

Better Business Focus

September 2019

Expert inspiration for a Better Business



Better Business Focus is the essential key for business owners and managers. It achieves that by focusing on the way in which successful businesses compete and manage their organisations. It focuses on how people are recruited, coached and developed; on how marketing and selling is undertaken in professional markets as well as in markets with intense competition; on how technology and the Internet is reshaping the face of domestic and home business; and on how people are being equipped with new skills and techniques. In short, it offers expert inspiration for a better business.

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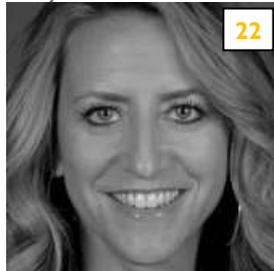
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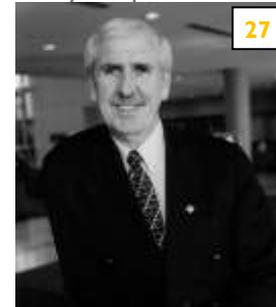
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Rob Garibay

9 reasons to know the worth of your business

Do you know what your business is worth?

If you are like most entrepreneurs, your business is your most valuable asset. You work hard to build an asset in the hope of selling it to live the life of your dreams- or to just retire. Do you know the worth of your most important and valuable asset?

As a **business coach**, I am amazed that out of 30 million small businesses in the United States, **98% of business owners don't know** what their business is worth! Even worse is working your entire life to retire only to be devastated by learning the value of your business is a fraction of what you hoped! I frequently ask my clients: "If you don't measure it, can you improve it?" The answer is: "Yes, but only by accident." Which means it can deteriorate by accident also.

So how often should I get a valuation of my business? The answer is: "What is your business valuation goal, and how often do you want to know your progress toward that goal?"

The good news is that technology is now driving down the cost to less than 10 – 20% of historical costs for **business valuations**. This technology is called BizEquity.

Through the BizEquity platform, I help business owners and CEOs discover what their business is worth, at a fraction of historical costs. As a growth expert and

business coach, I help them understand what is needed to accelerate the value of their business to achieve their goals.

Is valuing your business only important if you are about to retire? Absolutely not. In fact, that is late in the game. Here are 9 reasons why a business valuation will help you achieve your lifestyle goals:

1. To achieve your financial goals when you plan to sell your business
2. To set a base line value for your business and develop a strategy to improve its worth
3. To Plan for, and tracking towards, retirement
4. To prepare for taxable events such as gifting or grants
5. To construct Buy/Sell Agreements with business partners
6. To ensure your business and your family are properly protected
7. When considering funding opportunities to accelerate growth
8. To plan for the future of your business with a qualified succession plan
9. When you plan to buy a business

Whether you are selling, planning for retirement, or growing your business, the current value of your business is a critical metric you should be tracking.

Do you know what your business is worth?

If this is an area I can help you gain clarity in, **contact me** to learn more or to discuss a valuation of your business.

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About the Author:

Rob Garibay is a business owner, business expert & coach, certified with Gazelles International, ActionCOACH, and Engage & Grow, as well as a John Maxwell Founding Partner Leadership Coach. His professional career spans building businesses in manufacturing, R&D, distribution, retail, and IT. Rob has been a guest lecturer at The University of Oklahoma Price College of Business and also a weekly contributor to The Norman Transcript Sunday Business section.

Rob is the author of the book *Energize Your Profits* and contributing author to *Roadmap to Success*, both available on Amazon.com. He has achieved #3 ranking in the USA and #15 in the world among over 1400 ActionCOACH business coaches.

Rob is a graduate of the Case School of Engineering, Case Western Reserve University. He co-founded and grew a technology business which he sold after 15 years.

Rob has written business plans that have raised \$30 million in investment capital.

He is passionate about helping business owners successfully scale their mid-sized businesses by applying the Rockefeller Habits and 4 Decisions concepts to their companies.

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Eve Ash

Stop ‘telling it like it is’: Five ways to establish real trust in business

A lot of people confuse trustworthy with authentic.

They appear to be the same qualities, in the sense that a trustworthy person tends not to put up a facade – what you see is definitely what you get.

Unfortunately, there’s any number of prominent public and company figures purporting to be the real deal – inflated like dirigibles, professing to “tell it like it is”.

This so-called authenticity is as useful for the importance of trust as trying to clean silverware with tomato sauce. Think of “retail” politicians – the ones who turn up at community fundraisers and barbeque a sausage or kiss a baby. Is that authentic? Can they be trusted?

Trust is built over time and results

Trust does not need to advertise itself, bombard with unsolicited text messages or wear an Akubra. If it does, you can pretty well guarantee the opposite outcome. Trust is what so many of society’s institutions are built on – resulting from years and layers of argument, testing, iteration, starting afresh, new rules, more debate, and so on.

When we drink water from a tap, we trust that it is potable; when we buy food, we trust that it has been prepared and stored to stringent hygiene standards; when we seek medical help, we expect some degree of treatment that will help us to recover.

Trust is strongly allied with regulations and standards – if we didn’t have the latter, we’d be guessing the directions and daily life would be considerably more chaotic.

You might have a colleague or two constantly proclaiming their reliability and trustworthiness.

Maybe they are, but why the constant drawing of attention to this fact? Isn’t it a little suss, in the same way that some celebrities continually affirm their love for their partner? And what if pronouncements aren’t the solution?

How is trust established?

1. Do things well and on time

So, what you’ve said you’ll do but also do the research and don’t “prevent the evidence”. Being trustworthy does not mean zombie-like carrying out of commands; quite the reverse. It means knowing enough about what’s being asked of you so that you will do things well, with care and foresight.

2. Know the importance of discretion

But don’t keep lips sealed if this leads to a lack of transparency or corrupt behaviour. You should preserve workplace confidentiality when it’s required, but never if a colleague or manager is trying to inveigle you into an action or activity that doesn’t feel right.

3. Resist the urge to exaggerate

Trust is eroded when you start embellishing. We all exaggerate on occasion, often because we seek some kind of short-term gain such as making an impression on others. Try not to – it isn’t worth it.

4. Correct things for the record

If you’ve made an error, go back and correct it and advise those that need to know. Flubs can happen for quite innocent reasons. When someone is mistakenly described by an enthusiastic MC as something they are not, e.g. a PhD when they are not, put matters right soon, in an appropriate way.

5. Don’t be a prima donna about priorities

Trustworthiness gains little to no traction when you’re dealing with someone who insists on their own time-frame when completing a job, refusing to cooperate. There’s a limit to this brand of “skills integrity” when it’s unreasonably protracted.

If it’s missing or fragmented, can trust be restored?

Yes, when people are:

- **Prepared to admit they’re wrong** – granted, this is awkward. Backpedalling on a position you’d bullishly defended can cost you allies. But far better to confess your mistake as quickly as possible than compounding it by digging in. Maybe we don’t need a wall as planned!
- **Realistic that restoring other people’s confidence might take a while** – If trust has been abused in some way, it’s certainly not going to be awarded with a snap of the fingers. Trust can’t be imposed by one person on another. Like respect, it can only be earned. Sadly, for some, trust will never be restored.
- **Embracing accountability** – this means an awareness and implementation of impeccable standards and codes of conduct,

which in turn depends on group willingness to combine forces in ensuring trust won't be broken in future.

Feeling confident that you can trust and in turn be worthy of trust is what contributes to individual and collective wellbeing. Demonstrated properly and well, it is a series of circles that spiral up and everybody benefits.

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About the Author

Eve Ash is an entrepreneur who founded SEVEN DIMENSIONS in 1979 (7d-tv.com). She has produced over 700 videos on management, communication, service, best practice, health and motivation, winning over 160 international awards. Her more recent work includes CUTTING EDGE COMMUNICATION 150 short comedy films, filmed in USA, a multi-award winning feature documentary SHADOW OF DOUBT about a wrongful conviction in Tasmania (shadowofdoubt.tv) and the FINDING MY MAGIC cartoons to teach children confidence, featuring Olympian Cathy Freeman.

Eve was a national winner of a Telstra Australian Businesswoman award. Her books, *Rewrite Your Life!* and *Rewrite Your Relationships!* (see screenshot), are published by Penguin Books. Eve is an inspirational speaker and renowned for her practical strategies, powerful communication style and memorable presentations.

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Paul Sloane

The top seven impediments to Innovation

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About the Author

Paul Sloane is an author and expert on lateral thinking in business. He has delivered hundreds of talks to executive audiences around the world. His talks are different because they challenge your thinking head-on. He is a skilled facilitator and course leader who helps top level teams achieve breakthrough results in their meetings. He helps companies overcome the problems they have making innovation happen. He can improve creativity and lateral thinking for leaders with leadership and innovation master classes. This results in a more agile culture, more ideas and successful innovation.

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What is impeding innovation in your organisation today? I've highlighted the Top Seven Impediments to Innovation in this list and included them in this short video with explanations and solutions:

1. No Clear Vision or Purpose
2. No Time to Try New Things
3. The Organization is Risk Averse
4. Long Approval Process
5. Departments Work in Silos
6. Innovation is Not in My Objectives
7. There is No Budget

Remove the impediments and speed up innovation.





Lucy Seifert

5 ways to protect your “me time”

It's easy to get swept along with the pressures and commitments of work, family... life. Have you remembered to make time for yourself? Here's how to turn things around and protect your “me time”...

1. Plan to be in control...

Planning saves you time and helps you feel in control. **Just five minutes of planning can save a whole hour of time!** So, sit down and take stock; it'll help avoid that feeling of being overwhelmed.

Write a list of the tasks that you need to do. Seeing it on the page is far less stressful than holding it in your head. You'll relax knowing each point has been recognised. See the bigger picture by using a wall planner or white board. You'll pick up on those gaps and clashes too.

Feel empowered by being decisive. Think about each task you need to complete, then: *do it, ditch it or delegate it*. This works both professionally and personally. Give it a go!

2. Have the courage to say 'no'

Ever said 'yes' when you really mean 'no'? It's lovely to receive an invitation; but be honest from the start and listen to your initial 'gut' feeling. Why commit to absolutely everything when you'll know that you'll be rushed and not have as much time as you'd like to spend with people or on the hobbies you enjoy? It's your assertive right to say yes or no... and to look after yourself.

3. Be true to your needs.

It's your time too! Often we place expectations upon ourselves regarding what we *should* do and when we *should* complete those

actions. Be considerate and honest – no apologies, no excuses, simple honesty! It's best to be **assertive** whilst considering others, avoiding placing unnecessary stress upon yourself.

4. Make a ME Day

Put it in your diary; it's an appointment with yourself to have a ME day. This is time for you, doing what you want to do, whether relaxing by yourself or with others, pursuing a goal that's important to you, or doing something you enjoy like going to the gym or cinema. Don't find reasons why you 'can't'. It's a reward for all the time and emotional energy you've given to others. **Enjoy your ME time!**

5. Building routines and patterns

Introducing routines and patterns into your work and non-working life will help you protect the time you set aside for yourself, the interests you wish to pursue and to generally feel organised and in control of your time.

