



**CUSTOMER
MANUFACTURING
GROUP**

THINGS BETTER, BUT UNCERTAIN?

IT LOOKS LIKE THE DIVE INTO FINANCIAL
OBLIVION HAS BEEN AVOIDED

This paper was written by Abe Walking Bear Sanchez. Abe is an astute observer of the actual use of payment terms in facilitating commerce. His insights on the proper measurement and use of credit are unique, and so are his management insights. This paper reflects some of his management thinking. He has given us permission to reprint it.

During a recent conversation with a very knowledgeable and successful company CEO, the question came up as to how many of today's businesses will survive the next five years. His guess was that fully half of the companies now in business will either fail or fall by the wayside and be replaced by new start-up companies, or bought out and consolidated by other companies. I suggest that you want to be the consolidator, and not the consolidated.

Thoughts on how to deal with the current business climate. Look at the structure of your company. The old top-down hierarchy/command and control model may be necessary in dealing with wars, major oil spills and other crises, but there's a better way of organizing and managing a company to meet today's challenges.

Move away from a hard rule bound methodology with strict organizational charts and lines to flatter and more innovative organizations guided by the interest and passion of those involved in doing the work. C-Level Managers need to be mentors and storytellers who are the keepers of the core values. If you don't have core values, or if your managers don't know what they are, this would be a great place and time to start.

Cross train the sales, credit, operations, customer service and marketing managers on each others' jobs. Doing this will uncover and reduce the inefficiencies created by old departmental thinking and behavior. Work groups that cut across old department lines are better able to get the work done in a more efficient manner. These new work groups need to be inclusive and passionate about their tasks, and driven by core values, they need to be part of the story.

A business manager not focused on improvement becomes an administrator at best, and a bureaucrat at worst; it's human nature. Consider having your key people stay late one night a week or come in Saturday morning for an "On-Going Constant Improvement Meeting". Constantly remind everyone, yourself

The Good Time Coming...

Life is a profound mystery,
the striving spirit immersed in selfish
instincts.

We fix our eyes upon the advancing
future,
waiting for the good time coming.

Hope does not die because of our
disappointments,

there is a good time coming,

If we work and wait for it.

But we must be patient

and look in the right direction.

When we give care to the common
good,

when we manifest a neighborly regard
for others,

we look in the right direction . . .

for the good time coming.

And the light of a better morning will
break upon our spirit.

T. S. Arthur 1885/ Revised by

WalkingBear 2010

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included, that any little improvement has a real and significant effect on reducing the cost of doing business for your company and for your business customers.

Small Things with Big Impact

There's a cascading effect to on-going small improvements, one begets another:

- Take time to establish an understandable purpose for each major and key function that tells how that function can best contribute to meeting or exceeding expectations . . . at a profit.
- Organize and document the goals for each function and the methodology for achieving the goals. Remember that the people carrying out the processes are the best suited to tell you how the goals are to be achieved, they're the experts.
- Put the right people in the right job; make sure that employees have what they need to carry out the processes involved.
- Monitor the key steps in your processes to insure quality; a good book to read in this regard is *The Goal* by Eli Goldratt.
- Measure against the goals and if you are not hitting the goals review the process or the people involved.
- If your sales and customer base is shrinking, seek out new customers and consider new products and services you can add to your mix. Do everything you can for customers and charge them for all you do. Look for ways to involve customers in your story/core values.
- Who are your existing customers still selling to? And, where can you find more prospects like them? And if people aren't buying what you're selling, what are they buying?
- Have "new customer lead" contests. Don't limit them to just the sales guys, but open it up to everyone in the company. It's not who you know within the company, it is who they know outside the company.

If you are the owner or CEO, or desire to be, get to the office early and if there's snow; shovel the walk, if there's trash; pick it up, and whether you feel like it or not, greet everyone you meet with a big smile and walk like you have places to go and things to do. It's the example thing. Nothing is worse and more detrimental to morale than having a sad sack boss being a "downer."

By this time if you have not pruned the deadwood from your organization you need to move on it and get it done. Look for those employees who come in 5 to 10 minutes late, who are the last back from a break and who are ready to leave 5 minutes before quitting time, and then cut them off.

If you cut good employees just because they are paid more than others, they may be the ones who go out and start their own business.

And, if among the marginal employees you are still carrying, there are relatives, they should be the first to go. Friday is normally the best day to fire someone, but things being what they are, any day works . . . and the sooner the better. No two weeks notice . . . that same day. A word of caution about letting people go, don't cut good people just because they are getting paid more than others. It's the nose and face thing.

And, if you cut good employees just because they are paid more than others, they may be the ones who go out and start their own business, and some day you may be competing with them or even working for them. Don't even start to believe that there's nothing you can do to ride out the rough times and come out ahead.

W. Clement Stone

W. Clement Stone began selling life insurance in Detroit when he was 16 years old. In 1922 he borrowed \$100 and moved to Chicago where he rented a desk for \$25 a month and started the Combined Registry Co. When the Great Depression hit in 1929 and other insurance agents sat around drinking coffee or whatever, Stone took to the street and "mugged" new policyholders.

