

BUSINESS INTELLIGENCE

REPORT

Provided for members of the
Greater Maryville
Chamber of Commerce

Strategies and Trends for the Successful Business

January 2012

IDEAwatch

Tips for Growing Your Business

■ **Create loyal customers without working harder,** faster or providing extras. Mike Michalowicz, author of *The Toilet Paper Entrepreneur*, says the key is to “under-promise, over-deliver” (UPOD). While business owners are familiar with this idea, most don’t practice it because they think it requires them to do something extra. Instead, they try to provide customer satisfaction by doing what they promised (e.g., “we’ll have it to you by Friday”). The problem is that people are most favorably influenced by the great service they don’t expect, rather than the great service they do expect. The trick to UPOD is building the “under-promise” part into the equation from the start. If Friday is the earliest you can get it done, promise it by the following Wednesday. When they get it on Friday, you’ll have a raving fan without having done anything different.

Source: www.wsj.com

■ **Ask this powerful question when interviewing job candidates:** “How will you add value to the company within the next 90 days?” Ask them to be specific about how they will make your company better. A great prospect will have researched your company and determined how they can use their existing skills to improve your organization in a concrete way.

Source: www.cbsnews.com

■ **Squeeze more out of a trade show by getting creative.** Jewelry designer Emily Armenta, who sells her designs in stores like Neiman Marcus, wanted to make sure key retailers stopped by her booth at a big trade show. Instead of phoning them, as many rivals do, she sent them a series of love notes, one with a recording of romantic Spanish music and another asking for a “date” at the show. Her company walked away with orders from 15 new retail stores.

Source: www.fortune.com

STRATEGY

Seven Reasons Your Business is Stuck

by John Jantsch

EVER FEEL LIKE you’re in a rut? Or worse, that you keep pushing that boulder up the hill, all Sisyphus-like, only to watch it roll back down, feeling that you are destined to repeat this throughout eternity?

Okay, citing Greek and Roman mythology may be a bit dramatic, but I see it every day when I work with small business owners who tell me that they desperately want to take their business to the next level but can’t seem to get unstuck.

In working through this same phenomenon in my own business, I offer these seven reasons why we struggle to move past where we are and hopefully some advice on breaking free:

1. You don’t have a compelling enough vision. The thing that moves people to act beyond what they are currently doing is a vision to do something so compelling that it forces them to change their behaviors in ways that would make it so. The problem with most business owners is that they are only looking toward next week or next month. What if you looked at making your business and your life multiple times bigger and better than it is right now?

What would that force you to change? What would that force you to stop doing? Where would that compel you to take massive action first?

2. Your habits aren’t serving you. The fact is that most humans are simply the sum of their habits, good and bad. In order to create change, you don’t need to work harder or try to be more productive; you simply need to replace some of your habits with ones that better serve your vision. That may mean adding exercise to your daily routine, learning how to say no once in a while, creating workflow that doesn’t include so much time checking email and conversing on Facebook. Maybe you need to start reading and writing. Maybe you need to learn programming or

how to present to a large group of prospects from a stage.

Pick one habit that you know isn’t serving your vision and replace it with one that you know will move you forward and commit to practicing that new habit

Are you working hard, but your business is getting nowhere? Try these ideas for breaking out of your rut.

for at least a month. Then, do it again every month for the next twelve and you’ll transform your life.

3. Your relationships are Twitter-thin. The age of friend, follow and fan has changed the dynamics of relationships. I’m not saying those tools are bad things (they have lots to offer), but I am saying it’s easy to sit back and conclude that since you’re chatting with someone on Twitter that you’re building the kinds of relationships you need in order to take your business to higher levels. We can only manage so many relationships with any amount of depth. That number may vary from person to person to person, but I guarantee you it’s not 500 or 1,000.

Pick three people this year that you believe could help you drastically improve your business and your life and focus on building a deep relationship with them. Here’s the catch: do it by focusing all your attention on how you can help them.

4. You’re not focused on value. What if the stuff you gave away as part of your marketing was better than most people’s paid product or service? What if you spent as much time measuring the results your clients received as you did on trying to sell more stuff?

Your clients don’t really want your stuff; they want what they or you have convinced them they will get from your stuff. Simply look for ways to be a greater opportunity for them to get what they want and you’ll represent value in the best sense.

continued on page 2

■ **Get more out of daily deal sites like Groupon or LivingSocial.** The only way daily deals make any sense is if you can turn that deal-seeking customer into a repeat customer. To do so, start by slipping another discount voucher in with their bill. Now you're in control of the discount amount instead of the daily deal site. Next, tell your customers that if they want additional deals, they should "Like" you on Facebook or follow you on Twitter. Also, ask nicely if they wouldn't mind writing a review about their experience. Finally, consider trading another discount or the possibility of winning a contest for the customer's contact information. Building a large email database is an effective and inexpensive way to develop a loyal following.

