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Top Ten Waves That Can Impact Your Bottom Line And Tactical Maneuvers To Prevent Bruising

Waves impact business. In today's information age, we have access to a wide array of tools that help identify behavior with common features and prompt us to anticipate an oncoming wave. We frequently look at certain types of activities that repeat themselves but, just like waves, are never quite the same as those that came before. Understanding how to exploit change as opportunity is crucial to business success.

Business leaders and marketers tend to focus on external waves that fall into 7 general categories when making decisions. Equally important are three internal waves of maturity that all growing companies encounter. All ten waves have direct impact on market outlook and carry specific challenges regarding how employees interact with clients, co-workers and constituents.

External Waves

1. Economics / Spending
2. Technology / Tools
4. Demographics / Population Shifts
3. Market Saturation / Competitive Environment
5. Political Environment / Provincialism
6. Geography / Logistics
7. Environment

Internal Waves

8. Start-Up; Entrepreneurial Drivers
9. Growth and Structural Drivers
10. Maturity and Procedural Drivers





Qualifying Questions To Make You “Wave-Ready”

1. Where is your center of gravity?
Is more time spent reacting to receding water (market backlash) or to preparing for and handling oncoming swells?

Strategy

2. How long a ride do you want?
Are you looking for a short spurt or a long hang ten to shore?

Planning

3. How are the conditions?
Is it foggy? Can you see the waves? Is the tide right? Is it a little too rough (or calm) for your taste?

Market Research

4. Are you in shark-infested waters?
What threats loom beneath the surface?

Market Research

5. Do you have the right equipment?
Is the water too cold without a wet suit? Are you really ready for the long board? Is it waxed enough for proper traction?

Collateral

6. Do you know the terrain?
*Do you know where and when the wave is going to break? Do you know how to avoid the jagged rocks?
Are you following the lead of other wave riders?*

Public Relations

7. Can you handle the next one with ease?
*Did you wipe out?
Did you learn anything?
Ready to put that to use for the next big one?*

Information Management

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Wave Survival Tactics

1. Economics / Spending

When the economy tightens and money is short, the natural inclination is to stop spending. If you feel it, so do your customers / clients. Look at your packaging program and integrate service incentives to help stimulate activity. For example, when you are perceived as offering affordable alternatives, you'll experience a boost of activity. Consider offering complimentary informational seminars in conjunction with an open house event and utilize the extra time you have when times are slow to build relationships with your best customers and prospects. A little love goes a long way.

Regarding handling internal effects of the economy, spend wisely. It takes money to make money. Assess how your dollars are spent and shift to avenues that will work to your best advantage. Overcome wasteful habits, get more organized and be proactive. You'll be amazed by the positive results.

2. Technology / Tools

We are in the information age and technology runs in 18 month cycle turn-arounds. Computers older than 3 years are practically obsolete. Electronic commerce is becoming the norm. Doing business via fax machines is almost antiquated. Keep your pulse on how your customers gain information about your business and respond accordingly. Keep in mind that most people like dealing with people as opposed to automated answering / email systems. Be careful of treading the line of efficiency and depersonalizing your business.

3. Demographics / Population Shifts

Change / modify to reflect the needs of your new customer base; move to where there's a healthy concentration of desirable prospects and/or go to the web and go global.

4. Market Saturation / Competitive Environment

Competition is a good thing, but only the strong survive. Set yourself apart from the pack and be sure to clearly convey your competitive advantage to your customers and prospects. Educate and reinforce what makes you special and, more importantly, BE special – back it up. You may have great response to an effective campaign, but, if you don't live up to your promises, business will sour.



5. Political Environment / Provincialism

Know your audience. Doing your homework and having a grasp of this area will prevent a lot of headaches. Most businesses thrive or die on who they know or don't know. Get in the loop or become connected to people that are in the loop. This is where being a member of the local Chamber of Commerce works to your advantage. You're not only better assured of being in compliance with any applicable permits, codes and zoning ordinances that may impact your place of business, but you also gain a strong understanding of the community vibe that your business may depend on.

6. Geography / Logistics

While the world is becoming smaller with growth in global commerce and the shift of manufacturing to countries with lower labor costs, rising costs of fuel and transportation are causing many companies to reconsider their warehousing and transport activities. Centralized strategic regional hubs are becoming the norm and require a delicate balance of costs associated with storage and shipping. For smaller businesses, many who have shouldered their own transportation fleet are now letting their trucks sit still and are turning to third party shipping and transport companies. In maximizing their loads, these transport companies are reducing their standard shipping fees.

Combined with reduced cash flows from the slowing economy, many businesses are carrying reduced inventories. In the end, consumers have to readjust their expectations for immediate gratification and accept the answer, "We'll put that on order, you'll have it next week."

7. Environment

Some communities are more environmentally conscious than others. There are a wide range of ordinances that businesses may have to follow that can impact their bottom line. From recycling standard consumable waste materials, to stringent protocols on manufacturing and process-oriented by-products, don't be caught off guard. Non-compliance fines can run into 6 figures. For example, Europe has much stronger environmental regulations than the U.S.



Internal Waves

8. Start-Up; Entrepreneurial Drivers

Profits come quickly during this phase, but due to the lack of structure, speed of business can be at the expense of some inefficiencies and wasteful habits. For employees requiring structure and protocols, they may struggle and create some conflict in the workplace – which in turn affects productivity. Tactics for smoothing bumps; keep everyone informed and validate and celebrate their contributions. Assure them that things will not be perfect and “That’s OK”, We’re in this together – Go, Team Go! The Customer is King!

9. Growth and Structural Drivers

As more people come on board, external competition increases and there are greater pressures for accountability, the more structurally-oriented personnel will take over. Efficiencies will increase but the impassioned individuals that began and grew the company will struggle with the new rules. Their productivity will decrease as will their passion. Accept that profits will wane a bit and continue to embrace the spirit and motivation that prompted the company’s birth. Don’t forget the customer.

10. Maturity and Procedural Drivers

The company is an established brand and becomes a bureaucratic machine. In most cases, creativity is limited and the original founders are long gone. The company sustains profits but little growth. Everybody gets a pay check. Customers call in and struggle with automated voice mail hell. They get frustrated but most remain customers out of habit.

Strong inspirational leadership can bring this company out of mediocrity.

Conclusion

Recognizing and anticipating external waves can help steer wiser business decisions. Savvy marketers will devise strategies to leverage disadvantages to advantages. In order to survive and prosper, business needs to adapt to the waves because doing so will allow them to better serve their customer and capture new sustaining business.

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