

Better Business Focus

November 2018

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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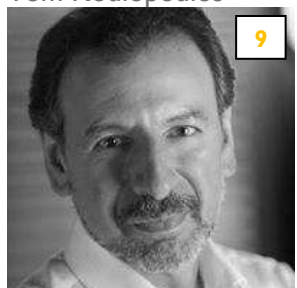
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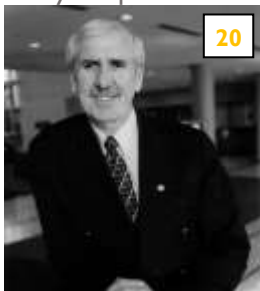
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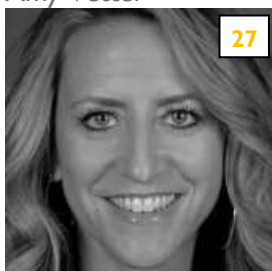
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Drayton Bird

What I told Britain's best marketing director - And what he said about me



I have been known from time to time to say rude things about marketing directors, but that doesn't mean there aren't some damn good ones.

A few years ago, hunting new business, I wrote to the marketing director of a new low-cost airline, suggesting direct marketing might help.

He replied saying, "Thanks, but no thanks. I'm trying to build a brand here."

I then replied asking, "A brand amongst whom?"

I argued that your brand doesn't have to mean something to everyone - only those most likely to be customers.

Apart from anything else, using mass media is damned expensive. One reason is simple mathematics: for the last 50 years and more the rise in the cost of reaching people via such media has consistently exceeded the rate of inflation.

Anyhow, whatever I said worked and he asked me to come and see him. As a result, we started work for this new airline, which was called Go. Eventually it was sold to easyJet, who didn't believe in direct marketing, so that was that.

But for his work on Go, my client David Magliano was named

Marketing Director of the Year, and just to show this was not just good luck, when he became Marketing Director for the London Olympics, he received this accolade again.

As far as I know David is the only person ever named Marketing Director of the Year twice. I do not know about his other qualities, but what struck my colleagues and I about him was that he listened.

He had an open and enquiring mind. Far too many people are too busy talking to listen.

But what I really appreciated was something he wrote after we had finished working for him.

He said "When I was marketing director of Go, Drayton taught me the difference between a sale and a customer, and in so doing made our budget work twice as hard."

But the lesson from our work with him which you might like to think about is that when you think about building a brand, don't assume this means big numbers or the entire population.

The way I usually put it is, "Why speak to everybody when you only need to speak to somebody?" One of my clients sells highly complex measuring equipment. I would imagine 95% of you reading this have never even heard of their name.

But they turn over billions - and in their market they are THE brand.

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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Favour Erebosi-Samuel

Rebranding that guarantees ROI

Often brands, big and small, contemplate rebranding. Either the logo is old, or it requires rejuvenation or slight change, the colour may no longer reflect the new vision and goals of the brand. Sometimes, it might require a slight change in name. Brands for some reasons or the other have the need to rebrand.

However, as much as changing the logo, the colour, identity etc. may reflect a rejuvenated brand, but rebranding in the real sense of the word is beyond the physical. These are good things to do to create the buzz and media publicity. However, after the fanfare is over, most companies miss the most important part of the rebranding - **more convenient service**.

The best rebranding is about improving service delivery and breaking new grounds in efficiency and service. In most cases, companies spend a lot of money on the publicity and forget that the most critical aspect of their business is not the public image, though it is important, but customer perception and satisfaction is key.

Here are some basic aspects that should guide a rebranding that focuses on customer perception and satisfaction.

Start internally: Any company wishing to rejuvenate or rebrand should begin from the inside (within). It is the perfect time to access the efficiency of your Makinsey 7s management framework; Systems, strategy, structure, skills, shared values, style and staff. The truth many organizations spend so much on aesthetics, good office structure, beautiful and dynamic website, when

the issues are within. If, by any chance, you wish to do things differently or rebrand, start from within. Your present systems and strategies may be obsolete, especially in this age of digital revolution...

What updates have made on your CRM software, do you even have one?

How about your staff, are they well taken care of (let us talk more on this later)

Skills, how often do you train your staff? Ensuring that these are proper perspective is the beginning of your proposed rebranding.

Customer Convenience is Key:

Any organization contemplating to rebrand should remember that customer convenience is far much more important than a new name and logo. For instance, a bank with the intention to rebrand, should start by reducing the number of minutes it's customers have to wait in a queue before being attended to. First thing first, take care of the unnecessary queues, delayed and poor service or product delivery/timeline etc., the fanfare can then follow...

Motivated Employees are an important Resource: Customer satisfaction is linked to employee's experience. Your rebranding will succeed or fail based on how enthusiastic your employees are to their job. Do they feel that their welfare is taken care of? Do they feel valued? Are you investing in improving their skills? When was the last time they had a salary/benefits review?

At the end of it all, every organization should appreciate the fact that employees come first; they are your greatest asset. It is surprising how companies are quick to spend hefty sums of

money in buying Christmas presents for suppliers whereas they spend nothing or very little on employee. Organizations need to appreciate that an unsatisfied workforce easily erodes whatever investment you put on customer service.

Beyond their welfare, your employees need to have a positive attitude towards their job. In most cases the companies I see rebrand do not need to spend all the millions in repainting their offices and cars, what they badly need is change of mindset for their staff and retraining them in customer service, efficiency and leadership.

Rebranding is a great way of reinvigorating business and giving an organization some freshness. However, a rebranding that focuses externally only will soon slowly kill the brand. If you plan to rebrand your company start within and probably you might not need to spend all the millions in a publicity venture. Secondly internal rebranding can come in handy in giving you savings on advertising, as a happy client becomes an un-recruited brand ambassador.

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Favour Erebosi-Samuel is the Branding & Marketing Coordinator at Wecosystems International Ltd. A public speaker, author and blogger.

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Andy Bounds

How to nail your First Date

First dates...

Some go well. Some don't.

But *none* would go well if you brought slides, and said 'These summarise my life so far, and what I think's going on in your world.'

She'd probably tell you she was going to the restroom, but then not return!

Business chats are like first dates. In that you want both of you contributing and enjoying it. So, creating irrelevant slides they didn't ask for – well, that's a bad idea.

Instead, prep these four things:

1. The DO – what you want the other person/you to DO after your chat
2. Your opening – a great start, and your chat should go well. But start badly, and you might not recover
3. Questions to ask – prep questions you'll ask them. This ensures they speak (whereas preparing slides might mean only you do)
4. Remove DREADs – for the things you're dreading them saying, prepare in advance how you'll respond when they say them

In fifth place, maybe – just maybe – write some slides.

Me? I rarely do slides. Because these Top Four always lead to a good conversation.

Anyway, must dash – she'll be returning from the restroom any day now...



Action Point

For your next conversation, prep these Top Four before you start. And leave those lovely slides in your bag. You can always get them later if you want to.

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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'.

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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Yoram Solomon

How to kill innovation with email, guaranteed!



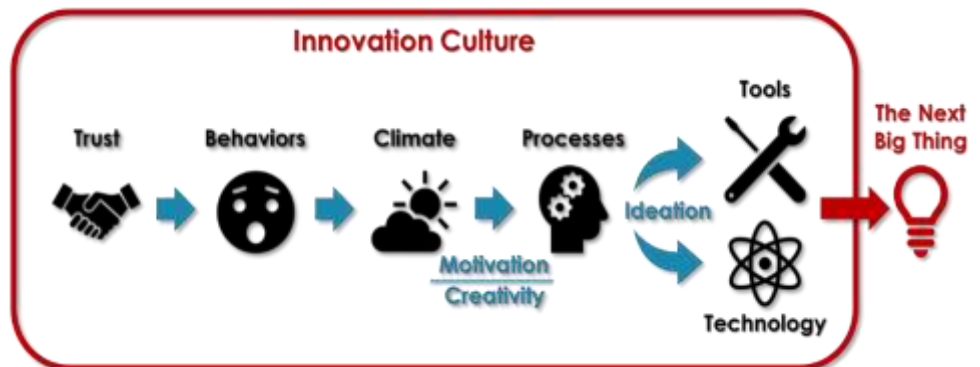
How often do you use the BCC field in an email header? Here is one negative consequence to consider.

Innovation is a team sport. You must rely not only on your own ingenuity and creativity, but also on that of your team members. Innovation also requires a culture of innovation, of which team dynamics play a critical role.

Constructive Disagreement

Effective, productive, and creative teamwork rely on your ability to conduct **constructive disagreement**. This is the type of argument or debate that focuses on issues, and not on people. It is passionate, but not emotional. The alternatives, the politically-correct discussion and the destructive conflict yield very little creativity, productivity, and effectiveness in teamwork. Instead, topics are “off the table,” or you attack people instead of ideas, using emotions instead of rational passion.

To be able to conduct constructive disagreement, you must be willing to do three things: be vulnerable enough to ask stupid questions and suggest stupid ideas; feel safe providing constructive feedback to others about their ideas and questions; and—be confident enough to truly listen and entertain such feedback from others, even if you don't agree with it.



(Image Source: Yoram Solomon)

Trust

All three of those require one definite prerequisite—trust. Without trusting the others not to make fun of you (especially outside the meeting), you will not allow yourself to be vulnerable with them. Without trusting the others not to take your feedback personally and attack you back, you will not feel safe providing such feedback. And without trusting that the others have your (and the company's) best interests in mind—you will not be willing to listen to their feedback or entertain it, whether you accept it or not.

BCC

Now I'd like you to put yourself in the following scenario.

A colleague just sent you an email. You are the sole recipient of that email. Your email address is in the “To” field of the email header. There is no other email address in the “CC” field. As you contemplate an answer to this email, you receive another email. This email is from your mutual boss (or even someone else in the team or outside it). It appears to be in response to the original email sent by your colleague.

But wait! How could your boss have responded to that email if her email address was not in the “To” or “CC” fields? Now you get it. She was BCC'ed on the original email!

What do you feel? Specifically, what do you feel about your colleague?

I know what you are thinking. Why would anyone BCC someone else on an email? And even worse—my boss! Obviously, because they didn't want you to know that another person is copied. Maybe because they wanted the boss to show how great they are. Maybe because they wanted to show the boss are not-so-great you are.

Either way—do you trust that person after this? How many times did they do it in the past? How many times will they do that in the future? *Would you be willing to be vulnerable with that person?*

Would you feel safe giving them real feedback?

Would you consider their feedback genuine?

The only person I ever put in the BCC field is myself, on emails that I want to keep in my Inbox. For no other reason. Don't put other people in BCC. You will dramatically erode trust, and will never achieve the most effective, productive, and creative teamwork you can. And if someone else does it—kick them out of the team.

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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 7 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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Sunil Bali

The Zen of Popeye



As a kid I used to enjoy watching Popeye cartoons. His catchphrase was "I am what I am and that's all I am, I'm Popeye the sailor man."

The inference being that Popeye is just being himself. Equal to everyone, but superior to no one.

There is a Zen maxim which states, "All things exist to express what they are."

On Old MacDonald's Farm, the ducks go quack, the dogs go woof and the cows go moo.

The dogs don't moo, the ducks don't woof and the cows don't quack.



When it comes to humans we all have:

- A spiritual nature which includes the expression of love, joy, compassion and creativity which makes us happy.
- An animal nature which includes the basic human need for food, shelter and sleep.
- A personality with a blend of desires, talents and traits which is unique to us.

