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2010's "New Normal" Volatility – What to do?

2010's "new normal" is volatility. Who ever thought we'd get used to commonplace bank failures? How about the Dow rising or falling by hundreds of points in a day? Oil gushing into the Gulf? Toyota quality issues? Never! Get used to erratic change as it is the "new normal".

I work with clients in multiple industries in various economic cycles. Even though they are located in geographically diverse locations and range in size from startups to billion dollar enterprises and range from manufacturers to distributors to service organizations, they all have something in common – volatility.

For example, the annual budgeting process must be completed especially in public companies; however, it has become similar to technology – by the time it is written on paper, it is obsolete. Leaders are tentative in making decisions as they don't know what to expect - sales and profits can be significantly different from month to month or even day to day in today's turbulent environment. Thus, many times, they are afraid to commit to a decision, even simple ones. Yet, inaction can be worse than making an incorrect decision.

Cash flow is a consistent concern – how much of a cushion is enough? It's not uncommon to be worried about not having enough orders to keep employees busy one day (should they sweep the floors? Send them home? Lay them off?), and yet overwhelmed with a backlog of orders the next. Also, since everyone is concerned about cost, the customer suddenly expects more for less; therefore, service is vital. Quality must be an assumption. Yet it is significantly more difficult to achieve in volatile times, as consistent execution is vital.

So, how can we succeed in the "new normal" volatility? 1) Set priorities. 2) Communicate. 3) Appreciate talent.

1. **Set priorities.** The enemy of flawless execution which translates into not only bottom line results but also happy employees, customers and suppliers is confusion about goals and priorities. This is not nearly as simple as setting priorities in the "old normal" as it was clear cut and stayed relatively the same on a daily, weekly and quarterly basis. However, in the "new normal", priorities must make sense and be tweaked (or even radically changed upon occasion) on a daily, weekly and quarterly basis yet also tie together conceptually.

Thus, it is vital to have a solid understanding of where you are headed strategically. Specific priorities might evolve and change yet must tie together in people's minds – do the Executives seem scattered or do they have a firm grasp on where they're headed? How is the transition in priorities? Do you feel as though you've been pushed off a mountain or is it a smooth transition?

2. **Communicate.** In this complex environment, communication is essential. Being a cheerleader is not enough. Even though you don't have to be a detailed expert, you must be able to understand enough of the detail and be

able to synthesize information to ask effective questions, push back, and help your team navigate around roadblocks and pitfalls in addition to providing support and utilizing the typical leadership skills.

Just as in lean manufacturing, typical leadership skills are now an assumption. Instead, you must take a leap forward. Otherwise, you will be addressing the wrong issues and left in the dust.

Making tough decisions is critical. Facing reality sooner rather than later is important. Keeping all stakeholders informed and involved is essential. And, this is not just shareholders, Board members and customers. Have you ever seen unhappy employees providing exceptional service to customers?

3. **Appreciate talent.** In my experience, there has never been a time where talent is more vital. To navigate the tricky waters of volatility successfully, you must be the company with the top talent. According to Executive recruiters, it is harder to find top talent today than it's been in years. Thus, open your eyes – do you have folks in your organization who deliver results consistently? Perhaps they are not the ones with the best presentation skills or the most entertaining sideline stories but they deliver like clockwork. Appreciate them. Focus effort to retain them. What could be more important to achieving results? If hiring, do not skimp. It's better to have 1 top talent than 5 mediocre, less expensive resources. Those companies with top talent will leapfrog their competition in the next few years! For more tips on this topic, refer to my the May 2010 newsletter on [Retaining Top Talent](#).

Volatility is the "new normal" – forget about survival; instead, find a way to thrive with volatility.

Lisa's Tips: Summer Tips

As summer is upon us, I thought it appropriate to take a step back and think about a few tips for the season:

1. Rejuvenation – no matter how busy, it is vital to plan time for rejuvenation. No one can go 24/7 – you'll be more productive after a bit of rest and rejuvenation.
2. Creative vacations – even if you cannot get away or take time off, find creative ways to take a mini-vacation or stay-vacation. Have you spent an entire weekend reading in bed? Do something to get you out of your routine.
3. Appreciate family & friends – especially in times of volatility, there is nothing more important than your support system. Appreciate and value them.
4. Provide value – instead of thinking about what you'll receive, start each day with how you can help someone else. Smile and be pleasant to an overwhelmed service employee. What can you do to help?
5. Take a walk outside – exercise can achieve wonders, and what better time to try a brief walk than during the summer (except perhaps in Arizona; however, a midnight walk might be an option).

Recommended Reading

[**"Neuromarketing"**](#) by Patrick Renvoise & Christophe Morin - I found this to be an interesting book about how the latest brain research can help increase your sales – and your personal success.

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