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Strategies and Trends for the Successful Business

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IDEAwatch

Tips for Growing Your Business

■ **When telling your company story,** don't fall for the "superhero fallacy." According to Matthew Luhn, a story-branding consultant with nearly 20 years of experience at Pixar Animation Studios, companies have a tendency to make themselves the hero of the story. He explains that, in Hollywood, stories are designed to make the audience the hero. In business, the same should apply. Brands need to remember that the product, service or idea being sold is simply a tool to help empower the real hero, the customer, to reach his or her goal.

Source: www.forbes.com

■ **Test using emojis in your email marketing.** That's the takeaway message from a study conducted by Adobe. According to their survey, 64% of consumers are likely to open an email from a brand with their favorite emoji in the subject line and 58% will open messages with any emoji. Also, 44% are prone to buying products that are advertised using emojis. Plus, 60% like firms that use emojis and 48% are likely to follow brands in social media if they use emojis.

Source: www.mediapost.com

■ **When your company makes a mistake, do you offer refunds or discounts?** Instead, consider offering additional products or services whose value equals or exceeds the refund amount. For example, a printer misses a deadline, and instead of refunding \$100 to the customer, offers to print 20% more of the order and give the customer an extra color free next time he comes in. The concessions are worth more than \$100 to the customer even though they won't cost the printer \$100 to perform them, plus the free color encourages the customer to return to the shop.

Source: www.businessbyphone.com

STRATEGY

2020 Vision: 3 Conversations About Your Future

by Dave Coffaro

IMAGINE IT'S NEW Year's Eve 2020. It's getting close to midnight and under your breath, you say to yourself "I can't believe the year went by so fast!"

You have a few quiet moments by yourself before gathering with family and friends to join the countdown to 2021, and you reflect back on highlights of the year that's quickly coming to a close. You mentally run through some of your personal highlights: family, vacation, social gatherings, exciting events. Then like most leaders, you roll through scenes from your work life that stand out.

As you think back over 2020, what are the top two or three highlights that come to mind? What were the greatest contributions your team made to the success of your organization? Which activities that your team intentionally engaged in had the greatest impact toward fulfilling the company's vision?

Right now, thinking about the completion of a year that hasn't yet begun may seem far off in the future. This is the time of year when leaders are fine-tuning their financial plans and budgets for 2020 and generally are focused on the question "How will we make our numbers next year?" The numbers question is important; we have to deliver expected financial results.

But numbers in isolation are simply a reflection of what's already happened. They quantify results of the activities we've already completed and how effectively we executed upon them. They are not a picture of what we want to make happen. That's where the vision thing comes into the conversation.

2020 Vision

As you think about the impact your organization will make in 2020 beyond the financial results you plan to cre-

ate, consider revisiting the vision. Even if your organization's vision has been more cosmetic than actionable, this is the perfect time for your team to delve into three strategic questions that can

Exploring these three strategic questions can shape your accomplishments in the upcoming year.

shape accomplishments in the upcoming year. These are three conversations about tomorrow for today:

Conversation No. 1

How well do our actions align with our company's vision? This conversation requires a candid self-assessment of the vision to make sure it's real and the team owns it. If there's any doubt about true buy-in to the vision, an early strategic priority leading into 2020 is to invest leadership team time into redefining where you're going. Vision sets an organization's course and informs activities.

What do we do (mission), why do we do it (purpose) and how do we fulfill our mission (strategy) are essential questions an organization must answer in order to define its place in the world. Taken together, the answers define an organization's vision.

Conversation No. 2

What are the most important two or three strategic priorities we want to deliver beyond the expected financial results in 2020? With your vision as the guide, this conversation informs specific areas of impact your team will focus upon beginning now. Vision is irrelevant unless it informs priorities and those priorities define actions.

This conversation takes a deductive "if, then" approach: "If our No. 1 priority is acquiring and developing new talent,

continued on page 3

■ What motivates customers

— **pleasure or pain?** According to Nobel-prize winning economists Daniel Kahneman and Amos Tversky, people feel the pain of loss twice as strongly as the pleasure of gain. Some marketers conclude that we should always talk up what users will lose if they don't act, or emphasize the pain users are already suffering, instead of highlighting pleasure they would gain by buying. Not so fast! If you're selling vacations, it doesn't make sense to conjure up the stress people want to escape during a holiday. It works better to describe — realistically but positively — the comforts and excitements of the users' journey and destinations. You may also prefer to portray the bright side. Painting a dark picture of reality and promising to take away the pain may go against your instincts, your values or your branding.