Expressing your true voice and uniqueness is liberating and invigorating.

In short, be what you are.

Because, the more you do who you are, the happier and more successful you'll be.

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About the Author

Sunil is a Performance Coach, Speaker and Author.

Ex Head of Talent for Vodafone Group and Santander, and having run a £50m business, Sunil has been responsible for hiring over 50000 people and has had the pleasure of working with some great entrepreneurs, professionals and leaders.

Moving minds - Transforming performance

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David Burkus

Why your creative idea isn't all that original (and that's a good thing)

Here's an uncomfortable truth: Your amazing, original idea—the one you swear is going to transform the world—is not all that original.

At least not in the way that you think.

And that doesn't mean it's not going to transform the world.

We tend to think that outstanding creative works or amazing disruptive innovations sprang forth into the world wholly original and unique to that industry. We think that they came from nowhere and their mere arrival changed everything.

It's quite simply not true.

As I've written about in *The Myths of Creativity*, the truth is that all ideas are combinations of pre-existing ideas. And most often "disruption" happens when an existing idea (or a new combination of existing ideas) migrates from one field to another.

If you think about the creative world, what's the most innovative, amazing, successful movie franchise in history?

Star Wars.

The original Star Wars isn't actually all that original. (And obviously many have argued that the newest ones aren't that original either). Star Wars is a combination of spaghetti westerns, some Flash Gordon serials, Akira Kurosawa samurai films, mixed in with a little World War II fighter jet scenes and some Muppets. That's about it. George Lucas mostly just threw movies and genres he loved watching into a cinematic blender and out came the Skywalker saga.

We see the same thing in business. The most disruptive innovation most people are talking about right now (and have been for years) is still Netflix. But what did Netflix really do? All it did was borrow the subscription model from newspapers and magazines and apply it to DVDs. That's it. After "disrupting" DVD rentals and putting places like blockbuster out of business, it realized that the internet was ready and able to provide an on demand model similar to what cable companies had already been using. Both of its "disruptive" moves were really about taking an existing idea and serving it up via a new channel.

This idea—that ideas are combinations of pre-existing ideas—is so important because many of us believe that huge, amazing, disruptive ideas belong on a pedestal to be observed, written about, and almost worshiped as something that only a few blessed people would be able to spring forth. But if all ideas are combinations of pre-existing ideas, then anybody can do that. If creativity is really about being playful and combining new things, then it's a skill anyone can develop.

What matters is what you pay attention to. What matters is what you're inputting. What matters is what you're consuming and combining. George Lucas made an incredible combination of ideas because he was consuming so many different, diverse ideas.

If all ideas are combination of pre-existing ideas, then your first job is to realize that anybody can do this. And your second is to realize is to be a student of creative ideas far more

often. That way you can come up with more creative combinations.

All ideas are combinations of pre-existing ideas. So, go start combining.

This article originally appeared on DavidBurkus.com and as an episode of the *DailyBurk*.

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About the Author

David Burkus is a best-selling author, a sought-after speaker and associate professor of leadership and innovation at Oral Roberts University. His newest book, *Friend of a Friend*, offers readers a new perspective on how to grow their networks and build key connections—one based on the science of human behaviour, not rote networking advice. He's delivered keynotes to the leaders of Fortune 500 companies and the future leaders of the United States Naval Academy. His **TED talk** has been viewed over 1.8 million times and he is a regular contributor to *Harvard Business Review*.

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Tom Koulopoulos

Beware these 10 innovation killers



These Innovation Killers are insidious behaviours that you need to get rid of now!

After 30 years of watching and helping companies that struggle with innovation I've realized that there are a few things that most often stand in the way of innovation. I call them the Innovation Killers; they stealthily eliminate that vast majority of ideas without so much as trace.

These Innovation Killers aren't malicious attempts to kill innovation. Our intentions are always good ones: to minimize risk, to deliver predictability, and to satisfy market and analysts' expectations.

The innovation killers always have armies of well-intentioned corporate citizens behind them, ready to defend their turf and keep innovation at bay, lest it disrupt the status quo.

I'll warn you though that changing each of these behaviours will encounter some natural resistance due to the incorrect view most people have of how innovation actually works. We want to believe in the magic of innovation, the fairy tale. The reality is that innovation is a process that can be managed, fostered, and nurtured.

1. Believe that innovation will just happen.

The belief that innovation will just happen makes about as much sense as the belief that a garden will sprout in your backyard without any planting, weeding, or watering.

Innovation requires a proactive process that identifies, validates, and nurtures ideas into value. The challenge is that the overwhelming majority of ideas will not pass muster but without a process you'll not only ignore the ones that aren't valuable but also ignore those that do.

2. Tell everyone to "think outside the box," hold a brainstorming session, then call it a day.

Great ideas are the seeds of innovation; they are not innovation itself. Ideas are not in short supply. Spend an hour in a meeting with a few bright people and you will end up with dozens of new ideas. Then what? Where do those ideas go? Who evaluates them and shepherds them through the next stages? Ideas are not innovation. Companies that get innovation right build, implement, and communicate a process to support innovation, so that everyone is able to participate. In the end you have to have a formalized process for ensuring that ideas are nurtured.

3. Lay the success of innovation solely on the shoulders of your technologists.

Technology should support innovation, not lead it. This is because innovation is first an issue of corporate culture. Absolutely anyone in your organizations should be able to submit a new idea for evaluation.

4. Create an obstacle course for ideas.

If you want to guarantee a process that kills the innovative spirit, force people to take time away from their regular jobs to build their new ideas on their own. Ideas need a safe place to take shape and they need resources. They have to be protected for long enough to be evaluated and then evolve. Make this process cumbersome and people will just avoid it, and their ideas will simply languish rather than flourish.

5. View "different" and "new" as bad.

If anything is certain it's that every great idea, product, or service will eventually be trumped by a better one. Yet the fear of the "new" is always an obstacle. So, the next time you want to say "That's not the way we do it here," try "We prefer to let someone else do it that way and succeed in figuring it out so that they can take our customers away" instead. Doesn't sound as comforting, does it?

6. Hand over the good ideas to the Legal and Accounting departments.

Ideas are fragile, easily broken or squashed. On the surface, giving the care of those ideas to Legal or Accounting may make sense, since some of the greatest issues with protecting new ideas are legal and financial. But neither of these functions has the resources to actually develop the idea. The answer is creating a protected space, called an Innovation Zone, where the resources are available to evaluate and develop new ideas.

7. Be very, very afraid of failure.

Here's the scary truth: You will fail often. The question is: Are you in the kind of organization that can embrace innovation in spite of that? What doesn't work out is merely a learning experience and therefore fodder for the innovation cycle. Just fail fast and move on to the next idea.

8. Innovate only when you need to.

It's tantalizing to innovate on demand. It appears to cost less, focuses on specific opportunities, and provides a rallying cry when a crisis looms. But this is like trying to stay healthy by waiting for a life-threatening condition to arise before paying attention to your health. A crisis is certainly a motivator, but it is also the most expensive way to innovate, in terms of costs, resources, and image.

9. Leave it up to the "innovators."

Every organization has a handful of people who are considered to be the thought leaders. Sometimes they are the leaders, other times well-tenured individuals, and sometimes people tasked with coming up with big ideas.

The implication is that only these big thinkers can come up with big ideas. Ideas can and should come from anyone in the organization. Focusing on just the "big" ideas or just the "big" minds is equally dangerous as it creates barriers for incremental innovation and

encourages ideas to find an exit elsewhere.

10. Encourage everyone to drop any and all ideas into an electronic submission box.

Even when they put the effort into creating an innovation zone organizations make two fatal mistakes. First, they put one part-time person at the narrow end of a very large funnel of new ideas. This is a setup for disaster; no one person can keep up with the flow, and it's too easy to shoot down ideas that don't pass some unwritten code of acceptability. Second, the ideas languish in a nondescript repository with no taxonomy to group them, combine them, and make it possible to mine them. Ideas need to be treated with respect. Whatever systems you put in place must have boundaries for what constitutes an idea submission. For example, what core values or business hurdles must it address?

Beware that these aren't behaviours that change overnight. They require a sustained commitment to put in place a team whose specific responsibility is to nurture innovation by establishing an Innovation Zone where new ideas can take root. That's a process that takes time. But the benefits of overcoming these Innovation Killers is the creation of a culture that will encourage ideas and ensure that the best ones don't end up dying quiet deaths.

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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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Where would winning £20,000 take your business?

FedEx Express has announced a grant to help SMEs go global. Through the Small Business Grant, FedEx aims to help small and medium businesses across the UK realise their international potential.

From FEDEX: *"We believe a connected world is a better world and would like to see what connections your business will make to realise its full possibilities."*

You can now enter the FedEx Small Business Grant UK. Get in touch through our simple online entry form and share your story with us — what inspired you to start your business, what are your dreams and plans for taking your business global? Your business could win one of these grants:

- Grand Prize Grant of £20,000
- Runner-up Grant of £10,000

Details of how to enter etc can be found at:

<https://uk.grant.fedex.com>

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Anthony Mills

The only three swim lanes that matter to a business

During my training with business leaders, we inevitably come to the existential business question...
 “What is the purpose of a business?”

This is a great question, and one with a very simple answer.

The purpose of a business is to create value.

That’s it. To create value. Plain and simple. That is what a business does.

On the front end, a business takes in materials, energy, labour, capital equipment, knowledge, and information, and on the back end produces some offering – typically a product or service – that is in some way of greater value to those who consume it than were those things that went into the front end.

Certainly, the use of my iPhone is of far greater value to me than is the pile of glass, aluminium, and circuits that make it up. By so manipulating and arranging those inputs, the business produces an output with a **higher net value**. And it is this higher net value that the business can, then in turn, monetize in the marketplace.

In so doing, the business actually creates value for four different stakeholders – workers, customers, shareholders, and society. Workers gain value in the form of compensation, benefits, and, most importantly, the intrinsic value of having a sense of purpose and mission in the world. Customers gain value in the form of receiving and using the offering – because it does some

job for them that allows them to achieve a desired outcome according to a particular need and motivation they have. These are jobs and outcomes for which they are willing to part with their own hard-earned income.

Shareholders gain value in the form of quarterly dividends and increasing market capitalization of the business (meaning their shares continue to increase in value so that at some point in the future they can realize a net gain from their sale). And society gains value by the (hopefully positive) social and economic benefits the business’ activities and offerings bring into play. Thus, in all of these forms, and for all of these stakeholders, the business’ purpose is to create value.

That then brings us to the question of how the business is to create value. Peter Drucker, the godfather of contemporary management, said it well... “...the business enterprise has two – and only two – basic functions: marketing and innovation.

Marketing and innovation produce results; all the rest are costs.” The answer, therefore (which we are in agreement with), is that a business creates value through marketing and innovation. Innovation creates the value propositions that markets wish to buy; marketing makes them aware of, and interested in, those value propositions by aligning them with buyers’ intrinsic needs and motivations.



Lanes: Creative Commons - <https://www.flickr.com/photos/jrbrookes/5340681483/>

“the business enterprise should be viewed along three, not two, swim lanes, namely, Execution, Renewal, and Reinvention.”

This leads to an ensuing series of questions around the purpose of specific functions in a business - three of these I wish to expound upon.