Source: www.marketingpros.com

■ **Improve your search engine rank with Schema.org,** a semantic markup protocol supported by Google, Bing and Yahoo. Schema.org attempts to give meaning to the information on your website. For example, does the word "bass" refer to a fish, a musical instrument or a brand of shoes? Knowing the difference helps search engines rank a web page correctly. But it can do even more. For example, you can tell search engines that a snippet of text is actually a client testimonial, allowing that testimonial to show up in, say, Google Places results.

Source: www.schema.org

■ **Here's a rule of thumb for sales:** The less a prospect talks, the less they buy. As Chief Solutions Officer at Yahoo!, Tim Sanders studied transcripts of recorded sales meetings with prospects and discovered that when the prospect talked more than a third of the meeting, they were significantly more likely to buy or agree to the next meeting. When they talked less than 20 percent of the time, they were less likely to buy or agree to another meeting. To reduce your word count, prepare questions before each meeting based on the prospect's challenges and priorities. Think through the process, creating follow-up questions based on anticipated answers. Begin the meeting with the questions and save the PowerPoint presentation for later. This forces the meeting into dialogue and immediately reduces your word count.

Source: sanderssays.typepad.com

Key cultural trends for 2012

Keeping up with ever-changing consumer behaviors is critical for success in business. Here are a few of this year's key cultural shifts, according to J. Walter Thompson's annual trends forecast:

- 1. Navigating the new economy.** Prolonged economic hardship will push brands into opening up more entry points for extremely cost-sensitive consumers. Smart companies will find new opportunities in creating stripped-down offerings, smaller sizes and otherwise more accessible products and services.
- 2. Live a little.** Faced with constant reminders about what to do (eat better, exercise more) and what not to do (smoke, overspend) and fatigued by several years of austerity, consumers will look for ways to live a little without spending a lot. For example, many people are indulging in sinful things, splurging on treats and escaping from today's many worries. Businesses can appeal to this urge by helping to remove anxiety around an indulgent choice and showcas-

ing how indulgences are permissible.

3. Generation go. Tough times will generate an unprecedented entrepreneurialism among the so-called Lost Generation, with today's youth becoming a uniquely resourceful group that creates their own opportunities. Enabled by technology that has removed the traditional barriers to starting a business, more than half of millennials said that if they lose or have trouble finding a job, they'd start their own business. If you have a business-to-business firm, you'll soon be talking to a new generation of business owners. So it may be time to rethink your message and communication methods.

4. Celebrating aging. Popular perceptions of aging are changing, with people of all ages taking a more positive view of growing older. And as demographic and cultural changes, as well as medical advances, help to shift attitudes, we'll redefine when "old age" occurs and what the term means.

Source: JWTIntelligence.com, Dec. 2011

Stuck... continued from page 1

5. You're worried about your weaknesses. I can't tell you how many times I've heard the phrase "I'm just not good at marketing." Then, of course, it's followed with "but I love to talk to people and help them get what they need," which may be one of the tidier explanations of what marketing really is.

Stop trying to get good at your weaknesses or shoring up areas that everyone says you need to get good at and start mastering the things you do really well, the things that bring you joy, the things that create value for you and for others and growth will flourish.

6. You're filling your time. Ever feel like no matter how many hours there were in a day it wouldn't be enough? Ever come to the end of a day and think, I don't know what I did today, but I sure was busy. The plague of work is that we are so completely capable of expanding it to fill whatever time we have available, whether that work is productive or not.

One of the things I truly believe you must embrace in order to take your business to the next level is to plan your time off first. I don't mean vacation plans, I mean make a part of your compelling vision for the future the precise amount of time you will take to work on your vision and recharge your energy.

What if you planned backwards?

What if, instead of taking a little time here and there when it occurred, you did something bold like decided to take every Friday away from the business or an entire week every quarter as a planned renewal period?

Now, you may not see how you could do that at this point, but unless you start to think bigger in this way, you'll never get above where you are right now.

7. You're managing the wrong things. Business is a lot like soup. From the diner's perspective, it's simply good or bad tasting. From the cook's perspective, it's the precise compilation of broth, vegetables and seasoning that make it good or bad tasting.

I think we often approach our business more like the diner than the cook; we manage the soup rather than the combination of the proper ingredients.

One of the things that holds businesses back is a failure to view their business as a precise blend of purpose, projects and process — maintaining a focus on managing those three things at all times is how you take your business toward your vision.

John Jantsch is a marketing consultant, creator of the Duct Tape Marketing Consultant Network and author of *Duct Tape Marketing* and *The Referral Engine*.

