The Nine Biggest Business Busters

John Graham

The big tests in business rarely come in good times. That's when we eagerly take the credit for our incredible success. But it's when the economic storms hit that we start blaming everything and everyone else for our poor performance, and those who thought they were smarter than most a few months earlier head for cover when the storm hits.

Anyone with an inside peek at businesses can detect the trouble spots. Here are nine of the biggest business busters.

1. Lack of follow-through. When it comes to wrecking or hobbling a business, failing to follow through is near the top. Whenever you hear "I'll do it right away" or "I'll get back to you tomorrow," it either won't happen or what you get will be useless. Many people—including owners and managers—have a difficult time actually doing what they agreed to do.

The lack of follow–through is destructive because it causes delays, confusion and disruption, and is demoralizing for those who have to put up with it.

2. Lousy communication. It isn't just *poor* communication; it's an *absence* of communication. People don't respond to emails and even if they do, they fail to deal with the issues in the email they received. Just as bad is a failure to keep those involved in the communication loop.

"We haven't had a staff meeting in two years," a manager stated. "We have no idea what other departments are doing." No business can operate efficiently in an atmosphere of ignorance.

The end result is always the same. All the energy goes into making sure one's rear end is covered, leaving little time or energy to devote to making the business a success.

3. Incomplete, inadequate and incoherent instructions. It's rampant. Email after email arrives with a few cryptic words that make sense only to the sender or so we assume. Leaving people guessing at what we mean is a cold, conspiring killer.

The words, "Please let me know if this isn't clear to you," should end every communication. Many employees are afraid to ask and others just go off in the wrong direction because they didn't understand the assignment. It all has a cost in lost time and misspent energy, not to mention its demoralizing impact.

4. Unresponsiveness. The practice is so pervasive, it must be a required course taught by sick souls at dozens of colleges. It generally goes something like this: "We really need to get this done. When can you have it?" The message can come from someone inside the company, a customer or vendor. Since the task seems important and time–sensitive, everyone goes to work to get it done. It goes to the person requesting it—and then nothing. It isn't even acknowledged. A week or two goes by and you send a "friendly" reminder. Still nothing. It's the same two months later.

It's not just that ignoring people is desperately rude. When the next request arrives, it goes to the bottom of the "To Do" list where it may even disappear.

5. Information paralysis. Today, databases are the lifeline of every business, perhaps a company's most valuable asset. Yet, frequently the lifeline is near death. Databases receive little or intermittent care at best. Oftentimes, contact information is entered incorrectly and is often incomplete—and no one figures it out! There are missing ZIP codes and street names and addresses are wrong. Spelling accuracy is nonexistent.

It isn't unusual for a company to send an email blast to its own *customers* and someone discovers that there's a high percentage of bounce backs—and this has been going on for years. All because no one is charged with the task of checking.

If this isn't enough trouble, countless companies must *manually* access specific customers and prospects from databases for mailings. Is it any wonder that nothing happens?

We may be good at business, but we could be even better if we could get beyond information paralysis.

6. Relying on magic. The "Easy" button that Staples has made famous is brilliant since it's great differentiation. We all want to believe that pressing a button is all that it takes to make something happen. If we send an email, we believe we have done something important and what may or may not happen as a result of hitting the "Send" button is irrelevant.

In the same way, there are a myriad of business services that offer the "Easy" button: you can communicate with customers and prospects, send personalized messages, offer various types of information and have anyone respond and make a purchase. It's like sitting back in your easy chair and it all happens without effort. All it takes is a press of the button.

It's wake-up time: even Staples is discovering that in a slow economy it takes more than a magic button.

7. Failing to differentiate. Even though differentiation is one of the most popular and persistent business topics, it suffers from an overabundance of lip service and ineffective execution. Let's slice it thin: differentiation isn't what a company thinks about itself. Of course it sees itself as unique, in a class by itself. It's only the customer's view that counts.

If taken seriously, differentiation can provide a significant competitive advantage. The two fierce retail competitors, Wal-Mart and Target, are examples. As it turns out, there's a minimal price differential between these two giants. Target is only a scant 1% to 3% above Wal-Mart. Yet, *The Wall Street Journal's* Ann Zimmerman points out that 87% of shoppers think Wal-Mart's prices are better.

While Target seems to be struggling with declining profits as compared to Wal-Mart, ironically, Target's president seems to blame the problem on Wal-Mart for being better at marketing. Based on his survey of the marketplace, he suggests that there doesn't seem to be a change in the number of discounted items or the depth of the discounts.

Wal-Mart's consistent and persistent message of lower prices pulls in customers. When they need to save money, they think Wal-Mart. If they have a little extra, they may turn to Target, with its slightly upscale image.

Basically, differentiation is what customers think about when they think about a company. For both Wal-Mart and Target, it's no minor matter.

8. Making everything too complex. In a *Fortune* article, Apple's Steve Jobs lasers in on a critical issue, what he calls "democratizing technology." The idea is that if what you make is "really great, then everybody will want to use it."

What Jobs seems to understand better than just about anyone else is that products must make sense to customers. In fact, such clarity characterizes the entire Apple product line: iMac; MacBook, MacBook Pro, iPod, iPhone, iTunes, and iSight. Compare Honda's product line clarity to GM's disarray of makes and models.

Complicated kills. Customers will not spend the time trying to figure out what you're offering. They migrate to simple and clear every time.

9. Getting too hung up on the wrong issues. The current rage for ROI–Return on Investment–is an example. What is the ROI of a country club membership? What's the ROI of taking a group of salespeople on a cruise? What's the ROI of spreading Blackberries to everyone? What's the ROI of running an ad during the World Series? The answer to these questions is the same: no one knows because it's next to impossible to calculate.

The point is simply that marketing issues are different from real estate and equipment, for example. What makes it even worse is that so-called professional marketers have jumped on the ROI bandwagon and focus their budgets on activities that can be reduced to bean counting so they can save their jobs.

That's exactly what has happened to Starbucks. When founder Howard Schultz returned as CEO, he pointed out that the company was floundering because the short-term "what are we getting for every marketing buck" mentality was sucking the soul out of the Starbucks experience.

Not long ago, the marketing director of a regional bank in the Northwest with 144 branches invested $830,000 of her budget on a campaign to attract small business customers. She called it "Lemonaire" and it was aimed at youngsters and their business-minded parents. It included print and radio advertising, as well as email blasts and signage in the bank's branches. The offer was a do–it–yourself lemonade stand kit that included $10 in start–up money. The program resulted in 1,500 new accounts at a cost of $553 each.

How do you calculate the ROI on that promotion or the Starbucks culture? How do you measure creativity? The "pay-off" always occurs over time and manifests itself in many, many ways.

Business busters come in many forms. Each one has the potential to create havoc without those in charge even knowing what hit them.

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