Put regular Me-days on your planner and in your diary to balance the busyness of life and work. Add Me-time or Me-slots where you don't want a whole day out but 30 minute to 3 hour slots in which to relax and recharge. For example, a daily jog for half an hour before or after work, Friday early evening to relax with colleagues at the end of the week's work, Sunday lunch and afternoon out with family or friends. Building patterns, that fits within your lifestyle, will help you maintain your Me time.

I hope these tips help you feel more calm and **confident** in managing – and enjoying – your time.

Life coaching can help you make the positive changes you want to

enjoy. Please do **contact me** for a free 15 minute discussion to see how it can help you.

This article originally appeared on www.lucyseifertcoaching-training.co.uk/london/blog/2/ Blog/ ways-to-protect-your-me-time-56.html

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About the Author

Lucy Seifert is a highly experienced Coach /Trainer of 22 years and an Author of several personal development books (Gower Publishing).

Her style blends general Life & Executive Coaching with her in depth knowledge as a trainer. The result is an adept ability to create a dynamic and unique coaching experience tailored to every individual. She helps clients to define and achieve goals, confront difficult people & situations and achieve positive change in their lives.

A graduate of the LSE (London University), she has worked with the UK's leading academic institutions such as University of Oxford & her corporate training career includes the banking and finance sector. Her areas of expertise include assertiveness, interpersonal relations, confidence, public speaking, stress and time management. Her approach is friendly and professional, confidential and non-judgmental. She is a member of the Association for Coaching and the Society of Authors.

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Yoram Solomon

How lack of innovation leads to unemployment

Some believe that robots will take over all our jobs and therefore innovation (specifically in the area of robots) will cause unemployment. But in reality, it's the other way around.

You may be familiar with the product life cycle diagram. Every product (and when I say "product" I also include service, process, or business model) has a life cycle, typically considered to have 4 stages:

- **Introduction:** when the product is introduced
- **Growth:** when the sales grow at the fastest rate
- **Maturity:** when the product reaches mass market
- **Decline:** when new products start to take over

The investment in innovation (specifically, research and development) is highest during the introduction stage and the first part of the growth stage. Revenue is the lowest, as very few customers decide to buy this early in the product life cycle (typically referred to as "innovators" or "early adapters"). Profit, therefore, is the lowest due to both low revenue and high investment in development.

The new product starts to turn a per-unit profit only at the later part of the growth stage, as investment in development declines and revenue increases as more (and less risk-taking) customers hear about the product and decide to buy.

However, this is per-unit profit, and doesn't yet account for the significant loss incurred earlier

due to the investment in research and development done at the introduction stage and the early part of the growth stage.

The overall break-even that includes the early loss (and investment) only takes place well into the maturity stage and carries into the decline stage. In fact, some might say that the decline stage is the most profitable as there is almost no investment in the product anymore. No new features, no new versions, no new services, just fulfilling demand that has all but gone.

While cumulative profitability only starts during the maturity stage, the per-unit profitability declines, as more and more competitors enter the market with similar products (or services), and the main differentiator becomes the price. But that's OK, because the market for the new product is the largest it has ever been and thus cumulative profits continue to grow.

As a result, more and more companies decide to take a shortcut. Instead of spending money on innovation at (and prior to) the introduction stage, they enter the market with a similar product, a copy of the product made by the first company to develop it. They don't expect the large per-unit profit that the first producer made during the growth stage. They settle for the much lower profits gained during the maturity stage.

Unfortunately, more and more companies take this shortcut. Consequently, less and less is spent on research and development. Not only in terms of money, but in terms of letting employees spend their time on innovation and encouraging experimentation (and failure).

In fact, the focus on short-term profitability leads to a maniacal focus on efficiency and reductions in force, and therefore unemployment. The first jobs to go are not those which are required for production (and hence could be replaced by robots). The first jobs to go are those related to innovation and long-term strategy. You know, those jobs that cannot be replaced by robots.

This article originates from [Trust Building Institute](#)

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About the Author

Yoram can often be found speaking in different venues, from University Graduate business schools to Rotary Clubs, the Association for Strategic Planning National Conference, DEMO, and many more. He is an engaging speaker who was said to make people think afterwards. He is a professional member of the National Speakers Association.

Dr. Solomon published 11 books: "Un-Kill Creativity", "Blueprints for the Next Big Thing", "Bowling with a Crystal Ball (two editions)", "Business Plan through Investors' Eyes", "From Startup to Maturity," and "Worst Diet Ever." He authored numerous articles, many of them published at Inc. Magazine, Innovation Excellence, and his blog on this website.

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Mike Shipulski

To figure out what's next, define the system as it is now

Every day starts and ends in the present. Sure, you can put yourself in the future and image what it could be or put yourself in the past and remember what was. But neither domain is actionable. You can't change the past, nor can you control the future. The only thing that's actionable is the present.

Every morning your day starts with the body you have. You may have had a more pleasing body in the past, but that's gone. You may have visions of changing your body into something else, but you don't have that yet. What you do today is governed and enabled by your body as it is. If you try to lift three hundred pounds, your system as it is will either pick it up or it won't.

Every morning your day starts with the mind you have. It may have been busy and distracted in the past and it may be calm and settled in the future, but that doesn't matter. The only thing that matters is your mind as it is. If you respond kindly, today's mind is responsible, and if your response is unkind, today's mind system is the culprit. Like it or not, your thoughts, feelings and actions are the result of your mind as it is.

Change always starts with where you are, and the first step is unclear until you assess and define your systems as they are. If you haven't worked out in five years, your first step is to see your doctor to get clearance (professional assessment) for your upcoming physical improvement plan. If you've run ten marathons over the last ten months, your first step may be to take a month

off to recover. The right next step starts with where you are.

And it's the same with your mind. If your mind is all over the place your likely first step is to learn how to help it settle down. And once it's a little more settled, your next step may be to use more advanced methods to settle it further. And if you assess your mind and you see it needs more help than you can give it, your next step is to seek professional help. Again, your next step is defined by where you are.

And it's the same with business. Every morning starts with the products and services you have. You can't sell the obsolete products you had, nor can you sell the future services you may develop. You can only sell what you have. But, in parallel, you can create the next product or system. And to do that, the first step is to take a deep, dispassionate look at the system as it is. What does it do well? What does it do poorly? What can be built on and what can be discarded? There are a number of tools for this, but more important than the tools is to recognize that the next one starts with an assessment of the one you have.

If the existing system is young and immature, the first step is likely to nurture it and support it so it can grow out of its adolescence. But the first step is NOT to lift three hundred pounds because the system-as it is-can only lift fifty. If you lift too much too early, you'll break its back.

If the existing system is in it's prime and has been going to the gym regularly for the last five years, its ready for three hundred pounds. Go for it! But, in parallel,

it's time to start a new activity, one that will replace the weightlifting when the system can no longer lift like it used to. Maybe tennis? But start now because to get good at tennis requires new muscles and time.

And if the existing system is ready for retirement, retire it. Difficult to do, but once there's public acknowledgement, the retirement will take care of itself.

If you want to know what's next, define the system as it is. The next step will be clear.

And the best time to do it is now.

This article originally appeared on: www.innovationexcellence.com/blog/2019/08/05/to-figure-out-whats-next-define-the-system-as-it-is

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About the Author:

Mike strives to define best practices and tools for *Product and Technology Development* and embed them into company culture. With that, practices and tools become a working part of how a company does business instead of ending up in a thick handbook that defines how things "should be done" which is read by no one. To Mike, behavior is most important.

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John Carter

Getting to the root cause of project headaches

For the sake of simplicity (and for most real situations) we will assume that this question is asked by a manager at a company that has been in business, understands the market, and this is a new product for this company.

The basic **product development metrics** we will use are:

1. Sales rate one year after launch
2. Gross margin of the product

Thresholds for these two metrics are defined in the business case used to justify the cost of product development.

Once we establish the metrics, take the following steps:

1. Review prior launch success rate of similar products. Apply the probabilities of the prior launches to the new product.
2. Modify the probability (reduce it) if this is a new product that the company has not made before.
3. Further reduce the probability if this is a new to the world product.
4. Reduce the probability if this is a new market for the company.
5. Greatly reduce the probability if you are not certain of the 'product-market fit.'
6. Create a risk matrix and compare the score of this product with past projects. Is the new product more or less risky, considering the market, cost, new technology, regulatory, etc.?

These steps refer to internal factors. Consider also these external factors:

1. How big is the market? If you were to capture 10% or 20%, would this exceed your sales threshold for the first year?
2. How big is the largest player in the market? Do you think you have a substantial value proposition? If so, use the sales level of this competitive target as an estimate.
3. How fast is the market growing? How mature is the market? How big is the sub-segment where this product will compete?

Let's look at an example.

At some companies, the thresholds are \$10M for sales after a full year (depends on company size), an IRR (Internal Rate of Return) of greater than 30%, and a Gross Margin greater than 50%.

If you have launched a large handful of products with risk vectors similar to the new product you are evaluating, you can apply the probabilities of up to seven similar launches to this product.

Using the thresholds above, you find that the actual values for the seven are:

- Sales = \$8M
- IRR = 22%
- Gross Margin = 52%

Let's say the risk matrix indicates that this is slightly lower market risk than the prior seven. And let's say the overall market is large, with the number one seller moving \$25M per year and you have a very good competitive position.

With all things factored in, your new product has a high probability of clearing the threshold values.

However, if the business case relied on \$50M in sales, then the probability that you will clear the thresholds is very high – but the probability of making the business case is low.

The best way to estimate the probability of success is a combination of internal factors combined with an understanding of the competitive structure of the market environment. Triangulation provides the most reliable guidance with the least effort.

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About the Author

John is the author of "**Innovate Products Faster: Graphical Tools for Accelerating Product Development**". As Founder and Principal of TCGen Inc., he has advised some of the most revered technology firms in the world:

- Abbott, Amazon, Apple
- BOSE, Cisco, Fitbit
- HP, IBM, Roche

He specialises in the value creating aspects of product development – from the strategy and innovation processes, through product definition, execution and launch. He has helped companies cut time to market, rapidly scale their product program, and improve innovation with customer led insights which has led to greater profitability, reduced costs, and improved customer satisfaction.

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Tom Koulopoulos

These 3 indicators may be projecting the next financial collapse

While there is no one magic indicator of the market's future, these three may provide some of the best insights into the current and future state of the economy.



Warren Buffett once said, *"Be fearful when others are greedy and greedy when others are fearful."*

In August of 2007, I had a meeting with the CEO one of the largest U.S. banks. At the time, the initial rumblings of the bank crisis, and the underpinnings of the great recession to follow, were starting to make headlines.

In a private one-on-one I asked him what he thought of all the commotion at what was then the tail end of a fairly healthy market recovery, after the bursting of the dot-com bubble in 2001. I'll never forget his very straightforward and simple, but emphatic, response: "This has the potential to be the worst crisis I've seen in all my years of banking!"

Why I didn't go to an all cash portfolio at that point I'll never be able to explain.

In retrospect, his prescience was somewhat ironic, as his was one of the banks closed down in the aftermath of the crisis.

If It Can't Get Better, It Can Definitely Get Worse

Fast-forward to the present. At just about 3,500 days, the current bull run is the longest recorded in the history of the stock market. Expecting it to last indefinitely is a game for fools. We all know that markets have cycles. The average cycle, from peak to peak of a bull market or trough to trough of a bear market, is 5 1/2 years. Clearly,

we're way overdue for a downturn. Of course, the real question isn't if but when the next recession will arrive; every cycle has its end. Of this much all but the most delusional among us are certain.