We have perhaps all heard discussions in the past of the ambidextrous organization – seeing the business in two logical halves, with one side focused on executing and extending today’s value proposition, and the other side focused on developing tomorrow’s value proposition.

While I believe this is a good conceptual model, I actually like to refine it further and put forth that the business enterprise should be viewed along three, not two, swim lanes, namely, **Execution**, **Renewal**, and **Reinvention**. I will explain each of these and their role.

Execution is focused exclusively on executing today’s foundations of value and doing so with the utmost of efficiency. This is so as to extract the maximum possible value from them. This is the land of Operational Excellence, using classical methods like Lean Manufacturing and Six Sigma. By reducing the amount of unwanted variation from outputs and reducing as much cost as possible through efficiency gains (without sacrificing the end value), the results of this work pass straight to the bottom line, resulting in increased retained earnings and thereby potential dividends to investors. More importantly, every dollar “earned” in retained earnings is (in part) also one more dollar that can be passed on to reinvestment initiatives – aka “innovation”.

This brings us to the second swim lane – **Renewal**. Renewal is focused exclusively on extending today’s foundations of value by using sustaining innovation (incremental innovation) to incrementally improve current offerings. This is the land of R&D Managers developing Technology Roadmaps and Product Managers developing Product Roadmaps to

plan out the year-by-year evolution of their respective technology and product portfolios. Each year these portfolios will evolve to incorporate new extensions of the offerings, and offerings will evolve to incorporate new features, functions, and capabilities. It may involve the expansion or contraction of certain model line-ups as more or less market segmentation is needed. This swim lane is incredibly important for keeping the business’ current portfolios alive and relevant to their markets as those markets gradually evolve year after year. This is where the business will execute its Horizon 1 Innovation Strategy.

In the way of example, think of how a venerable product line like the BMW 3-Series has continued to evolve each year for the past 42 years so as to remain fresh and relevant through incremental innovations like airbags, ABS, navigation systems, body restyling, and so forth. Behind this has been a series of Product Managers working hard to define each new model so as to be relevant to the needs of the evolving 3-Series buyer – across six major generations of the product line.

Without this Renewal, the product line would lose touch with its market. But through Renewal, it remains in touch with the market and is able to continue bringing ongoing value to a business like BMW. The purpose of sustaining innovation, therefore, is to extend our current foundations of value for as far out as they will possibly go, a process we call “Value Capture”.

Parenthetically, whenever product lines or entire portfolios have reached a point where they can no longer be fundamentally extended (think film photography in the consumer market) – i.e. their rational end-of-life where they must be rationalized – they can then be placed into an offshoot swim lane we call Exploitation,

where the business will seek to milk every last ounce of value from them without investing any further in their future.

Eventually, the revenue derived from this line will diminish to a point that continuing it is no longer profitable or strategically prudent, and then it will be phased out completely.

Finally, there is the third swim lane – **Reinvention**. Reinvention is focused exclusively on defining and developing entirely new foundations of value for the business to monetize in the marketplace – typically foundations of value that will better resonate with emerging market needs that are becoming salient due to technological, sociocultural, political, and other types of changes happening in the world.

This is the land of dedicated “X-Works” innovation teams working on breakthrough, disruptive, and even transformative innovations – those new platforms that will deliver value for tomorrow’s needs – a process we call “Value Creation”. This is where the business will execute its Horizon 2 and Horizon 3 Innovation Strategies.

Examples might be brands like BMW and Audi (even Porsche) entering the SUV market – Horizon 2 initiatives when they were first conceived. Or those same brands pursuing new innovation to develop their autonomous vehicle platforms (through R&D, partnerships, and Corporate Venturing) – clear Horizon 3 initiatives when initially launched.

In this context, the purpose of breakthrough innovation is to enable a business to remain relevant to each successive generation of its markets by offering new foundations of value that better resonate with those markets’ evolving needs, while the purpose of disruptive and

transformative innovation is to empower the business to remain resilient to structural changes in their markets and other revolutions in their external realities occurring over the long haul (also known as “tsunamis” and “bends in the road”).

Reinvention also often brings with it the need for internal transformation of the business, as it reconfigures itself to be able to optimally deliver on these new foundations of value with new business models that appropriately sync with emerging realities.

These are the three swim lanes that ultimately matter in the strategic life of a business – delivering value through Execution, renewing that value through Renewal (sustaining innovation), and delivering new foundations of value through Reinvention (breakthrough, disruptive, and transformative innovations). And inside of each of these, the two basic functions that represent true profit centres for the business are innovation and marketing... marketing to know markets and to let markets know us, and innovation to deliver the net value these markets are willing to pay for. Everything else is a cost centre.

When businesses get this formula right and align to it an effective Horizon 1 / Horizon 2 / Horizon 3 Innovation Strategy, they will emerge as market leaders and will remain so throughout the long haul.

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About the Author

Anthony Mills is one of the world's foremost authorities on strategic innovation and hyper-growth strategies. He has taught, consulted, written, and lectured on these all over the world.

Anthony is the Founder and Chief Executive Officer of Legacy Innovation Group, a strategic innovation consulting firm serving clients from all over the world. Legacy Innovation helps companies tackle their biggest and most pressing growth challenges and become relentless innovators.

Anthony also serves as the Executive Director of the Global Innovation Institute (Gini), the world's foremost accreditation and standards body in the field of business innovation. Gini provides certifications globally to individuals and businesses whose lives depend on making innovation work in the real world.

Anthony's work builds on 30 years of leadership in business, design, product development, marketing, engineering, and manufacturing.

He remains deeply embedded in each of these worlds, giving him a broad and holistic perspective that is rare among business leaders. He knows how to bridge these disciplines to deliver innovations that have a lasting impact on the business and its markets.

Anthony also knows how to build and drive winning innovation strategies. In his work, he uses strategic innovation to ensure the ongoing relevance and long-term resilience of businesses. Equally important, he knows how to transform businesses into human-centred networks capable of constantly delivering new value to their markets. His methods for strategy, culture, and process have enabled business leaders all over the world to make lasting transformations in their businesses.

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Alex F Osborn, the "founder" of Brainstorming

Where the idea of Brainstorming came from

Alex F. Osborn was born in New York City, USA on 24 May 1888. After graduating with a Ph.B. in 1909 and Ph.M. in 1921 at Hamilton College, he worked for a time as a reporter for the Buffalo (NY) Times and for the Buffalo Express and later entered the field of advertising as manager of the E. P. Remington Advertising Co.

He was a founder in the advertising agency of Barton, Durstine and Osborn, which, in 1928, merged with George Batten Co. to form, Batten, Barton, Durstine & Osborn, Inc. He rose to executive vice-president and general manager in 1939, became vice-chairman of the board in 1946 and in 1957 became a member of the executive committee until his retirement in 1960.

Alex Osborn's book "*Applied Imagination: Principles and Procedures of Creative Thinking*", published in 1953, has been translated into five foreign languages and has been used as a textbook in colleges. This book has probably had more influence than any other has in stimulating interest in idea production among professional people in business organisations.



Michael Graber

Innovation Metrics: Rock, Lava, Smoke

When organizations begin their innovation journey, they have no idea how to account for the many forms of value that gets created. They may also have dormant fears about changing modes of work to effectively innovate.

Yes, there is tangible value (read: real and significant ROI) generated from innovation, but there are also many other forms of value that range from concrete and easy-to-measure to soft and fuzzy.

Without having a set of metrics some professionals are justifiably reluctant to invest resources, time, and money into an innovation program.

This hesitancy is understandable, as innovation can carry within it the power to transform an organization and lever its growth, meaning that the discipline is a mandate for positive change. Change in any form can be perceived as a threat to those embedded in operations and well-defined processes. Therefore, many will not endorse even a single innovation project without the guardrails of metrics.

May this guide ease any concerns about measuring the value of innovation. Think about Innovation as having three types of very hard metrics, more fluid ones, and some that are as difficult to capture as air. Let's call the three categories Rock, Lava, and Smoke to make them a little more evocative.

Rock metrics are rock solid: things you can count. Here are a handful of Rock metrics. The first one is the most telling metric of

how well your organization creates, launches, and markets innovation: revenue of innovations launched.

The revenue can come from new product, services, and business model innovations. When robust you can account not only for the value for things sold, but also a rise in brand equity and market share.

Lava metrics are a little harder to capture at first but are important inputs when understanding how much an innovation program can generate different types of value. In any Innovation Project a portfolio of market-tested concepts is generated that has short-term, mid-term, and longer-term and longer-reaching concepts. Many clients perform business cases on the whole portfolio and create a total valuation on the option value created in the process.

Then, a unit of measurement needs to look at the cultural influence of working on innovation. How much is deeper collaboration, short time cycles, cross-functional training, and key market insights worth to your organization? These elements of value are more fluid, but critical to the healthy growth of an organization.

Lastly for lava metrics, find a way to measure the value created by innovation work creating new strategic growth areas for the company and its influence on the organizational strategy.

Steam metrics are the hardest to capture. They include performance metrics on how

many bootcamps, hack-a-thons, workshops, and projects were completed as well as the anecdotal feedback from employees.

This metric also puts a value on feedback from customers, partners, and consumers who participate in the process. In Steam you can find the cultural impact of an innovation program. Between these three metrics you can capture all of the value of innovation.

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About the Author:

Michael is Co-Founder and Managing Partner at Southern Growth Studio. Michael leads the qualitative team with a particular focus on innovation, to deliver high-impact go-to-market strategies and product launches.

Michael has more than twenty years of experience leading marketing and innovation efforts.

A published poet and musician, Michael is the creative force that compliments the analytical side of the house. Michael speaks and publishes frequently on best practices in marketing, business strategy, and innovation.

Michael holds a M.F.A from the University of Memphis.

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Greg Satell

Here's why even highly successful companies find it hard to innovate in new markets



In 1892, George Eastman formed the Eastman Kodak Company to “make the camera as convenient as a pencil.” It was an idea whose time had come and by the early 20th century, Kodak emerged as one of America’s largest companies and Eastman one of its most successful entrepreneurs.

It wasn’t just that one idea that made the company so successful, it managed to stay on the bleeding edge for over a century, pioneering impressive new advancements in photographic paper, development and image processing. In 1975, it invented the digital camera, which would lead to its downfall as a major corporation.

The problem wasn’t that Kodak didn’t understand the potential, but that it became stuck in its operating model. It was so huge and so profitable, that almost any other opportunity seemed small by comparison. While Kodak is an extreme case, many others fail in new markets for similar reasons, they fail to bridge the gap between innovation and operations.

Seeing Innovation In Three Horizons

Innovation is never one thing or one event. In fact, it usually takes about 30 years to go from an initial discovery to a significant market impact (almost exactly 30 years in the case of digital photography). So, we need to look at innovation in multiple dimensions in order to understand it properly.

One of the useful frameworks I described in my book, *Mapping Innovation* is the Three Horizons Model, which groups opportunities based on how they relate to current markets and capabilities. The first horizon is focused on your enterprise’s current activities, while the second and third horizons focus on adjacencies and completely new activities.

The three horizons require vastly different perspectives. The first horizon is much like traditional strategy and rewards sound analysis and execution. The second horizon is more uncertain and requires some iteration to work out kinks. The third horizon is largely dependent on exploration and the willingness to charge boldly into the unknown.

The trap that many firms fall into is mistaking excellence in one horizon for excellence in another. Kodak, for example, excelled in the first horizon, but failed to iterate and explore new markets as digital photography reshaped the marketplace.

