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2011 Trends

The stock market is over 11,500 and the economy seems to be picking up with solid holiday sales, even with big ticket purchases like cars. Who would have thought GM, Ford and Chrysler's sales would rise in December? It's clear - we've emerged from the recession and have entered the new normal. As businesses and people have more confidence, spending rises. And, as spending rises, confidence rises, as spending is over 70% of GDP. And the circle starts.

Yet we are long from the go-go days of the past decade as businesses remain cautious, credit remains tight, and customers' expectations are elevated - standing out in the crowd remains a tall order. However, since every business that has survived the recession is anxious to grow sales and take advantage of the recovery, it is no easy feat to stand out in the crowd of competitors. Understanding the latest trends can help you develop strategies to leverage your strengths in a way that helps you to leapfrog the competition.

In discussions with clients, service providers and other academic and economic experts, several trends emerge. However, as any successful business executive will tell you, setting priorities is key, and so I'll narrow it down to three of my favorites: 1) Pragmatic is back in style! 2) Insourcing is also coming back in style. 3) People & the bottom line.

1. **Pragmatic is back in style:** As my clients and colleagues know, this is one of my favorites, as I've found that pragmatic triumphs fancy and fads every time. For example, I've worked with several organizations who have spent outrageous amounts of money on fad concepts (such as Kaizens, "best practice" ERP implementation models etc.), and they were severely disappointed. It's not that all fad concepts are poor. In fact, many contain bedrock philosophies which I write and speak about frequently. Instead, it's the belief that the fad will "solve the organizational issue". Hire a fad expert, and all is solved. Not!

In today's new normal, pragmatic is back in style. Businesses are interested in ideas and implementable solutions which yield a return on investment. Even better from my perspective, the return must be proven. Metrics and scorecards matter. However, don't get carried away with anything, even a vital component such as metrics. How many organizations have countless people developing reports never reviewed, or more importantly, acted upon? Make them meaningful.

2. **Insourcing is also coming back in style:** If you missed the outsourcing craze, don't despair as insourcing is coming back in style. As my consulting practice typically focuses on manufacturers and distributors, there's no doubt that we've been in an outsourcing craze during the last decade. If it wasn't nailed down, it was outsourced - regardless of whether it made sense.

As one of the tenants of the new normal is elevated customer expectations, customers and clients are clamoring for exceptional service. To some degree, we've forgotten how to provide an effective customer experience. In the go-go days of the early 2000's, it was easy to get used to taking orders - not much effort required. The largest

challenge was keeping up with business. Then, during the recession, businesses struggled and, frequently, customer service suffered. Everyone was focused on their world; not their customers.

Now, to leapfrog the competition, you must not just provide immediate, friendly, and technically competent customer service, but you must also provide proactive service. What does your customer or client need that he/she hasn't thought of yet? Does the customer leave feeling special? Many times, the answers are not acceptable with outsourcing.

There are many reasons: Perhaps product is delayed due to circumstances outside of the company's control. Although the customer feels bad about a war or natural disaster that occurred somewhere in the supply chain, it doesn't matter to the customer's customer. Or perhaps the outsourced customer service department follows the script expertly but does not demonstrate empathy or empowerment to resolve the issue. And the list of customer dissatisfaction opportunities and hidden costs rises.

3. **People & the bottom line:** I've written countless articles on how bottom line results are driven by people; not the latest fad, technology, process or sacred cow. Do your employees, customers, suppliers and other partners feel like they are a part of your business vision and its success?

To risk sounding like a broken record, have you ever seen a company with unhappy employees provide exceptional service? No! To succeed, begin with your people. The right people are your most valuable asset. Forget about the net present value and internal rate of return on various capital projects. Have you spent even half as long considering your return on investment of your people?

Although I think this concept is still a bit ahead of its time, it's beginning to gain traction. After all, how is pragmatic achieved? With people.

Think about not only the big picture trends but also the trends within your industry and organization. Understand them. Find ways to leverage your strengths in a way that gets you in front of the trends. And then watch cash flow to your bottom line.

Lisa's Tips: Tips to Kick-off the New Year

1. Re-connect with your vision - where are you going and why?
2. Relationships are #1 - no matter what business you are in, valuing relationships is key to success. How can you develop enduring relationships? Re-connect? Nurture?
3. Prioritize - undoubtedly, you can have 1000's of tasks at any one time. It's the optimal time to re-evaluate and prioritize.
4. Remember the value of execution - talk is cheap unless it 'happens'.
5. Be contrarian - why stay part of the pack? The way to leapfrog competition is to make your own path.

Recommended Reading

"[The McGraw-Hill 36-Hour Course Product Development](#)" by Andrea Belz - a compelling book on innovation and product development. Undoubtedly, innovation is vital to succeed in the new normal, and Andrea does an excellent job of laying out a pragmatic approach to achieving success.

LMA Consulting Group
2058 N. Mills Ave, PMB 532
Claremont, CA 91711
Main: 909-630-3943
Fax: 909-625-5603

www.lma-consultinggroup.com
landerson@lma-consultinggroup.com