

## **The Economy is Changing – Are You?**

I recently read a story about a washing machine manufacturer in China. This Chinese company had produced a washing machine they were proud of and it was getting great reviews. However, they were starting to get complaints from some of their rural customers about the drain becoming clogged. After some investigation, they determined that some of these rural customers were using the washing machine to wash potatoes. Of course, this was not what the machine was designed to do. The manufacturer could have simply said this was the customer's problem because they were using the machine improperly. Instead, they decided to add a vegetable-wash cycle to the machine. This is true innovation and clearly demonstrates their desire to be customer centric.

Being able to innovate in business is clearly one of the key areas of entrepreneurship. However, the idea of needing to innovate to succeed can be a little scary at times. Many people don't believe that they are creative enough to do this well. Nothing could be further from the truth. You don't need to be a creative genius to bring innovation to your business. However, innovation is the way businesses grow and change so you must pay attention to it. As the old saying goes, 'You are either growing or dying, there is no such thing as standing still.'

Embracing change should be a way of life. While most people do not like to change, it is essential in business. You must constantly adjust the way you look at your business, your market and your competition. It is also extremely important to understand your customer and what changes are occurring with your target customer. By looking at each of these segments of your business, you will be able to determine where you need to innovate.

Innovation does not always need to be as radical as the example above. However, what the example does illustrate is how important it is to stay in touch with what is going on in your market and be willing to adapt to meet the changing needs of the market. In our current economic environment, this is especially true. As you look at your business, think about all the areas where innovation is appropriate. In fact, you could argue that every area of your business needs to be examined routinely for possible innovation.

Here are four areas to take a close look at right now. Ask yourself how these areas of your business are positioned today to handle the changing business climate. Be honest with yourself and ask others for their opinions. Talk to your employees, your customers, your business network and your mentors. Then decide what needs to change and start making the adjustments to keep you poised for success.

**Marketing message** – take a look at the message your marketing delivers. What are you saying to your prospects and customers? What about the positioning of the message? Is it speaking to people in a way that will attract them in the current climate? Is the message and offer you are giving meeting their needs today and is it persuasive enough to convince them to spend their precious dollars on it? Right now is a time when you may need to modify the way you deliver your message. Quality and value are always important in your message, but how you deliver it may need to change. Innovate the

message based on what is important to your customers and prospects today. If you look closely, you will see this happening in many marketing and advertising campaigns for some of the largest and most successful companies in our economy.

**Sales scripts** – review your sales scripts and determine what you are saying and how it fits into the current environment. This includes your phone scripts, in-person sales scripts and your on-line sales scripts. Are you addressing people’s needs and concerns and showing them why your product is a good investment? Are the objections you get today the same as before and should you address them the same way? If you have salespeople, don’t assume they will modify their approach automatically. Pull the team together and conduct some brainstorming and training. How they approach prospects may need to become more creative right now as people become more cautious. Be proactive, not reactive in your sales process.

**Product offerings** – does your product line address today’s issues? Should you add a product or service to increase the value to deal with new issues your prospects face? Should you package products together to offer greater value? Can you modify a product or service to better position it within your market? Like the Chinese washing machine manufacturer – do your customers use your products in ways you didn’t expect and can you innovate to meet their needs? Can you offer different payment terms or methods of payment to make buying the product easier and more attractive?

**Operational efficiency** – take a look at how you make and deliver your product. Where and how can you improve this process to make it more efficient? Can you cut costs or improve quality? Should you outsource specific pieces of the business or conversely, should you bring more of it in-house.? Are there systems you can incorporate into the business that will increase capacity or lower costs? Take a look at every operational aspect of your business and question it all. You will be surprised at the improvements you can make.

Innovation can come in many forms and degrees of complexity. What is important is that you do not just accept the status quo. Instead, search for constant never-ending improvement. We are facing some real and potentially radical changes in the business climate. The opportunity to be successful, create wealth and build a strong business is just as good today as it has ever been. However, you cannot stay stagnant and expect success. You must be willing to innovate and change with the markets in order to seize these opportunities. Now is the time to get started.