FOUR TENETS OF GROWTH:

How CEOs Can Drive Results & Profits in 2011

The World's Leading Chief Executive Organization

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Although the recession officially ended in June 2009, economic uncertainty reigned for months for executive leaders. But now the signs of optimism are beginning to appear:

- Three-quarters of all CEOs expect their business to improve in 2011, according to the Q4 Vistage CEO Confidence Index, and more than half (54 percent) plan to hire in the year ahead.
- During the 2010 holiday season, retail sales rebounded to pre-recession highs. Spending reached $584.3 billion compared to $566.3 billion in the same period in 2007, according to MasterCard Advisors' SpendingPulse, which tracks sales by all payment forms.
- Industrial production rose 0.5 percent in December, according to the Federal Reserve, and factory orders rose 0.7 percent.

With this new sense of confidence, now is an ideal time for business leaders to "sharpen their saws" in preparation for success this year and pinpoint the areas that will make the greatest difference for their organizations.

We've selected four categories of focus based on their timeliness and urgency for CEOs and business owners: customer acquisition, health care, green initiatives and productivity. Each of the four tenets includes suggestions for increasing your efficiency, lowering your costs and steering you in a direction of growth for all of 2011.

Tenet One: Refine Your Customer Acquisition Strategy

Today, consumers' unlimited (often mobile) access to information about brands has fundamentally altered their approach to buying.

Gartner, Inc., the world's leading information technology research and advisory company, estimated that 1.2 billion people carried handsets capable of rich commerce by the end of 2010. **With more than a quarter of small to medium Vistage member companies naming retention and acquisition as the most pressing issues their firms currently face, leaders are rethinking their sales strategies.**

The truth is that the old funnel metaphor for marketing no longer applies. As McKinsey principal David C. Edelman writes for the *Harvard Business Review*, today's consumers are "promiscuous" in their brand relationships. They connect with many brands independently, frequently "expanding the pool before narrowing it."

In the most successful scenario, consumers remain aggressively engaged with the brands they buy from, essentially collaborating with each brand's development through recommendations and social media.

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The question for leaders now is: **How can they adopt engagement-driven marketing strategies that reach and convert consumers in this highly connected ecosystem — and what low-cost technologies, if any, can help them do so effectively and authentically?** We examine several ways to revamp your customer acquisition strategy (and measure its success).

1. Stop Selling and Start Nurturing

In *Customer-Centric Selling*, authors Michael T. Bosworth and John R. Holland describe next-generation marketing as a conversation.

"In today's competitive environment, a salesperson must be sincere and competent just to get the opportunity to compete," they write. "The only person who can call [the product] a solution is the buyer. The seller cannot and should not define a solution."

Jim Cecil, Vistage speaker and an expert in nurture marketing, says that cultivating new business (instead of demanding it) is the only way to revive flagging sales. He's coached countless CEOs, Microsoft partners and Vistage members worldwide on the nurture approach. The fundamental idea is hardly new, but the ability to customize it with the endless wealth of data we have is revolutionizing the nurturing of customer relationships.

"The world has shifted right underneath our feet, and because it's happening on the Internet, we don't look at it every day," he says.

Nurture marketing keys in on those changes by targeting customers' needs, as expressed in the multitude of social connections and interests they chart online. You can deploy these four steps with little more than an Internet connection and a few stamps:

1. **Identify** your top current customers and your top prospects.
2. **Individualize** your interactions before you begin by using available technology (even a simple Google search) to assemble key information on the top customers and top prospects you've identified.
3. **Interact** after you obtain "absolute explicit" permission to do so. Customize interactions based on the information you've found.
4. **Influence** your most important prospects through regular, meaningful interactions.

A successful nurture marketing campaign is well organized. Cecil's core strategy includes an individualized letter-writing campaign to top prospects, spaced at intervals and featuring trinkets as stand-ins for real-life metaphors (think shredded cash). He's so specific about individualization of the marketing interaction that his books *Nurturing Customer Relationships* (co-authored by Eric Rabinowitz) and *101 Best Nurturing Tips* outline how the mail should look. (Lumpy mail gets opened. Sign letters in blue ink. Don't use envelopes with windows because it looks like junk mail.)