Getting Trapped Inside Your P&L

Kodak had a uniquely profitable business. Because of the decades it spent innovating image processing, it thoroughly dominated the market for developing photos, which was highly lucrative. Everyday millions of people would come to one of their retail locations to get their prints, creating a constant revenue stream.

The digital photography business paled by comparison. It’s not that Kodak ignored the technology — its EasyShare line of cameras, printers and software were top sellers — nevertheless, the new revenues did little to replace the processing business, which was far more profitable.

Every successful business eventually faces the same dilemma. Second and third horizon opportunities are rarely as profitable in the beginning as first horizon innovations. So, it's easy to get trapped in your P&L, choosing to focus on markets and capabilities you can quantify, rather than investing in more uncertain opportunities.

That's how good companies get stuck, by focusing solely on first horizon opportunities, you end up getting better and better at things that people care about less and less. That's what happened to Kodak. They remained dominant in the market for developing photos, but that market was disappearing. It was a burning platform.

Identifying the "Hair On Fire" Use Case

Another problem that established businesses have pursuing second and third horizon opportunities is that traditional business logic gets flipped on its head. When you are launching a conventional, first horizon product, you look for the largest possible addressable market in order to get the best possible return on your investment.

Yet in the second and third horizon, where things are more uncertain, that can spell disaster, because you lack understanding of what your customer's needs are. What might seem perfectly reasonable when you are reviewing a market analysis in the boardroom often fails utterly once it hits the reality of a real market with real stakeholders.

That's what happened to Google Glass, which launched with great fanfare in 2014 as an augmented reality consumer device for hipsters that could deliver a completely hands-free computing experience through conventionally looking glasses. It fared so poorly that people started calling those who bought the product "glassholes."

Yet today, Google Glass is gaining traction as an industrial device that can assist professionals in a work environment. From factory

floors to operating rooms, the product is proving effective at improving productivity, safety and documenting procedures and an impressive ecosystem is forming to support Google Glass.

When you're developing a product that's truly new and different, what you want is not a large market, but a "hair on fire" use case where the customer needs the product so badly that they are willing to overlook minor glitches. So, you need to build for the few, not the many. Once you establish a foothold, you can scale the business up from there.

Good Operational Practice Often Leads to Innovation Failure

To operate in a competitive market, you have to plan effectively. You need to hire the right people in the right quantity, invest in physical capital, equipment and marketing. If your estimates are off, you will either waste money on excess capacity or miss out on sales because you are unable to satisfy demand.

Yet this thinking often hinders the ability to innovate. The next big thing always starts out looking like nothing at all. So by instituting financial targets for a business that you don't fully understand, you will almost guarantee that your second and third horizon opportunities end up getting scaled back to a first horizon ideas and, despite the best intentions, you will end up trapped in your P&L.

A number of companies have created separate units, such as IBM Research, Google X and the General Electric's First Build innovation lab are set up specifically to pursue opportunities separately from the operational divisions. Failure rates tend to be much higher than would be tolerated in normal business practice, but the payoffs tend to more than offset them.

The truth is that every business is eventually disrupted, so it's absolutely essential to be able to look beyond your current business and explore new horizons.

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About the Author

Greg Satell is a popular author, speaker and innovation advisor, whose work has appeared in Harvard Business Review, Forbes, Fast Company, Inc. and other A-list publications. Over the last 20 years he has managed market leading businesses and overseen the development of dozens of path breaking products.

Greg helps organizations to grow through bringing "big ideas into practice." He applies rigorous frameworks to identify the right strategies for the right problems, helps build an "innovation playbook" to tackle the challenges of the future and drive transformative change.

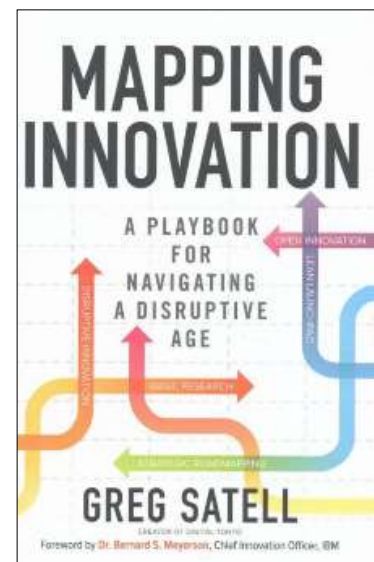
His first book, *Mapping Innovation: A Playbook For Navigating A Disruptive Age* was published by McGraw-Hill in 2017. In November 2017 Greg's book made the long list for 'The 2017 800-CEO-READ Business Book Awards Longlist': <http://inthebooks.800ceoread.com/news/articles/the-2017-800-ceo-read-business-book-awards-longlist>

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Braden Kelley

Leaping to a new growth curve



Recently I had the opportunity to interview Howard Yu, LEGO professor of management and innovation at the prestigious IMD Business School in Switzerland, director of IMD's signature Advanced Management Program (AMP), and author of the book *Leap: How to Thrive in a World Where Everything Can Be Copied* to investigate a series of important questions about what we can learn from our history while looking to create our future. Without further ado, here is the transcript of that interview (Part 1 of 3) my questions *are in italic*:



1. When facing an onslaught of new competition, what helps some pioneering businesses escape relatively unscathed while latecomers sweep others away? When industry knowledge becomes stagnant, incumbents become vulnerable to assaults from new

entrants. The defining characteristic of pioneering companies that stay ahead of their competitors is that they leap: they jump across knowledge disciplines to leverage and create new knowledge about how a product is made or a service is delivered. The best companies leap repeatedly. Absent such efforts, latecomers will catch up. Understanding this phenomenon is the first step toward long-term success.

2. In a global economy in which access to information, technology, and cheap labour is almost instant, has first-mover advantage become obsolete?

That's true for some industries more than others. Take the personal computer, for instance. Consider for a moment the engineering marvel of the hard disk drive (HDD). Unlike conventional tape storage, HDD stores and retrieves blocks of data, not sequentially, as was the case with cassette tapes, but in a faster, random-access manner. A hard drive comprises rotating disks that spin some seven thousand times per minute, while a magnetic head moves to read and write data onto the disks. This is equivalent to a pilot's flying a fighter jet at over 600 miles per hour at an altitude of around 9,850 feet and dropping tennis balls into buckets six hundred times without making a single mistake.

Such is the kind of engineering marvel that only IBM's San Jose laboratories could create in the mid-1950s. The first workable model was launched in 1956. Since then, HDD technology has substantially improved—the physical

size of the hard drive has been reduced even as storage capacity multiplied. But the center of innovation slipped elsewhere. Competitors sprawl across the globe today. Toshiba in Japan, followed by several Taiwanese companies, has come to compete aggressively in the sector with brutally efficient manufacturing processes. So fierce has been the pricing pressure that the industry has been driven to a zero-profit-margin subsistence.

Even in nascent industries such as renewable energy, pioneers such as General Electric, Siemens, Philips, and Vestas have seen the encroachment of China's Goldwind and Sinovel, who have snatched market share away and so become formidable competitors. This happens so commonly across industries that many consider it as inevitable as Darwinian evolution. All this suggests that the idea of a sustainable advantage is illusory.

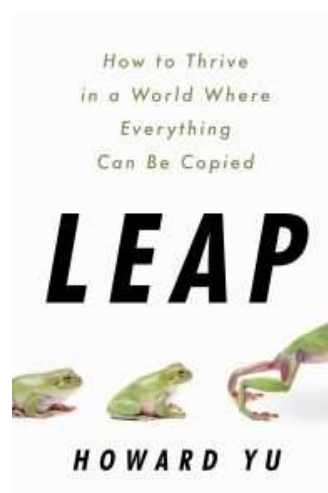
Market competition can be compared to mountaineering, in which rival companies seek to reach the peak. In industries like piano-making where the knowledge base changes slowly, or doesn't change at all, newcomers will eventually reach the same altitude as the incumbents. In such scenarios, first-mover advantage is fleeting at best.

But in industries in which the knowledge base keeps evolving, like pharmaceuticals, new discoveries are analogous to constant mudslides. No one reaches the mountaintop;

everyone is constantly being pushed downward. In such a race, experience and prior knowledge matter; fortune favours the prepared. Because of their deep industry know-how, pioneering companies stand a better chance of successfully leaping.

3. Could you explain how a knowledge leap works and why such leaps are crucial to staying competitive?

Let's take a look at big pharma. The fact that executives view knowledge, capital, and expertise as temporary—and competitive advantage as hardly sustainable—is nothing new.



More than a century ago, German drug maker Hoechst made similar complaints against its Swiss copycats, CIBA, Giegy, and Sandoz. In the land of counterfeiters, or “le pays de contre-facteurs,” as the French would say, Switzerland had yet to pass patent laws in as late as 1888. Local chemists were free, even encouraged, to imitate foreign inventions. When antipyrene—the first synthetic fever-reducing drug—was developed in the laboratory, the world couldn't get enough of it, and the Swiss sold a German imitation as soon as they were able to produce it. Organic chemistry was the hotbed of innovation.

Only when Alexander Fleming discovered penicillin did everyone understand that the next blockbuster would no longer come solely from chemistry but from an entirely new discipline: microbiology. Right after World War II, all over the world, from Europe to the U.S., nascent pharmaceutical firms hurriedly set up soil screening programs to look for exotic fungi and strike pay dirt, in search for ever more potent antibiotics. Fieldworkers collected soil from cemeteries and sent balloons up in the air to gather windblown samples. They went down to the bottoms of mine shafts, hiked to mountaintops, and ventured everywhere else in between. The study of microbes took center stage, displacing organic chemistry as the key discipline for scientific discovery.

Along with new techniques of deep-tank fermentation and medicine purification came a precipitous drop in infectious disease. What was once a nasty, brutish, and fatal infection became a curable inconvenience.

Then came the biotechnology revolution in the '70s. Scientists marvelled at the inner workings of chromosomes in the nuclei of cells and eventually learned to recombine DNA molecules, instruct bacteria to produce insulin for diabetics, and produce many other active ingredients that can't be abundantly harvested from nature.

Later, with the complete scanning of the human genome and the advancements in computational applications, genetic engineering went digital. Scientists are now discovering molecular pathways and the biological underpinnings of even rare cancers. Once again, we witnessed the transition into a new knowledge frontier, a discipline under the rubric of genomics and bioengineering.

Today, it takes extravagantly equipped laboratories, huge budgets, and large teams of investigators to stay at the forefront of the industry. Switzerland's Novartis in 2013 spent a staggering \$10 billion on research and development. Western pioneers are still ahead in the latest developments in cancer therapy, HIV treatment, and many others. Unlike in the automotive industry, where global competition has decimated Detroit and turned it into the American rust belt, the wealth in Basel, where Novartis is headquartered, seems forever bountiful. The city's inhabitants continue to enjoy the highest standards of living in Western Europe.

Still, capital expenditure in the pharmaceutical industry does not accurately explain how newcomers in emerging countries fail to overtake pioneering incumbents. In fact, capital expenditure, trade secrets, and patent protection were hardly a challenge for the U.S. when it overtook Great Britain as the leading exporter of textiles during the turn of the century. The same can be said about the industries of heavy machinery, wind turbines, solar panels, personal computers, mobile phones, and automobiles, where latecomers irrevocably displaced early pioneers.

