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Success in the New Normal Recovery

As the stock market just topped 12,000, it is apparent we are in a recovery. Yet it is far from a traditional recovery - jobless with limited growth. In fact, to most everyday people, it doesn't feel like a recovery. As I've talked with clients and business contacts and watched the trends, I'm convinced this is just a phase in the new normal environment. This new normal is not only jobless but it is also sales constrained and cash constrained with elevated expectations for customer service. A challenge to be sure! As the GDP is largely based on consumption, and the baby boomer generation begins retiring, consumption will be hard pressed to increase significantly. And, as emerging countries gobble up commodities and natural resources and exchange rates fluctuate, there is price pressure. Margins are squeezed. The new normal is here to stay.

So, the key question becomes the following: NOT how to survive (do you want to just survive the next 10 years?) but how to thrive in the new normal recovery. There seems to be intense interest in this subject as I've been interviewed by the Wall Street Journal and a few leading trade magazines recently on this topic. So, what are the keys to success? 1) Stand out in the marketplace. 2) Prepare to service existing and expanded volume with excellence. 3) Maintain rigorous focus on priorities.

1. **Stand out in the marketplace:** I'll devote future articles to each of these key points; however, from the 80/20 perspective, it is vital to search for ways to stand out in the marketplace. Growing volume is no longer as easy as answering the phone. Who are your customers? Prospects? What do they value? How do you differentiate from your competition?

Get out and see customers, suppliers, and other key contacts. Ask experts. Find the area in which you are capable of excelling and which is also a sweet spot (aligns with what your customers value) and focus all of your attention on it. Simple, yet a tall order.

In the new normal recovery, opportunities can easily pass you by if you are not looking for them. They will not be obvious; thus, you must devote substantial time and resources to searching for them!

2. **Prepare to service existing & expanded volume with excellence:** Since service is critical to success, you must devote extra time to preparation. For example, you must be prepared to supply products on shorter lead times at lower costs and with exceptional service. Gone are the days of storing excess inventory to handle this dilemma. Supply chain is now a strategic function. As case in point, a recent article in a Gartner publication highlighted the importance of supply chain, utilizing Lenovo as an example.

However, service is not just supply chain. In order to provide exceptional service, your entire organization must be on board - from sales to procurement to administration. What does service mean to your organization?

In my business, it is all about relationships - being the low cost provider is worse than useless as executives do not want the cheapest consultant; instead, they want one who can help them achieve strategic priorities and deliver significant returns on investment. On the other hand, in a recent client example, lead time is what mattered - if you were just 5% better than the competition, you could win the business. And, in another client, although quicker lead times were a nice-to-have, it meant little to customers; instead, customers wanted value-added service.

3. **Maintain rigorous focus on priorities:** As opportunities are few and far between, it is vital to take advantage of them when they arise. Thus, flawless execution must be an assumption. And with no time to waste on non-critical execution items, maintaining a rigorous focus on priorities is essential.

Do not become distracted on the latest fad or non-essential sacred cow. There is no time in the new normal for non-essential tasks or projects unless you want to be passed by - who wants to be driving the banged up clunker stopping at rest stops to look for pennies while a Ferrari passes by stopping only for million dollar sales opportunities?

Last but not least, rigorous focus on priorities cannot occur without exceptional people. Invest in your #1 asset.

Think of the new normal as your dream house or retirement home - it's here for the foreseeable future. Thus, the question will be - who will not only see the next opportunity that arises in the recovery but will also seize it? Those are the companies who will leapfrog the competition.

Lisa's Tips: The Aftermath of a Layoff

Unfortunately, there have been countless layoffs during the recession - and some recent announcements by companies such as American Express and Abbott. Your company will not leverage the recovery if you haven't thought about 'what next' for the survivors:

1. It's all about people. Do the survivors know they are valued? Talk is cheap. Actions count.
2. Do your employees know where the company is headed? Do they see the leaders as just interested in survival or do they have a plan?
3. Do the executives care? One of the craziest things I see more often than I'd like is an executive who says he/she cares and obviously doesn't. Everyone knows it. Do not pretend. It's better to be genuine even if you don't care - at least you'll be respected for being truthful.
4. Most likely, it's expected that the survivors will pick up the slack. I've found that most will rise to the occasion and even feel good about it - IF they are appreciated. Why is this so often overlooked?
5. Survivors are learning new skills on the fly - are you providing training? Are you showing them it's ok to make a mistake (so long as it's not a trend of the same mistakes)? Or are they living in fear which undoubtedly creates additional mistakes and illnesses.

Recommended Reading

["All For One: 10 Strategies for Building Trusted Client Partnerships"](#) by Andrew Sobel - an interesting look at creating trusted client partnerships. As these same concepts apply to all relationships, I found it to be a valuable business book with ideas for all types of businesses.

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