But the question we all want answered is, when?

You've likely seen countless prognostications from pundits who claim to have figured out how some magic indicator can do just that by pointing unequivocally to the next market crash. Don't believe any of it. The fundamental flaw in every singular indicator (or individual) is that, while they may have 100 percent accuracy in predicting recessions, they also give many false positives. The analogy would be my saying that hangovers always follow drinking alcoholic beverages. That's true, but there are many times that drinking alcoholic beverages did not result in a hangover.

While there is no one way to predict a recession, there are ways to begin tracking multiple factors that may collectively stand a much higher chance of predicting accurately the probability of one within a given time frame. Here are three of the more popular predictors of a market downturn that I've been following.

1. An Inverted Yield Curve

This one sounds obtuse but it's actually very easy to track and almost always an indicator of lacking confidence in economic health. Very simply put, an inverted yield curve occurs when the yield (the return an investor in bonds receives) on bonds with a short duration exceeds the yield on bonds with a longer duration.

The reasons for the inversion are a bit counterintuitive. It's not that investors have greater faith in the near term, but rather that the demand for short-term bonds is so low that the bonds must offer a higher return to attract investors. At the same time, demand for long-term bonds is so great that they do not have to offer as high of a

yield. Why are investors going to bonds with a longer term? Because they are losing faith in the short term.

Yield curves don't typically invert. When they do, it creates an anomaly worth looking at. An inverted yield curve has preceded each of the past seven recessions. (It's also provided two false positives in that same time.) To be clear, we are not experiencing an inverted yield curve at present, but as the Fed continues to increase the funds rate—the interest rate at which depository institutions (banks and credit unions) lend reserve balances to other depository institutions—we may get precariously close to an inversion.

If you take a look at the Treasury yield curve for 2007, it's clear that something was brewing. You can use the interactive yield curve tables on the Treasury Department's site to look at how the yield curve has changed over the years, including where it currently stands, which is, according to the Chicago Fed, predicting only a 16.5 percent chance of a recession in the next year.

2. The VIX

The VIX is an index that is tied to market volatility using S&P 500 index options. Also known as the Chicago Board Options Exchange Volatility Index (CBOE VIX), it is one of those frequently talked about indicators of the market's anxiety and concern over short-term future market performance.

Looking at a chart of the VIX over the past 30 years, it's clear that it has experienced spikes that are coincident with recessions or market corrections. For example, check out the spike in 2008.

Today, the VIX is relatively low, clocking in at its average value over the past 30 years (just over 12, compared to nearly 90 in October 2008). The challenge with the VIX is determining how high a spike will go, since it oscillates from day to day.

What may appear to be a trend up can quickly reverse within hours.

I've found the VIX to be a great near-term predictor of perceived market health. In some cases, it is even useful for predicting intraday market movements. Again, it's no panacea for worried investors, just one more arrow in your quiver.

According to Dan Caplinger, who writes for the Motley Fool, "By itself, the CBOE VIX won't give you a perfect prediction of what the stock market is about to do; but it can nevertheless provide evidence regarding what other investors are thinking about current conditions, and offer at least one view of what the future might bring for stock investors."

3. Market Cap to GDP

This is one of my all-time favourites, partly because it comes from Warren Buffett, but also because it makes deep intuitive sense. Not that markets are in anyway intuitive, but it has a sort of "Oh yeah, I get it" quality to it.

The way it works is that equities are overpriced when the total market cap (TMC) of all equities surpasses the value of GDP.

The "a-ha!" quality is that you can rationalize that the worth of a company should be somehow related to the output of an overall economy. The problem is that the lion's share of market capitalization comes from companies that are global to begin with. So, their relationship to U.S. GDP is a tenuous one, at best.

Besides, it's not actually that black and white. There are many variations of the TMC-to-GDP formula that look at a subset of equities, such as the Wilshire 5000, and compare the ratio of TMC for that subset to GDP.

Warren Buffett is most often credited with popularizing this indicator. According to Buffett, in a 2001 Fortune interview, "it is probably the best single measure of where valuations stand at any given moment." To be fair, Buffett never said that this was an indicator of a downturn per se, just that it reflects the relative value of equities.

So, by way of example, if the ratio of TMC is at 75 percent of GDP, equities

are undervalued (as a group). If TMC is at 150 percent of GDP, then it's a fair bet that equities are overvalued.

Today (September 30, 2018) TMC is at 147.8 percent of GDP.

But that's the definition of a bull market, right? Equities are attractive because we expect a brighter future. True, but again, there's a point at which perception exceeds reality, and that's what this indicator points to.

Unforeseen Catalysts

These are just three indicators out of myriad others that help to project the market's health and future prospects. I'd be a fool, and you'd be an even bigger fool, to expect that this or any analysis can precisely pinpoint when the market will retreat.

It's also the case that the catalysts which topple a bull market are often the unknowable ones. These are existential threats that come out of an unforeseen or barely visible source. We all knew the dot-com bubble was going to burst, but did we know that hijacked commercial airliners were going to fly into skyscrapers to push confidence in the global economic future over the edge? We all knew the housing bubble wasn't going to last forever, but how many of us knew that there was a demon lurking in the form of complex and obscure credit default swaps that threatened to derail the global banking system?

The fact is that all the metrics in the world can only look backwards to predict forwards. The future takes us by surprise because it changes the rules of the game while we're still looking backwards.

Just Ride the Wave

Years ago, I was approached by someone who wanted to buy one of my companies. At the time, my company had just made No. 247 on the Inc. 500. (Yes, there were only 500 companies on the Inc. list back then!) The dot-com bubble had not yet burst and the equities feeding frenzy was in full swing. The person who approached me was funded by ex-Wall Street bankers. One of them was perhaps the most widely known Wall Street personality of the 1980s.

When I met with him and his money managers, I was eager to understand how these brilliant financial minds

would assess the health of the market. So, I asked, "Why is the market so hot right now?" The response from one of the senior bankers on his team floored me: "I don't pretend to understand it; I just ride it."

I'm sure there was more to it. Perhaps he didn't want to divulge the secret recipe to predicting the market. However, it's more likely that the countless factors which contribute to any market swing, up or down, are far more complex than we can adequately factor into any simplistic analysis of one, three, or 30 variables.

The three indicators that I described tell us that we are trending up towards the inevitability of a significant correction. Some, like TMC to GDP, tell us it's long overdue. Others, such as the VIX and Bond Yield Inversion, say that it's not within the next 12-18 months. But all of this only factors in the known or knowable variables. Uncertainty is not and cannot be factored into any analysis.

I know, that's not what you were looking for. You were hoping I'd provide some definitive answers. I'm not doling out financial advice. That's not my forte. There are plenty of professionals who make a living doing that. You need to come to your own conclusions. Like you, I'm paying attention as best I can to as much as I can.

In the end, what I do know is what we all know: that every market cycle has an end. The one thing I can assure you of is that this one will be no different.

This article originally appeared on Innovation Excellence:

www.innovationexcellence.com/blog/2019/08/04/these-3-indicators-may-be-projecting-the-next-financial-collapse

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About the Author

Tom Koulopoulos is the author of 10 books and founder of the **Delphi Group**, a 25-year-old Boston-based think tank and a past Inc. 500 company that focuses on innovation and the future of business.

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Drayton Bird

What some famous copywriters taught me

I've always liked this old New York joke.

A man asks a passer-by for directions. "How do I get to Carnegie Hall?"

"Study," comes the reply.

Before you embarrass me I know in the original version of this, the reply is "Practice".

But frankly both are utterly crucial, and I'll explain why.

I started studying how to write copy before I even got a job in advertising. I sat in Manchester Public Library and read everything I could find. I have never stopped to this day.

If others have done the job before you, then start by studying and copying the best people you can find. It's the only way to learn.

Most of us are lazy - and copywriters are no exception. Many study little, if at all. They think the key is ingenuity and clever ideas. They put their faith in flair and luck. They "pick it up" as they go along. That is the chief reason why most copy is so bad.

Another is that people don't practice. *If you want to write well, write often.* Every day. For as long as you can.

Something else makes the problem even worse.

Few of those who commission copy and review it know much about what works, what doesn't and why. So very often it's the ignorant judging the ignorant.

A very cheap investment

One challenge is tougher than any other.

It is subscription copy. Yet few publishers pay very well for it. They often employ young, inexperienced writers and give them too little time to do jobs.

This is insanity, But it explains why most subscription copy is rubbish - and thus many publications are failing under the onslaught of the internet..

But it is also *financial* insanity, because copy is probably the cheapest ingredient in your marketing. Improving it costs relatively little, with very high potential return.

But to be honest, the principles that apply to one kind of copy apply to all kinds.

Anyway, here are some of the people I learned most from – and what they taught me. Maybe you will learn, too.

The trailblazer

I suspect I learned most from John E Powers - possibly the first professional copywriter - who blazed the trail all my other mentors followed.

He flourished in the latter part of the 19th century, making an amazing sum for those days: \$100 a day. Multiply by at least 100 to get a present day equivalent - and remember, he paid no tax.

He talked about what a product does for the customer, rather than what it is. He popularised the free trial offer and the money back guarantee. To this day many do not realise the importance of those things.

In an 1897 interview he said, "The first thing is to have the attention of the reader. That means to be

interesting. The next thing is to stick to the truth, and that means rectifying whatever's wrong in the merchant's business. If the truth isn't tellable, fix it so it is. That is about all there is to it."

His two chief weapons were honesty and giving reasons for his claims rather than just boasting or repeating the brand name incessantly. He also said to his interviewer, who was from *Printer's Ink*, the advertising trade paper, "Never read any of those advertising publications. They ain't worth reading."

So, nothing new there.

To this day many people still imagine advertising can sell bad products. It can – but only once. And to this day many people think unsubstantiated boasting works – look at most car advertising. It doesn't. Not in real life. Not in copy.

And if you don't explain why you are so good, people disbelieve you. These facts are unknown to many marketers, but year after year my partners and I have had considerable success just by applying honesty and reason-why in quite a range of markets.

The most able

Claude Hopkins was perhaps the most able copywriter ever – so good that allegedly by 1917 his boss used to give him a blank cheque every year and let him set his own salary.

From his book *Scientific Advertising* (1926) - which I assume you have downloaded from one of my sites and read several times - I learned many things, but principally that copy is "salesmanship in print".

Your copy should do what a good salesman would do. A salesman gives every good reason for buying; a salesman forestalls objections; a salesman is not brief. Yet little copy does a complete

selling job, and many still imagine brevity works best. It doesn't. Time after time I have seen long copy work better than short on everything from politics to loans to self-improvement.

In my first days in mail order I met some very ingenious copywriters from the US, especially Gene Schwartz, whose copy sold more books by mail than anyone. He taught me the power of having a fury to persuade – I can describe it no better.

Monroe Kane explained why it pays to repeat a good proposition several times in different ways. Gene Griffin taught me that just one extra word in a headline could transform results. Some years later, Joe Sugarman put in my mind the idea that the main purpose of each sentence is to make people read the next one.

