

BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business

REPORT

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IDEAwatch

Tips for Growing Your Business

■ **Few company leaders can point out what differentiates them from the competition.** Form a clear marketing message by first looking at factors such as: 1) Your approach to solving customers' problems. 2) What do your customers say is the value they get from you? 3) Your employees' passion for working for you. 4) Your intellectual property — what do you know that few others can rival? Then, try taking your products out of your messaging and see what's left. As David Meerman Scott advocates in his *Gobbledygook Manifesto*, if you can remove identifying marks (company names, logos, etc.) and the remaining content could belong to any company, you've got a messaging problem.

Source: marketinginteractions.typepad.com

■ **Load up on testimonials** by throwing a party for happy customers. Be up front about why you're hosting the party, and offer great food and fun. Hire a videographer and cycle willing customers through the video "hot seat" to tell their success story. This will create a bank of photos, audio and video to use in online and offline materials.

Source: www.ducttapemarketing.com

■ **A common mistake salespeople make** is not keeping the pipeline primed. That is, they don't have enough qualified prospects at the beginning of the sales cycle, so they don't have enough actual customers coming out the other end of the pipeline. Even worse, they may end up spending extra time on the accounts they do have in the pipeline and put unconscious pressure on those prospects to buy, thereby creating resistance and even fewer sales. To help remedy this, encourage salespeople to always schedule time for cold calling, asking for referrals and other lead-generation activities.

Source: blogs.bnet.com

MANAGEMENT

A Failure to Communicate

Discover why 75% of employees may not relate to what you say.

by Michael Leimbach, Ph.D.

HOW HAS YOUR organization responded to the current economic climate? If yours is like most, you've probably experienced a variety of cost-cutting measures. While these kinds of changes have been necessary, they can impact overall performance with day-to-day stress from an uncertain and changing work environment. This stress shows up in *relationship tension* with colleagues and unless addressed, will breed conflicts, misunderstandings and overall failures to communicate that weaken performance just when the company needs it most. Yet, there is a powerful tool available that can reduce these barriers to productivity — and therefore profitability — *versatility*.

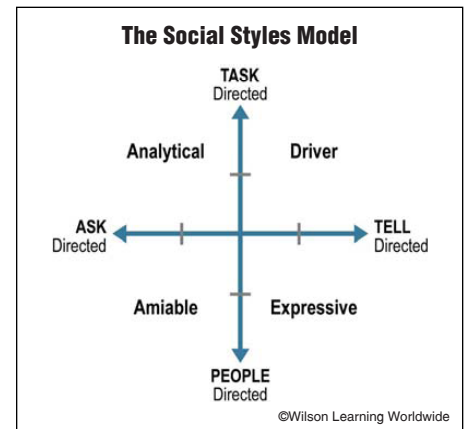
Versatility: The Answer to Relationship Tension and Stress at Work

Versatility is defined as the ability to understand differences in communication preferences and to adapt to make others more open and receptive — creating more effective and productive relationships. Versatility is a skill that can be learned, and people who have it find it far easier to work together with others toward shared organizational goals.

To understand versatility and how it can affect relationships, consider people with whom you have regular contact. Do you know someone who is "too reserved" for your taste? Is there a manager, co-worker or family member who seems to you to be "too emotional" or "too willing (or unwilling) to compromise?" Chances are your reactions to these people are an indicator of differences in *Social Style* — how we habitually communicate and interact with others. When you find it easy to communicate and work with someone, there's a high probability you share the same social style. When your communication is difficult, it is often because of unrecognized social style differences.

Social Styles and the 75% Problem

The social styles model defines four primary communication styles — Driver, Expressive, Amiable and Analytical.



As the model shows, the four styles vary in terms of behaviors reflecting the dimensions of assertiveness (Tell) versus responsiveness (Ask) and People versus Task orientation. Drivers and Expressives tend to be more Tell oriented, while Amiables and Analyticals are more Ask oriented. Analyticals and Drivers are more Task oriented, while Amiables and Expressives are more People oriented. Because about 25% of people fall into each of these four categories, you likely share a social style with only about 25% of the people you meet. What are the consequences when we can't adapt to the other 75%?

Consider the communication challenges faced by a nonversatile manager who has a different social style than three-fourths of her employees. An Amiable employee will not be comfortable with a Driver manager who seems too focused on tasks and unconcerned with personal relationships. Analytical employees don't like to be told things they already know — but at the same time they don't want

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■ **Are your email marketing messages relevant to your customers?** The answer may depend on their stage in the customer life cycle. Divide your list into three segments: 1) *New customers* – Focus messages on educating them and reinforcing their decision to be involved with your organization. 2) *Active or loyal customers* — This is the 20% of your customer base that brings in 80% of your business and the most likely to evangelize on your behalf; recognize them and thank them for being loyal so that they'll stay that way. 3) *At-risk or inactive customers* — If you notice that a sizable segment is seemingly disengaged, create a re-engagement program to find out what it will take to get them back.

