

REINVENTING YOUR BUSINESS

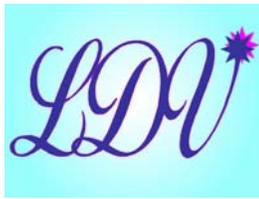
by Craig M. Cortello

It has been said that that true inventions are extremely rare, but that you need only invent something 10% new to be extremely successful. In other words, most inventions are merely significant improvements to established innovations. It stands to reason that you can significantly improve your current business condition by identifying the aspects of your products or services that can be substantially upgraded – at least by 10%.

Examples of ten percenters are all around us. When my wife was pregnant with our son 9 years ago, I recall looking for a rocking chair. There were roughly 20 models to choose from in a prominent baby store chain. One of the 20 chairs was the traditional model. The other 19 were the newer “glider” style chairs that rock more smoothly and parallel to the ground.

I recall thinking about how long the rocking chair has been around. How many people looked at the rocking chair for hundreds of years and came to the conclusion that it had been perfected – that it was a simple and brilliant invention that could not be improved. Now at least as far as some baby chain retailers are concerned, it’s nearly obsolete. All because some ten percenter saw the rocking chair differently.

The paper clip is another shining example of the 10% principle. As long as the paper clip has been around, it seemed to be the perfectly simplistic office implement. One day, however, someone came to a new realization. Perhaps they noticed that the rough edge at the end of the paper clip could slightly scratch the surface of quality papers as the clip slid over the edge. Maybe they simply had a flair for vibrant colors and became bored with the lack of variety. Nylon-coated paper clips – another example of the work of a ten-percenter.



I can recall purchasing a cherry turnover from a fast food chain recently. I rarely buy dessert items from fast food establishments. But I noticed how enticing this item looked only because there was a mirror positioned above the warming tray and tilted at a 45-degree angle, offering a perfect view of the scrumptious pastry. Some ten percent realized that turnovers aren't quite as enticing as merely a line item on the menu board as they are in plain view.

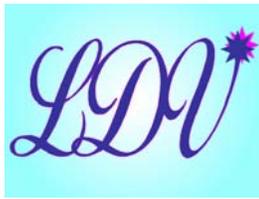
The ten percent rule applies to service industries as well. Airline frequent flyer points and all of the variations that are used by hotels, restaurants, and other businesses have changed the customer loyalty paradigm. I've even seen recently where a hotel chain is offering company stock to frequent guests, and why not – those returning customers are responsible for the continued growth and success of the company.

Delivery service companies have added online tracking capabilities to give customers a better sense of comfort that their packages are progressing through the system. Automobile repair and rental car services improved significantly by identifying a key concern of the customer, the inconvenience factor, and offering pick-up and drop-off service.

So how do you identify the 10 percent improvement opportunities for your organization? You know your business better than anyone, but do you know your customers as well as you should. More importantly, do you think about their concerns, issues, problems, and challenges as much as your own? Customer focus is the key to identifying most opportunities for improvement. Here are some questions that you can ask that might shed some light on your areas of opportunity.

1. Identify & Address Customer Problems

There's no greater opportunity for getting a leg up on your competition and becoming an innovator in your field than through identification and resolution of customer problems. FedEx Chairman Fred Smith revolutionized package delivery services by anticipating that in



an electronic age, it would be absolutely essential to get computer parts and accessories from the manufacturer or seller to the end-user overnight.

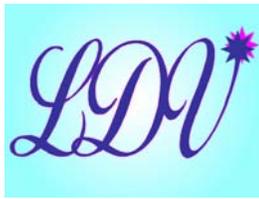
What problems are your customers experiencing when using your product or service? Perhaps there are problems that are seemingly inherent to your industry that no providers have addressed. How does the customer perceive the buying process? Is your customer the end-user or an intermediate in the use of your product or service? What problems are your customer's customers experiencing, either with regard to your product or service, or one that you could be offering?

Not all customer problems will represent an opportunity for your firm. But the ability to identify and understand key customer issues can solidify relationships, head off potential problems, and keep your firm on the leading edge of innovation opportunities.

2. Identify & Expand the Context of the Buying Experience

Convenience stores realized long ago that thinking of customers as people who wanted to purchase gasoline is a narrow-minded approach. Distinguishing their customers as people on the go with limited time and a variety of needs related to food, beverages, information (maps, newspapers, etc.), and recreation changed their way of thinking, and consumers were willing to pay a premium. Remember when they were called service stations and each store had 3 or 4 drive up bins where you could get a tire changed or a tune-up. Tell your grandchildren about that one.

Women's salons have come to realize that the customer wants more than a haircut. Women want to relax and to be pampered. Nail therapy, massages, facials, pedicures, and body wraps are no longer the exclusive domain of fancy resorts in remote locations. You can probably find most of those services in your neighborhood.



Think about what your customers are doing when they purchase your product or service. What else might they be looking for? Can you package or bundle your offerings in a manner that makes them more enticing or easier to buy, understand, or access? Think of the total customer experience. Global Positioning Systems (GPS) and built-in DVD players are more than automobile accessories - they are enhancements to the driving experience.

3. Enhance Your Strengths

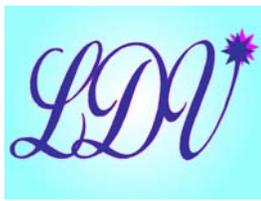
Why do your customers do business with you? What are the strongest attributes of your organization? Perhaps you have a competitive advantage that you are not exploiting. Maybe your customers are fully aware of your unique selling proposition, but prospective customers don't have a clue.

If you can't think of anything, consider a position in the marketplace you could pursue? Is any competitor focusing on delivery, service, availability, ease of use, maintenance, or some other attribute to the extent that they own that position in your market? How can you provide evidence to back up your claims and how can you communicate that position to your prospective customers?

4. Give it Some Thought

The thoughts expressed previously focus on the need to understand your customers' perception of your product or service and of your company. Do you even have a system in place to collect relevant feedback and how effective is that system? Remember that the primary attribute of a good customer feedback system is that it is easy for the customer to use, ensuring the highest possible response rate.

Just as important, do you schedule time for the key members of your organization to brainstorm and simply consider these types of issues? Have you considered inviting your customers to a resort location for a client appreciation and feedback retreat? The expense of



La Dolce Vita
Enterprises, LLC

*Bringing Creativity to Life
is our Business*

such a meeting is not trivial, but the prospect of losing the business of even 2 or 3 of your top 10 customers could make the investment seem trivial.

You never know which customer comment or complaint has the potential to improve your business substantially. All it takes is ten percent!

ABOUT THE AUTHOR:

Craig Cortello is the President and founder of La Dolce Vita Enterprises, a consulting and training firm that assists companies in creating productive and imaginative work environments that encourage innovative business solutions. He is also the National Sales Manager of Trinity Consultants, a nationwide environmental consulting firm, an author, and an accomplished musician. He credits much of his success in the business world to his creative spirit that was cultivated through exposure to music and the arts.

Craig is a proud resident and native of the New Orleans metropolitan area, and a Hurricane Katrina survivor!

For more info see <http://www.ldv-enterprises.com>.

©2005, La Dolce Vita Enterprises, LLC