: Making Sense of Your Business :

For Immediate Release

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Operation Employee Loyalty: Twelve Ways Small Business Owners Can Ensure Their Best Employees Never Want to Leave

You don't have to pay your employees huge salaries to earn their loyalty. In fact, if you're like most small business owners, you can't. Entrepreneurial Expert Ty Freyvogel lays out some non-monetary ways to create loyal employees who'll stick with you through the ups and downs.

Pittsburgh, PA (July 2007)—Every entrepreneur knows the hectic lifestyle that comes along with starting and running a company. (Heck, most of us live for the craziness!) But have you ever considered how this work schedule affects your employees? You can bet the fate of your business on the fact that they don't enjoy the long hours or the days (and nights) they must unexpectedly come into the office to handle the latest emergency. If too many such days come and go without any acknowledgement from you, you can bet they'll be handing out their resumes all over town. And since your employees make or break your business, you *must* keep your best ones around.

"Employees of small businesses are often asked to go way beyond the call of duty," says Freyvogel, founder of www.MakingSenseOfYourBusiness.com, a new site with a plethora of great business advice for any entrepreneur. "And they usually do it without receiving huge paychecks. But not being able to pay hefty salaries *doesn't* mean you can't take advantage of a million other ways to create happy, loyal employees."

Small business owners may feel that they are at a disadvantage compared to CEOs of large corporations precisely because of the lack of deep pockets. But Freyvogel says nothing is further from the truth. Because they work so closely with their employees, rather than being separated by layers of bureaucracy, it is easy for them to get to know their employees well.

"Think about it," he says. "You know your employees' points of pain and you know what makes them happy. If you use this information to meet the special needs of your employees and even surprise them with a few extra perks, you will be able to build

strong relationships with them—and they, in turn, will be willing to go the extra mile for you."

Here are 12 ways to keep your overworked and (perhaps) underpaid employees loyal to you and your company:

Provide them with much-deserved time off. Time off doesn't have to translate to the business being understaffed for the day. There are all kinds of ways to give your staff a little break without slowing the business down. "Give them Friday afternoons off in the summer," says Freyvogel. "Or give them either the day before or the day after their vacation off to relieve the stress that always accompanies taking off work.

"Another option is to set up a compressed work week for your staff so that they get time off at the end of the week," he adds. "You'll help them ward off burnout, and after a little break, they'll be ready to get to work and do a great job for you."

Give them bonuses at critical times. Presumably, you work closely with your employees and know a lot about their lives outside of the work. Act on this knowledge in ways that benefit them exactly when they need it most. "If one of your employees has a new baby or a sick spouse or child, a bonus will help ease the financial burden during these times," says Freyvogel. "She will appreciate your concern for her and her family's well being."

Be flexible. Your employees are working hard to make your business the best. The least you can do is be flexible when they have to take unexpected time off or need to work a new schedule. If an employee is having a personal problem, help him create a work schedule that allows him to solve his problems without feeling like he is going to be in trouble with the boss.

"If your employees have children or are taking care of their parents, you may even want to consider providing childcare or eldercare assistance to reduce their scheduling burdens," says Freyvogel. "Either would be a huge benefit. And one of the perks of living in the Age of Technology is that location is no longer an issue with a huge number of jobs. Your employees might be interested in telecommuting at least part of the time or working flexible schedules. If your business can operate this way, talk with your employees to see what they prefer."

Be sensitive about their strengths and weaknesses. Carefully evaluate where your employees do their best work, and ask them what jobs they feel the most comfortable doing. For example, if an employee isn't a people person, chances are she won't excel working the front of a store. And you wouldn't want non-people people to be handling your customers anyway! Keep the lines of communication open. If an employee expresses an interest in getting trained for a different job, by all means get her trained! If your employees feel passionate about their jobs, it increases the chances that they'll want to keep working for you.

Help them better themselves (and in turn improve your business!). You can do this by paying for employees to take a class that will help them improve on their job skills or on something that interests them—even something unrelated to their current position. Or take an interest in their health. Provide your employees with health club memberships or enroll in a business-wide wellness program that everyone (including you!) will take part in.

"Your employees will appreciate that you care about their health and your healthy employees will help you save money in health care costs," says Freyvogel. "Like each of these loyalty-building exercises, it's a win-win for everyone."

Feed them! A free meal every now and then is one of the easiest (and most appreciated) perks an employer can provide. It's a great way for any employer to say, "Thank you" after a particularly rough work week or for a job well done. Another great idea for employers is providing a catered meal for any employee who is working late. You'll be surprised how far a full stomach goes in building employee loyalty.

Constantly recognize a job well done. Everyone likes to be told they've done a good job on something, especially your employees. "Typically, people who are interested in working for small businesses are driven more by recognition than by dollars," says Freyvogel. "So whether you implement an Employee of the Month plaque or simply say, 'Thanks for the great job!' never miss an opportunity to give your employees the recognition they deserve. And when a client compliments an employee's work, *never* steal the credit—indeed, be sure to pass the glowing review along to the rightful owner!"