The history of pharmaceuticals has shown it was the leaping across knowledge disciplines—chemistry, microbiology, and genomics—that opened new paths for willing pioneers to race ahead. Sustainable advantage comes not so much from a utopian position that a company could try to attain; rather, only by infusing new knowledge and constantly changing the rules of the game can a pioneer create headroom for innovation and thus prevent latecomers from catching up. That's the miracle drug that kept the centuries-old pharmaceutical companies evergreen.

4. In *LEAP*, you illustrate your principles using historical narratives. What drew you to the 19th-century history of Southern textile mills? What are some of its parallels with other industries, and why can history teach 21st century business leaders about innovation and survival?

The experience of a Hong Konger, as unlikely as it may seem, is similar to that of a Southerner in the Piedmont. During the breakthrough expansion in the late 19th century, major textile mills—Holt, Cannon, Gray, Springs, Love, Duke, and Hanes—swept through the South as the export industry took off. Together they ended the tight grip of British manufacturers on the Asian market since the Industrial Revolution. And by the 1930s, Southern spindles accounted for 75% of the total spindles in the U.S. Local news routinely attributed this stunning success to the salesmanship and ingenuity of the hardworking Southerners, who had pretty much put everyone else out of business.

Then the one-dollar blouse from Japan arrived shortly after World War II.

The Japanese seemed to possess the same knack for ingenuity and hardworking ethics. These foreigners produced textiles even more cheaply than the Southerners. But even so, over the course of the next decade, apparel production in Japan also went to Hong Kong, Taiwan, and South Korea. And when wages rose in those places, textile plants moved farther out to China, India, and Bangladesh in an epic race to the bottom. In 2000, textile workers in China and Indonesia were paid less than \$1 an hour; in the U.S., workers earned around \$14.

By the end of the 20th century, large, populous U.S. mill towns had all but dwindled to mere shadows of their former selves. Industrial buildings were boarded up and abandoned, painfully repurposed, or reopened as museums.

At the end of the day, the search for a unique position that guarantees sustainable advantage is an illusion. Intellectual property, market positioning, brand recognition, manufacturing scale, and even distribution networks can never withstand competition for long. No value proposition, despite its uniqueness, will remain unchallenged. Good designs and great ideas are copied regardless of patent laws and trade secrets. The only way to prosper over long periods under such conditions is to leap: Pioneers must jump across knowledge disciplines to leverage or create new knowledge on how a product is made or a service is delivered. Absent such efforts, latecomers will always catch up.

Final Words

LEAP began as a historical account, a memoir of Western pioneers. Some of these pioneers failed, some survived, others prospered. But it's also a playbook for the future. More importantly, it's a manifesto for how pioneering companies can rethink their businesses, their relationship with their customers, and the reasons they exist. Any organization — large or small — has a set of traditional strengths and important products that have helped build it into what it is today. There is no perfect moment to innovate. But everyone has exactly enough time, starting now.

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About the Author

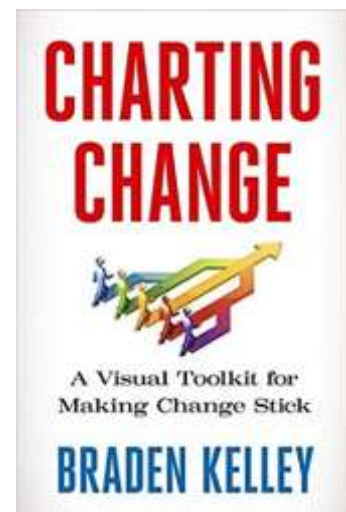
Braden Kelley is an experienced **innovation speaker**, trainer, and digital transformation specialist. He is the author of **Charting Change** and of **Stoking Your Innovation Bonfire**, the creator of the **Change Planning Toolkit™** and an InnovationExcellence.com co-Founder. Braden has been advising companies on how to increase their revenue and cut their costs since 1996. He writes and speaks frequently on the topics of continuous innovation, digital transformation, and organizational change. He has **maximized profits for companies** while living and working in England, Germany, and the United States. Braden earned his MBA from top-rated London Business School.

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Barry Urquhart

Seriously, Fun

A good start will be to assemble the team members ... - and have some fun.

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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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This is serious. Clients and consumers are finding it difficult to find, and enjoy, entities that are fun to do business with, and to visit.

It's depressing, which is reflected in sales, customer loyalty and cash-flows.

Fun, enthusiasm, excitement and pride are emotive, subjective – and typically, overt. They are also infectious.

Business owners and leaders need to recognise being *up-beat* is far better than being beat-up.

Coming down on self and others during testing times is common, perhaps even understandable. However, it's a reflective mood, typically echoing the external marketplace. Recessed economic conditions can and do contribute to depressed internal attitudes. Neither is productive, or progressive.

A positive, up-beat and fun mindset counts for a lot.

In isolation, individual humans, teams and companies can not greatly influence or determine global and macro-environments. They can, however, become, or be, a beacon of hope and relief.

Now might be a good time to sit back, contemplate and embrace the long-standing business adage: Take the marketplace seriously but don't take yourself too seriously.

Sam Goldwyn said it



Sam Goldwyn - American film producer was born in Poland. He founded Goldwyn Pictures Corporation which later merged with Metro Pictures and became Metro-Goldwyn-Mayer (MGM).

Sam Goldwyn's (born Schmuell Gelbfisz) name is synonymous with the American movie scene from its beginnings through its golden age. Goldwyn's story is a pioneer story, a folk story, a movie fantasy that came true; it is a story about creativity, ambition, money, drive ... about a time in America when there was a pot of gold at the end of the rainbow. Sam was well-known for his amusing, yet poignant quotes.

Here are a few of them:



- *A Hospital is no place to be sick.*
- *Anyone who goes to a psychiatrist ought to have his head examined.*
- *I don't think anyone should write their autobiography until after they're dead.*
- *I don't want any yes-men around me. I want everybody to tell me the truth even if it costs them their jobs.*
- *I had a monumental idea this morning, but I didn't like it.*
- *I never put on a pair of shoes until I've worn them at least five years.*
- *I read part of it all the way through.*
- *If I could drop dead right now, I'd be the happiest man alive.*
- *Spare no expense to save money on this one.*
- *You've got to take the bitter with the sour.*
- *A verbal contract isn't worth the paper it's written on.*



Paul Sloane

Try this ideation method – the ideas exchange



The Ideas Exchange is a brainstorm method which works well for larger groups. It is easy to run, quick and effective. This is the procedure:

1. The problem is clearly stated.
2. Everyone is given two coloured cards (or post-it notes). Say one white and one pink.
3. Working silently and individually they write down a sensible idea to solve the problem on the white card and a bizarre, crazy idea on the pink card.
4. People then mill around and swap cards (without reading them) so that they end up with a white card and a pink card from two different people.
5. Each person now has to combine the two ideas they have received. They 'force fit' them together or adapt them in some way so that they now have a creative idea.
6. People now work together in teams of 4 or 5. They share their new ideas and everyone is encouraged to support and build upon the ideas they hear.
7. Each team selects its one best idea. At this stage they can adapt or improve the idea in any way they see fit. They then present this idea back to the whole group.
8. The whole group votes for the best ideas using agreed criteria – e.g. we want a solution which is effective, novel and appealing to customers.

A key consideration is that the bizarre ideas have to be really bizarre in order to provoke and stimulate the people who receive them. Tame ideas will lead to bland suggestions so ensure that participants understand that their bizarre ideas must be outrageous.

Say we are a charity looking for new ways to reach donors. You receive a white card with the idea of running a Facebook campaign to promote the work of the charity. Your pink card says, 'Shoot anyone who refuses to donate.' You have to come up with a combination. You might suggest that you shoot videos of the stories of people you have helped and post the videos on Facebook and Youtube. Or you might suggest that you target known wealthy philanthropists and shoot them a message via social media, email or direct mail. In either case it is the outlandish concept of shooting which stimulates the fresh ideas.

There is a variant of this technique where everyone gets three cards. On each card they write just one different word. The cards are then shuffled and dealt out so that everyone receives three cards. Everyone has to construct a proposition based on the three words they have received.

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About the Author

Paul was part of the team which launched the IBM PC in the UK in 1981. He became MD of database company Ashton-Tate. In 1993 Paul joined MathSoft, publishers of mathematical software as VP International. He became CEO of Monactive, a British software company which publishes software asset management tools. In 2002 he founded his own company, Destination Innovation, which helps organisations improve innovation. He writes and speaks on lateral thinking and innovation. His latest book is *The Leader's Guide to Lateral Thinking Skills* published by Kogan-Page.

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Linda Everett

Feeling stressed? It pays to talk!

Did you know that a conversation – the right conversation – can change your perspective, melt away the stress and leave you with a clear course of action?

Perhaps you need a reminder that stress is NOT compulsory, even though it is widespread and may have become your norm. Stress is actually a response to feeling powerless or under threat, so the best way to deal with it is to take back your power and change the way you respond.

Here's why it matters ...

- Stress drains your energy and affects your performance ... at work, in business and at home. What is the cost and the impact on your quality of life?
- Stress disturbs sleep, accelerates aging and damages your health. The physical effects show on your face and the unseen but often felt consequences affect your body.

Most of all,

- Stress causes unhappiness. It steals your joy (and that of those around you) and it takes the colour out of your life!

So, let me ask you this. Why choose to put up with it when ...

There is ALWAYS something you can do

There are ALWAYS actions you can take

There are ALWAYS choices you can make

I know this from experience – my own and other people's. It has shaped my understanding and coaching approach for almost 30 years. The right conversation has the power to transform stress into success.

Here are some real-life examples from my book 'Game Changer'.

Difficult conversations

David had an enormous workload. He was responsible for managing a number of senior people in various locations throughout the UK. He worked long hours, travelled great distances and was extremely stressed. Almost immediately, I discovered that David found it hard to have what he perceived as 'difficult conversations'. He found negotiation to be a real challenge and struggled to trust others to do a job as well as he could himself. Instead, he strived to meet the demands and expectations of his boss, at the cost of his own health and well-being.

By changing his mindset and developing and improving his communication skills, David began to delegate some of his workload. His colleagues responded positively to this newfound trust and embraced the opportunity. Much to his surprise, David also discovered that his boss was perfectly happy when he suggested more effective ways to manage the workload. By taking control of the situation and delivering better, more effective solutions, David not only addressed the stress and improved his quality of life, he increased his value to the organisation.

Case study 2

A highly-talented project manager had upset various members of staff and behaved in what was considered an aggressive manner towards clients at meetings. He was the cause of much stress and unless a solution could be found, the company made it clear to me that he would have to go.

I found the young man to be very personable, but quite arrogant. He came from a cultural background with a dominant macho culture and had an attitude of superiority. By his own admission, he was often blunt with people. It was also clear that he had a number of fixed beliefs that influenced his attitude and communication style. He admitted a lack of engagement at meetings and impatience with colleagues and clients.

Before I could help him, I needed his agreement and commitment, so I asked him about his professional goals and what success would mean to him.

He was keen to build a career with the company. It mattered to him to be happy at work and be proud of what he achieved, but with a heavy workload and under pressure, he struggled to manage his time. He also became frustrated when those he relied on, failed to do what he asked. "Can you describe the business you're in?" I asked him.

"I'm a designer", he replied.