John Caples was the master of testing. I re-read his book, *Tested Advertising Methods* regularly when I was young. I still turn to it and recorded a commentary recently. From it I learned much, but especially – as another wise man, Richard V. Benson, put it, "There are only two rules in direct marketing. Rule 1: Test everything. Rule 2: Refer to rule 1."

Where Ogilvy and Reeves learned

Two of my other teachers admired Caples. David Ogilvy with whom I worked for some years told me one night over dinner that he and Rosser Reeves agreed that they learned all they knew from Caples.

Many people think the things Caples discovered all those years ago no longer apply.

On this Caples said something well worth noting to a *Wall Street Journal* interviewer: "Times change. People don't".

I guarantee that if you go on the internet you will find at least one piece of copy today that is stolen or adapted from Caples, who was writing over 80 years ago.

David Ogilvy once told me the secret of success was charm – and

often said "the customer is not a moron: she is your wife". So, I try to avoid the usual crass, copywriter's superlatives and treat the reader like an intelligent person. It works.

When I joined the Board of the Ogilvy Group I noticed something surprising and instructive at my first Board Meeting. David, who knew more than anyone, took most notes. This confirmed my belief that study was the key.

His book, *Confessions of An Advertising Man*, had a prodigious effect on me in my first big job as a creative director.

I tested many things he mentioned, like using certain words which increase readership. Then, much later when I wrote my own first business book, *Commonsense Direct Marketing*, I copied him and made it very personal. People are more interested in people than theory.

Reeves' book *Reality in Advertising* sold the idea of the USP. I learned you must offer something different and better to succeed; or failing that, if you talk about things others do, but don't mention, you will outsell them. So, I spend a lot of time looking for such opportunities. Again, very few copywriters bother.

100 ideas to steal

Vic Schwab was partner in one of the first specialist direct response agencies, back in the '30's. He wrote a book called *How to write a Good Advertisement*. I have had the same copy for 49 years. And I still refer to the list of 100 headlines in it when I'm stuck for ideas.

I cannot honestly recall all the people I have learned from. My favourite client. Victor Ross, former Chairman of The Readers' Digest, with his colleagues pioneered the use of sweepstakes. They also developed the Yes/No option: make people choose and you get more replies.

John Francis Tighe refined this to Yes/No/Maybe, which works even better. We use this technique constantly – but very few others do.

I tried to learn from another friend – the late Bill Jayme, named by his peers as the best copywriter in the US – how to write witty, surprising copy – but I lack the talent. So, I just have to fall back on constructive theft and adaptation.

I learned the importance of that from Murray Raphel, who said, "Search the world, and steal the best."

And now it's your chance to steal from me. If you've not joined my merry little club yet, and this post has struck a chord with you, you really should join.

There's no risk - my money back guarantee takes care of that. So why not [join right now?](#)

And there is nothing else like it on the net - or anywhere else, come to that.

Best
Drayton

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About the Author

In 2003, the Chartered Institute of Marketing named Drayton Bird one of 50 living individuals who have shaped today's marketing. He has spoken in 53 countries for many organisations, and much of what he discusses derive from his work with many of the world's greatest brands. These include American Express, Audi, Bentley, British Airways, Cisco, Deutsche Post, Ford, IBM, McKinsey, Mercedes, Microsoft, Nestle, Philips, Procter & Gamble, Toyota, Unilever, Visa and Volkswagen. In various capacities – mostly as a writer – Drayton has helped sell everything from Airbus planes to Peppa Pig. His book, *Commonsense Direct and Digital Marketing*, out in 17 languages, has been the UK's best seller on the subject every year since 1982.

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Janet Sernack

The interplay between innovation, creativity, and consciousness

Innovation consulting can be a lonely place for a woman to play, especially in a conventional, male-oriented, and competitive marketplace like Melbourne is today. Making networking a keyway of enhancing my intellectual, emotional and social capital, consciousness and creativity.

Involving going out of my way to meet people with different business and life experiences, backgrounds and perspectives. Reflecting on my years of experience networking in a variety of diverse groups, communities, and associations, I realized that it's one of the keyways people can experience the interplay between innovation, creativity, and consciousness, that emerges new ideas. That allowed me to explore and discover unknown territories, with people in similar and competing fields, with different and diverse worldviews, and levels of creativity and consciousness.

Power of learning through networking

Networking is not only a powerful way of cultivating strategic & synergistic relationships, with peers, potential clients and also with professional and social communities. It's also one of the most useful, easy and accessible ways of learning. It enables us to extend their feeling and thinking processes and knowledge base. It is also enjoyable building connections, and ultimately collaborative relationships with different people across diverse professions, demographics, groups, teams, hierarchies, disciplines and structures.

Because it is a non-prescriptive and agile way of learning, which also requires us to take time out for reflection, where according to Jennifer Porter in an article for HBR "[Why You Should Make Time for Self-](#)

Reflection (Even If You Hate Doing It)"

"Reflection gives the brain an opportunity to pause amidst the chaos, untangle and sort through observations and experiences, consider multiple possible interpretations, and create meaning. This meaning becomes learning, which can then inform future mindsets and actions. For leaders, this "meaning-making" is crucial to their ongoing growth and development".

Why is this important?

With this in mind, I joined a new Meetup group, focusing on the future of work to research and have personal experience in researching learning new ways of experiencing the interplay between innovation, creativity, and consciousness, that emerges new ideas.

Reflecting on this experience, it reinforced my understanding that innovation emerges from a co-creative frequency, and not from a process. Involving real creative conversations, within a safe holding space and container where the interplay between innovation, creativity, and consciousness, that emerges new ideas, spontaneously happens.

Because, it's the way we reflect, think, relate, learn and organize that either moves us towards this frequency or away from it.

"To evoke the music of innovation – to tune the frequency in which our teams and organizations operate – by design".

"This is because leaders need to understand how innovation is an output of our creativity, and how creativity is an outcome of our level of consciousness".

Innovation is a dance

At [ImagineNation™](#) we agree with Dr Nick Udall, in '[Riding the Creative Rollercoaster](#)' that "*innovation is about bringing the new to the world, creativity is*

about bringing the new to the mind, it the dance between what we know and what we don't know, and it is through this dance that we make meaning of the world around us, making the unknowable knowable the unconscious conscious and the invisible visible".

That this dance is fundamental to the emergence of newness in all disciplines. By awakening states and qualities of mind, heart and will that help creativity flourish, and to disrupt and interrupt those that kill our creativity.

Dr. Nick Udall says that "*To do this we need to raise our levels of Self, Relational and Systemic Awareness, to become conscious organisms and tap into the wider collective intelligence"*

Despite the constant war for our attention, it is actually from the 'empty spaces' that we intentionally create, that the future emerges. Knowing how to artfully and skilfully facilitate creative conversations enables 'empty spaces' to manifest.

This is the mandatory skillset for leadership, trainers, facilitators, consultants, and coaches to reflect upon, cultivate and master to achieve 21st-century success.

Taking the first step

Involves co-creating the frequency that allows us to awaken the leadership qualities, consciousness, states and qualities of mind, heart and will that help creativity flourish, and disrupt and interrupt those that kill our creativity.

It's all about the mindsets of innovation and transformational leadership:

- Slow down and surrender to 'not knowing'- by embracing a loose 'what's possible' mindset.

- Be willing to ‘unlearn’ and let go of what you do know – by embracing a ‘beginner’s’ mindset (for all that I know I am just beginning to learn).
- Be willing to learn afresh – by embracing a growth mindset (that sees setback and challenges and opportunities for change and learning).
- Wander into wonder – by embracing a ‘wonder’ mindset (seeking novelty, willing to play and experiment with patterns, trends, and novel ideas)
- Play with the rhythm – by embrace a ‘gamer’ mindset (being bold and courageous in taking smart risks, to learn by failing fast).

Strategies to embrace reflection, learning, and consciousness

In **innovation coaching** and our executive coaching programs, we support clients to adopt a 4-step strategy that embraces reflection and learning. To cultivate the leadership skills involved in orchestrating the dance, and interplay between innovation, creativity, and consciousness.

1. **Pausing and retreating**, in stillness and silence, to raise their levels of self, relational and systemic awareness.
 - Exploring and discovering what is really going on in the whole system; to become conscious organisms and tap into the wider collective intelligence.
 - *What is really going on for me, for others, right now? How am I/they feeling, and what am I/they thinking?*
 - *What do I believe about that? What if it isn’t true? What if I am wrong?*
2. **Reviewing**, in stillness and silence, their current states and qualities of mind, heart, and will.
 - Exploring, discovering and taking the conscious consideration and analysis of beliefs, mindsets, and actions occurring within the whole system to emerge options for learning.
 - Choosing options that help creativity flourish, and to disrupt and interrupt those that kill their creativity.

- *What is important for me/us to consider (your specific situation) and why do I/we care?*
- *Why is it important to be, think or act differently?*
- *How can I think differently about that?*

3. **Reflecting** on the dance, in stillness and silence, to make meaning of the world around us, making the unknowable knowable the unconscious conscious and the invisible visible.

- Identifying what beliefs, mindsets, and actions are the most is useful and what is not useful, towards achieving their desired outcome.

- *What’s possible in this situation?*
- *What is being asked of us?*
- *What is the emerging story?*

4. **Resetting** their attention and intention towards making the unknowable knowable the unconscious conscious and the invisible visible.

- *What can I let go of for this to emerge?*
- *What will make my heart sing?*
- *How might this really make a difference?*

This allows them to develop their consciousness and associational muscle, and to ultimately know how to find and follow a state of Flow.

This supports the creation of a container and holding space, enacted and embodied as creative conversations in which individuals, leaders, teams, organizations can create, innovate, function and grow.

Power of networking with reflecting

Rather than using networking as an individual or business building activity, play with it as an effective way of building alliances and networks to intentionally harness consciousness, collective intelligence to maximize the diversity of thought, ideas, and solutions.

Embrace it as a vehicle for creating ‘volunteer armies’ that tackle tough challenges, and where innovation, creativity, and consciousness intersect, through the safe holding spaces and containers, that creative conversations embrace.

In organic, agile and autonomous ways to speedily execute change initiatives that resolve strategic threats, solve business, civic and social dilemmas, and wicked problems. Utilizing the intellectual, emotional and social capital of network resources to explore the interplay between innovation, creativity, and consciousness.

In ways that release the consciousness and co-creative potential of collaborative leaders and teams within innovative organizational cultures, to transform problems and threats into creative opportunities and innovative solutions.

As Søren Kierkegaard, the famous philosopher said – “*Life can only be understood backward, but it must be lived forwards*”.

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About the Author

Janet is the Founder, CEO & Chief Catalyst of ImagineNation™ a generative and provocative global enterprise innovation consulting, education and coaching company that enables people to be, think and act differently. She has 29 years of experience consulting and leading culture development, change management, leadership and innovation education programs to some of Australasia’s and Israel’s top 100 companies in the retail, service, IT, telecommunications, financial services, building and manufacturing sectors.

Prior to launching her consulting, training and coaching career she was Marketing Development Manager for the 42 Grace Bros’ department stores, which are now, part of the Myer Group. She then launched Australia’s first design management consultancy and worked with some of the world’s leading fashion and lifestyle brands including Oroton, Chanel and Seafolly.

