

BUILDING PROSPERITY

Managing the Inevitability of Change



5 Things to Consider With Change

written by Jim Kahrs

- I. Complacency is often nothing more than fear of change. People will tell you they are comfortable with the way things are, that they like it this way. However, this is often far from the truth. This desire to leave things as they are is often driven by fear of change and fear of the unknown.
- II. There are stages that people typically go through when facing a change. Understanding these stages will help those driving the change to navigate it more easily and with less stress. When you know what to expect from others, it is easier to weather the storm that change can bring. The stages are:

Initial Shock - The initial shock to change may be minor for small changes or quite significant for major changes. Remember that you're fully familiar with the change you've been planning for weeks or months, but those around you are hearing it for the first time. There may be a great deal to process.

Emotional Reaction - It is quite normal for people to feel nervous, fearful, angry and other normal emotions when facing a change. When handled correctly, these initial reactions typically subside and move into higher emotional tones.

Understanding the New Situation - After the initial shock and emotional reaction, most people will seek to understand the situation better. It is important that you keep communicating about the reason for and the positive effects of the change. Don't expect people to figure this out for themselves. Major changes should include a full-scale internal marketing program to garner support for the change.

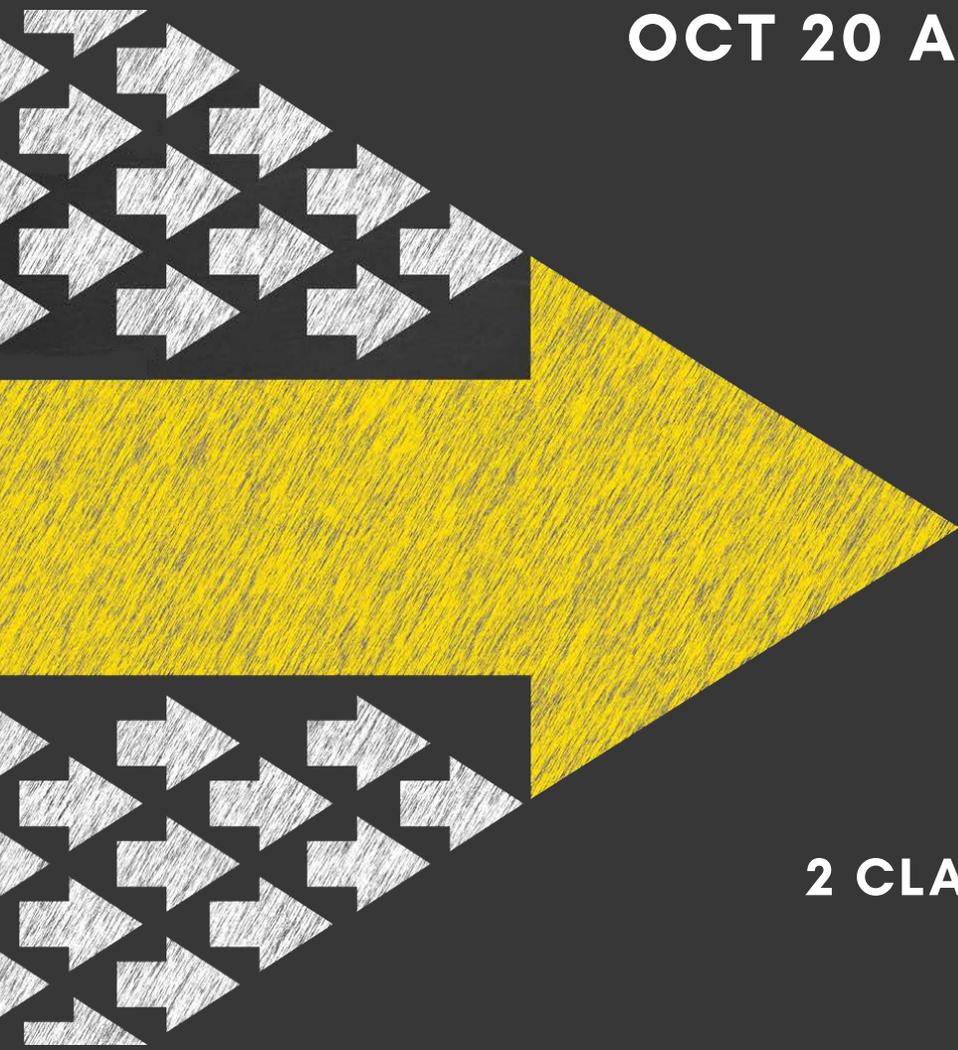
Acceptance - In this stage people come to realize that the change is here to stay and that fighting it isn't helpful. They very often also realize that it is for the better.