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This is what Cecil calls the "drip irrigation" approach — that is, nurturing prospects regularly and ensuring that each touch is meaningful to them. "Today it's a matter of creativity and sensitivity and authenticity," he says. "Live the philosophy of helping customers succeed, not just buy."

The takeaway is that **you must touch your customers in ways they understand, at regular intervals, with information that is of emotional value to them.**

2. Spend More Time on Winback

Customer defection is probably one of the most-overlooked issues facing sales departments. Yet, as Jill Griffin and Michael W. Lowenstein point out in *Customer Winback: How to Recapture Lost Customers* and *Keep Them Loyal*, dollar for dollar, winning back customers is more successful and more cost-effective than new customer acquisition.

Why? Simple: Defectors are familiar with your product, and you can personally address them in a winback effort that proposes to solve their problem or desire.

Any winback strategy must capitalize on customer information and involve an individualized approach — think of it as nurture marketing for defectors. You must identify the defectors and influence them to become customers again.

The numbers speak for themselves: On average, according to renowned loyalty experts Griffin and Lowenstein, you have a 20-40 percent chance of selling successfully to previous customers, but only a 5-20 percent chance of turning new prospects into customers.

3. Integrate Your Online Marketing Strategy

The ability to determine what is valuable to prospects largely depends on your ability to effectively analyze data about them. Otherwise, the acquisition process is still a shot in the dark.

David Booth, Vistage speaker and founding partner of WebShare, is an expert in data-driven web marketing. He says, "Data alone doesn't drive improvements — it just helps you measure what's happening. You have to use that data, draw insights from it, and take action in order to effect real, measurable change."

Booth emphasizes that there are three pillars to success for any online marketing strategy and that a successful web strategy integrates all three:

1. **Traffic acquisition**
2. **Conversion**
3. **Measurement**

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Start by analyzing every piece of what you do online — what you're putting out there, as part of your brand — first:

- **Optimize your website.** This doesn't mean asking your IT guy to read a book and change some code. Optimization is the process of developing a constantly evolving strategy that reacts to your customers. Be systematic and passionate about measurement, constantly experiment, use surveys and other voice of customer tools, and run usability tests.

- **Drive qualified traffic.** The first step to doing this well, according to Booth, is through formal keyword research. Only after you know what your target market is looking for can you develop highly targeted organic and paid search campaigns across the right platforms that will drive conversions.

- **Use social media.** After all, it's where the national conversation is taking place today. Brian Dunn, CEO of Best Buy, writes, "Either you're part of that conversation or you're not." And it's free.

- **Connect your online and offline strategies.** It makes good business sense, and it helps build loyalty and earned media (also known as word of mouth). John Jantsch, small business marketing expert and founder of Duct Tape Marketing, predicts that online-to-offline (O2O) will shape small business success in 2011.

- **Shift ad dollars from using paid media to building outlets and content.** Bill George, professor of management practice at Harvard Business School, thinks providing content to tailored demographics is better than a Super Bowl commercial for some brands. He cites examples of companies doing it well in the *Harvard Business Review*:

    - Kraft Foods is one of the largest publishers of food-related materials.

    - IBM launches thought leadership communities.

    - PepsiCo uses social networks to reach social entrepreneurs.

- **Integrate social customer relationship management (CRM).** Gartner predicts that social technologies will be integrated in most business applications by 2016. Leading CRM software is increasingly web-based. Take advantage of mobile technology that brings it all together, like Sybase Mobile Sales' CRM app.

4. Capitalize on Business Intelligence

"Swimming in oceans of data is *not* business intelligence," says Booth. "We now have unprecedented access to tools and streams that can generate enormous amounts of data ranging from clickstream and voice of customer to usability patterns and behavioral data. While this presents a great opportunity, it's also so overwhelming it can actually be a problem."

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With the right metrics, Booth says, you can start to learn and understand who your customers are and what they want. Then you can react to that and develop important predictive measures about your business and sales strategy. But you have to get serious about allocating resources for data analysis; the data won't tell you what to do.