Source: www.yudkin.com

■ Think twice before taking on a big client.

Having large companies as clients might seem like a dream come true, but their slow payment practices can kill your cash flow. According to data from credit bureau Experian, companies with more than 1,000 employees are dramatically more likely to be severely delinquent — that's more than 90 days late on a payment — in the next 12 months than other size businesses. Why? It's simple: Because they know they can get away with it.

Source: www.businessweek.com

■ Instead of asking job candidates why you should hire them, ask them why they want to work for you.

Their answers will tell you two things: 1) *How much research they did.* If they can't offer any details, you'll know that they didn't look beyond the advertisement to learn more. But if they go into rich detail, you know they are hard workers who are serious about pursuing goals. 2) *If their expectations are realistic.* Is what they're seeking a match for your workplace? For example, if a candidate mentions the quick commute will mean more time with family, but 10-hour days are the norm for your company, you can avoid a hiring mistake.

Source: www.ragan.com

A deeper understanding of customer choice

Chances are, you've heard that offering customers too many choices can hurt sales. For example, in a famous study conducted in 2000, presenting too many types of jam paralyzed the customer into not making a choice at all.

But is the answer as simple as "less is more?" Crawford Hollingworth and Liz Barker of The Behavioural Architects point to a more recent study that found that people tended to demand and prefer more choice when searching for and choosing a "hedonistic" product than they did for more "utilitarian" products.

Utilitarian or functional products typically include necessities such as detergents, toilet paper, milk or even family cars and laptops, which tend not to gen-

erate much of an emotional response.

Hedonistic products, on the other hand, are luxuries or nice-to-have items that generate an emotional response and pleasure. So products like perfumes, designer clothes, jewelry and sports cars fall into this category.

Choosing hedonistic products is often based on emotion and simply how much we like it. When buying utilitarian items, on the other hand, there may be greater reliance on objective data such as product reviews and recommendations. Utilitarian purchases are also more open to "satisficing," where picking an option that is "good enough" may be the best option for many people.

Source: Warc.com, Sept. 24, 2019

New overtime rule goes into effect January 1

Happy New Year, employers! It's time to prepare to track time of more employees or increase salaries.

The U.S. Department of Labor finally released its highly anticipated changes to the overtime provisions of the Fair Labor Standards Act (FLSA). This rule, which goes into effect on Jan. 1, 2020, will make more employees eligible for overtime because it updates the minimum salary thresholds necessary to exempt certain employees from the FLSA's minimum wage and overtime pay requirements.

The new changes will: 1) Raise the salary level from the current \$455 per week to \$684 per week (or \$35,568 per year for a full-year worker); 2) Raise the total annual compensation level for highly compensated employees from the current \$100,000 per year to \$107,432 per year;

3) Allow employers to use nondiscretionary bonuses and incentive payments (including commissions) that are paid at least annually to satisfy up to 10% of the salary level; and 4) Revise the special salary levels for workers in U.S. territories and in the motion picture industry.

Employees paid a salary falling below the new salary threshold will be eligible for overtime (at least time and one-half their regular pay rate) for all hours worked over 40 in a workweek. Meeting the salary threshold doesn't automatically make an employee exempt from overtime pay; the employee's job duties also must primarily involve executive, administrative or professional duties as defined by the regulations.

For details, go to <http://dbhc.us/1i>

Sources: Natlawreview.com, Oct. 4, 2019; SHRM.org

Marketers too impatient with digital campaigns

Do you dump your online ad campaigns before giving them a real chance? According to a new study of 4,000 digital marketers by LinkedIn, 77% of respondents attempted to establish their return on investment (ROI) within the very first month.

According to the survey, marketers are trying to prove their ROI in a shorter time than the length of their actual sales cycle. The typical B2B sales cycle can last between one month and two years, but the average B2B sales cycle mostly takes place over six

months or more. And yet, 52% of survey respondents measure ROI in less than one month for campaigns with sales cycles of three months or longer. Only 4% of respondents measure ROI over six months or longer.

As a result of the rush to judgment on campaigns, LinkedIn concluded that just 37% of digital marketers in the study described themselves as confident about their ROI metrics, while 40% are not actively sharing those with stakeholders.