He'd stake out the parking lots of factories and companies that were still in operation and then he'd follow people home. He'd give *the prospect* 15 to 20 minutes to give mama and the kids hugs and take off their shoes and then he'd knock on the door and say "I'm contacting employees of '*the name of the company*' about a financial security plan," by which he meant life insurance. Even if they couldn't or wouldn't see him right then he'd get a name and if they had one, a phone number and he'd set up a later appointment to see them.

W. Clement Stone was like the Phoenix, the mythical sacred fire bird that rises reborn from its own ashes. Instead of wasting time and energy crying about what was wrong he figured a way to not only survive but to excel. It was during the worst of times that he developed his "blueprint for success" and went on to found the Combined Insurance Company of America. More recently; Jim Stanley, Managing Director of Nexum Software related the following story.

"I attended a client meeting last week. Located in London, the company is a highly respected and long established business. The meeting focused on client retention and how to ensure that the business model changes to retain existing revenue streams. After an hour we were joined by George, who listened for a while as the board members journeyed through some 'blue sky' thinking. George then stood up and glanced at each person in the room for a brief moment; only for a second, BUT it conveyed an intention to all — the room fell silent. 'We have many competitors around the world and you are focusing on

Keep a sharp weather
eye out for opportunities.

how to prevent them stealing our market share, but they have market share and they have clients. Your plan must be to grow, to survive, to ensure there is a plentiful supply of fruits coming into our company to feed our needs. By all means defend, but also create a strategy to wobble the opponent, weaken them and eventually out-survive them — THIS IS WHAT THE NEXT FIVE YEARS IS ABOUT!

George is not employed by the company nor is he a director or a shareholder. He just walked into the meeting, everyone listened and it created such an amazing boost. George retired from the company in the mid 1980's, when he was 70, he was one of the company's original founders. One of a handful of men that survived one of the most brutal Japanese prisoner of war camps during the second World War, a prisoner for four years. Now in his 90's George is the most qualified thought leadership person I know on all matters relating to human survival.

Keep a sharp weather eye out for opportunities, when you hear about competitors laying off people run a help wanted ad; and even if you don't pick up any new jewels of employees at least find out who their customers are, and then stake them out.

Go out and mug some business.

In Closing:

A word for those who would survive and prosper.

Training, training, training. You can't continue to live off yesterday's knowledge any more than yesterday's meal, and neither can the people who will determine your company's survival and future.

Training, training, training. If you belong to a business group or association check out what business training they offer and if they are offering the same old thing tell them that you want to see new faces and hear new ideas. Spending some money on training sends a message of hope to your people and gives them permission to think and improve.

Things are tough right now and may get worse before they get better, but they will get better. The job at hand is to survive, improve and be prepared for the up-swing. Keep busy and stay positive. A better day is coming. Always has and always will. You need to be ready for it.

More Information About Customer Manufacturing Group

If you would like more information about how to apply a process-based approach to improve your marketing/sales function, simply contact us and we'd be happy to help you get started. From sweeping marketing/sales management process strategies to specific branding or product launch services, Customer Manufacturing Group can help.

If you'd like to learn more about Customer Manufacturing Group, or for a complimentary subscription to *Customer Manufacturing Updates*, give us a call at (800) 947-0140, fax us at (408) 727-3949, visit our website at www.customermanufacturing.com, or e-mail us at info@customerarmfg.com.

We have offices in major cities in the United States, and our experts travel extensively throughout the world. If you'd like to schedule a meeting when we're in your area, just let us know.

About Abe WalkingBear

*"Prior to serving as a Corporate Credit Manager I owned a small business and understood first hand the Profit Imperative. What I found in B2B or Commercial Credit Management was a mindset fixated on risk and not profit. Having seen how my own organization, our suppliers and our business customers misunderstood and underutilized the Credit and A/R Management (not collections) Function I entered the business consulting and training field in 1982. **The target audience for my work is Business Owners, CEOs, Managing Directors, and senior business managers . . . the decision makers who can make improvement happen once they learn a better way.**"*

— Profit Centered Corporate Credit Management

Developer of the copyrighted **Profit System of B2B Credit Sales and A/R Management** Abe WalkingBear Sanchez has worked with many hundreds of Business Owners, CEO and senior business managers groups internationally including at the Shakespeare Globe Theater in London. The endorsed Credit Consultant for STAFDA's 2900 members and PEI's 1600 members he was presented the Vistage Master Speaker Award for speaking to over two hundred Vistage Groups internationally.

WalkingBear has authored hundreds of business articles, he is the author of ProfitCentered Credit and Collections 1999, co-author of STAFDA's Foundations of a Business 2007, and co-author of the new international book, The Best Kept Profit Secret: The Executive's Guide to Transforming a Cost Center 2009.

ICM / Mexico, Irish Institute of Credit Management, Evergreen Marketing Group, Vistage, CU, CSU, Texas A&M, N A C M - Kansas City, HTDA, BCFM, Skinner Nurseries, Deardens, Rain Bird, STAFDA, IBM, PEI, Atradius, Chemir Analytical Services are but a few of the groups, schools, companies and associations for whom WalkingBear has conducted programs.

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