

BUSINESS INTELLIGENCE

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Strategies and Trends for the Successful Business

e-REPORT

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IDEAwatch

Tips for Growing Your Business

■ **Craft a headline that generates intrigue** by highlighting the prospect's dilemma. A dilemma seeks to reconcile two seemingly incompatible elements. If the opposing forces are giving potential customers headaches, they can't help but go on to see how you solve the contradiction. Some examples: "Become a household name while preserving a haven of privacy," "Parents: Yes you *can* have disciplined kids who regard you as their greatest friend;" and "Are competitors gaining market share through social media yet you don't have time to master it?"

Source: www.yudkin.com

■ **Increase your odds of getting a signed contract** by asking the "expected results" question, suggests business author Steve Slaunwhite. Ask, "What exactly do you need this project to accomplish?" The more you position your services around the wanted results, the more likely you are to get the job. Be sure to restate their answer within your project proposal. The great thing about this tactic is that it uses the client's own thinking to persuade them that the investment is worthwhile.

Source: www.steveslaunwhite.com

■ **Timing makes a difference when sales prospecting.** Send introduction emails during morning hours when recipients check mailboxes and are generally looking forward to something new. As for sales calls, the best time slots to call are 11 a.m. to noon and 4 to 5 p.m. on Wednesdays and Thursdays. On Mondays and Tuesdays your prospects are usually warming up for the new week, so there will be some friction in your conversation. Also, avoid trying to book an appointment on Friday when prospects are mentally preparing for their weekend.

Source: www.belkins.io

STRATEGY

Avoiding the 5 D's of Decline

by Steve McKee

IS 2020 A BUMP in the road or the beginning of the end? That's not a trick question. For some companies, the virus and lockdown have been inconvenient and annoying, but navigable. For others, they have been devastating. And the social unrest has troubled us all.

For nearly two decades, my firm has been studying corporate decline and renewal. Why do some companies survive and even thrive during tough times while others go under? Is it entirely due to external circumstances and environmental considerations? What roles do marketplace dynamics and corporate culture play? How (and how much) does leadership affect the outcome? Is any of it preventable? Is there a proven way back from the brink?

The answers, as you might imagine, are complicated; every situation is different and every company unique. But there are certain predictable dynamics we see at play in almost every case of corporate decline — sometimes mild and, at other times, acute. And there are also a handful of principles that, if followed, can greatly increase an organization's chances of survival, regardless of the circumstances it faces.

Companies get derailed for a host of reasons but tend to follow a predictable trajectory:

1. Disruption. Most organizations operate reasonably well most of the time, until they are disrupted by an external event. It could be a widespread interruption such as a recession or a pandemic, or a localized disturbance such as a new competitor, a technological advancement or an industry regulation that gums up the works. Something knocks them off their game, and that's when the trial begins.

2. Distraction. People within the organization respond differently to the

disruption based on their unique backgrounds, personalities and life experiences. Some step into the crisis; others step back. Some see it as an opportunity; others view it as a threat. Some

Business decline is never inevitable, but there are predictable dynamics that must be identified early.

are emboldened; others are frightened. Changing circumstances brought about by the disruption create new frustrations and preoccupations, resulting in a loss of focus and lack of productivity, at both the corporate and personal level.

3. Division. The disruption and its effects become a log in everyone's eye around which it is increasingly difficult to see. It affects how, where and when they do their jobs, and often has an impact on whether they'll even have a job and be able to pay their rent or mortgage. They fear the future. They turn inward. Communication begins to break down and differences of opinion that were once considered minor and handled diplomatically now become more divisive.

4. Demonization. Healthy external perspective gives way to unhealthy internal friction. Frustration turns into suspicion. Gossip buds and then blooms. Trust breaks down. Blame games begin. Factions form. An "us versus them" mentality develops. Power struggles emerge. Left unchecked and with circumstances unresolved, what once was a collaborative environment can degenerate into "Lord of the Flies" conditions.

5. Destruction. Without intervention, the outcome is destruction. It doesn't matter how noble the mission or smart your strategy if your people are misaligned — or worse, openly antagonistic toward leadership or one another. It's even more problematic if the aggression is passive, like playing whack-a-mole

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■ **Get high quality leads from your YouTube videos.** If you're only asking viewers to subscribe to your channel or visit your website, you could be missing out on a lead-building opportunity. The key is to add a solid call-to-action where you can capture contact information. Examples include linking to a quiz (make it about the video), follow-up webinar or live event, newsletter or collecting questions for a YouTube Live Q&A. You can also have viewers sign up for a giveaway or complimentary samples of your products. Put your call-to-action in the video description and be sure to mention it multiple times in your video in case viewers miss it the first time.