Source: www.btobonline.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 recent 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

■ **A little nervous at networking events?** Try arriving early. The other early birds will be more available and easier to approach with fewer people in the room, plus you'll already know a few people once the rest of the attendees show up. Make eye contact and keep it simple. "Hi. How are you?" is a universally terrific opening line. Introduce yourself, name your company or affiliation, and don't get bogged down with too many personal or professional details. Focus instead on remembering the other person's name and try to find common ground. Ask questions and be truly engaged. Your goal is to make the other person feel like the only one in the room. Ask for business cards and be sure to follow up. After all, the whole point of attending networking events is to foster relationships.

Source: www.forbes.com

IRS cracks down on contractor use

Companies that misclassify workers as independent contractors instead of employees could face scrutiny and penalties in Internal Revenue Service audits. Over the next three years, the IRS will audit 6,000 randomly selected businesses nationwide, including small and tax-exempt employers, on their compliance to pay employment tax, or FICA and Medicare.

Among the most often misclassified workers are truck drivers, construction workers, home health aides and high-tech engineers.

The audits, likely of 2007 and 2008 tax years, will focus on whether companies misclassify workers to avoid their tax obligations. Such misclassifications contribute to 82% of uncollected taxes, according to

the IRS.

Misclassifications can be costly. Along with back taxes and penalties owed for the three-year statute of limitations on audits, workers reclassified as employees may make demands on employers for benefits such as retirement, medical, paid time off and other fringe benefits.

Workers are generally considered employees when someone else controls how and when they perform their work. In contrast, independent contractors are generally in business for themselves, obtain customers on their own and control how they perform services. For guidance from the IRS, go to <http://bit.ly/czTgfs>.

Sources: *NewsOK*, February 7, 2010; *New York Times*, February 17, 2010

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gaps in information a manager could have provided. These kinds of misalignments create the potential for friction, misunderstanding and lowered productivity.

Increasing Versatility

For most of us, interpersonal behaviors and preferences are habitual and largely out of awareness. Consider this scenario: a Driver, who has a more "tell" oriented style, may want to "cut to the chase" quickly. He may not even realize the source of his impatience with an Analytical who needs to ask more questions before taking action. As the situation progresses, the Driver may push harder for action while the Analytical employee goes into "back up" for her style — withdrawing and becoming less and less responsive.

Versatility comes with the recognition that people do have different styles and that each has unique strengths. Once people know their own style and understand style differences, they can learn how to modify behaviors to make it easier to work together in a way that is more effective for the whole team. When making decisions, managers can adapt to different expectations and needs based on their recognition of employees' styles. Expressives want managers to involve them in a decision when it affects the whole group, and Amiables like to have the group involved in brainstorming and problem solving. On the other hand, Analyticals are not as interested in group decision making and typically prefer to be involved only when decisions or actions affect them directly.

Key to Improved Business Results

Companies can experience dramatic,

measurable improvements in performance when their people learn how to adapt to others' social styles. In one study, building versatility skills yielded a 52% improvement in the ability to identify styles and recognize back-up behavior — the "fall back" behavior of each style when the individual is stressed. In the same organization, 46% of employees reported a moderate to large improvement in work productivity. As one manager reported, "I've been more sensitive to my driver/driver style and the style of others during [coaching] sessions and as a result, I believe the sessions have been more productive and conversation/feedback has been freer flowing."

While there are many ways to improve communication in a given situation, the single most important factor for enhancing communication effectiveness across the board is versatility. As more leaders are required to take on greater responsibilities for more employees in today's business environment, and companies are fighting to retain customers and grow market share in the face of ever tougher competition, building this kind of capability provides a real competitive advantage for the individual and the company.

Michael Leimbach, Ph.D., is Vice President of Global Research and Design for Wilson Learning Worldwide. With over 25 years of experience, Dr. Leimbach provides leadership for research and design of Wilson Learning's performance improvement capabilities. He serves as a research consultant for global client organizations and serves in a leadership role for the ISO technical committee *TC232: Standards for Learning Service Providers*. To learn more, contact Wilson Learning at 1.800.328.7937 or visit www.wilsonlearning-america.com.

