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## Gene Marks' October Business Outlook

# The Malaise Will Continued

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Our economy continued to stand still in September. And October isn't looking like much of an improvement.

Last month the Fed swapped short term debt with long term debt, in an effort called "Operation Twist", and markets around the world plunged to post-recession lows. The President proposed a \$3 trillion deficit plan asking for \$3 in new taxes for every \$1 in cost cuts. Congress narrowly avoided another government shutdown at the end of the month, once again punting the hard budget decisions downfield. Both Bank of America and American Airlines faced bankruptcy rumors.

Want some good news? Sorry, not yet. All leading economic indicators continue to signal weak growth. The media gets happy when weekly unemployment claims fall to April levels, but these levels are still near 400,000. To give some perspective, weekly unemployment claims in the beginning of 2001 were significantly less than 300,000. Consumer confidence remains unchanged. The unemployment rate stays stubbornly near 9%. Housing starts and pending home sales fall.

The glimmers of good news are spare. Durables goods purchases and the Institute of Supply Managers' Manufacturing Index showed signs of improvement. More goods are leaving West Coast ports. Housing starts fall again, but architectural billings gain the most in four years. And real estate prices rise.

Chicago and Philadelphia's economic activity weakened but manufacturing in Kansas City, Texas and the Midwest all increased in August. In fact, the manufacturing sector outlook improved in 61 major metros.

No one, including me, is expecting dramatic changes in October, or for the immediate future. One economist says the economy needs a regulation time-out: "America's overregulation problem is only getting worse. Right now, federal agencies are at work on more than 4,200 rules, 845 of which affect small businesses, the engine of job creation in our country. More than 100 are major rules, with an economic impact of more than \$100 million each." Interest rates and inflation remain low, but many feel artificially so and that the Fed's easy money policies of the past few years will have its impact even if the country can pull itself out of its anemic 1% growth. The debt crisis in Europe continues to affect trade and confidence here.

Which is why most U.S. businesses, even after finishing their most profitable quarter ever in June, continue to hoard record amounts of cash. Recent numbers show consumer spending reaching pre-recession levels, with business capital investments still at historic lows. In other words, we're standing pat.

Continued government involvement in the economy, be it more actions from

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the Fed (exactly when did we look to them to stimulate growth? Isn't their mandate to provide a steady monetary policy?) or more stimulus proposals from the President, will only continue to undermine our confidence. These actions tell the business community that we are not the ones responsible for economic growth, it's the government. That, combined with this current regulatory environment and the prospect of higher taxes to pay down epic deficits does not make this a time for investing. We are hunkered down, waiting for the weather to improve.

One thing smart business people know: the weather will improve. And those with enough reserves will emerge from this economic winter, whenever that happens, and take advantage. ■

# 2

## YOUR PEOPLE

### You Can't Make Someone Salaried to Avoid Overtime Payments

by *Suzanne Lucas*

Let me say this again: Putting someone on salary does not mean you can stop paying overtime.

Are you still with me? In order to have someone be salaried exempt (that is, not eligible for overtime), they need to meet the criteria in the Fair Labor Standards Act. There are 3 requirements and all 3 must be met.

1. Each exempt employee must make a minimum of \$455 per week. If they earn any less than that, they cannot be exempt, even if they meet the other criteria.
2. Each employee must receive the same amount of money each pay period. So, let's say that Joe is an exempt employee earning \$1000 per week. On Tuesday he cuts out early because he wants to get his lawn mowed. His paycheck must still be \$1000 per week. You can fire him for taking time off, but you still have to pay him that \$1000 even if you fire him. In most cases, you can charge against vacation balances for things like that, but even if Joe has used up all his vacation, all his sick time, and still left early on Tuesday, you **STILL HAVE TO PAY THE WHOLE \$1000**. (There are exceptions if he took an entire day off, or some people argue if he took a half day off.)
3. Each employee must have a qualifying exempt job. This is the most complicated criteria and where businesses tend to get themselves in trouble. It doesn't matter what an employee's title is, it matters what work he does. Somethings are obvious—outside sales=exempt, for instance. Doctors, lawyers, pharmacists and accountants are exempt from overtime requirements. But what about you? Your title is "Office Manager." Sometimes people see the word manager and say, "Oh, managers are exempt from overtime requirements!" Well, maybe and maybe not. Do you manage two or more people with hire/fire authority? Then yes. If not, do you manage the office by paying the bills and ordering the office supplies? Probably not.

The kind folks at the FLSA website give a list you can use to make your determination:

- (a) office or nonmanual work, which is
- (b) directly related to management or general business operations of the employer or the employer's customers, and
- (c) a primary component of which involves the exercise of independent judgment and discretion about
- (d) matters of significance.