Source: www.socialmediaexaminer.com

■ **Is your store communicating the information that customers want?** According to new research by Selligent, 70% of customers want the ability to know product availability before purchasing online or in store, 76% want clearly communicated safety protocols and 64% want mobile and contactless pickup or check-in options. Also, reliance on phone customer support as a first point of contact has become less important this year, underscoring the importance of customer service availability across channels, including email, website chat, social and SMS/text.

Source: www.warc.com

■ **Can't avoid a layoff?** Great leaders let people go in the same way they lead: with compassion, according to award-winning business author Deb Boelkes. Be sure to follow the "golden rule," imagining how you would want to be treated. Be honest and transparent — tell them what you know as soon as you know it. Get the bad news out up front. Spell out exactly how you arrived at the decision, respecting them enough to share your strategy and how the company will move forward. Assure them that being laid off isn't their fault and that you care. Spell out their unique strengths and help them brainstorm their next step, making yourself an ally as they begin envisioning their future.

Source: *Heartfelt Leadership: How to Capture the Top Spot and Keep Soaring* (Business World Rising, 2020)

How Covid-19 created 'Generation Novel'

Meet Generation Novel (Gen N), a growing cross-generational psychographic of digital-first consumers galvanized by Covid-19. This emergent customer segment isn't just digital-centric, it's also emotionally charged, as pandemic-fueled fear, anxiety and worry take their toll.

Gen N consists of existing digitally savvy customers, but also includes consumers who had been slow or unmotivated to adopt digital in all facets of life before Covid-19. McKinsey & Company estimates that Covid-19 served as a great accelerant, advancing 10 years of U.S. e-commerce growth in just 90 days' time.

This sudden disruption has been an advantage for some businesses. McKinsey discovered that 75% of U.S. consumers have tried different stores, websites or brands during this crisis. Of those consumers, 60% reported that they expect to integrate new brands and stores in their

post-pandemic lives. In other words, new consumer sentiment, behaviors, habits and values are not only forming, but are also likely to stick.

Is your business adapting? Carefully observe and experience the existing journey and each touchpoint (physical and digital) through the lens of Gen N.

From there, explore opportunities to add new value to customer experiences, at every step, that align with and enhance customer progression. Take this opportunity to reimagine the customer experience for a digital-first consumer.

If your type of business limits your ability to provide a digital experience, explore other ways to provide convenience and safety for customers. For example, can you provide contactless shopping and engagement?

Source: Fastcompany.com, Sept. 8, 2020

New customer loyalty habits in pandemic

While discounts, free samples and offers continue to be the main drivers of loyalty programs, consumer perspectives on preferred ways to earn rewards have shifted slightly as a result of Covid-19, according to Merkle's annual Loyalty Barometer Report.

Earning points to spend on rewards continues to be the most appealing benefit, but consumers currently have an increased desire for programs that provide clear financial savings, such as getting a \$10 reward when they spend \$100, and consistent discounts, such as "get a new reward every Tuesday." The top dissatisfaction with loyalty programs is the time it takes to earn a reward.

About 59% of consumers say that the best way a brand can interact with them is through surprise offers and gifts.

Baby Boomers are most interested in writing online reviews, taking surveys or attending an event. They are less likely to engage in social media or download an app. Millennials and Gen Z enjoy competition and achievement. Thirty-five percent want badges as a feature, and 27% want leaderboards as a feature. Gen Z prefers community-focused program aspects — 22% want access to a community of like-minded people and 19% want to compete against other members.

Source: Mediapost.com, Sept. 23, 2020

Small business optimism starting to rebound

The NFIB Small Business Optimism Index increased 1.4 points in August to 100.2, slightly above the survey's historical average. Owners report improvement in the small business economy, as job openings and plans to hire are increasing. However, owners continue to manage their expectations of the future economic conditions as the pandemic is expected to continue.

A seasonally adjusted net 21% of owners plan to create new jobs, up 3 points. The percent of owners thinking it's a good time to expand increased 1 point to 12%. Thirty-three percent of respon-

dents reported job openings they could not fill in the current period, up 3 points from July's number.

A net negative 15% of all owners reported higher nominal sales in the past three months, up 13 points from July. The net percent of owners expecting higher real sales volumes fell 2 points to a net 3% of owners.

Just 3% of owners reported that their borrowing needs were not fully satisfied, while 31% reported all credit needs met (down 4 points) and 53% said they were not interested in a loan (up 2 points).