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Jeff Rubingh

Becoming real innovators

"They are ill discoverers that think there is no land when they can see nothing but sea." — Francis Bacon

Companies today are eagerly seeking the answer to one essential question. *How do we innovate?*

Today, 75% of companies say they're committed to innovation as one of their top priorities [1]. But most struggle to innovate. To many corporations, it's like grabbing the wind in their hands. There must be a trick to it! Perhaps they just have to hire people that are born that way. Perhaps they have to commit a larger budget to the effort. So, they keep trying. Some are successful. But mostly, they're not. Why is this true? Is innovation truly that difficult? Is there a secret science that's elusive and only accessible by a few individuals that some companies are fortunate to have? What's the secret?

What's the difference between Apple, which goes from being a computer company to a company that's in the music business, the phone business, the watch business, the TV business and the car business, and Kodak, a company that once dominated its category and is now bankrupt? Why is it that companies know they should innovate, that they're committed to innovation, that they can see many examples of companies that successfully innovate, yet they fail miserably at the task? This begs the question: what's the difference between "knowing that" and "knowing how?" What's the difference between knowledge and skill? **How do we differentiate between knowing the skills that are required to innovate and actually being successful at innovation?**

Take the example of riding a bike. As a father, I can tell my daughter many facts about riding a bike: put your foot on the forward pedal to start, look straight ahead, lean into the turn, steer to keep your balance. But just knowing these facts does not a bike rider make! In fact, if she pays too much attention to each of these skills, leaning "just the right amount", or finding the "perfect" way to push the pedals, she will actually lose her balance. Instead, those facts, that knowledge, must be integrated into the skill. They need to become second nature. Only then will she become a bike rider.

Ahh, but, once she gets it about riding a bike, two incredible things happen. First, amazingly, she can't unlearn this skill. She absolutely can't forget how to do this. Once a bike rider, never a non-bike rider! Second, and this is very transformative, once she's a bike rider, the whole world opens up to her in "bikish" ways that she never ever conceived of before.

To quote Dr. Seuss, "Oh the places you'll go!" [2] You recognise an entire universe of things that you never really understood before. You can show off ("Look Mom!"). You can explore your world. You can exercise. You can get to places of convenience.

[1] "Innovation in 2014." <http://www.bcgperspectives.com>. BCG Perspectives, 28 Oct. 2014. Web. 10 November 2015.

[2] Seuss. Oh, the Places You'll Go! New York: Random House, 1990. Print.

[3] https://www.amazon.com/s?k=innovation&i=stripbooks&ref=nb_sb_noss

[4] Arthur, W. Brian. "The Structure of Invention." Research Policy 36 (2007) 274–287 The Structure of Invention 19 December. 2005. https://www.researchgate.net/publication/222539875_The_Structure_of_Invention

You can compete! So, it is with innovation.

The Keys To Innovation

So, what in effect then are some of the keys to innovation? What is the essence of innovation that leads companies to become perennial innovators that in fact can't "not innovate?" Most companies have a well-rehearsed list of the attributes of successful innovation: brainstorm, think outside the box, fail fast, be agile, follow a lean start-up approach, build a minimum viable product, ready fire aim, pivot, etc. What can get companies over the hump from knowing that they should innovate and from knowing the constituent skills that comprise innovation to being companies where innovation happens as a matter of course?

If you search Amazon Books for "innovation" [3] you'll find 60,000+ results. Clearly, answering this question is an area of differing opinion and knowing "the answer" of course is a fool's errand. **That said, two principles stand out that can help companies go from "making innovation a priority" to actually innovating.**

Principle #1: Demanding Certainty Kills Innovation

"If you want to have good ideas, you must have many ideas." — Linus Pauling

Understand that certainty is the mortal enemy of innovation. In those 75% of companies that are committed to innovation, it's all too common to hear about the launching of an innovation "initiative" with the accompanying hoopla and ceremony. Implied in this launching though is a demand

for X results within a Y timeframe. Executives want to report measurable results with certainty, otherwise the entire effort is deemed a failure. Unfortunately, **a demand of certainty in the innovation contract can be the kiss of death.** Why is this? Because it conveniently opens the back door to irresponsibility. Starting an innovation “initiative” after all means executives can point to something tangible that demonstrates the company’s commitment to innovation. Now, they can sit back and let the “innovation team” manage the results.

Here’s the question however. If the firm is so committed to innovation, which they should be, then why is it an initiative at all? Why isn’t it deeply bred into the company’s culture where innovation would happen as a matter of course? Of course, you’ll need discipline and accountability. But companies that innovate, can’t “not innovate.” They don’t have “innovation initiatives.” They don’t demand certainty in “innovations”, either in number or quality or fit or ROI. In fact, **demanding certainty and imposing predetermined structure in innovation crowds out ideas and creativity.** In innovative organizations, innovation is de rigueur because it’s deeply embedded in the culture and not doing so wouldn’t actually make any sense.

Principle #2: Innovation is Discovery, Not Creation

“Every block of stone has a statue inside it and it is the task of the sculptor to discover it.” — Michelangelo

Like balance in riding a bike, **the key to innovation is discovery**, the sense that you’re uncovering something, vs. creation, the idea that you’re dreaming up something entirely new.

The symbol so often used for innovation is a light bulb. The picture is, that for a long period of time, there’s darkness. Then suddenly, as if a light bulb turns on, there’s an idea that just pops into your head, and all goes from darkness to light. It’s as if you were blind, searching around, stumbling perhaps, and then suddenly, out of nowhere, a light bulb appears, in fact illuminating something brand new that you had no concept of before. Of course, it almost never happens that way. As complexity scholar Brian Arthur notes, “Invention is not an event signalled by some striking breakthrough. It is process – usually a lengthy and untidy one – of linking a purpose with a principle (some generic use of an effect) that will satisfy it.” [4].

As an innovator, you see much uncertainty, surrounded by waves of possibility, possibilities that you can’t really articulate, but you sense them. **You know that you’re headed towards a destination.** You see that you’re actually getting to know that possibility. You get confirmation that you’re actually on to something. And then that possibility becomes clearer and clearer as you get closer and closer. It in fact becomes so obvious you wonder how you didn’t know it all the time. Like riding a bike, you wonder, “what was so hard about that?” And the process actually doesn’t seem like magic. It doesn’t seem like grabbing the wind. It is, in fact, a process, that when mastered, becomes part and parcel of how you do business, of how your company functions.

Innovation is Counter Intuitive

Of course, companies want to innovate. They recognize without a doubt the importance, in fact, the absolute urgency of the need to innovate for their very survival.

But knowing and doing are two different things. Innovation is especially challenging in the chasm between knowing and doing. It is in fact, counter-intuitive, like riding a bike.

“Lean into the turn? I’ll certainly crash!” *No, you’ll find a whole new world opens up for you!*

“Allow freedom and uncertainty in my organization so that ideas flow and innovators can travel the path to the discovery of new and compelling products and services?” *Yes! You’ll find that your company will shift dramatically into one that can’t not innovate.* That in fact your people will be inspired and that ideas will flow freely and people will recognise new discoveries on the horizon. That they’ll know there’s freedom, in fact responsibility, to uncover those ideas, to develop them, to deliver them. You will, in fact, almost without knowing it, have joined the ranks of the real innovators!

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About the Author

Jeff Rubingh is a technology innovation expert, consultant and analyst. Focused on the intersection between **technology and business**, Jeff helps clients identify ground-breaking solutions that maximize ROI across existing and emerging technology disciplines.

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Jesse Nieminen

Why do so many innovation programs fail?



Whenever we talk to executives and ask how their past innovation efforts have succeeded, we usually get quite a muted response.

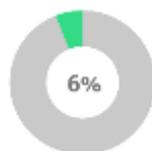
Most have tried at least some innovation initiatives or programs, and many have had positive experiences from some of them, but overall the end result often seems to be a bit of a disappointment.



These executives aren't alone. According to McKinsey's Global Innovation Survey, only 6% of executives are satisfied with their innovation performance. Unrealistically high expectations from all the innovation hype might naturally be a part of the story behind this figure, but it's still safe to say that these organizations have **plenty of room for improvement in innovation management.**

In this post, we'll look at some of the **most common challenges and mistakes** that lead organizations to fail with their innovation programs.

As building a successful **corporate innovation program** is quite a



complex challenge, this is a great first step for getting on the right path. If you're interested in the topic, we'll be covering it in more detail in an **upcoming webinar** that we're organizing together with Innovation Excellence.

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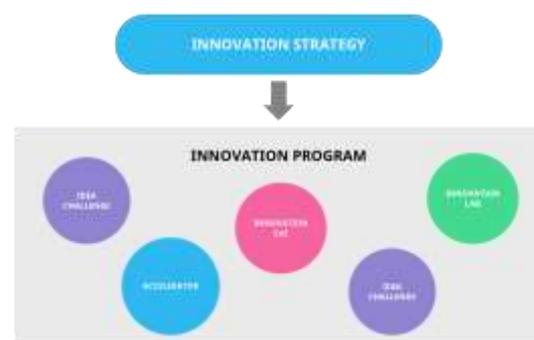
What is an innovation program?

Before we delve deeper into the challenges, it's probably a good idea to clarify what we mean by an innovation program as the term is often used quite liberally with different meanings.

In essence, innovation program is an **umbrella term for programs and projects that organizations create with the goal of creating new innovations and building their innovation capabilities.**

The term is often used to refer to individual projects, but we prefer to think of innovation programs as the larger mission of organizing individual initiatives, that aim to create innovation, into a cohesive whole.

Innovation programs typically consist of a number of separate but intertwined **innovation initiatives**, such as innovation labs, intrapreneur programs, centers of excellence (CoE), accelerators and **idea challenges.**



A failed innovation program, then, is simply any innovation program that leads to disappointing results in terms of failing to meet expectations or reaching predetermined goals.

Why do innovation programs fail?

What makes innovation so tough is that for an innovation program to be successful, the organization has to get a lot of things right, while still adapting to their individual circumstances.

There are always plenty of challenges that can each become barriers preventing the innovation program from succeeding.

Or, to borrow the **Anna Karenina Principle:**

All successful innovation programs are alike; each unsuccessful innovation program is unsuccessful in its own way.

What that means is that while there isn't a single strategy, solution or initiative that would

help organizations magically become innovative.

All successful innovation programs are alike in the sense that they've managed to build a system where innovation thrives, and where there aren't any major obstacles preventing innovation from happening.

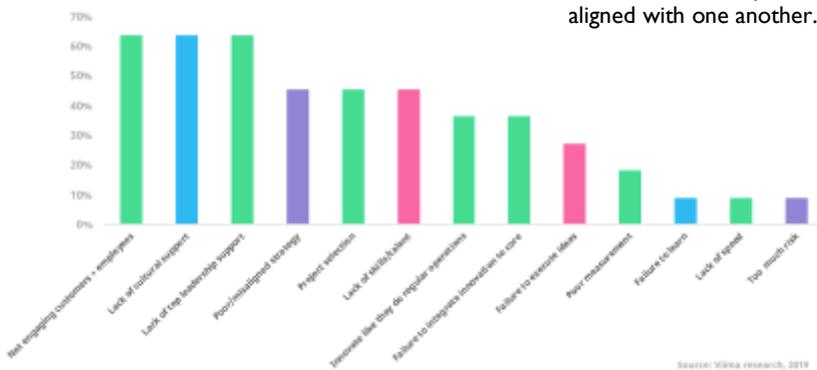
The failed innovation programs, on the other hand, can **fail for an endless number of different reasons**.