In order to have someone be salaried exempt (that is, not eligible for overtime), they need to meet the criteria in the Fair Labor Standards Act.

You can handle vacation time for exempt employees anyway you want. You can allot the full amount at the beginning of the year. They can accrue it as the year goes on. As long as your state doesn't have any strange laws regarding vacation, you're bound by what's in your handbook.

Holiday pay? If you're closed for Christmas, you don't dock their paycheck. You pay it. Same goes with Labor day, ground-hogs day and any other holiday you want to close the office for.

But, the reality is, you must pay these people overtime if they work more than 40 hours a week unless they meet all the requirements for exemption under the Fair Labor Standards Act. So, if you don't want to pay overtime, figure out how to manage workload better or hire more people. ■

From <http://www.bnet.com/blog/evil-hr-lady/you-cant-make-someone-salaried-to-avoid-overtime-payments/2761>

**Suzanne Lucas spent 10 years in corporate Human Resources. She founded the Carnival of HR, a bi-weekly gathering of HR blogs, and her writings have been used in HR certification and management training courses across the country.**

# 3

## YOUR LEADERSHIP

### Five Ways To Make Anyone Like You (and not just on Facebook)

by David Horne

Every one of us craves to be liked. We also enjoy being around people we like. These are the folks we do business with, partner with, and spend the rest of our lives with.

Since this is the case, wouldn't you want to know how to make anyone like you?

Sure, you can't make someone do anything and you probably don't want everyone to like you in the first place. But you can do a few things that will help you win "likes" in real life.

#### 1. Smile

People like to be happy. Smiling makes people happy. When you talk to others make sure you smile. This is even a good practice when you are talking on the phone, typing an email, or posting a comment.

You will be surprised how it affects what you say and how people respond.

#### 2. Be interested in others

Folks care about their lives, their interests, and their world. They don't care about you or me.

Meet individuals with enthusiasm and friendliness. Discuss things that interest them and ask questions. If possible, do a little research on topics or activities they like before you meet with them.

When you show an interest in others it is natural for them to reciprocate an interest in you.

#### 3. Remember their name

You automatically score major points when you can remember someone's name. It is the sweetest sound to their ears.

People love their own name. Think about how often you write your name when testing out a pen. My son loves to say his name and he is only 17 months old. I am sure it is the most heard word for an individual.

#### 4. Listen

In a world where everyone is looking for attention, listening goes a long way. People love to spend time with someone that is willing to give them an ear.



Like

Good listeners are the best conversationalists. And who doesn't like a great chat over a cup of (insert favorite drink here)?

#### 5. Make them feel important

Our final point to wrap this in a bow is making people feel important. Make a strong effort to recognize everyone's talents and contributions.

Always ask yourself what you can do to show people how valuable they are?

People want to belong to something bigger than themselves and know they matter. ■

From: <http://davidhorne.me/2011/09/13/five-ways-to-make-anyone-like-you/>

**David Horne is co-founder of the marketing firm West Hall Media and blogs at davidhorne.me. He is a former professional golfer and has worked with companies to create and rethink marketing and brand strategies for the last ten years.**

# 4

## YOUR ONLINE MARKETING How to Convert Website Traffic into Customers *by Lewis Howes*

“My success, part of it certainly, is that I have focused in on a few things.”

—Bill Gates

We all want more success and results with our online sales pages. Right?

Well, it's worth knowing that there are three main behaviors users have when they land on your site.

1. Flirting
2. Information Gathering
3. Purchasing

At least that's what I took away from Chris Pearson's speech during Affiliate Summit West 2011 in Vegas.

Chris is the creator of the popular WordPress theme Thesis. With the help of fellow online marketing mastermind Derek Halpern, he was able to increase conversions on his sales page by 30%!

That's pretty amazing considering the amount of traffic Chris sends to his sales page and what this does for his overall sales.

The main thing I took away from Chris' speech was one simple principle.

Focus.

He said that most visitors on sales pages will do anything they can to divert themselves from buying the product.

They will want to click on links to watch a video, click to read about your affiliate program, click on other products you mention on your page, or even click on the other navigation tabs you may provide.

Having more options to “click” ultimately loses you sales.

Instead, you want to have a laser targeted focus for visitors landing on your checkout page.

Do you have a clear focus for your visitors, or do you have too many links for them to click on? ■

*From: <http://www.lewishowes.com/marketing/convert-website-traffic/>*

**Lewis Howes, a former two sport All-American and current world record holding athlete, has hosted over 400 webinars, spoken to thousands at conferences and events, and educated career professionals and business owners around the world on the power of LinkedIn. Howes founded The Sports Executives Association and co-founded Inspired Marketing, which creates online education courses based on Social Media and effectively building a business online.**

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