

Adjusting to the New Rules of Business... Now what?

by Dan Logan

Yogi Berra is credited with the line, “the future is not what it used to be.” Based on the economic and financial problems of 2008/2009, people’s business and personal plans—be it retaining customers, launching new products, retiring, or buying a home—more than likely have changed.

The rules of the game are being rewritten in 2009 and they will be in place for a number of years going forward. The amount of money we try to save, borrow or invest and the degree of risk people and businesses take has been downsized so to speak. In turn this will impact the relative importance of the various components that comprise the products and services we buy.

In the business world clients now want transparency when it comes to costs, fees, credit arrangements and even profitability. Unlike a few years ago, transparency is now an important buyer driver. Buyers also want to know if the person they are dealing with is really their advocate and looking out for their best interests. Convenience is also less important if it comes with a high price tag or gets in the way of the buyer getting the information they need to make an informed decision. Trust has become more important because after the last 18 months, it is viewed as a rare commodity. There is less trust between businesses and their agents, advisors, consultants and vendors. The reality is, in order to succeed in the future of business, we suggest you closely reexamine and consider changing three things:

Customer Value Proposition

What is valued and what is important versus nice to have and how firms are rated in a business-to-business relationship has changed. The traditional drivers of service, price, expertise, knowledge of my business are still out there. But they may have diminished in importance with the rise in transparency, access to information, and the need for trust. It is also important to understand the behaviors behind these drivers as your customers and prospects see things not as you do.



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Cost and Fees Structure

Every component of cost in the overall product or service delivery chain is under intense scrutiny as businesses try to preserve jobs and satisfy their own clients and customer demand for lower costs or better value. Whether you are a law or public relations firm, a bike messenger or in commercial real estate, businesses are really questioning the cost/value equation. The way a business chooses to spend its money today cannot be hidden for long and how you spend your money sends a message to clients and customers. So give some thought to your cost structure today and make sure it can withstand the scrutiny test.

Communication

When clients, customers and employee's assumption and beliefs have been severely challenged or altered, common sense tells us we need to communicate and engage them more. Given the access and speed that the Internet and hand held devices have provided all of us, the importance of communication and engagement has never been higher. A decade ago businesses might have had the luxury of a day or two to communicate to key audiences via the mail, today this might be an hour or two. The need to act and respond in real-time and in a relevant and engaging manner is compounded by the fact that it must be affordable, often personable and scalable. Whether it is cost pressures or increasing effectiveness, chances are how you choose to market and communicate to clients, prospects and employees will be quite different going forward.