For some, culture might become that barrier, for others it might be the decision-making processes and organizational structures, or the lack of (financial and human) resources for implementing their ideas.

What are the common causes for these failures?

While it's impossible to anticipate all potential challenges beforehand, it's still a good idea to know what the most common ones are so that you can address these in the design of your innovation program.

We've looked at around a dozen of the largest publicly available studies outlining the factors with the biggest negative or positive impact to innovation success and have aggregated the results for you.

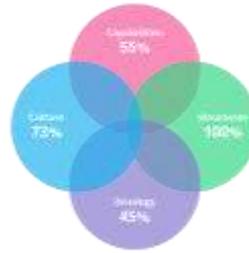


As we suspected, there was quite a wide range of factors spread over all four of the major **aspects of innovation**.

While no individual factor was mentioned in all of the studies, at least one structural aspect, which are the more practical things such

as methods and processes, was mentioned as a significant factor in all of the studies.

What the stats tell us is simply that the reason an innovation program fails is usually a combination of different factors from two or three of these aspects.



Structures, which are the more practical things such as processes, decision-making and organisational structures, were the most common factor simply because there's such a wide range of things that can go wrong there.

That doesn't mean that it would always be the most important thing preventing innovation from happening, just that it usually plays some role in the process.

Regardless, structures can easily turn into barriers that stifle enthusiasm and prevent innovation from happening, especially in incumbent organizations where there are plenty of them in place to make current operations more efficient and reliable.

However, the key takeaway here is that for the program to succeed, all four aspects must be aligned with one another.

For example, if your strategy is to focus on incremental innovation in your current industry, your innovation strategy, structures, processes, capabilities and even culture, should look very different from another organization that is

looking to break into and disrupt an entirely different industry.

Conclusion

Even though it certainly isn't easy to get all of these factors to align with one another, we've seen quite a few organizations achieve that. In essence, the key is to have a holistic approach focused on getting the big picture right and then persistently removing barriers on the way.

While it may sound simple on paper, that usually isn't the case in real life. Throughout our years in the business, we've picked up quite a few useful lessons on building successful innovation programs.

If you'd like to learn more about the theme, I'd recommend get the recording of our previous webinar on the topic that originally aired in June 2019.

In this webinar, we dive deeper into some of these challenges and will also share a practical step-by-step guide to building a successful innovation program, as well as actionable tips and best practices for building the momentum once you're off the ground.

Click [here](#) to get the webinar recording and the slides shown during it.

This article originates from www.viima.com/blog/why-do-innovation-programs-fail

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About the Author

Jesse Nieminen is the Co-founder and Chairman at **Viima**, the best way to collect and develop ideas. Viima's innovation management software is already loved by thousands of organizations all the way to the Global Fortune 500. He's passionate about helping leaders drive innovation in their organizations and frequently writes on the topic, usually in **Viima's blog**.

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Amy Morin

5 powerful exercises to increase your mental strength



Psychology often discusses mental health — but what's not often discussed is a clear definition of mental strength. To me, mental strength means that you regulate your emotions, manage your thoughts, and behave in a positive manner, despite your circumstances. Developing mental strength is about finding the courage to live according to your values and being bold enough to create your own definition of success.

Mental strength involves more than just willpower; it requires hard work and commitment. It's about establishing healthy habits and choosing to devote your time and energy to self-improvement. (Check out my list of 13 Things Mentally Strong People Don't Do.)

Although it's easier to feel mentally strong when life seems simple — often, true mental strength becomes most apparent in the midst of tragedy. Choosing to develop skills that increase your mental strength is the best way to prepare for life's inevitable obstacles.

Many exercises exist that can help you develop mental strength. But here are five that can get you started:

1. Evaluate Your Core Beliefs
We've all developed core beliefs

about ourselves, our lives and the world in general. Core beliefs develop over time and largely depend upon our past experiences. Whether you're aware of your core beliefs or not, they influence your thoughts, your behaviour and emotions.

Sometimes, core beliefs are inaccurate and unproductive. For example, if you believe that you'll never succeed in life, you may be less apt to apply for new jobs — and inadvertently, you may not present yourself well on job interviews. Therefore, your core beliefs may become a self-fulfilling prophecy.

Identify and evaluate your core beliefs. Look for beliefs that are black and white, and then find exceptions to the rule. Very few things in life are “always” or “never” true. Modifying core beliefs requires purposeful intention and hard work, but it can change the entire course of your life.

2. Expend Your Mental Energy Wisely

Wasting brain power ruminating about things you can't control drains mental energy quickly. The more you think about negative problems that you can't solve, the less energy you'll have leftover for creative endeavours. For example, sitting and worrying about the weather forecast isn't helpful. If a major storm is headed your way, worrying about it won't prevent

it. You can, however, choose to prepare for it. Focus on what is only within your control.

Save your mental energy for productive tasks, such as solving problems or setting goals. When your thoughts aren't productive, make a conscious effort to shift your mental energy to more helpful topics. The more you practice expending your mental energy wisely, the more it will become a habit.

3. Replace Negative Thoughts with Productive Thoughts

Although most of us don't spend time thinking about our thoughts, increasing your awareness of your thinking habits proves useful in building resilience. Exaggerated, negative thoughts, such as, “I can't ever do anything right,” hold you back from reaching your full potential. Catch your negative thoughts before they spiral out of control and influence your behaviour.

Identify and replace overly negative thoughts with thoughts that are more productive. Productive thoughts don't need to be extremely positive but should be realistic. A more balanced thought may be, “I have some weaknesses, but I also have plenty of strengths.” Changing your thoughts requires constant monitoring, but the process can be instrumental in helping you become your best self.

4. Practice Tolerating Discomfort

Being mentally strong doesn't mean you don't experience emotions. In fact, mental strength requires you to become acutely aware of your emotions so you can make the best choice about how to respond. Mental strength is about accepting your feelings without being controlled by them.

Mental strength also involves an understanding of when it makes sense to behave contrary to your emotions. For example, if you experience anxiety that prevents you from trying new things or accepting new opportunities, try stepping out of your comfort zone if you want to continue to challenge yourself. Tolerating uncomfortable emotions takes practice, but it becomes easier as your confidence grows.

Practice behaving like the person you'd like to become. Instead of saying, "I wish I could be more outgoing," choose to behave in a more outgoing manner, whether you feel like it or not. Some discomfort is often necessary for greater gain and tolerating that discomfort will help make your vision a reality, one small step at a time.

5. Reflect on Your Progress Daily

Today's busy world doesn't lend itself to making much time available for quiet reflection. Create time to reflect upon your progress toward developing mental strength. At the end of each day, ask yourself what you've learned about your thoughts, emotions and behaviour. Consider what you hope to improve upon or accomplish tomorrow.

Developing mental strength is a work in progress. There is always room for improvement, and at times this will seem more difficult than at other times. Reflecting upon your progress can reinforce your ability to reach your definition of success while living according to your values.

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About the Author

Amy Morin is a licensed clinical social worker and psychotherapist. Since 2002, she has been counseling children, teens, and adults. She also works as an adjunct psychology instructor. Amy serves as About.com's Parenting Teens Expert and Child Discipline Expert. She's a regular contributor to Forbes and Psychology Today.

Her expertise in mental strength has attracted international attention. Her bestselling book, *13 Things Mentally Strong People Don't Do*, is being translated into more than 20 languages.

Amy's advice has been featured by a number of media outlets, including: *Parenting*, *Time*, *Fast Company*, *Good Housekeeping*, *Elle*, *Cosmopolitan*, *Success*, *Oprah.com*, *Health.com*, Fox News, NBC, ABC, MSN, Lifetime Moms, and We TV. She has also provided on-camera interviews for Fox Business, Forbes, and TheBlaze TV. She's a frequent guest on a variety of radio shows as well.

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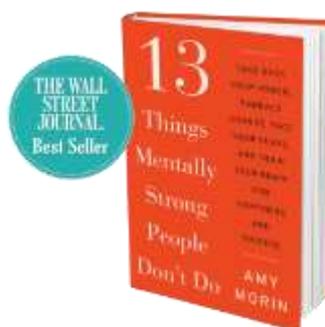
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More Quotes by Mark Twain

The only way to keep your health is to eat what you don't want, drink what you don't like, and do what you'd rather not.

Giving up smoking is the easiest thing in the world. I know because I've done it thousands of times.

There are basically two types of people. People who accomplish things, and people who claim to have accomplished things. The first group is less crowded.

Do the right thing. It will gratify some people and astonish the rest.

Courage is resistance to fear, mastery of fear, not absence of fear.

Age is an issue of mind over matter. If you don't mind, it doesn't matter.

Truth is stranger than fiction, but it is because Fiction is obliged to stick to possibilities; Truth isn't.

It is by the goodness of God that in our country we have those three unspeakably precious things: freedom of speech, freedom of conscience, and the prudence never to practice either of them.



Amy Vetter

Can't stay focused? These 4 tips show how technology can keep your mind on the job



Technology is thought to be the top workplace distraction--but if used correctly, it can also be the best way to keep you focused.

In order for your business to run the most efficiently, and for your team to strive to be its best, as a leader, you have to set a good example. People notice when you are engaged, focused, organized, and can balance various aspects of your life. Those traits are what motivate others to follow your lead.

The problem is that we battle the same workplace distractions and obstacles as our employees and colleagues. The main culprit? Technology. More specifically, the temptation to use tech for personal reasons. In a 2018 report from Udemy, an online learning platform, 78 percent of respondents said using tech for personal activities at work was their top distraction.

Of course, technology is also a crucial component to help us work more effectively. A 2016 survey from The Hartford polled more than 1,200 workers and found that a vast majority felt their work productivity is improved by the internet (83 percent), email (79 percent), and mobile devices (72 percent).

It's the ultimate Catch-22. The solution? Don't fight tech, but rather make it work for you. Implement technology in a humane way to block distractions.

Focus on setting the right parameters around technology so you can improve key business skills like communication, time management, and self-discipline.

Here are four simple strategies that I've used with great success:

1. Create no e-mail Fridays.

Give yourself and your team a break from electronic communications and create human connections instead. Set up an entire day, or just a certain time frame during the day, when you encourage everyone to communicate by phone, or if a person is within close proximity, to speak with face to face. This helps to re-ignite team collaboration and personal connection, which can get rusty from endless electronic conversations that are impersonal. It also can remind your team about the importance of keeping up personal interactions.

2. Use your phone timer.

Because of the number of notifications, I face throughout the day, it's sometimes hard to get my own work done. Setting a timer on my phone for activities that I need to finish, even if it's just 10 to 15 minutes, helps me stay fully engaged.

A timer creates a barrier against other would-be distractions since I know the clock is ticking, and I don't want to "waste" any time. This kind of self-discipline can be

contagious to those around you, especially when others see how this works for you.

3. Take scheduled breaks.

Research suggests we work better with regularly scheduled breaks. One 2018 study from DeskTime suggested that the ideal approach is to work for 52 minutes and then to rest for 17 minutes.