■ Are you making headway on your long list of goals for 2010?

If not, you might want to just tear it up. Why? According to Verne Harnish, author of *Mastering the Rockefeller Habits*, the single most important thing for entrepreneurs to figure out for the year is "What is the No. 1 driver to increasing my business?" Those who limit themselves to achieving one important goal for 2010 are more likely to succeed than those who try to do it all. If you're having a hard time whittling down your plans, try creating a list of tasks you need to stop doing so you can pursue the goal that matters most.

Source: www.fsb.com

■ Do employees complain to you about other people on their team?

You may see this as a waste of your time, but consider it another way: Think of yourself as a pressure safety valve. Sometimes employees need to let off a little steam. Left unchecked, this pressure can generate much anger and resentment, which could leak out to other teammates and create mass disharmony. Instead, provide a safe outlet to release that pressure by letting teammates feel comfortable walking into your office, or calling you on the phone, to express their anger or frustration. Listen patiently so that the pressure dissipates harmlessly and any underlying issues can be dealt with calmly and rationally.

Source: www.terrystarbucker.com

■ Avoid deadbeat clients by identifying them from the start.

Before taking on that new client, conduct a little due diligence by checking with a credit-reporting agency. For \$3 per report, Cortera's Credit Exchange website can help you find out if your new client has been paying others on time or, if not, whether payments are late by 30, 60 or 90 days. Other credit-reporting bureaus such as Dun & Bradstreet Inc. and Pay-Net Inc. offer solvency and delinquency reports to help you figure out the credit risk your business customers may pose.

Source: www.wsj.com

Uncovering secrets of search engine users

It appears that which search engine you use says a lot about you. For example, if it's Bing, you're probably an early adopter, but you also shop at Walmart more than other search-engine users. Google searchers, on the other hand, are partial to Target and Amazon, and Yahoo searchers have a strong preference for wireless service from AT&T and Sprint.

Those are just a few of the tidbits uncovered by a study conducted by Wunderman (an agency partner of Microsoft), along with BrandAsset Consulting, Zaaz and Compete. The findings indicate that the search engine consumers use to find a brand's website may influence not only

the perception they have of that brand but, more important for marketers, the decisions they make while on those sites.

Among the findings: Googlers tend to be the average Internet Joe. They are conventional people yet open to trying new things, believe in following rules and don't consider themselves any smarter or less intelligent than the person next to them. Yahoo users tend to be 55-plus, reserved and a less-independent group with little faith in imagination. They feel they have little control over their future and are skeptical and cautious of new or untried ideas.

Source: *Advertising Age*, February 5, 2010

Media favorites of today's bargain hunters

How and where do consumers believe they can find the best bargains? Almost one-quarter of adult Americans believe that newspaper and magazine advertisements are where they can find the best bargains, according to a new Adweek Media/Harris Poll. Just under one in five (18%) believe online advertisements are most likely to help them find the best bargains, followed by direct mail and catalogs (12%) and television commercials (11%).

When looking for bargains, different age groups have different ideas of where to look. Those 18-34 years old are more likely to say online ads (22%) and television commercials (17%) are the best places to go, while those 35-44 years old

go online (26%). The older people are, the more likely they are to use newspaper and magazine advertisements, as 24% of those 44-54 and 33% of those 55 and older look to those media for bargains.

Education also plays a part as 25% of those with a high school education or less say newspaper and magazine advertisements are helpful when bargain hunting, compared with 20% of those with at least a college degree. Furthermore, 29% of those with at least a college degree believe online advertisements are more likely to help them find a bargain compared with 12% of those with a high school education or less who say the same.

Source: Harris Interactive, January 22, 2010

Is word-of-mouth advertising dead?

Peer recommendations have traditionally been thought of as one of the most powerful forms of advertising — until now.

This year's Edelman Trust Barometer report dropped a bombshell about peer-to-peer marketing: The number of people who view peers as credible sources of information about a company dropped by almost half, from 45% to 25%, since 2008.

So what's going on? According to Gail Becker, Edelman's Western regional president, consumers are rebelling against all the noise and reflecting the effects of uncertain times. A few years ago, when peer-to-peer trust was at a peak, social media was still relatively new and its cir-

cles were manageable. But since then, the number of friend networks has exploded and every kind of business has sought to harness them for their gain. That, according to Becker, has made people more skeptical of peer recommendations.

So who do we trust? The report points to academics and experts, along with industry analysts as the most credible voices for company information. Reports from industry analysts and articles in business magazines remain the most credible sources of information about a company.

Sources: Edelman; *Los Angeles Times*, February 15, 2010