"Yes, that's what you do, but it's not the business you're in. Surely you are in the people business? Doesn't your success depend on your ability to connect with people, whether they are your clients, employers or colleagues? Aren't you selling you, i.e./ your skills, your ability, your time every day, in return for your salary and position?"

He thought for a moment and replied, "I hadn't thought of it like that before. How soon can we get started?"

Over the following weeks, the young man discovered that effective communication could achieve far better outcomes and reduce the stress. He came to revel in his ability to get results without the drama and became an asset to the company. In time, he was promoted to director.

Take control when you're up against it!

Too often we resist change and avoid dealing with business or personal challenges because we focus on the problem, rather than the solution. The result is stress, unhappiness and wasted potential. If you're ready to take control when you feel 'up against it', or you want or need to have that conversation, get in touch.

I'll be delighted to hear from you and you'll be glad you did!

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About the Author

Linda Everett is an experienced Business and Executive Coach, and the author of 'Game Changer: How to take control and increase your confidence, personal power and business success.'
<http://amzn.to/2fqUMhA>

Specializing in performance, she helps business owners and senior professionals become more confident, more effective and more empowered to do what they do best!

www.inner-power.co.uk/about/testimonials/

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Paul Matthews

How are you going to be meaningful?



I saw this great quote a few days ago... "Are you here to do something or just for something to do?"*

That made me think! Do I want to do something that is meaningful? Or just do whatever stuff turns up?

If I want to do something that matters, what is it?

Who would it matter to?

How would they benefit?

Have I already started?

What do I do next?

Now... what are you thinking, and what will you do next?

Maybe a next step is a vision of your optimistic future? [Here are some tips on vision.](#)

My new book is finally ready.....
[Learning Transfer at Work: How to Ensure Training >> Performance](#)

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*From the book 'A Leader's Legacy' by James M. Kouzes and Barry Z. Posner

About the Author

Paul Matthews is People Alchemy's founder and managing director. Paul's key skill is in making the ideas come alive with stories and making sure his listeners receive practical tools



and tips to take away and implement.

Paul is a regular speaker at HR and L&D events and exhibitions covering topics such as harnessing the power of informal learning, capability at work, workplace performance, and how L&D can be effective in these tough times.

Paul is the author of *Informal Learning at Work: How to Boost Performance in Tough Times*, praised as 'a thought provoking practical book with ideas and insightful examples which challenges us all to embrace informal learning'. The book explains how companies can harness the power of informal learning using practical advice from workplace learning experts and practical examples and case studies from around the world.

His 2014 book *Capability at Work: How to Solve the Performance Puzzle* has also been widely acclaimed as a 'must' for anyone in HR or learning and development.

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August Aquila

Develop an effective billing philosophy

Based on personal experience and the discussion of this topic with several managing partners and consultants to the profession**, I would like to propose what I believe to be the basis of an effective billing philosophy.

1. **Know what you are providing.** Perhaps the first and most important aspect of an effective billing philosophy is for the billers, who should be the service providers, to make the distinction whether they are providing the client a compliance-oriented service, which the client may perceive to have very little value, or they are providing the client with a true value-added service that the client wants and believes is an improvement of his or her life or business.
2. **The service provider should prepare the bill.** In smaller firms this is not necessarily an issue. However, in many mid-sized and larger firms it is frequently the managers and supervisors who have daily contact with the clients, while the partners move away from knowing what to really bill the clients. The biller should be the service provider who does the majority of the work. The partner will still approve the bill and send it, but it is proverbial that the person who does the work will usually bill out more.
3. **Bill constantly.** Bills and billing should be done on a daily or weekly basis. As soon as an engagement is completed or, even better, while the engagement is still in process, interim bills should be prepared and sent. The ideal situation would be to deliver the final bill on the day that the engagement is completed.
4. **Keep daily time sheets.** It's becoming easier and easier to enter time sheets in real time. At a minimum, daily time sheets should be mandatory at all firms even if you don't bill by the hour. You still need to know the real cost of serving a client.
5. **Make sure there are no surprises.** All clients should know what their base fee is going to be, and they should know it at the beginning of the engagement, not at the end. The engagement letter should spell out the payment policy. Most clients will be more agreeable to your fee before the work is started and is still needed by them, rather than when the project is completed and they are finally informed of the price.
6. **Accept only the best clients.** Make sure that the clients you accept pass your new client acceptance test. It doesn't do much good to have a lot of clients who don't pay. Make sure you follow your client acceptance policy and educate your clients as to your billing philosophy. A key part of your billing philosophy should be the initial needs analysis and developing an engagement budget to complete the work.
7. **Effectively communicate with the client from the beginning.** Just like item 5 above, constant and effective communication with your clients is critical. When you think about it, most if not all write-downs and write-offs occur at the end of the engagement or several months after the final bill has been sent. Another important element in communicating fees is the way you do it. It has often been said at accounting firm conferences that if a CPA lacks confidence in his or her fees, a client will pick this up and frequently request a reduction in fees. However, if the accountant is self-assured and confident that his fees are fair and he is worth every penny, the client will be more comfortable with the fee quoted.
8. **Learn how to use change orders.** Whenever there is a change in the scope of the engagement, you should issue a change order to the client outlining the additional work that will need to be performed and the added fee. Again, the change order needs to be prepared at the earliest moment so that the client can decide before the work is started whether or not he or she feels it will be worth the added fee.
9. **The service provider should not be the one to collect.** The accounting and legal professions are the only professions that I know of where the service provider not only sells and delivers the service but is also responsible for the collection of outstanding receivables. When was the last time you received a call from your doctor or dentist asking for a payment?
10. **Make sure your engagement letters are contracts.** There should be no surprises to a client that they have entered into a binding contract with you. You should have your current

engagement letters reviewed by a local attorney since the laws covering this area vary state by state.

11. Have your engagement letters reviewed by your professional liability carrier.

It is also a good idea to have your engagement letters reviewed by your professional liability insurance carrier. This will provide you with greater comfort in case you do need to sue a client for non-payment. Conversely, if you are sued because of the scope of your work is in dispute, the signed engagement letter outlining the work you are to perform will go far in protecting you.

12. Use an engagement control system.

This is an effective technique to use for larger engagements. It is not recommended for small engagements. The cost of using such an engagement control system can be greater than the entire cost of the engagement. There are many time and billing systems out today that also have an engagement control module, which will take a budget for the engagement and track the time and expenses used to date. This type of system is worth its weight in gold since it will act as an early warning system for any potential problems with regard to spending too much time on an engagement.

13. Bill for out-of-pocket expenses. Many firms do not charge back to their clients the expenses incurred in servicing of their account. The term out-of-pocket expenses has come to cover a large array of items. It is not unusual for firms to bill clients for:

- Technology charges
- Local and long-distance telephone charges
- Administrative support time
- Computer processing time
- Messenger services
- Photocopying charges
- New client and engagement set-up charges

Rather than having a separate charge for each of the above items, many firms just add a fixed amount per billable hour for

overhead expenses. Clients do not like to be nickel and dimed for every little expense. However, the total amount of these charges can be significant. Even if a firm decides not to bill them, it is important to capture them in order to determine your true cost of servicing the client. Most of these charges can now be easily captured through software that interfaces with the firm's time and billing system. The charges can be downloaded daily to the client's billing code.

14. Capture finance charges.

Similar to other charges, if you do not capture finance charges, you will never be able to bill them. Too many firms are in the business of lending money to their clients, especially their long-term clients, when they don't charge interest on their invoices. New clients, as well as older ones, should be made aware that interest will be charged if invoices are not paid within 30 days. Many firms will charge 1 percent on outstanding balances over 30 days. The going rate charged by most firms is in the 1 to 1.5 percent range.

15. Take credit cards. There is an easier way to extend credit to your clients without the firm having to act as a lending institution. During the past several years, the use of credit cards to pay for tax preparation work has become common. You should ask all clients to have a credit card on file with your firm.

There are several benefits to accepting credit cards. The main one is that you no longer have to worry about a receivable. Depending on the credit used and the volume you charge, there is a charge to the firm for the use of the card.

16. Put your philosophy in writing for your staff.

Whatever your firm's billing and collection philosophy is, it needs to be put into writing so that partners and staff have a clear understanding of it and follow it.

Your billing and collection philosophy forms the basis of your billing and collection process. It is important to get the partners to agree on your firm's basic principles.

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About the Author

August Aquila is the founder and CEO of AQUILA Global Advisors, LLC and is a key thought leader for professional service firms (PSFs). He has worked with various types of PSFs in the US, Canada, India and England.

For 30 years he has advised PSFs in the areas of succession planning, mergers and acquisitions, compensation plan designs and partnership issues.

In 2004, 2007, 2009 to 2016 he was selected as one of the "Top 100 Most Influential People in The US Accounting Profession" by Accounting Today. His articles have appeared in MP (Managing Partner), Journal of Accountancy, CA Magazine, Accounting Today, Of Counsel and other major publications.

Recent books include How to Become the Firm of Choice, What Makes a Great Partnership, Client at the Core: Marketing and Managing Today's Professional Services Firm; Performance Is Everything – The Why, What and How of Designing Compensation Plans; Compensation as a Strategic Asset: The New Paradigm; What Successful Managing Partner Do and Engaging Partners in the Firm's Future. August holds an MBA from DePaul University (Chicago) and a PhD from Indiana University (Bloomington).

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**** This article is aimed primarily at the accounting profession but applies equally to all professional firms.**

Grant Leboff

Is your business customer-centric?



Is Your Business Customer-Centric?
Yes, of course it is! That's what everybody says...

Here's a way to test it.

Is Your Business product or service orientated or market orientated? In fact, most businesses are product or service orientated – and what that means is this:

They start with their product or service, think about what they're good at, what the benefits of it are, and then go and tell the customer. The reality is, that in this scenario, the customer is actually secondary to the product or service offering. Market orientation, on the other hand, is when a business, starts from the opposite way.

A business person goes out and really understands the customer, their problems, their challenges, their issues, and then designs all products and services around those challenges and how to solve them.

This is an ongoing activity and a way of doing business – because of course, markets are always evolving, however, slowly that may happen. It is only a market orientated business that can consider themselves truly customer centric because their starting point is always the customer and they work back to

their products and services. Whereas a product or service orientated business starts with their products and services and then goes out to the customer.

The fact is that today, the world is so competitive and customers have so much choice, that the really successful companies are market orientated. They are truly customer centric. If you are product or service orientated there is a very good chance, the offering just will not be as compelling as competitors in the market place, and in order to be market orientated, it means they have to get out there and be talking to customers on a regular basis. Having ongoing conversations to ensure that you truly understand your audience and their challenges all the time.

About the Author

Grant Leboff is one of the UK's leading Sales and Marketing experts. His fourth book, **'Digital Selling'**, debuted at #1 on the Amazon charts.

This follows the success of Leboff's previous titles. **'Stickier Marketing'** (2014) went straight to #1 in the Amazon Sales & Marketing Chart, and was in the top 10 overall Business Chart, on publication. **'Sales Therapy'** (2007) and **'Sticky Marketing'** (2011) were both in Amazon's top 10 Business Books, and #1 in the Sales & Marketing bestsellers chart.

Sticky Marketing Club® Ltd., is a sales and marketing consultancy providing companies with the strategies to thrive in an increasingly competitive world. Leboff's Sales and Marketing portal, stickymarketing.com produces a wealth of resources and information on effective Sales and Marketing for organisations in an ever-changing business environment. He is a highly sought-after consultant and speaker, and constantly makes presentations at conferences and events all over the world.