Make them feel like owners. Whether it comes from having a voice in major decisions, being able to work directly with clients or actually owning stock, a sense of employee ownership will go a long way toward instilling loyalty. Nurturing your employees to love your business as much as you do will strengthen your company's foundation—and your business will be that much more likely to survive setbacks and grow to great heights.

"I like to use what I call A Stock and B Stock," says Freyvogel. "Here's how it works: A Stock is voting stock and B Stock is nonvoting stock. The B Stock is distributed among my employees and myself, while I keep all of the voting stock. While the employees have no final vote in what happens with the company, they still receive all of the benefits of owning stock. This helps me create employees who feel like partial owners of the company, which makes them work harder and take more pride in what they do."

Make sure they have everything they need to do their jobs. Nothing frustrates a high performing employee more than having to struggle to do his job because he doesn't have the right computer program or because he must make do with faulty equipment. "Be the boss that constantly communicates with his employees, and ask them whenever you have the chance if there is something you can do that will make their jobs easier," says

Freyvogel. "Sometimes you'll be able to take care of it right away; other times it will take awhile. But the simple act of showing you care will go a long way."

Pamper them! Show your employees that you know working for you and your business can be stressful by providing a free spa treatment every once in awhile—even once a month—if you can afford it. Female employees, especially, will love this perk. If your male employees aren't particularly interested spa treatments, consider other, more "masculine" ways to help them unwind—tickets to a sporting event or gift certificates to the local watering hole.

Help them leave if it isn't the right job for them. Working in a small business isn't for everyone. If you notice that one of your employees is struggling in the environment or simply isn't happy, talk with her about whether or not your business is the right place for her. If you collectively decide that it isn't, help her find a more suitable job. How does helping an employee leave build loyalty? "Well, the exiting employee will spread the word about what a great boss you are," says Freyvogel. "Plus, your other employees will see that you are a caring and understanding employer, even when someone is ready to move on. Seeing how well you treat other employees, even those on their way out, will make others think twice about leaving—believe me, not all employers are so gracious!"

Provide employee attendance incentives. It's likely that your best employees are high performers who come in even when they're feeling a bit under the weather, and don't hesitate to come in on the occasional day off to take care of an emergency. These are the employees who deserve attendance benefits. For example, for every month without an absence, give employees an extra vacation day, a gift certificate, or a bonus of some kind. It's that simple. The reward they received for their perfect attendance will make them happy they worked so hard for you throughout the month.

"All of the perks in the world won't mean anything if you don't show your employees the respect they deserve," says Freyvogel. "As a small business owner, you can't treat your employees like cogs in a machine and expect them to keep coming back to you. Frequently ask them what they think about certain areas of the business. And if at all possible, implement their ideas and suggestions—there is no more powerful way to say 'I value you.'

"Your employees are your greatest asset," continues Freyvogel. "Anything you can do to ensure that they stick with you is worth it. As you can see from the examples, you don't have to break the bank to show them a little extra appreciation. The loyalty these actions build between you, your employees, and your business will be priceless."

About Ty Freyvogel:

Ty Freyvogel is a visionary entrepreneur who has launched and grown numerous successful small businesses over the course of a 35-year career. He started his first venture in 1975 following graduation from college and a stint as an officer in the United States Army. Before the breakup of the AT&T monopoly in the mid-1970s, Ty saw the potential for growth in the telecommunications market and launched a consulting firm to provide client businesses with communication services. Today, 33 years later, Ty's consulting firm (now called Freyvogel Communications) is still serving the telecommunications needs of Fortune 500 and mid-sized businesses.

Ty's most dramatic entrepreneurial success came when he bought into a new franchise weight loss concept in the late 1970s and achieved spectacular results. He began with a single location in a small market that the parent company had few hopes for and turned it into a profit center within a year. Within the following year, Ty launched another struggling location and made it profitable, too. By his third year of operation, Ty was operating five locations in two states. He and his team received special recognition from the parent company when one of their centers posted one of the first \$1 million performances in the history of the franchise. Over the next few years Ty and his management team continued to expand, eventually operating 23 profitable weight loss centers in three states before selling the franchise.

Always intrigued by innovative technologies and new business models, Ty has continued investing in various enterprises over the last three decades. His ventures have included a chain of automotive service centers, a manufacturer of fire extinguishers for racing cars, a process for fabricating limestone, a builder of inflatable boats, voicemail and desktop teleconference services, and telephone devices for the deaf.

Altogether, Ty has founded or transformed more than a dozen small and million-dollar enterprises over the course of his career. Today, in addition to operating Freyvogel Communications, Ty is an active "Angel Investor," working with local groups to locate and invest in burgeoning small businesses and funding highly leveraged transactions.

Ty Freyvogel is also the author of *It's Not Your Smarts, It's Your Schmooze* and *Seize the Century!*, as well as an advice guru on his new website, www.MakingSenseofYourBusiness.com. Ty is a dynamic public speaker, who is renowned for his lively and informative speeches that never fail to leave audiences inspired, as well as entertained.

Ty is an avid reader who also enjoys golf, skiing, and off-road bicycling. He and his wife, Katherine, reside in Pennsylvania where they are active in numerous charities. Together they have raised seven children (which Ty likens to running a small business) and they enjoy spending time with their three grandchildren.