

TIME TO RE-MODEL?

Susan Frost

Published in *The Business News*, 3 January 2011

When Alan Greenspan testified before Congress in 2008, he said that the economic down-turn was caused by “a flaw in my model.” Of course, Warren Buffett in a May 3, 2010, CNBC interview said, “Once they’ve got the wrong model, they’ve got the wrong answer.” This all appears obvious - especially now in hind-sight - but how many times have we looked at another business we perceived as successful and attempted to emulate their model? At the same time, new business advisors tell us that although this economy will come back, everything will be different. So, where does this leave us, the small business person, in deciding how to successfully direct our businesses in unknown territory.

A long time ago, I threw out “the model.” For this, I have to credit a mentor early in my career. When I brought him what I thought was an ideal model for a campaign suggesting we try it, his response to what I believed was a great opportunity was this: “You have made two wrong assumptions, first that this is working and second that they know what they’re doing.” It was some of the best advice I was ever given. As we watch the economy tumble about, we find more and more often that someone picked the wrong model and came up with the wrong answer. And, because everyone assumed that the people with the model were the people with the answer, we ended up with the lemming effect. While there are times when models work, there are equally times when models prevent us from expanding our businesses and seeing the obvious, even when it is right in front of us.

Companies are often so intent on their mission, their competition, their services and their—pick one or four [staff] [inventory] [equipment] [commitment]—that their perspective becomes Narcissistic and they lose their direction. We have to believe that our products and services are the best in the business, that’s what gives us buoyancy, but if we lose sight of the real issue, we miss the mark. It is amazing the number of groups I’ve worked with who are most anxious to explain their mission, how great their product is, and their commitment to their mission statement and philosophy of business. They are also so busy creating this, they forget to ask the big question: what does the customer want, need, or desire. The second question is the underlying motivation, what does the customer really purchase: Time? Beauty? Status? Sex? The third is who really is my competition - and it may not be the person in the same business. If you’re a furrier, for example, your competition is everyone who is in the luxury market, the travel agent and the jeweler or whoever else is targeting a like price point of expendable income whether it is \$300, \$3,000 or \$30,000.

The answers to these challenges are not found in the equations of our business texts, but in two unlikely elements not usually associated with business: Empathy and design. In his book, *A Whole New Mind: Why Right-Brainers Will Rule the Future*, Daniel H. Pink suggests that these two elements change the

way we approach problems and, certainly, they pertain to how we approach our customers. In other words, when you “get” the consumer, you better design your product or service with the vision necessary to meet customer needs. This kind of empathy leads to creative problem solving and opens the door to stronger sales and deeper customer loyalty. You can probably count the number of times you’ve queried a sales person only to be told “just what’s out,” “we don’t do that”—or worse, “sorry about that”—comments that freeze the customer relationship in its tracks. As you read this, you probably get the visceral customer reaction because it’s happened to you. But, where would your business be if employees listened and then responded with “no problem, we can do that and if we can’t we know who can.” Can you feel the positive energy release?

Breaking the old models and opening the world of creativity can be a challenge, especially when so many young employees come from a world where they are tested on hard facts. In the classroom, students sometimes believe that learning is a matter of “tell me what I need to know, give me a test and get me out of here.” This process closes down creativity, produces the “just what’s out” attitude and worse, it undermines effective sales. But, what if your staff were trained to be sensitive listeners? What kind of customer research would you have? How would it change customer attitudes? How could your business evolve with the new economy?

Again and again we hear that we must “think outside the box,” but how often has the model, in reality, been the box that holds us in check and closes the door to profit? As obvious as these practices may appear, they are the stuff that critical analysis is made of, they are lodged in the creative side of your brain. The bottom line question is whether we have the courage to use it.