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Amy Vetter

Why choosing the right accountant can be the best investment you make

It's important to find an accountant who is a strategic, highly valued partner to you and your business.

Tax time is arguably the best and worst time for business owners. On the one hand, many entrepreneurs don't want to deal with all the paperwork, and on the other, many realize how behind they got on keeping their accounting records up to date and know they need to make a change for the coming year.

Finding the right accountant may be one of the best investments you make. Besides the general tax filing and **payroll preparation**, many accountants can also serve as advisors in your business. Their suggestions and insight into your business operations can help you reduce your tax liability, highlight areas for growth opportunities, **create short- and long-term strategies**, and help you budget and manage your cash flow.

I have found through working with thousands of small business owners that spending money on accounting is not first on their list. However, my best advice is this: When the records get out of control, or an accounting issue comes to light, it is much more expensive to try to fix it, then do the right thing from the beginning and have an expert involved in your business.

So, whether you are looking for a new accountant, or revisiting your current relationship, here are six tips to help determine your business needs and make sure you find the right fit.



1. Decide if you want an internal or external accountant.

Many small businesses opt for outside accountants on a consulting basis, which typically costs less than a full-time or part-time employee. An in-house accountant is needed when transactions become too large and complicated that outsourcing these services becomes cost prohibitive.

When you have the right relationship with your accountant, their services can grow with you. For example, I had a client who outsourced their bookkeeping services and one of the owners did the majority of the accounting. Once they had more volume in transactions, they asked me to help in the interview process to ensure that they hired the right bookkeeper and then my company moved into controllership services.

2. Don't feel confined to your back yard.

We tend to feel more comfortable hiring accountants in our back yard, but with today's technology, your accountant doesn't have to be in your city or state. Many accounting firms that I consult with utilize video conferencing to communicate with their clients. That way, whether you are near or far, you can maintain that personal relationship and have your accountant offer demonstrations or training remotely when you need it.

3. Ask around for suggestions.

A good place to begin your accountant search is with your friends and colleagues. Ask what they like or dislike about their accountant, and what they would do differently if they were hiring one today. Also, if you had an accountant before, or currently have one, create your own assessment of what you like and

what you wish your accountant would do. Other resources you can consider are your local chamber of commerce, the Small Business Development Center, or the American Institute of Certified Public Accountants (AICPA), which maintains a directory of Certified Public Accountants (CPAs) or in the UK, the Institute of Chartered Accountants in England & Wales (ICAEW) or Institute of Chartered Accountants of Scotland (ICAS).

4. Prepare for the interview.

You need to create a process to hire a potential accountant like you would any other employee. Ensure you know what you want to get out of a future relationship. How involved do you want the accountant to be in your business? Do you care about the technology they use and what the process they have to collect documents and create financial statements? Do you want them to have experience in your industry? Also, make sure to ask for references prior to meeting with them, and check out their online presence, including website and social media postings on Facebook, Twitter, LinkedIn, and other sites.

5. Ask the right questions.

You'll naturally focus on some of the basic things you've got to know, like pricing, services offered, what certifications they possess, and the software they (and you) will use. But also ask more probing questions, like what's their philosophy on customer service? How do they feel about online collaboration? How would they design a financial success program just for you? What's their idea of a good client relationship? These questions can help you determine their level of insight, how they think, and whether they fit your business goals and will be there when you need them.

6. Trust your gut.

During the process, always ask yourself if you could trust him or her with the intimate financial details of your business. If your gut is saying "no," then continue your search. This relationship is personal as much as business. Your accountant knows details

about your business that most people would never know, and because of that, you need to feel that they are someone to whom you can ask in-depth questions and who can be an integral part of your business.

Accountants can be a valuable asset to your company beyond financial statements. They can be the key to making the right decisions in your business at critical turning points. You may find that once you have the right accountant, the return on the money you spend with them is much greater than you expect, and you can't imagine how you ever ran your business without them.

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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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Tips to get your words read

Headlines: In order of priority, here are the best headline typefaces, ranked by the percentage of people who find them legible:

- 92% Roman old-style lower case, 90% Sans serif lower case, 89% Roman modern lower case, 86% Roman old-style italic lower case, 86% Roman modern italic lower case.
- Text: For body copy, 67 percent of people comprehended serif type compared to only 12 percent for sans serif type.
- Margins: Twice as many readers comprehend type with justified margins than they do ragged right margins.
- Italics: Italic type is much more legible than people may have guessed, performing nearly equal to plain type.
- Periods: Use of a period (in other words, a full stop) at the end of a headline significantly reduces comprehension.
- Column widths: Don't use less than 20 characters or more than 60 characters.

Pick up a copy of the book, "Type & Layout," by Colin Wheildon, published by Strathmoor Press from Amazon or other online bookshops.

Dean Rieck

(<http://www.procopytips.com/>)

blogging at

<http://www.copyblogger.com/brilliant-writing-tips/> provides 11 Smart Tips for Brilliant Writing. He asks: *Do you sound smarter when you use big words?*

He says that according to a study published in *Applied Cognitive Psychology*, the answer is no. In fact, complex writing makes you sound small-minded. Just consider the title of the study: *Consequences of erudite vernacular utilized irrespective of necessity: problems with using long words needlessly*. Wouldn't it be better to title this study something like: *The effect of using big words when you don't need them?*

To sound smart, you must stop trying to sound smart. Brilliant writing is simple writing, a relevant idea delivered clearly and directly.





Linda Tan-Spicer

How to engage your leadership team for a successful service culture transformation

Many senior leaders assume that service performance improvement only requires a front-line training initiative. This is a fundamental mistake.

A strong and successful service culture demands the power of a senior leadership team that is fully engaged. Leaders must confidently share the vision, align with each other to remove roadblocks, reward ongoing success, and role-model excellent service behaviour.

At UP! Your Service, we have developed a comprehensive checklist of strategic implementation activities that help our clients plan, implement, and sustain the momentum of a service culture building program.

We are glad to share with you a section of this Checklist covering key activities to achieve successful and sustainable leadership engagement.

Leadership Engagement Activity Checklist

1. Senior leaders have participated in **Service Excellence Workshop** and have learned to apply selected UP principles.
2. Quarterly workshops, webinars or conference calls with UP! Your Service have been scheduled for senior leaders in the next year.
3. Senior leaders support the Steering Committee and Building Block Project Teams.

4. A Communications Kit has been created for leaders to use for “cascading” the service culture vision and implementation into the organization.
5. The service education plan has been communicated to senior leaders and managers and they understand the importance of their support of and involvement with service education success.
6. Senior leaders are involved in the nomination, interview, and selection of Workshop Leaders.
7. Senior leaders have highlighted specific internal and external service concerns to use for Workshops customization.
8. Senior leaders know the dates for the **Workshop Leader Certification Programs** and are scheduled to kick-off, visit and/or close the program.
9. Senior leaders have participated in and supported their managers in the sequence and scheduling of workshops for their departments or business units – enabling all staff to participate fully.

If your organization is currently a client of UP! Your Service, the full Service Culture Development checklist is available from your Project Manager. If your organization is not yet a UP client, you may [Contact Us](#) for access and more information.

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About the Author

Linda Tan-Spicer is driven by a passion for service. She enables leaders and organizations to quickly improve service performance through design and delivery of actionable service education programs. She conducts UP! Your Service Train-the-Trainer Certification for clients in a wide range of industries across the world.

Her expertise includes development, customization, and facilitation of Leadership, Service Excellence and Personal Effectiveness programs. She has worked with companies in both public and private sectors including banking, insurance, manufacturing, health-care, transport, retail, oil and gas, and statutory boards.

Linda holds a Master’s Degree in Guidance and Counselling from James Cook University and a Bachelor’s Degree in Applied Psychology from the University of Southern Queensland.

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Rus Slater

Creating a vision

A vision statement can be produced by a sole individual or by a group of people. If you are going solo, make sure you are in the right mood before you start. You need to spend time thinking in a wildly optimistic fashion. This is not the time to be limited by practicalities and what you believe be to current truths.

If you are going to work in a team, get people who have a positive outlook and agree some ground rules, such as

- **All** ideas are valued
- There are **no** wrong ideas
- This is a process of trying to build on peoples' dreams, so don't be **constrained** by current reality
- If the current situation isn't good, admit it, accept it, but don't get into a moaning session about it
- Everyone should participate, everyone is equally important
- Be as creative, open, even wild, as possible
- You are looking at five to ten years; almost anything is possible

NOTE

Sometimes, if things are bad and have been for some time, the people who have been your greatest complainers may now relish the chance to have some input; now is the chance to harness their negative energy. Those who have just 'shut up and put up' in the past may be more than happy to just carry on without making the effort of striving for a better future.

Aim high

Ask yourself questions such as 'What would be great?' or 'What kind of organisation would we love this to be?' or 'What would

make me look forward to going to work?' Jot down everyone's answers to these questions and then discuss them. Avoid focussing on the past (why aren't we great?) or the present (what is stopping us?) and focus on the perfect future (what could we be?).

Consider...

If you were asked to come up with as many ideas as you could to earn ten pounds by the end of the day, some ideas would be better than others, but even the bad ones would probably earn someone ten pounds in a day.

Then ask yourself whether any of the ideas could earn someone a million pounds by the end of the day.

The vast majority of ideas have absolutely no chance to make anyone a million pounds, and a select few have only a very, very slim chance. Moral of the story...

You don't get million-pound ideas from a ten-pound vision.

In other words, the quality of your vision determines the quality and originality of your ideas and solutions. A powerful vision statement should stretch expectations and aspirations, helping you step out of your comfort zone.

Perfect future

From these discussions, identify the closest thing you have to a consensus idea of the perfect future; this becomes your draft vision statement.

When writing this vision statement, use adjectives and adverbs that stretch the organisation, and excite and motivate you. Do you want to 'improve your processes' or

'dramatically improve your processes'? Did Kennedy want to 'bring the man back to earth' or bring him safely back to earth?

Once you have the first draft in writing, live with it for a couple of days; think about it, and ask others for their input.

Apply some basic litmus tests that relate to the way your vision looks to different stakeholders:

- How does this vision look to staff?
- How does this vision look to managers?
- How does this vision look to shareholders?
- How does this vision look to prospective customers?
- How does this vision look to present customers?

A vision that serves one set of stakeholders, may well not work for others. For example:

- A vision that relates solely to shareholder return may have a negative impact on non-shareholding staff
- A vision that relates solely to customers may have little appeal to shareholders
- A vision that relates solely to new customers may have a very negative impact on existing customer loyalty.

Consider the old BBC vision; 'to be the best managed organisation in the public sector'. Is this going to be acceptable to licence fee payers, who are definitely one of the major stakeholders?

Remember, nothing is set in stone. The vision statement you create today may work for the next six months or the next six years, but ultimately the environment will change and then your vision statement may need to change as well. Or you will

achieve it and need a new vision to take you further!

Another thing to bear in mind is how the vision will fit within a larger vision that may already be in place. If the vision is below organisational level, say a division, department, function or team, ask whether the vision fits in with the higher-level vision. To think of an analogy, consider the matrioshka, the Russian nesting doll: each level of subsidiary vision may have its own design and colour, but it must be the right size and shape to fit into the larger vision.

Examples

Below are a couple of examples of vision statements that pass these acid tests.