He gives specific examples of actionable items that come from analyzing business data yielded by free tools, from Google Analytics to Twitter:

- Don't waste your time counting visits and pageviews month after month. **Focus on pulling insights out of the data by looking at the outliers and analyzing the things that changed or differed from your expectations.** The Intelligence feature of Google Analytics can save you days of digging through reports.
- **Run A/B and multivariate tests to get more people to convert**—you might not actually need to collect their fax number to get them signed up for your newsletter. If you don't have a conversion rate of 100 percent, you should have a test running right now.
- **Look at the differences among geographic and visitor segments and the way they consume your content or traverse your site.** You can adjust to their preferences dynamically using cookies, IP address-based geolocation and even CRM data.
- **Find correlations between day parts and ROI and adjust your advertising to take advantage of the best profit margins.** Remember, you have unprecedented control of the way your advertising dollars are spent. You can target anything from time of day to zip code to the type of device your ads are shown on.
- **Find the campaigns, traffic sources, channels, and keywords that you're spending money on that are yielding low conversion rates and spend those dollars on higher ROI activities instead.**
- Look at the types of Tweets, blog posts, content, and Facebook interactions that get no response and the ones that tend to generate buzz and traffic. **Focus on giving your followers what they want.**

As with any strategy you develop for improving sales, Booth recommends investing in process and resources rather than just more software. "For every $1 you spend on a tool, spend $9 on the people who use the tool. **While some level of marketing automation is already here, there will never be a program or algorithm that can completely replace your vision, your experience, and ultimately your strategy."**

Jim Cecil concurs. Automation can only go so far — whether it's CRM software or Google Analytics. Even a sincere approach to nurture must have a business process to support it.

"We are not going to go back to the old prayer method, praying for the phone to ring," he says. "We're going to have to have a process for customer acquisition like we do for every other thing in the house."

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Tenet Two: Understand How to Maximize Your Health Care Options

An October survey of 250 mid-market U.S. companies by Edgewood Partners Insurance Center (EPIC) showed that nearly three-quarters of respondents had yet to complete a strategy to address the long-term impact of health care reform. Yet provisions of the Patient Protection and Affordable Care Act (PPACA, shortened to ACA) are already in effect, and more changes are on the way.

What business leaders are certain about is cost. Sixty-five percent of respondents in the 2010 Q4 Vistage CEO Confidence Index expected that the Reconciliation Act of 2010 would be bad for business. An overwhelming 92 percent expect to pay more for benefits during all of 2011, according to the third-quarter index.

You can preempt a loss of morale (and a big dollar increase) by being proactive, communicating with your staff, and developing a strong plan that helps employees become better health care consumers. A simple cost shift is not sufficient strategy. We give you three concrete ways to take care of your employees and your bottom line without sacrificing either.

1. Develop and Disseminate an Employer Plan of Action

Before you do anything else, use these changes in the landscape of employer-sponsored health care as an excuse to take a good look at your current benefits situation.

"You need to have an employer plan of action; have it in writing. The first step is compliance. The employer plan of action should be designed to integrate the changes imposed under PPACA into the employer's health plan and to assign responsibility for various functions relating to integration and compliance," says Robert Friedman, a partner at the Miami office of the Holland & Knight law firm and leader of the firm's national Employee Benefits, Executive Compensation and ERISA practice group. Friedman conducted a Vistage webinar on health care reform in April. "Beyond that, what does your broker say? Is your broker going to ensure that your plan is in compliance? [Employers] are not used to having to worry about it."

- **Ensure compliance first.** Talk to your benefits consultant or insurance broker about the current provisions of health care reform and what's changing this year.
- **Develop a clear two-part employer plan in writing.** Address short-term issues like coverage of dependents up to age 26 first. Then outline a long-term strategy, such as whether your employees will be eligible for the health exchanges in 2014.
- **Communicate with your leadership team.** Jennifer Benz, chief strategist of Benz Communications in San Francisco, recommends building morale in your management by communicating your plan of action to them. She suggests having a two-minute overview ready for senior staff members.

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Dennis Tumminia, an insurance expert and EPIC principal, speaks nationally on health care. "I would say in a room of 300 people, 10 people raise their hands to say they're keeping up with changes in health care," he says. "Most people feel it's going to go away. There *will* be political footballing, but health care reform is going to happen."

