customers from cities such as La Quinta wanting to know when we were moving out their way. We get that all the time.

My original goal was to open five in the desert, but I've got that urge to do other things now. I'm looking to go back to Sacramento where I went to college at Sac State. I miss the change of seasons that you have there but I absolutely love the desert.

How do you recruit and retain quality employees?

Some of our employees, like

Don in the kitchen, have been with us since we opened. First of all we treat them like family, we give them top pay and for those who wanted it we picked up half the cost of medical and dental.

They know we have a serious business to do but we have fun and enjoy each other. We show them how much we appreciate them not only verbally but financially as well.

How do you cope with the seasonality of your business?

We've really been busy since we first opened. We built up a strong local following and people who came down for the weekends discovered us.

We've been told this is the first place many of our international customers come when they arrive. We've really never had a bad season until this fall and it is really off. Last year, during spring break, you couldn't get in here.

Look out there today, it is dead. Last year, we did \$5,000 on this day. Today, we'll be real lucky to do \$2,000.

The uncertain economy, gas prices, which are out of control, have put a real dent in our visitors. We are in good shape, but some of those high-end restaurants are really hurting. But our Palm Desert store has been busy all year.

What's your advice on growing a small business?

The biggest thing is to really know your business and invest the time to watch it and be flexible to

About Grill-A-Burger

Business Name: Grill-A-Burger Corp.

Type of business: Casual dining
Owners: Rick Ameil and Dean Talbot

Years in business: 3

Number of employees: 17

Address: 166 N. Palm Canyon Drive, Palm Springs, and 73091 County Club Drive, Palm Desert

Telephone: 327-8175, Palm Springs; 346-8170, Palm Desert

Days and Hours: Tuesday-Saturday, 11 a.m.-8 p.m.; Sunday, 11 a.m.-4 p.m.

see things to improve it. And listen to your customers because they are the ones who can make you successful or make you go under.

Every time we do a new burger, we always do a sneak preview and if they go we put them on the menu. Another really big thing is to know your market and not try to expand too fast.

How do you juggle your personal life with the demands of your business?

Ha. Ha. When we first opened, there was no personal life. No vacations, no personal life because basically we were here all the time. Now that we have people trained and I've let go a bit — I'm a real control freak — we can take some time off. You have to build up trust in your employees so you can let some of the control go.

What's the most important lesson you've learned in business?

Always be prepared for anything. You really have to roll with everything from the weather — when we opened here in 2005 it

was the wettest winter in 16 years, the whole patio was under water and there was snow on the hills right down to the bottom — so you have to be prepared for a downturn in the weather, the economy and now be able to juggle everything with the increase in prices.

When we started, the oil we use was \$16 for a 30-pound carton. Yesterday it was \$41. We change the oil every day. The bread — we just got an increase two days ago, the third one this year, from \$2.95 for a dozen regular hamburger buns and now it is \$3.95.

And all of our vendors have also tacked on a fuel surcharge. People who go to the store to shop know that everything has gone up.

People think this is a glamorous, easy business in which you make tons of money. But after you pay your help, buy your supplies, pay for insurance and taxes, you're not left with much.

Our margins are about 21 percent. People look at our business and see us talking to customers and enjoying ourselves, but they don't see us fixing the toilet, cleaning the bathrooms and being here all the time. We used to be here 15 hours a day, six days a week.

How do you set yourself apart from your competition?

Everything is made to order, everything is fresh daily. The meat is ground fresh daily by a guy who's been doing that kind of work for 25 years and knows exactly the right mix of fat to lean. We don't skimp. We get the No. 1 produce and just buy the best quality ingredients.

YOUR BUSINESS YOUR NEWS

Mary T. Roche, Indian Wells Mayor, has been appointed to serve on the board of directors of the **Regional Access Project Foundation**. The nonprofit, public benefit foundation awards grants and technical assistance to tax exempt organizations providing services and programs in the areas of health and juvenile intervention for residents of Eastern Riverside County.

Derek Spalding has been promoted to the position of client services manager for **Iger & Associates Government Interface Consultants**. With offices in Irvine and Palm Desert, Iger provides a wide range of governmental and community relations services and negotiates complex, political, legal and regulatory problems for its clients.

Eileen Eske-Berger was recently promoted to senior vice president of **Palm Desert National Bank** along with her current title of branch manager. Eske-Berger has held senior

positions in the banking industry for nearly 20 years and sits of the board of directors for the Building Industry Association and the executive council for the American Heart Association.

Paul W. Parkinson has been named area sales manager for the desert division of **DR Horton Inc.** Parkinson will manage the nine desert cities for the national home building firm that currently has community projects in Desert Hot Springs, Indio and Palm Desert.