VISION FOR GLASGOW

We want Glasgow to flourish as a modern, multi-cultural, metropolitan city of opportunity, achievement, culture and sporting excellence, where citizens and businesses thrive and visitors are always welcomed.

Glasgow City Council

COCA-COLA VISION

To achieve sustainable growth, we have established a vision with clear goals.

- Profit: maximising return to shareowners while being mindful of our overall responsibilities.
- People: being a great place to work where people are inspired to be the best they can be.
- Portfolio: bringing to the world a portfolio of beverage brands that anticipate and satisfy people's desires and needs.
- Partners: nurturing a winning network of partners and building mutual loyalty.
- Planet: being a responsible global citizen that makes a difference.

Realistic?

A vision statement is the first step towards achieving the results you truly desire.

The purpose of the vision statement is to inspire, energise, motivate, focus and stimulate your creativity, not to serve as a measuring stick for success; that is

the job of your objectives and goals.

However, some people may object to an optimistic or unrealistic vision statement because they may consider it a failure when they fall short of the best possible outcome.

This is a valid concern, but you can still gain the benefits of a powerful and compelling vision statement by creating two versions:

- An idealised version to inspire and motivate
- A 'realistic' version that you can use as a target (though this could actually form the basis of your mission statement).

Just keep in mind that, back in the early 1980s, Microsoft's vision of...

A personal computer in every home, running Microsoft software

was considered by most people to be highly unrealistic. After all, only three years earlier, Ken Olsen, chairman of one of the world's largest computer manufacturers, DEC, had gone on record saying, 'There is no reason for any individual to have a computer in their home'.

In fact, Olsen wasn't talking about PCs, but about a central computer that controlled everything in the home; he was, however, widely quoted out of context and it was this misquoting that has become received wisdom concerning his meaning.

It is safe to say that, even now, not **every** home has a PC in it and not every PC runs Microsoft software, but this doesn't mean Microsoft has failed: the purpose of the vision statement is not to serve as a 'real' target against which you will measure your achievements to determine whether you have succeeded or failed. The purpose of the vision statement is to open your eyes to what might be possible.

Once you have created your vision statement, you have to do

something with it: you need to **communicate** it to others.

Vision killers

As you engage in the visioning process, be alert to the following vision killers:

- Tradition – 'This organisation has always stood for...'
- Fear of ridicule – 'Oh No! Now we are expected to be a Prophet!'
- Stereotypes of people, conditions and roles – 'You won't get XXX to take part in this'; 'Don't you think in the current economic climate we ought to be focusing on more important things?'; 'It's not my job'...
- Complacency of some stakeholders – 'We have got this far without one/with the existing one, so why do we need to do this?'
- Fatigued leaders – 'I have enough trouble dealing with the unions, the shareholders, the bank, the regulator; I just don't have time!'
- Short-term thinking – 'We hit target; if it ain't broke don't fix it'
- 'Naysayers' – 'We had one of those in my last company; it didn't work there either.'

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About the Author

Rus is a professional learning and development specialist and business coach. With over 15 years' experience as a line manager, associate and independent consultant he can bring performance improvement to most individuals and teams in most situations and sectors. He has two overarching principles in terms of his work with clients:

- it must add value to the organisation and the lives/careers of the individuals involved
- it must be pragmatic, enjoyable and memorable

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Tim Stroh

A tsunami of disruption is coming and it's not AI... or anything else in the hype cycle



A new wave of disruption is coming. This time not brought about by advances in technology or new business models but instead by a new understanding of how the human brain functions and how we make decisions and choices. The changes it will bring will likely dwarf those that have come before.

Over the last decade, a combination of real-world events and new research have overturned dozens of foundation theories underpinning entire disciplines from economics to consumer psychology. Accepted truths relied upon by every business executive, banker and policy maker the world over can no longer be relied on. The very foundations of economics including Rational Choice Theory, the law of supply and demand, and the Efficient Market Hypothesis, Everett's theory of Innovation Diffusion (which coined the terms "early adopters" and "laggards"), and even Clayton Christensen's theory of Disruptive Innovation have now been shown to be at best only accurate in certain contexts and, at worst, flat wrong. (references for research showing these ideas being overturned appear at the end of this article.)

The replacement of old theories with new is normal in all scientific and research-based disciplines.



Great Wave Off Kanagawa <https://www.flickr.com/photos/doegox/2085419215/>

Advances are made when an established theory is replaced by a new one that explains more, one that covers both what the old one did and also the anomalies, exceptions, and conditions that the old one could not. What is rare, however, is a wholesale change to the very foundations of multiple disciplines all driven by a single new understanding that not only explains more within an individual discipline but offers **consilience** across them. That is to say, it provides a shared explanation supported by evidence from a diversity of arenas, while also explaining the various anomalies and those troubling and previously

inexplicable real-world observations.

What the evidence now makes clear is that the human brain is comprised of discrete, but highly interconnected, physical structures. These evolved modules function and interact in ways very different than previously thought and in ways that directly, consistently, and predictably influence our decision-making processes and choices.

Rather than being biased away from rational self-interest, we are genetically compelled to independently value a variety of specific things. We pursue and

resist the loss of relative status, novelty, belonging, gossip, and more (gossip in this context specifically refers to information on the actual or potential sexual partners of others or regarding events or actions that have impacted the relative status of others). Critically these forms of value are unlike money or “utility” as traditionally conceived by economists. These discrete forms of value are not universally interchangeable or independently quantifiable. Most are strictly relative and many are strictly contextual. They only exist in terms of one person being compared to another and often only in specific contexts. One can not be used to obtain the other. No amount of money can make something novel that is not or buy the status of an MMA (mixed martial arts) fighting champion in a group of serious gym junkies. A person can only have status relative to others. Status in the operating theatre or cockpit does not equate to status on the basketball court. Yet in all cases, relative status is valued, we would happily pay for it if we could. People of high status are universally considered more desirable as mates. No one wants to be the last one picked and most will accept a more senior title over more money. In fact, where money appears to be the driver, it is more often than not simply a proxy for status.

Critically, each form of value exists and is perceived because of discrete independently operating neural modules. Our brains don't operate like a single decision-making system or even a simple pairing of a fast and slow system. Rather, these modules are independently activated by specific patterns of stimuli and they battle each other for control or influence alongside our conscious system while being either emboldened or suppressed by various emotional states. While interconnected with the physical structures enabling our conscious and “rational” abilities, the perception and judgment of ‘value’ of each form generally occur subconsciously and always within its associated distinct physical neural structure. As such, each

cannot be compared or equated to the other forms of uniquely perceived value.

In addition to the need to pursue relative status, novelty, mastery, and other genetically dictated, unique, relative, contextual, and often non-quantifiable or interchangeable forms of value, the research shows:

1. While universal, these value traits appear in all populations in proportions corresponding to a normal bell curve distribution for polygenic traits. This means that some small percentage of people will not value status or novelty at all, some small percentage will be obsessed with it, and the vast majority of us will pursue or value it in a roughly average way.
2. “Psychological safety” is the key to all adoption decisions. Self-reported personal preferences, economic self-interest, and even physical safety are secondary for most of us. Psychological safety in this context refers to a decision not having a negative impact on a person's status, belonging, or definition of self.
3. Information, opinions, and even new products that conflict with our stored definition of self will trigger the same “posture, submit, flight, or fight” circuit as physical threats. We will resist and rationalize why anything that will diminish our status, role, or belonging within or to a group that forms part of our self-identity should be resisted irrespective of any objective assessment or the rational benefits of adoption.
4. People's willingness to challenge others also appears in a standard bell curve distribution. As a rule, most people are reluctant to challenge others. Given the adoption of a new idea or product will trigger the “fight, flight, or submit” circuit in others, any adoption decision for a new product or new idea will be based on a subconscious assessment by the decision maker of if their choice will be perceived as a

challenge to others and how the decision will impact on their status and belonging or the perception by others of their status and belonging. This means that rather than our choices being the product of personal preference and made solely within our individual heads, our decision processes are almost universally social or group in nature.

5. Belonging, or fear of ostracism, is the most powerful need or form of value. Relative status within groups that form part of our self-identity is the second most influential form of value.
6. The persistent, consistent, and social nature of these influences results in our behaviour in groups and between groups being highly predictable irrespective of the size of the group.

These realities have both mundane and profound ramifications. Money is not the sole driver of choice, actions, or exchange. In many cases, money is simply a proxy for status. For marketers and product managers, a product that confers status will be valued and adopted more broadly than even a superior product that does not or worse is associated with negative status.

Premium brands have capitalized on this for years. Apple's iPod did so without knowing it. But every Apple release since has tried to emulate or confer multiple forms of value from traditional functional utility to status, novelty and more.

Tesla has incorporated status value into its strategy with tremendous effect, succeeding in selling green electric cars where others mostly failed because they focussed solely on environmental benefits. Tesla succeeded by selling a super cool premium sports car that happened to be electric. Early MP3 players, Google glasses, and 3D televisions fell prey to the negative status associated with their ‘geeky’ early adopters. 3D televisions suffered from the socially awkward need to wear unflattering glasses.

Google glasses also made people feel that others would see their choice to adopt as a challenge. In each case, success or failure was the result not of a traditional economic analysis or utility but the product of these alternate forms of value.

Moving forward, the most effective organizations will fundamentally alter how they think about what incentivizes a customer to buy as well as how to incentivize their employees. Programs based specifically on these realities will allow powerful incentive programs that dramatically impact employee and team behaviours and performance without also incentivizing abhorrent behaviours such as inappropriately selling products just to get a commission.

Recruitment processes, performance reviews, and team structuring will also change to reduce or eliminate bias and to optimize team and organization performance. Those companies that embrace and apply these new realities will quickly achieve a substantial strategic advantage over those that do not.

Awareness of the role of status, belonging, people's innate lack of willingness to challenge others, the social nature of decision making, and critically our "fight or flight" response to ideas and proposals that aren't aligned with our self-image will allow for a whole new era of more objective decision making and project selection.

"Group-think" is not just a condition of unique environments but the norm virtually everywhere. These influences impact equally internal decision processes within an organization and external decision processes of individuals and groups comprising a market. 90% of innovation, new product, start-up, and organizational change initiatives fail to fulfill their business case.

While these failures are contributed to by a diversity of issues, it is these previously misunderstood ramifications of our nature, the way our brains physically function, the lack of objectivity during selection processes, the role of status, the common failure to acknowledge and address assumptions, and the collective impact of these flawed theories now overturned, that represent the single most significant cause.

Disruption led by those who apply knowledge of this new understanding of human nature and choice, both internally within their organization and in developing new products, marketing campaigns, and all interactions with external stakeholders, will literally change the way we perceive business success.

Asset market bubbles, the existence of which so conflicts with traditional economic theory that some economists still deny them, can now be explained and predicted.

The behaviour of mass shooters, suicide bombers, world leaders, in fact, the emergence, adoption, and behaviour of whole political movements can now be explained and predicted. From teen depression and bullying to successful international relations, previously intractable problems may now have solutions. Change is coming. To lead it simply requires embracing the modern science of human nature.

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About the Author:

Tim Stroh is a successful innovator, author and speaker. He has taken software-as-a-service (SaaS) start-ups from idea through to multimillion-dollar trade sale, led the R&D efforts of market-leading consumer product manufacturers, and is the award-winning author of *A Deeper Truth: The new science of innovation, human choice and societal scale behaviour*.

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