Following this work-rest cycle can keep you focused and avoid online temptations and distractions--as long as you don't use your break time to check Facebook. Instead, use tech to do some activity.

For example: Get up and take a walk and use a step counter. Seeing how many steps you take (or don't) often can give you the extra push you need to stand up and get moving.

I like to incorporate yoga or meditation into my breaks. Some of my favourite apps and virtual websites are Simply Yoga, Yoga Studio: Mind & Body, and Drishti Yoga, which offer instruction-led mini classes from 10 minutes to an hour.

I also use Headspace for a five to 20-minute guided meditation. It allows me to disconnect by putting on my headphones and be guided on a "vacation" from my day without ever leaving my desk.

4. Plan your day.

People notice if you're organised and efficient--and if you aren't. Creating a daily to-do list helps to keep me on track, but you can't always keep a paper agenda on hand. I've come to rely on apps that help me outline my day, prioritize my top tasks to be completed by day's end, and better manage my time.

Todoist is one day planner app that helps me set up simple checklists with due dates, as well as designate tasks to specific team members. Bonus: it can be integrated with Google Calendar and Evernote so you can collaborate with team members who don't use the app. If you don't want a separate app, Gmail and Microsoft Outlook also have functions to create task lists.

Technology can be the best and worst parts of running any business. By being mindful and intentional on how we utilize technology, and instead tap into its strengths, you can use its power for good. You'll become a more focused and efficient worker, and the kind of leader people want to follow.

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About the Author

Amy Vetter is an accomplished entrepreneur, business executive, national speaker, CPA, and yoga practitioner. She is also the author of *Business, Balance & Bliss: How the B³ Method Can Transform Your Career and Life* available in June 2017. As a third-generation woman entrepreneur, Amy has launched and sold multiple businesses including yoga studios, an accounting practice, and other business ventures. Amy has also held corporate leadership roles overseeing customer, sales, education, and marketing functions. Throughout her 20-plus years in business, Amy has learned valuable insights on how to achieve work-life harmony and live a more purposeful life.

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Andy Bounds

Why great communicating is like great parenting

Here's something that's never happened...

Two parents watch their child take her first steps. But she falls. They shrug and say "Well, you'll never be a walker."

Never happened. Never will. Instead, they'll encourage her to get up, try again and again, until she can.

Good idea, right? Someone tries something. It doesn't work. So, we encourage them until they can. So why is it in CorporateLand that we tell people something once, and are then amazed when they don't do it?

Like the Exec who does a roadshow telling people about the new strategy – and is amazed when, six months later, people haven't changed.

Or the boss who emails his team, asking them to change how they work. And is amazed that this one email didn't make a long-term, habit-breaking change.

The answer?

Follow-up more.

Do it regularly. Do it relentlessly.

Maybe use "best/next" – "what's the best thing you've done, to help with the new strategy? And what's the next thing you're planning to do?"

Unless, of course, they'll never be walkers...

Action Point

Next time you ask someone to change the way they work, diarise a reminder to follow-up with them in a few days/weeks. Then, ask "best/next" to make sure they're doing what you want. And for more tips on how to master this, and other critical techniques, there are hundreds more here:

www.andyboundsonline.com

And for more tips on how to master this, and other critical techniques, there are hundreds more here:

www.andyboundsonline.com

Are you following me on twitter?

To receive my weekly tips on how to communicate more effectively, [click here](#)

Short of time? Here are my [Quick Wins](#)

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About the Author

Andy Bounds is an expert at helping companies communicate and sell better. Author of two best-selling books and winner of the title Britain's Sales Trainer of the Year, Andy has shared his expertise with some of the world's largest companies, helping every one of them have more success. Marketing legend Drayton Bird said Andy had taught him '... more about effective communicating than a lady who'd taught two American Presidents'.

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John Niland

Off the clock - making time for life



There is little doubt that we are **working harder** than any generation before us. Since the early 90's, there has been a steady upward trend in people reporting not only that they have to work hard all of the time, but also at very high speed.

It's not just the quantity of work: **it's the intensity**. The messaging, the multitasking the multiplicity of projects and the everchanging organisational structures all take their toll. For **freelancers**, we can add an ever-evolving scope of work, constant rotation of client managers, globalised competition and fee pressure. From year to year, **everyone is expected to do more with less**.

In the midst of all this, **it takes real self-worth to claim time for rest: for time "off the clock"**, as a successful professional recently put it to me. When you decide to take a break, you have to know you are "worth it" in order to push back at the resistance you often get.

Here are a **few guidelines** that I find useful. Feel free to adapt for your situation.

- If I read an email, I can easily invalidate a day off.
- On the other hand, I'm happy to take an ad-hoc call: I would rather do so than worry that someone might be struggling and unable to get in touch
- However: **no scheduling of calls!** The whole point is to take

time "off the clock" i.e. to have unscheduled time.

- Where possible, I find **strategic decisions are best made after a holiday**, not *before*. The quality of decision-making is simply better.

In the words of Ovid, "A field that is rested gives a beautiful crop". **Are you getting time "off the clock" this summer?**

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About the Author

John Niland is best-known as a conference speaker on doing higher value work and creating more opportunity via better conversations. His passion is energising people: boosting growth through higher energy levels, that in turn leads to better dialogue and business growth.

Since 2000, John has been coaching others to achieve success, with a particular passion for supporting professionals "who wish to contribute rather than just to win, and hence do higher value work via better conversations with clients and colleagues".

In parallel, John is one of the co-founders of the European Forum of Independent Professionals, following twelve years of coaching >550 professionals to create more value in their work. Author of *The Courage to Ask* (together with Kate Daly), *Hidden Value* and *100 Tips to Find Time*.

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A Look Ahead to September: Turning Excited Prospect Into Client

On **September 26th**, we re-run one of our most popular webinars from the past few years: "**How To Turn An Excited Prospect Into A Client**". In the words of one past participant, "*Your webinar was so timely. It saved me from that classic pitfall of over-enthusiasm. And I got a fee that's at least 20% higher than I would usually have quoted*".

We will be dealing with some of the **classic pitfalls** (like over-enthusiasm), many of which stem from an incessant **drive to "prove oneself"**. Self-worth is therefore particularly relevant in this key discussion. We will be addressing:

- Six common pitfalls in **prospect meetings**
- How **clients manoeuvre** you into being their servant, rather than a partner
- Four key skills that will allow you to **charge more...** and still be more **compelling**
- How to build **solutions WITH clients**, not just FOR them
- **Q&A**, based on what you bring to the call

Our next Webinar:

"How To Turn An Excited Prospect Into A Client"

Click Here >

REGISTER FOR WEBINAR

(PS: Do you (or your association / company) organise **meetings, workshops or events?** **John Niland** is also available as a **speaker**. For a detailed speaker bio with topics, please email Pam (pam@SelfWorthAcademy.com) with some info about your event and schedule.)



Ron Kaufman

In the world of big data, old school customer service never goes out of date

What does good customer service mean to you? Is it a restaurant owner who ushers you to your favourite table with a warm welcome? When a company accepts a return and gives you a full refund with no questions asked? Or when someone takes the time to say a genuine thank you?

Today we use sophisticated technologies to learn a great deal about our customers. We track what they like, what they spend, what they search for, where they go, and how often they return. Yet despite all this new “big data” and the insights it can deliver, customers all over the world still appreciate **“Old School Customer Service”**.

These five “Old School Customer Service” techniques are time-tested, and they work as well today as they have for generations.

1. Make a personal connection.

Let’s face it: sometimes we hide behind our keyboards and devices. It’s easier to dash off an email than to schedule a phone call. It’s a lot faster to update everyone with a social media post than it is to update one real person with a face-to-face meeting.

While the digital world offers many advantages in speed and scale, it still makes good sense to relate to your customers on a personal level. No matter what business you are in, there is still a human being on the receiving end, and **that human being has a name, a face, and feelings.**

There are obvious reasons why you can’t always meet one on one with all your customers in our

global economy. But it is still a good use of time and resources to meet your clients in person whenever you can.

And when you can’t meet in person, you can still use technology to create a personal touch. Your phone can be a great customer service device. Talking with a real person instead of leaving each other messages is distinctly old-school, but it can make a big difference in how your customer feels about you in today’s increasingly impersonal world. Combining voice with video lets you meet face-to-face without the travel expenses. Skype, Google Hangouts, FaceTime, WebEx, GoToMeeting, and other platforms make it easy.

2. Use your customers’ names.

We are all wired to enjoy the sound of our own names. Have you noticed how an acquaintance lights up when you remember his or her name? Can you recall the disappointment you felt when someone you admired had forgotten your name?

“Old-School Customer Service” doesn’t refer to people by their order numbers or passwords; it uses names. Addressing your customers by name helps each person feel valued and acknowledged. There are many tricks for remembering names, and one of the best is simple repetition. When you are introduced, use the other person’s name. When you part (or sign off), use their name again. The next time you meet, use their name. If you have forgotten someone’s name, instead of not using a name at all, ask him or her to remind you, and then repeat the repetition process again.

It helps to remind customers of your name as well. When you put yourself on a familiar name basis with clients, it helps to develop a genuine relationship. Using names makes each customer’s experience a bit more personal and more valuable.

3. Follow up promptly.

“Old School Customer Service” feels **the need for speed**. How do you feel when you e-mail a company and never receive a response? How do you feel when you are left waiting on a phone line by a service provider who forgot to tell you just long it was going to take?

Making customers wait is simply bad business. Study your response times today and find a way to cut them down tomorrow. When you respond quickly to a customer inquiry can be the difference between gaining, keeping, or losing a valuable customer. It doesn’t take much for customers to find someone else who can and will answer their questions.

And after a sale has been made or a problem has been solved, contact your customers again. Make a phone call or send a personal e-mail to find out how your customer feels, and what else you can do to help or serve them. The time you invest in this small extra effort will pay back handsomely in customer retention.

4. Show your appreciation.

Today it’s easier than ever for customers to switch and take their business to someone else. Options are the ordinary, alternatives are abundant, and your competition is just one a click away. When someone does choose you, make it a point to

show your appreciation in a manner they will truly notice. Don't just send an email, follow the "Old School" rules and send a handwritten note. Yours will be the only one they receive and will surely remember. If the situation is appropriate, send flowers, a box of chocolates, something that says "Thank you very much!" and not just "We appreciate your business."

Showing appreciation also applies to your colleagues, vendors, suppliers, and other business partners. Letting them know just how much you appreciate them can make their day. And that can make your day easier the next time they go an extra mile to help you.

And don't worry about showing your appreciation too much. Have you ever heard of a person feeling over-appreciated? Me neither.

5. Smile

There is something important and effective that happens when we smile. We become kinder and more generous. We choose our words more carefully. We even end up living longer and more successfully – **and this video proves it.** This change in attitude can be felt by your customers, your colleagues, and everyone else you meet.

Whether you are working over the counter, over the phone, or over the web, smiling always works. When you have eye contact and you smile, other people automatically and subconsciously notice. It makes them feel more relaxed and at ease. Smiling makes working together more effective.

When you speak and listen on the phone, putting a smile on your face will also make a difference.