Source: Talkcmo.com, Oct. 31, 2019

■ **Influencer marketing is all the rage, so how can you make it work for your company?** First, effective influencers are experts in your specific industry. Look for influencers with strong relationships with their audience. They know how to create content that resonates. Become a legitimate follower yourself and engage with the community. This will help ensure the influencer is a suitable fit and increases the chance that they'll respond to your outreach. Next, reach out to your potential partner. Discuss shared goals and what the benefits for both parties would be. Good influencer engagements aren't one-time projects, so focus on developing a relationship with the person.

Source: www.cmswire.com

■ **If you advertise on Facebook, check out** the new Multiple Text Optimization feature. Similar to Google's responsive ads, it allows advertisers to create several versions of headlines, ad copy and descriptions for their ads. Facebook's ad system then dynamically serves up the combination it determines will deliver the best results. This type of multivariate option leaves messaging combinations to the algorithms and can accelerate testing of different types of messaging.

Source: www.marketingland.com

■ **Inspire great thinking in your people** by mastering the art of asking questions. Instead of producing anxiety about not knowing, carefully worded questions can illuminate opportunity and inspire innovation. This involves helping workers suspend their assumptions about what is and isn't possible. Consider the following questions: "If you could wave a magic wand and have this project turn out exactly as planned, how would it look?" or "If money were no object, how would you proceed?" Of course, once ideas are flowing freely, you must work to remove any obstacles that prevent the great ideas from coming to fruition.

Source: www.harvardbusiness.com

73% willing to pay for services to save time

Today, time is perhaps a more precious commodity than money. New research from The Integer Group finds that about half (49%) of the 1,200 U.S. respondents agree that, while they are comfortable with their income, they are always running out of time to get things done.

To win back some of their time, 73% of respondents agreed that they would be willing to pay for a service or subscription that would give them back time in their day. Only a small number (6%) of respondents say they would not be willing to pay for a service to free up time.

And while the majority of individuals across all age groups say they are willing to pay for a service in order to gain more time in their day, the biggest concentration is with 25-34-year-olds (81%) and 35-44-year-olds (79%), the age groups which, perhaps not coincidentally, are likely to have the highest number of parents with young children. Notably, prior research has found that parents are more likely than nonparents to subscribe

to subscription services.

A strong example of this trend can be seen in the increased use of services related to shopping and delivery. Among the respondents surveyed by The Integer Group who have purchased third-party services or subscriptions, the largest proportion say they have used them for household goods shopping (42%), food delivery (42%), and household groceries and delivery (41%). Within these options, 44% of those spending on household goods shopping do so weekly, as do 40% of those buying household groceries and delivery services.

Previous research reveals that U.S. adults between the ages of 20-36 years old are more likely to shop for groceries online. Although, as more Americans are starting to take advantage of shopping for groceries online, many are still taking the time to shop wisely and make their lists after looking for coupons and promotions.

Source: Marketingcharts.com, Nov. 12, 2019

2020 Vision continued from page 1

then we will _____." This conversation also leads to rich self-assessment of previously stated strategic priorities. If a team said their No. 1 priority last year was acquiring and developing talent, yet no specific actions were taken, it wasn't really a priority.

Conversation No. 3

What are the areas in our organization we should be looking at for self-disruption? During the late 1990s tech boom, the concept of disruption grabbed the attention of the business world. New entrants in a market gave birth to novel ways of serving customers, gained share and changed industries. While disruption has become a core strategy, today the question is "Where are there opportunities to self-disrupt?"

This conversation invites your team to temporarily step outside their roles, look at the organization from a third-party observer perspective and ask the question "If we were starting this business from scratch today, how would we

do it?" It requires temporarily letting go of legacy constraints and looking at your operation the way a potential disruptor would see things, then challenging your organization to initiate self-disruption.

One of the greatest responsibilities we hold as leaders is driving continual evolution of the organization toward a well-defined future state. Today is the right day to begin these conversations about the 2020 vision your team wants to create. Today you can write scenes of the story you'll look back to with great fulfillment on New Year's Eve 2020.

Dave Coffaro, principal, Strategic Advisory Consulting Group, has more than 30 years of experience expanding and refining his craft as a strategic organizational advisor, leader and developer of people. He has a distinguished record of leadership in the design, development and implementation of growth-oriented business strategies. Coffaro's areas of expertise include leading organizations in the process of strategy development and execution, change leadership, and organization transformation and innovation. www.sacgusa.com

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