- III. Change is closely tied to control. It is very common for those affected by change to feel like they've lost control. Recognize this and do what you can to put people back into a feeling of control.
- IV. Allow for feedback. People who are on the front lines of the business often have a better handle on the pulse of the business than the executives running the show. Don't ignore their feedback. Too often executives and managers write this feedback off as discontent, lack of understanding or lack of knowledge. Take criticism seriously as it could save everyone a lot of heartache if the front-line employee is correct.
- V. Focus on the positives. The knee-jerk reaction to change is to find all the reasons it is not correct and focus on the problems. Yes, many changes will bring some bumps in the road. Don't allow these to become the narrative. Focus on the positive things that are happening or will happen as things progress. If the team keeps harping on the negative, it usually means they don't fully understand what benefits the changes will bring.



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Lessons Learned From Football

written by Jim Kahrs



As the fall season gets into full swing, many of us spend our Saturdays and/or Sundays watching one of America's favorite pastimes; football. Whether a college or National Football League fan, most people who are into football have their team and have pretty strong desires to see them make it to the big game. Making it to the Bowl Championship Series game or the Super Bowl is a great goal, but might prove a little lofty for some teams.

However, every team, no doubt, has its own goals and measurements of success. In measuring the level of success throughout the season coaches and players will be evaluating an abundance of statistics. The hope is that if they measure the right things and make the right adjustments they will be able to achieve the goals set at the beginning of the season. Running a business can and should borrow a page from the playbook of the sports world. This article will take a metaphorical look at how a business compares to a football team.

As mentioned above, almost every team, and certainly all successful teams, set their goals before the season starts. The goal may be to make it to the championship game or it might be something short of this. For example, a team might have the goal of getting more wins than they had last year, or having a record over .500, or winning their conference, etc

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Lessons Learned From Football

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Regardless of what the goal is there is one important point; it must be something the team and coaches can rally around. Setting a goal that is unrealistic typically results in little or no effort or “push” toward the goal as it can be seen as unachievable. The net result here is a demotivated team.

So how do we translate this to the business world? I suggest that you start with setting a revenue goal for the company. This is one of the key statistics of a business. You want the goal to be a stretch but one that the team will rally around. Very often the goal is set as a growth number relative to the previous year. For example, our goal is to grow the business 25%. This is a goal that can be easily made visible to the team and one that the team can affect. Of course, the coaching staff needs to also look at the profitability of the company as another key statistic. If you have an open-book policy where the team sees profitability this can be public. If not you’ll need to have the senior management team keep a close eye on net profit, as increasing total revenue while eroding net profit is a big mistake and one that must be avoided.

If you’ve ever been to a football game you’ve seen people in the crowd with signs designed to motivate the rest of the crowd as well as the players on the field. These signs act as a reminder of the goals the team is expected to be working toward. You can replicate this in the office by posting signs and reminders of the goals you’ve set. For example, if you’ve set a goal to grow 25% then you can have 25% signs posted all over the office. They will act as a constant reminder to your team.

Having team goals is critical but by no means enough. A football team has three distinctly different groups or sub-teams; offense, defense and special teams. Each of these groups has their own coaches and their own sub-goals. This is easily replicated in the business world. I would match them up like this; offense is sales, defense is service and special teams is admin. Closing sales is where the majority of our revenue, or scoring, comes in. Keeping customer systems up and running and providing outstanding support is the best way to defend our business from the other team that is always looking to score their own points. And, our ability to administer the business with proper billing, cash and asset management, collections, etc. is the special teams answer to turning revenue into profit.

So, let’s take a closer look at each. When looking at a football offense you’ll hear statistics like; yards running, yards passing, number of complete passes, number of interceptions, etc. When looking at these key statistics you get a good idea of the level of success of the offense and can pretty easily predict their scoring ability and very often the results of the game. In a business we need to track things in a similar way. Key statistics here will be things like; number of prospecting calls, number of appointments, number of demos, etc. If you set targets for these key areas you will be able to predict where you’ll be successful and where you won’t. Telling a sales team to simply go out and sell more without tracking these key actions and improving on them would be like telling a football offense to go out and score points without giving them a game plan or the sub-goals necessary to determine success.

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Lessons Learned From Football

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If a quarterback has a low completion percentage in a game the coaching staff will spend the following week working with him to determine why that is and then make the necessary corrections.

We should be doing the same thing. If a sales rep has, for example, a low appointment to prospecting call ratio he or she should get the coaching needed to correct the situation. Is the rep calling the right prospects? Is the rep saying the right thing? Is there something else off? A low statistic points to an area that needs attention. Unfortunately, I see too many businesses that do not take the time to make the corrections on a regular basis and thus their reps don't improve their skills or their results.

The defense on a football team is charged with stopping the opposition from scoring against the team. The key statistics you'll see here are things like number of forced punts, yards gained by the opponent, interceptions/fumbles caused, points scored by the team, etc.

Just as we saw with the offense, the level of success in the defense can be tracked to the key statistics. For an office systems business you have key statistics like first-call efficiency, response time, contracts and supplies sold, sales leads, etc. A good first-call efficiency percentage means that we are fixing things quickly the first time and thus keeping customers happy. This is the equivalent to forcing the competitor to punt, as competitive sales people that try to get into this account will be turned away. Getting a sales lead that turns into a sale is the equivalent of an interception or a forced fumble allowing our offense (sales team) to get back on the field.