■ **Craft a catchy email marketing subject line** and watch your open rate soar. A strong subject line entices people to read further. Consider the following subject lines: “Blue Penguin’s Newsletter”; “Tips for Improving Newsletters”; “5 Tips for Increasing Newsletter Open Rate”; “5 Mistakes That Will Kill Your Newsletter Open Rate.” You may agree that each one gets progressively better. Why? 1. *Specificity*. The first two are so general that they do little to entice the reader to continue. 2. *Numbers*. It has been well tested that using numbers in headlines draws people in. 3. *Negatives*. Phrasing your message as a warning grabs attention, as readers want to make sure they are not unwittingly making a mistake.

Source: www.bluepenguindevelopment.com

■ **Take advantage of tax-free fringe benefits for your staff.** Smart phones, iPads and other tablets aren’t mere toys. They can help employees be more productive. That’s why the IRS says that they are tax-free fringe benefits when given to workers primarily for business reasons. The same goes for when employees are reimbursed for the use of their personal phones and tablets: Reasonable payments are tax-free as long as the use of the devices is related to the company’s business.

Source: www.kiplinger.com

■ **Most salespeople ruin a chance at a good first impression** by using worthless icebreakers at sales meetings. They often start by complimenting something in the prospect’s office or making a reference to a news or sporting event. The problem is that every other salesperson does the same thing, and these comments do little to move the sales process forward. Stand out from the crowd by making a remark that proves that you have put some thought into the prospect and their firm. For example, “I noticed from your LinkedIn bio that you used to work in the telecom industry. What was the biggest challenge that you faced, as an executive, moving into a new industry?”

Source: www.inc.com

Flexible work leads to healthier employees

Judging an employee on output, rather than hours spent in the office, increases the health of the employee, says a new study from the University of Minnesota.

Sociology professors Erin Kelly and Phyllis Moen analyzed a flexible workplace initiative that focused on the results of work being done — not when or where the work is completed. As part of the initiative, employees were allowed to routinely change when or where they worked based on their own needs without having to seek permission.

The study found that employees participating in the initiative reported getting almost an hour more of sleep on nights before work. Increased sleep reduces the risk of many diseases. They were less

likely to feel obligated to work when sick and more likely to go to a doctor when necessary, even when busy.

The flexible workplace initiative increased employees’ sense of schedule control and reduced their work-family conflict. This improved their sleep quality, energy levels, self-reported health and sense of personal mastery while decreasing their emotional exhaustion and psychological distress, the study showed.

“Our study shows that moving from viewing time at the office as a sign of productivity, to emphasizing actual results can create a work environment that fosters healthy behavior and well-being,” Moen said.

Source: University of Minnesota, Dec. 6, 2011

Cart abandoners respond to remarketing

Owners of e-commerce websites are typically shocked to see how many customers abandon their shopping carts. But recent studies by SeeWhy suggests those numbers aren’t as bad as they seem and there are ways to earn back those lost sales.

Data from the study indicates that when new visitors abandon, only 1 in 4 will not return within a 28-day period, meaning that 75% of abandoners have some degree of intent to purchase and will return to the site to either abandon again or purchase. Included within this group is a subgroup of visitors called “serial abandoners,” defined as online shoppers who abandoned a purchase more than once in the previous 28 days. Overall, 42% of the abandoners in the SeeWhy study were serial abandoners. The study suggests that 48% of this group will buy when remarketed to

(i.e., receive follow-up emails), making this group 2.6 times more likely to buy than one-time abandoners.

What’s more, using customers that made a purchase “straight through” on an e-commerce site as a reference point, SeeWhy discovered that after receiving email remarketing campaigns, those that abandon their shopping carts spend on average 55% more than those who do not abandon their shopping carts. However, the high average order value did not apply to all remarketing campaigns: real-time remarketing campaigns, where the email was sent immediately following the abandon, generated 105% more revenue than the same email sent only 24 hours later. In fact, 30% more shopping carts were recovered by real-time email, and those campaigns also had a 66% higher average order value.

Source: MarketingCharts.com, Dec. 22, 2011

Earn tax credit by hiring a veteran

A new federal tax credit is available for employers who hire eligible military veterans between now and Jan. 1, 2013. The new credit is authorized by the VOW to Hire Heroes Act of 2011.

Employers can receive a credit of up to \$2,400 for hiring a vet who has gotten unemployment assistance for at least a

month and up to \$6,000 for hiring a vet who has received unemployment benefits for at least six months.

The credit comes in addition to the existing Work Opportunity Tax Credit, which provides up to a \$9,600 tax credit for hiring an eligible vet.

Source: IdahoStatesman.com, Dec. 12, 2011