OPENINGS & MOVINGS

Point Loma Credit Union has opened its 15th branch office in the Desert Gateway Shopping Center at 34-460 Monterey Ave., Suite 105 in Palm Desert. The full-service branch with a 24-hour ATM offers a complete line of loans to members. Anyone who lives or works in either Riverside or San Diego county may join. Information: (888) 495-3400.

POM, a new state-of-the-art eating spot, has opened at **Fantasy Springs Resort Casino**.

Chef Rieger fuses traditional California cuisine with tastes from Latin America and Italy with fresh and healthy ingredients. Created by SOSH Architects of Atlantic City and award-winning interior designer, Andrea Piacentini of Seattle, POM offers spectacular views of the surrounding courtyard from every table. POM is on the mezzanine level and is open seven days a week for breakfast, lunch and dinner.

UBS Financial Services will relocate to its new offices at 75-280 Highway 111 in Indian Wells on April 21. Currently in Palm Desert, UBS is a global wealth manager, investment banking and securities firm. Headquartered in Zurich and Basel, Switzerland, UBS operates in more than 50 countries.

RECOGNITION

Victor Woo, vice president and general manager of Rancho Las Palmas Resort & Spa in Rancho Mirage, was recently named **Outstanding General Manager of the Year** for properties with more than 201 rooms by the **Palm Springs Desert Resort Communities Convention and Visitors Authority**. Woo was recognized for his leadership within the Palm Springs hospitality community as well as his role in overseeing the recent \$35 million renovation to his 444-room property.

Teserra of Coachella has earned a **Gold Medal Award in the 2007 Association of Pool & Spa Professionals International Awards of Excellence**. A builder and designer of outdoor living, pools and spas, Teserra won the award for a freiform pool design at a home in The Estancias in La Quinta. Lush landscaping and innovative rock

SMALL BUSINESS

HOW TO

Starting a business? Take test

BY BRUCE FREEMAN
SCRIPPS HOWARD NEWS SERVICE

Dear Professor Bruce,

I am thinking about starting a business, but I was wondering whether I have the best background to begin. Is there a "right" kind of background for a small business owner?

Answer:

There is no magic background for a successful small business owner; they come from all occupations and lifestyles. However, studies show that certain backgrounds can be more helpful.

A recent paper by Chad Moutray, chief economist of the Office of Advocacy of the U.S. Small Business Administration, shows that the likelihood of running your own business increases with additional college education. For instance, heads of households with some postgraduate experience are 8.3 percent more likely to be self-employed.

Likewise, the study also showed that individuals are more likely to be self-employed if they are wealthier and if they are veterans.

However, the key thing to know is that being a successful small business owner requires hard work and dedication. In fact, a new survey sponsored by Staples shows that 62 percent of leaders in companies with fewer than 20 employees work well beyond a 40-hour week, and 21 percent work a double week, logging an extra 40 or more on-the-job hours.

Even with all that hard work, the Office of Advocacy reports that 66 percent of new businesses with employees survive at least two years, while 44 percent survive at least four years. These results are similar across industries.

If you don't have a lot of formal education, but are willing to put in the hours, is there anything you can do to increase your chances of success?

One of the first things you can do is take the SBA's online Small Business Assessment Tool at <http://www.sba.gov/assessmenttool/index.html>. In less than 10 minutes, you'll have a good idea if you are ready to start a business or if you need more time to research and gain some skills.

The assessment will suggest steps that direct you to the most appropriate SBA resources to help improve your business preparedness.

For further information visit www.sba.gov.

Bruce Freeman is president of ProLine Communications, a marketing and public relations firm in Livingston, NJ and author of "Birthing the Elephant" (Ten Speed Press). E-mail questions to Bruce@SmallBusinessProf.com.

features complement the pool with a bridge connecting to a spa, sunning deck, four waterfalls and bar-side seating stools in the pool.

Michael and Stephanie Landes, have been selected to receive the **Celebration of Life Award at the American Cancer Society Desert Spirit XIX** on April 27. The annual award is presented to a cancer survivor of note who continues to make a significant contribution to a chosen field of work or area of interest. Landes, president of Eisenhower Medical Center Foundation is a prostate cancer survivor and his wife is a breast cancer survivor.

Do you have information for Your Business, Your News? E-mail Nina.Ronda@thedesertsun.com, or call at 778-4639; fax, 778-4654. Send announcements to the following address: Nina Ronda, The Desert Sun, 750 North Gene Autry Trail, Palm Springs, Calif. 92262.

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Do you have a small business for us to profile? A promotion or new job to announce? Let us know at business@thedesertsun.com Check the Business page at mydesert.com for up-to-date local business news, business data. And, while you're there, check out our blogs and forums.