



8 Things Leaders Can Do in a Changing Economy to Help Organizations Focus, Make Better Decisions and Grow

By Randall Rollinson, President, LBL Strategies, Ltd.

Now that the economy may be at the beginning of a recovery, what can the leadership of your organization do to make the most of the situation? Over 30 years of working with thousands of organizations while running my own, I see many of the same issues arise, and have learned what owners, presidents and their teams can do about them. This list simplifies much of what is at the core of the practice of strategic management, which is essentially the process of leveraging your strengths with what is happening in the marketplace.

Here are eight things you and your team can do now to help your organization focus, make better decisions and grow.

1) Get closer to your customers

When was the last time you took a fresh look at what is most important to your customers? How do you know how you are doing with regard to what matters most to them right now? If you could do just one item on this list, this would be the thing to do. This knowledge could change your business, change the decisions you make this week, or help you learn something that could make a real difference. One firm took a hard look at this and reorganized its business to meet customer delivery demand at a time when no one else was. The firm's customers wanted delivery of a fuse panel within four to six weeks. Across the industry, suppliers were delivering in 26 weeks. This company doubled its orders, and within a year grew its business 135%. As human beings, we make assumptions. It simplifies life. When you are running a business, it is so easy to get caught up in the day-to-day activities, and assume you know your customers and their needs. Progressive businesses take special actions to ensure they know what is most important to their customers now and how they are doing with regard to those concerns. Your customers will help you recognize trends before they become a problem. As Sam Walton was fond of saying, "Whenever you get confused, go to the store. The customers have all the answers...and all the money."

2) Make the time to meet with your team

Reflect on what the overall trends are and how they affect your organization. It's easy to say, "We don't have the time." When orders drop or you lose a big customer – seemingly through no fault of your own --, suddenly there is time. Be proactive, rather than reactive. Take the time to meet regularly with your leadership team, and hear what they are seeing and thinking. Use this information.

3) Create specific, measurable goals

Take actions consistent with the goals you set. It's tough to make sound business decisions if your goals are not specific and measurable.

4) Involve your people in your strategy

Ideally, each person should know how his or her role impacts the well-being of your business and achievement of your goals. Your people will surprise you if they understand this. Everyone wants to make a difference. If your people understand your organization's goals and how their actions impact them, they will see things and recommend things that would never occur to you. – That is, if they think you will listen.

5) Know the drivers of your business's success

Often, people are so busy managing the day to day; they do not know what elements drive profitability, productivity and efficiency in their organizations. When you don't know this, it's tough to make good decisions about projects to accept, how to allocate resources. For instance, if your customers want "just in time" delivery, it's probably critical for you to maintain and manage your inventory efficiently, or you could find yourself in debt very quickly.

6) Develop criteria so you can monitor these drivers

Many organizations focus on cash flow as the leading indicator of success. But if orders are dropping for three months and complaints, absenteeism and accidents are on the rise, its likely cash flow will drop. If you were monitoring these issues or whatever the drivers of your success are regularly, you could act more quickly before there is a problem.

7) Develop and utilize peer group relationships

Talking to others outside your organization can help you filter the onslaught of information that we all face on a daily basis. You can learn important things talking to others about how they managed challenges at their organizations in related and unrelated industries. Applying ideas from one industry to another is often how innovation happens.

8) Study the global marketplace and see how you fit in

It's not a buzz word. Our organizations in the Midwest are affected by others around the world. Learn how you can use this to your advantage. One recent graduate of the Certificate in Strategic Management program realized that rather than work to improve their internal stamping capabilities – a very small part of their business – they could outsource it to a vendor overseas. They identified a vendor who could manufacture what they need at a cost 25% of what it had cost them to make!

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