

TOUGH FINANCIAL TIMES-ARE YOU ADDING VALUE OR ONLY COST?

I reluctantly did a TV interview recently about what business should do in these uncertain economic times. The network thought I could shed some light on the current global financial crisis. I assured them I had absolutely no idea what was happening and am as nervous as the next person-but they insisted because one of my books is titled, *Hot Lemon & Honey Reflections for Success in Times of Change*. And, these are indeed times of unprecedented change. Below is a summary of the interview.

Q: What should businesses do in this credit crisis?

A: I'm not an economist and can't prescribe what businesses should or shouldn't do as every situation is unique. However, I do believe that every obstacle always presents some opportunity. Now may be an opportunity (in disguise) to assess the strengths and weaknesses of your overall business and the various operational aspects within it. Running a business is tough in best of times and when things go well, it's easy to be complacent-so now is an opportunity to look at what you're doing well in terms of adding value to your customers and keep focused on that. Also assess what you're not doing so well-and stop doing it.

Q: In one of your books, you write about the 7 most expensive words in business. What are they?

A: The 7 most expensive words in any organisation are....'We have always done it that way.'

Q: Does that mean businesses now need to innovate and adopt a radical new business model?

A: It's important not to throw out the baby with bath water but objectively assess what is or is not working. It's important to balance a 'stick with your knitting' strategy but be brutally honest with what you need to do differently-or stop doing altogether. We get bogged down in old patterns of behaviour when we're comfortable-and usually don't worry about paradigm shifts until forced to do so by some external force. I've never seen anything like this economic crisis in my lifetime but maybe-just maybe-there are opportunities that we can't even imagine. I don't wish to sound like Pollyanna because I am indeed personally extremely concerned. But, have chosen not to waste energy on what I can't control-and stay focused on what I can.

Q: Any thoughts on what business can do to innovate to make the bottom line look better?

A: I've worked in big business with IBM and now run a very small business as an author and speaker. And, whether large or small, there are only two ways to boost the bottom line. Increase revenue or decrease expense. Sometimes, there is little you can do to increase revenue so there's a need to refocus on needless expense. I'm not talking about the slash and burn of staff but involving all staff in offering potential solutions.

For example, an airline made huge savings as a result of a suggestion from a new employee in the garbage department. He had noticed, when clearing the trays, that most passengers didn't eat their lettuce and suggested the airline get rid of that garnish on the trays. Doing so saved over \$1.5 million.

In another instance, a grocery store increased fish sales by listening to a junior employee who had first listened to a customer. The story goes something like this. A focus group was discussing the fish at the store. One of the women commented that it would be better if it was fresh. The manager defensively assured her that it was indeed fresh. It was trucked from the sea every morning, hygienically wrapped in plastic, put in refrigerated stainless steel containers and any unsold fish was given to a charity at the end of the day. In this case, the customer was wrong but her perception was 100% correct. A young employee suggested that they attempt to modify that perception and experiment by wrapping half the fish as always and simply spreading the other half on freshly crushed ice. As you can imagine, the fish on the ice sold more than the packaged product, with additional savings on labour and packaging.

Minimizing waste was not only good for the company-but good for the environment.

Get everyone involved in solutions to make sure you add value-not cost!

Q: You make it sound so easy

A: It's not easy at all. I'm as concerned as anyone because conference budgets are being cut, interest rates are uncertain (when I'm currently building a home); my bank (which I love) has been taken over; and I leave next week to speak briefly at a conference in the US, with the Australian dollar plummeting.

At times like these that I remind myself that things work out best for the people who make the best of the way things work out. I then approach every 'challenge' more calmly, focusing on what I can do in any given situation, rather than getting overly stressed about events over which I have no control. End of interview

I hope these thoughts may be of benefit to you ...and remember:
'Every day above the ground is a good one'