Source: Bankingjournal.aba.com, Sept. 8, 2020

■ Use the “three-minute rule” to serve your customers better. You can learn a great deal about customers by understanding the broader context in which they use your product or service. To do this, ask what your customer is doing three minutes immediately before and three minutes after he uses your product or service. For example, leaders of a company that provides investment analysts with financial earnings data discovered, after applying the three-minute rule, that a large number of analysts were painstakingly importing the data into Excel and reformatting it. This observation led them to develop a more seamless Excel plug-in feature with enhanced formatting capability — resulting in an immediate and significant uplift in sales. Source: www.harvardbusiness.com

■ Employees will appreciate this affordable perk. More employers are offering free or discounted income-tax preparation as an employee benefit. Strike a deal with a local accountant to handle the returns. Most will offer a discount to win your guaranteed work. Source: www.ragan.com

■ Face masks can impede good customer interactions because both parties have half of their face covered up. But you can still make customers feel welcome with these tips from Richard Delany, president of Old Edwards Inn and Spa in Highlands, N.C. First, make eye contact immediately and speak to the customer as soon as possible in an upbeat tone. Despite wearing a mask, smile! The bigger the smile the more it can be seen in the eyes. Consider having each employee wear an ID tag that includes a photo of them smiling (this was a big hit at Richard’s business). Wear masks that match the look or messaging of your business. Vet what masks employees wear, for example, stay away from the big, black Darth Vader-looking masks — they’re not very welcoming. Source: www.bloomberg.com

Flexible work: key to employee retention now

As a result of the pandemic, flexible work has gone “from being a ‘nice to have’ to an absolute necessity,” according to a survey by FlexJobs. Forty-eight percent of respondents with flexible work options rate their work-life balance as very good or excellent, compared to 36% of workers without flex work options who say the same. Many studies have pointed to the value of remote work arrangements, both now and in the post-pandemic world.

Remote work enables worker autonomy, an important driver of employee satisfaction, according to recent research. Employees with flexible work arrangements are much more likely (57% versus 37%) to be able to change the stressful things about their work. While you may be concerned about the productivity of your people working remotely, various studies have shown that employees feel they are equally or more productive

while working from home.

Flexible work arrangements can be a lifeline for working parents struggling to juggle childcare and work responsibilities during the pandemic. In fact, 40% of working parents have had to change their employment situation by either voluntarily reducing their hours (25%) or quitting entirely (15%). Working parents say having a flexible schedule (58%) would have the greatest impact on their ability to balance career, distance learning and childcare, according to FlexJobs.

Two-thirds (66%) of all respondents in the survey said they would prefer to work remotely full-time after the pandemic is over, while 33% favored a blended approach. Less than 2% want to be in the office full-time.

Source: HRdive.com, Sept. 4, 2020; HRExecutive.com, Sept. 18, 2020

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with an invisible adversary.

Rarely do the five D’s of decline unfold as quickly as you just read them; they typically materialize over a period of months or years. But rarely does anybody see them coming, either, making their ill effects even more likely. And as you may have experienced (or may be experiencing), they can easily become all-consuming.

After months of Covid-19’s disastrous effects on business, and with limited openings happening only in fits and starts, even companies with the healthiest cultures are under extreme stress.

But note the thread that runs through it all: culture. Peter Drucker’s famous admonition that “culture eats strategy for breakfast” is palpable in moments of significant disruption, when an unhealthy culture can become so ravished it not only wipes the plate clean but bites the hand that feeds it.

Therein lies the clue to overcoming the five D’s: If culture is the thread, agency is the needle that determines where the stitch should go. Leaders have agency; all human beings do — not only hands that do the work but heads that reason and hearts with an awe-

some capacity for empathy.

People who are paying attention and willing to step into a disruptive moment with courage and humility can prevent or prevail over destructive internal dynamics, regardless of their formal position in the organization. Distraction can be overcome through determination. Division can be defanged with discussion. Demonization can be disarmed by goodwill.

You have agency. I have agency. We all have agency. We can stand by and watch as our companies devolve into chaos, or step in and hold them together. It’s our choice. And since a company is a microcosm of the broader culture in which it operates, the question also applies to society at large during this difficult time: Is what we’re experiencing as a nation a period of unrest or a permanent unraveling?

The answer is up to us. Decline is never inevitable.

Steve McKee is president of McKee Wallwork & Company and author of *Power Branding* and *When Growth Stalls*. Find him on Twitter and LinkedIn. (This article originally appeared at Smartbrief.com.)





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