

## Planning for 2010: Defining the meaningful outside

The optimism of a quick recovery from our economic issues is fading for many; the TARP money didn't make its way to loans, the stimulus isn't stimulating enough, and customers have gone into hiding. Many of us optimistically declare "we will not participate in the recession". In fact, there are some great businesses to be in right now—like outsourced IT, and public transportation. But not everyone has a business model that works in a recession and whether we choose to participate or not, we have to at least tip our hat to it and realize we have to figure out how to deal with an economic crunch unlike anything we have seen, and finally, be prepared that the outcome may be an evolution in how we do business.

It is highly unlikely we will return to "the way things were before." Customers will be more cautious as will lenders, price will matter, and efficiencies will be critical. Service will still count however, and culture and values will make a comeback as a key component of success.

Now is the time to figure out where your business is going and how you plan to get it there with decreased resources and more price competition. I hope it goes without saying that the first thing you need is a plan—one that looks beyond setting goals and budgets for next year but develops a long term game plan about how your business model will evolve. More companies are in industries that are shifting than are not. So how will your industry change and how will you adapt within it? The scariest competitors are the ones you don't know about, coming about through new technology or moving over onto your turf from another industry. Are you anticipating that and planning to pre-empt or capitalize on those kinds of changes? If customers aren't willing to pay more for what you offer now, what might they pay for? Are you a leader that knows how to bring the "meaningful outside" into your company's planning?

I recently did a survey for a banking client and here are some highlights on customer wants:

- Improve online banking by linking to quicken
- Have faster turnarounds for email inquiries
- Assign someone to me so I get to know them personally and I can call them with any question
- Everybody hates all the fees—for anything
- Let me see all of my accounts on one screen and customize it to my needs
- Dislike paying for what is seen as basic customer service

Well, like it or not banks make money on fees and interest spread. So how can they re-configure their offer to eliminate fees, personalize accounts and still make money? That is their challenge. What is yours?

It is time to stop looking for incremental solutions and think big and outside the box. And yes, that comes with risk. But, the good news is all you have to do is really listen to your customers. If you do only one thing before you start the planning process, ask questions of your customers and then ask your staff what if.....?

As you approach planning, define the "meaningful outside" and then live it everyday:

1. Outside in thinking: Challenge your team to think long term and from the customer point of view; how has the environment changed and what do you need to do to respond? Confront reality.
2. Review your vision or strategic plan: Ask what must change over the next five years and start to work toward that one step at a time—not all at once—but determine the critical path. Do you need to hire the right people before you can elevate the work? Can five excellent employees allow you to downsize from the current eight average employees and bring in skills for the future? Do you need to update your systems? Simplify or update your products? Make strategy the focus of your leadership team discussions.
3. Establish a clear culture: People are generally better at innovating when they click with the ways things work. How many companies say that people are their most important asset and how many live it? What does the leadership/ownership value? Define it and share it and see motivation and empowerment improve (if you have people that share your values). It is my hypotheses, that in the future, culture will be more defining than process—once you establish the culture, hire the right people you will enjoy watching them make your business better in ways you never thought of! Truly invest in people.
4. Align resources: Harvard Business Review has claimed that the number one reason plans fail is that they are not resourced properly. We allocate based on habit and not on the needs of the future. Be willing to change.
5. Communicate: it is impossible to over communicate. When you think you have communicated thoroughly you are probably half way there. In act, word and deed, everything you say and do matters. Communicate formally, informally and often. When good things happen that take your company down the right path, tell people so they recognize it when they see it. Share stories that make the path really clear. Be transparent with all stakeholders.

Hard times aren't going anywhere. But effective leaders can succeed. Lead your business into the future; grow faster than your industry, all by understanding the "meaningful outside".



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