The next time you listen to someone else on the phone, imagine whether or not they are smiling. You can tell just from their tone of voice! And others can tell the same about you. So, smile when you are on the phone. You will both hear the difference.

Smile when you are writing an email message, a web-chat, or filling in a form on the web. Smiling boosts your energy, raises your spirits, and will influence those who read the words you choose. Try writing one message without a smile, and then another with a grin on your face. Can you feel the difference? Those who receive and read your words will certainly feel them, too.

Old School Values are Never Out of Date

The world is always changing, and new possibilities will appear. But old school service values and behaviours will never go out of date. "Old School Customer Service" is good practice and good business.

These five proven techniques are here to stay. Use them regularly and you will be here, too.

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About the Author

Ron Kaufman is author of The New York Times, USA Today and Amazon.com bestseller, "Uplifting Service! A Proven Path to Delighting Your Customers, Colleagues and Everyone Else You Meet" and 14 other books on service, business and inspiration. He is also the founder of UP! Your Service, a company that enables organizations to build Uplifting Service cultures and enjoy a sustainable advantage.

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Wisdom from Mark Twain

Get your facts first, then you can distort them as you please.

The secret of getting ahead is getting started.

The fear of death follows from the fear of life. A man who lives fully is prepared to die at any time.

It is better to keep your mouth closed and let people think you are a fool than to open it and remove all doubt.

Patriotism is supporting your country all the time, and your government when it deserves it.

Kindness is the language which the deaf can hear and the blind can see.

Go to Heaven for the climate, Hell for the company.

You can't depend on your eyes when your imagination is out of focus.

Whenever you find yourself on the side of the majority, it is time to pause and reflect.

The best way to cheer yourself up is to try to cheer somebody else up.

Anger is an acid that can do more harm to the vessel in which it is stored than to anything on which it is poured.





Barry Urquhart

Remember: Stick to the knitting

The year 1981 seems so distant and passive. A lot has happened in 38 years – technology, innovation, creativity, the rapid evolution of the internet, Microsoft, Apple, Amazon, iPhones, digital media and disruption.

Some 7.5 million people around the world rushed out and bought a business book, “In Search of Excellence”.

Authors Tom Peters and Bob Waterman Jnr were consultants with the Boston Consulting Group and had studied the supposed best-run companies in the United States of America. The focus was narrowed to twenty entities. They then identified, isolated and analysed twelve common key features and characteristics.

Among the key dimensions the philosophy:

“STICK TO THE KNITTING”

That is, to recognise, respect, refine and adhere to that which one does best. The inherent discipline avoided, or minimised, the distractions and allure of expanding product/service lines, activities and markets.

A Matter of Time

Among the profiled companies was General Electric (GE) which at the time manufactured, distributed, sold and serviced aeroplane jet engines, high-order medical equipment, refrigerators, household white goods, credit cards, finance and insurance services.

Chairman and President, Jack Welch, was held up to be an outstandingly successful business leader. His books on leadership, management and entrepreneurship sold millions of copies globally.

For formal and informal students and practitioners of commerce, Jack Welch was an authoritative sphere-of-influence.

He was foremost in taking a company first established by Thomas Edison to manufacture, distribute, retail and service incandescent electric lights, to being a global leviathan operating in many sectors, regions and nations.

Considerable wealth was created. In relatively recent years, Jack Welch has retired, and GE has lost around 95% of its share-market value. Companies, brand-names, products, services and supply chains have been closed, liquidated, merged and sold-off.

With the effluxion of time, the advantages, benefits, rewards and economic sustainability of specialisation and *sticking to the knitting* became apparent.

Contemporary General Electric, a much smaller, focused and disciplined trading entity is now pursuing organic growth, within strict philosophical and cultural parameters.

Principles Applied

In Australia, evidence is mounting that between, and within sectors, categories and professions, companies, firms and groupings are applying the same or similar templates.

Woolworths, the largest supermarket network in Australia,

has decided to separate and/or dispose of all or most of its interests in service stations, liquor stores, hotels and gambling machines.

It is an extension of the, doubtless, painful, and expensive decision to cease operating the Masters hardware, retail chain.

Woolworths does supermarket retailing well – better than most, if not all local competitors.

Concentrating its resources, focus and capital on what it does best, provides scope to leverage the outcomes, to the benefit of shareholders, customers, suppliers, associates and its extensive workforce.

Shorter supply-chains and tighter, integrated internal communication channels facilitate more efficient and effective operations, and provide the basis for heightened defensive strategies.

A Moment to Reflect

During the first week of July, 2019, Lee Iacocca, the former President of both Ford and Chrysler, died at age 94.

Infamously he was removed by Henry Ford II, and subsequently took up the top position with Chrysler, which had failed financially. Chrysler was the first U.S. enterprise ever to receive federal funding support to survive.

Iacocca accepted an annual base salary of \$1.00 – plus, performance bonuses.

He marshalled what resources he had, was the catalyst for a new range of Chrysler vehicles and fronted the mass media advertising campaign.

His message, a challenge, was captivating:

If you can find a better car, buy it.

He stuck to the knitting. After the first year, the company returned to profit. He pocketed a \$20 million bonus.

Within a short period, the U.S. federal government was repaid, with handsome profits.

Focus, discipline, pride and enthusiasm, hard work and customer care are profitable.

Part of the Chrysler advertising message was the statement:

There is only one thing more important than excellence... maintaining it.

Telling, evocative and outstandingly successful.

Parallel History

Over time, Lee Iacocca retired, new management teams were installed and new cultures and philosophies implemented. Chrysler broadened its scope in its merger with Nissan and Renault.

An initiative that failed and is progressively being unwound.

CONCLUSIONS

Growth, adaptations and globalism are, in their own rights and when applied judiciously and appropriately, laudable.

Organic growth is typically slower than an assertive acquisitive pathway.

When complemented, influenced by and contained within the parameters of *sticking to the knitting*, the prospects for sustainable success are enhanced.

There is no single formula which can be, or should be, applied to and by all.

It is, however, an important step to excellence, and in maintaining it.

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About the Author:

Barry Urquhart, Managing Director, Marketing Focus, Perth, is an inspiring speaker, author of Australia's top two selling books on customer service and an international consultant on dynamic innovation and creativity.

Barry is author of six books, including the two largest selling publications on service excellence in Australasia. He is a regular commentator of consumer issues on ABC radio, is featured on a series of interview topics on "Today Tonight" and contributes articles to 47 magazines throughout the world.

He is one of Australia's most active keynote speakers and is an internationally recognised authority on quality customer service, consumer behaviour and creative visual merchandising. Marketing Focus is a Perth based market research and strategic planning practice. The firm and Barry consult to multinational, national and local entities in the private sector and the public sector. He is a former lecturer in Marketing and Management at the Curtin University of Technology and has degrees in marketing, political science and sociology.

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Even more Quotes by Mark Twain

It is curious that physical courage should be so common in the world and moral courage so rare.

Climate is what we expect, weather is what we get.

Don't go around saying the world owes you a living. The world owes you nothing. It was here first.

When your friends begin to flatter you on how young you look, it's a sure sign you're getting old.

The most interesting information comes from children, for they tell all they know and then stop.

Do the thing you fear most and the death of fear is certain.

The human race has one really effective weapon, and that is laughter.

A man's character may be learned from the adjectives which he habitually uses in conversation.

If you hold a cat by the tail you learn things you cannot learn any other way.

The right word may be effective, but no word was ever as effective as a rightly timed pause.

Wrinkles should merely indicate where smiles have been.





Professor Colin Coulson-Thomas

Transformational leadership for an agile and Innovative Corporate Strategy

Too many boards interpret building a resilient business as ensuring the survival of current activities rather than creating a more sustainable business model. They view certain technologies as disruptive of existing approaches rather than as enablers of new possibilities. They react rather than initiate and become victims rather than beneficiaries. They also lack a systems perspective and do not see the interconnectedness of events.

Ethical, thought, listening and responsible leadership tend to be overlooked. Transformational leadership is more often mentioned than effectively practiced. It implies transformation from one state to another, during which requirements, situations and priorities can change. Restructuring, re-engineering and transformation can be lucrative for those who advocate them and are hired to pursue them, but as I have set out in a series of reports there are more affordable, quicker and less disruptive routes to high performance organisations.

Before restructuring, re-engineering or transformation can be completed, original goals may already be out of date. More flexible, imaginative and relevant strategies are required such as reinvention, intelligent adaptation or the adoption of a new model of organisation and operation such as the flexible network organisations I advocated over 25 years ago in my book *Transforming the Company*. They can expand and contract, evolve and grow organically as required. Leadership needs to span boundaries and such networks of relationships to facilitate collective responses.

Innovation is also more talked about than actively embraced. The risk aversion of many boards, their desire to protect existing positions and practices, and their fear of uncertainties associated with genuine innovation result in them becoming obstacles to change.

Innovation can transform lives, but the protection of intellectual property and the incentive this gives to play and win the innovation game varies greatly across countries. The 2019 U.S. Chamber International IP Index benchmarks the IP framework in 50 global economies. The US and UK are first and second at the top of the table with scores in excess of 42. The UAE and India are only in 32nd and 36th place with scores of just over 16 and 18 respectively.

The Managing Intellectual Capital to Grow Shareholder Value investigation I led revealed that many areas of intellectual property with the biggest potential were not being managed. Some companies could be many times larger and more valuable, if their IP was exploited by licensing, franchising or a different business model. They are held back by the lack of imagination of their directors.

Agility is an issue because many organisational and board structures, strategies and practices are inflexible. Unexpected events happen, yet many boards remain tied to monthly meetings and annual calendars of business. They use a cycle of strategy analysis, formulation and implementation that does not reflect the reality of the contemporary business environment.

Why is innovation in leadership and governance so limited? Why aren't more boards initiating the development of business and governance models that can intelligently adapt and which they can

steer to accommodate changing circumstances? Why aren't directors putting in place more flexible 24/7 arrangements for monitoring and addressing issues as they arise?

Many financial measures of performance overlook missed opportunities or the exponentially rising future cost of the consequences of delays. What value do many directors add beyond meeting a minimal governance requirement and fulfilling a periodic ritual? Why are so many highly paid people consistently so agonisingly slow to see and respond to the obvious?

Responsible leadership should concern the totality of a business, not just particular projects. Enablers of innovation should work with the grain. Recently thousands of children walked out of school to campaign for action to address climate change. The consequences of our inaction will really bite in their lifetimes. They asked a question Lord Stern has put: Why are we waiting? More pointedly, they asked: Why are we trashing their futures? Do we want our children and obituaries to view us as self-absorbed talkers and complacent ditherers?

Leadership should be concerned with giving a lead and providing direction. IOD's strapline is building tomorrow's boards and this has never been more needed. Some boardrooms seem like bunkers in which people hunker down and hope for the best as storms of change and opportunity rage outside. Some directors who rarely meet customers and investors defend their inaction by saying the timing is not right or that stakeholders are not yet ready.

With climate change, if we wait for other people to catch up we may condemn our children and grandchildren to a future of scavenging in

dumps of our rubbish while dealing with extreme weather events.

Responsible and transformational leadership requires a change of gear and a shift of focus to the innovations we need to address certain challenges that threaten to overwhelm us and create and seize opportunities to build a sustainable future.

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