The special teams units on a football team are expected to put the offense and the defense in the best position to succeed. It is their responsibility to kick or punt the ball deep into the other team's territory giving our defense more room to work with or to return a kickoff or punt as far as possible into the opponents territory or to kick a field goal when the offense gets close but can't get the touchdown. In a business the admin team takes on much of the special teams role. The first piece of this comes in with marketing. Marketing is an admin function. It is intended to put the sales team (our offense) in the best position possible with prospects. Where marketing is non-existent the sales team has to work much harder. It's like starting every drive from your own two-yard line. The admin team also makes it easier for the offense and defense by managing inventory well. Having the items we need when we need them is crucial. The admin team can also score points like the football special teams unit. In a business admin scores points by doing things like selling service contracts, selling supplies, collecting on unpaid invoices, securing vendor discounts and rebates, etc. These all add to the bottom line profitability.

If you haven't noticed this already, business is very similar to sports. In effect, we are playing the game of business. Knowing this and thinking this way can not only make you more successful, it can also bring a new level of fun to work. When you view it as a game to be won it is easier to get enjoyment from the day to day activities that can, at times, seem like a grind. So, the next time you settle in to watch a football game, or any other game for that matter, look for the similarities to your business and how you can bring the fun of the game to your workplace. If you can do this successfully you'll reap significant rewards both personally and financially.

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Statistics, Actions To Take - Statistic Changes

written by L.Ron Hubbard

When statistics change radically for better or for worse, look for the last major alteration or broad general action just before it and it is usually the reason.

Example: Letters out statistic falls and falls. In investigating, look for the last major change in that area and, if possible, cancel it and the statistic will then rise. Let us say that just at the top of the down drop, the third week in November, the Department of Sales was given new dictation equipment. Take it away and restore the old arrangement and routing pattern that was in use with it and sit back and see what happens. The statistic will probably recover.

Example: The field sales representative commission statistic has been very low and suddenly leaps to Affluence. You want to reinforce it so you study what happened just before it. As it takes a bit of time on a statistic that has longer communication lines, you look a bit earlier. You find field reps were given big promotional packages they could give people. So you okay lots of such promotional packets to be given out and the Affluence of the statistic continues.

It is change that changes things for better or for worse. That's the simplicity of the natural law.

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Statistic Changes

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If you want to hold a constant condition, don't change anything.

If you are trying to improve something, make changes cautiously and keep a record of what is changed. Then you watch statistics and if they decline you hastily wipe out the last change. And if they improve you reinforce the change that began it.

For instance, we know the seven-division system pattern works, for the better it's gotten in, in an organization, the more its graphs go up.

It is, of course, obvious that if Joe as the division head did okay and if replaced with Bill who is only fifteen the division will falter.

But, frankly, it is not just a personnel question by far.

So while personnel changes are always a possible reason for radical shifts in statistics, they are by no means the major ones.

Shifts of communication lines, functions, policies, equipment, duties, locations are quite often far more responsible for graph shifts.

Personnel comes into it this way: When you make a bad rearrangement and you have an incompetent personnel also, you have a disaster!

If you make a bad rearrangement and the personnel are good, the statistic drop may be only a small one as they cope. So even small drops should be investigated, particularly around good personnel.

The morals are these: If you have a disaster (big Danger condition), find the big change which preceded it or the missed order and get that fixed and also shift personnel.

If you see a person who has a good record coping like mad, inspect the area of that post to find what needs fixing up, what changes were made that overpressured that post and get it right.

THE PAUSED STATISTIC

During expansion, one has areas where statistics become level. Here statistics *pause* because lines jam. People get overworked and confused. The traffic is just too heavy. And where do you really repair such a case? More clerks? No! Always look to the lines of the *highest post* in the overloaded area and get them eased.

In expansion the person who never notices is the man in charge. And his lines are the most crippling to the organization if jammed.

Example: An executive and his division are stacked up and coping frantically. The senior executive wonders what to do. Their statistics are paused (in a level line). They are overworked. Hire more clerks? No. Sort out the executive and be sure more help is furnished *on that post*. Then the executive (with a personal secretary to sort the mail, etc.) looks up and starts sorting out the division.

One old trick used was to tell an overworked direction, "Draw me up a list of all the hats you are wearing." And he or she would finally bring one in, round-eyed. "Thirty-five hats!" I recall one saying.

I would take the one nearest the director in duties and fill it with a staff member and the department would ease off.

So a *paused* statistic comes from the jammed lines of the topmost executives and is best remedied by easing them.

An organization today is *not* run on personalities. It's run on statistics. All orders are based on statistics. The old personality system used by the business world and military is as yesterday as the rack and almost as cruel. Go modern. Use statistics only.

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