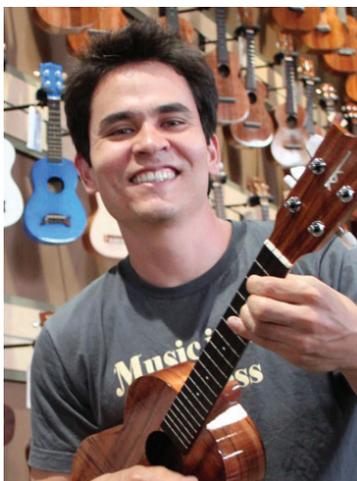


ECONOMIC RHYTHMS | BY PETER DODS

Be the Guinea Pig

Our former office manager was the single most important person who has worked at my store. She paid all the bills, balanced the ledger and received the inventory to the POS. She was the first office manager we ever had.

Before she left us, I had her train a replacement. After she departed, the replacement quit the company in two months and left a wake of disaster: invoices were missing, inventory was improperly received and quick-pay discount dates were past due.



In my seven years of running this business, we never missed a bill. When I asked the new hire how things were going, he would tell me that the job was more difficult than he had anticipated and that he was trying his best to catch up. When he abruptly quit, I was blind sided.

I started by combing through the heap of unpaid bills and packing lists. The new hire had not followed the old manager's system, and I was too busy building our third store to realize what was going on.

We quickly called our reps to put us in contact with the credit managers of every vendor we deal with. We requested account statements from more than 200 vendors, combed through all of the bills paid, made sure we had an invoice to match them and checked to see if the bills were received properly.

With the help of a new assistant, we worked diligently on it for a month and resolved all of the problems.

GUINEA PIG MANAGEMENT

Today our bill pay system and the rate at which inventory is received and floored is better than ever. We also have a better ability to manage cash flow. Now, at any given

second, we know exactly what the accounts payable are and can stage them to better suit the capital needs of the store.

The office manager position was the last job in the store that I hadn't done personally so I had no clue how it could be done in a better way. I had been lucky enough to have someone I could trust all those years. When our former manager left, it really

opened my eyes to the necessity of understanding and defining the protocol of each role in an operation like this.

You would think your employees would tell you when something is wrong or doesn't work as well as it should, but they often won't. You would also think they'd have the vision to do things the most efficient way possible, but they often don't.

People look to you, the owner, to define their roles and tell them what their job entails. If you do a good job hiring, you can find people who can fill the roles you define and possibly even show you a better way of doing them. But if you haven't clearly defined those roles, your business will be haphazard at best, or, at worst, you will go out of business.

You need to be your store's guinea pig and run through the hoops and challenges of each role and define them.

If you do, your business will run smoothly and will be better fortified against disaster. Do not take this as an invitation to micromanage. That is not the idea at all. You should set the standard and hire people with initiative to improve it. If you don't, you can bet your employees will set their own, and it probably isn't going to be to your liking.

Don't be vulnerable. Your business depends on it. **MI**

Peter Dods is the owner of Honolulu-based Easy Music Center.

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