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## **THRIVE in 2010's "New Normal" Business Environment**

Not only do I continue to see more evidence of the "new normal" business environment discussed in last month's issue but, in my discussions with clients and service providers, it's apparent that embracing and understanding how to thrive in the new normal is critical to success.

As a reminder, following the recession, we will not be returning to normal; instead, a new business environment is emerging (the "new normal"). The "new normal" will be a return to fundamentals, which includes three core principles: 1) Cash is king; 2) Service is paramount; 3) Execution is everything. To read more about the "new normal" and the core principles, please refer to [last month's newsletter](#).

So, how do we THRIVE in the new normal? In my research in working with clients across multiple industries and countries and in talking with a diverse group of service providers ranging from business attorneys to CPA's and executive recruiters, the obvious conclusions are as follows: 1) Manage cash with vigor, 2) Stand out in the crowd with service, 3) Execute, execute, execute.

1. **Manage cash with vigor:** Cash can no longer be an afterthought. Instead of focusing all your attention on the P&L, elevate the importance of the cash flow statement. However, in 80%+ of the cases, even this is not enough. Depending on your business, it is vital to monitor cash on a daily or weekly basis. Don't just ignore it if you are ok; analyze the trends, search for opportunities. Those companies and individuals who are patiently increasing their cash availability will be the ones to propel forward as assets (businesses, equipment, real estate, etc) go on sale. Instead of being relieved that you or your business has made it through another month, be prepared to leverage the opportunity and THRIVE in the "new normal".

There are several ways to free up cash. First, reducing inventory levels while maintaining and improving service levels will typically yield the quickest and largest impact. To read more about how to achieve this, [refer to my recent newsletter](#). Second, find ways to reduce your breakeven point for cash and reevaluate priorities and projects with an eye to cash. Surprisingly, in my experience, although reducing costs is one option, it is often not the best one! Think creatively about markets, margins, customers, suppliers, alternative financing methods etc. To read more about these topics, please refer to [part two on this topic](#).

2. **Stand out in the crowd with service:** There is no doubt that not only are consumers and businesses becoming more demanding in their expectations (after all, they are managing cash flow tightly and want the best return for their investment!), but they are also beginning to experience service issues due to the recession (for example, businesses have lost focus on customer service as they struggle to survive). Thus, it leaves a huge opportunity for the business that has not only improved service levels but has also focused on valuing relationships during this timeframe. What better way to gain market share while everyone else continues in survival mode! For more information, refer to [this article](#).

3. **Execute, execute, and execute:** Similar to location, location, location in real estate transactions, the secret weapon to thriving in the "new normal" is unrelenting focus on execution. Throw out the focus on fancy programs, software and fads (even fads based on solid principles such as lean, Six Sigma etc); instead, focus exclusively on execution - returning to the basics of blocking & tackling.

A few tips for execution success include the following: Keep focus on a clearly communicated strategy (do not aimlessly focus on 20 priorities without considering where you are headed). Develop a simple plan that delivers. Value your people and relationships. In the "new normal", those businesses and individuals who continually nurture solid relationships will be the ones to excel. Remember process - as boring as it might sound, it is the key to delivering bottom line results and outstanding service. It's your playbook. Rigorously prioritize. Lastly, ensure your feedback loop is in place and functioning effectively.

In the Great Depression, more people became millionaires and more businesses prepared for success than in any other timeframe. The same type of opportunity will be available in the "new normal". Will you and your business be the one to take advantage of this opportunity?

### **Lisa's Tips: Time Management Tips**

I've noticed that during the "new normal", there are countless numbers of priorities, and everyone is struggling with how to effectively manage time. Therefore, I've decided to focus this month's tips on this subject.

1. Rigorous prioritization: My favorite! It sounds easier than it is in the midst of daily routine. Constantly take a step back and consider priorities, impacts of the priorities, try out alternatives, re-prioritize - and repeat. Don't get caught up in what is easy or enjoyable. Remember your end goal. This is undoubtedly #1 to success.
2. Keep lists: Why try to remember everything and keep it straight in your mind? Instead, a simple list can achieve wonders. I've found that high tech doesn't necessarily lead to success in this respect. A pad of paper and pen with a visible list is all you need.
3. Practice saying "no": Easy to say; hard to do. However, it is critical that you find a way to politely decline taking on too many items and especially "C" priorities which are least important to your end goal.
4. Organize & categorize: Instead of random lists and priorities, organize and categorize them. It will yield interesting insights.
5. Track progress: What are you getting done? Is the list longer? Shorter? Achievable? Review and adjust as appropriate.

### **Recommended Reading**

"[\*The Art & Discipline of Strategic Leadership\*](#)" by Mike Freedman with Benjamin Tregoe - an excellent book that distills what's important on strategy into manageable chunks and provides a recipe for success.

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