2. Communicate Openly with Your Employees

The most recent Emerging Workforce Study shows that 86 percent of employees view their health benefits as critical to their retention, yet only 34 percent are happy with their employer's current plan. What will happen when employees are asked to foot a greater percentage of the bill without explanation?

"Employers need to be talking to employees about health care reform in an open, honest dialogue that is very clear about what's known, what's unknown, and how it's changing," says Benz. "It helps build trust, calms employees' fears, and helps establish them as a credible leader."

- **Control water cooler talk by initiating the conversation.** Benz posted a blog entry after the November 2010 open enrollment period showing snippets from employers, employees and others on Twitter. The gossip is already out there. As a leader, you have the opportunity to correct misinformation.
- **Use reform as an opportunity to discuss business strategy.** "You've never had an opportunity like this to focus on your benefits. Use this to your advantage and help [employees] understand the investment the company makes and what is in their power to change," says Benz.
- **Stay positive.** If you are switching your employees to a consumer-directed, high-deductible health plan to save money, emphasize that this is an opportunity for them to become stewards of their own health care consumerism. Contribute to their flexible spending account (FSA) in year one.
- **Create information resources.** Benz suggests you save money and staff time by creating a website that communicates key contact information that employees can access anytime. This will prevent your HR staff from fielding every question, but it will also go a long way toward building trust in your communications.

The new reality is that talking about health care once a year is not sufficient. Take full advantage of the opportunity to connect with your team through open dialogue.

3. Control Costs by Investing in Wellness

Early adopters of wellness were mainly large self-insured employers, and they're already reaping the benefits. But the enormous savings potential of workplace wellness isn't driving change in smaller firms just yet. Only 22 percent of respondents in the EPIC survey reported that they planned to implement a wellness program.

"Even small organizations can benefit tremendously from focusing on wellness," says Benz. "First of all, healthier people are better for everybody. Secondly, people feel very powerless if you don't give them anything to do during a time of change."

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The research is clear. Healthier people are a boon to the workforce. Upshots of workplace wellness include:

- Decreased employee absenteeism and sick leave
- Increased productivity
- Decreased work-related injuries
- Reduction in chronic conditions like obesity and diabetes that drive up premiums

The government has also allocated $200 million in government grant dollars to encourage small employers (with fewer than 100 employees) to implement workplace wellness programs in fiscal year 2011-12. This is meant to offset the relatively higher cost burden that small employers face if they choose to offer health care benefits at all.

Experts suggest small and midsized firms start planning a wellness strategy now if they want to make the most of tax benefits and grant money:

- **Get informed.** Analyze company medical data to find out what's most affecting your employee population, and tailor your wellness or preventive offerings accordingly.
- **Implement health risk assessments.** These assessments are research questionnaires employers can obtain through insurance providers or third-party companies for a minimal cost per head. Employees who know their health risks are better health care consumers.
- **Help your employees make better choices.** The switch to "consumer-directed" health care isn't a cost shift; it's a culture shift. Help your staff members become more sophisticated health care consumers. The government-funded Small Business Wellness Initiative is a good place to start.
- **Use group-based challenges to make wellness fun.** Innovative industry leaders like Limeade, an online wellness company, have proven that peer-supported change works — and it's fun.

Shifting employees into high-deductible plans is easier if employers contribute to health savings accounts or flexible spending accounts. And it means employers get the best of both worlds: bottom-line savings and more productive people.

Tumminia points out that health care costs have been rising for a very long time and that perhaps the best strategy of all is for employers to embrace the spirit of the reform. "There is only one solution to reducing costs: taking better care of ourselves," he says.

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Tenet Three: Go Green

Greening your business is no longer just a passing fad; it's an opportunity to build cachet in the marketplace, innovate and ultimately profit. Almost 40 percent of respondents in the 2010 Q4 Vistage CEO Confidence Index reported already marketing their commitment to sustainability or "green practices" to customers or clients. For the 60 percent not yet on board, the business case for getting started in 2011 is stronger than ever.

Sustainability is no longer about "laying down in front of the bulldozer," says Graham Russell, Vistage speaker and former executive director of Connected Organizations for a Responsible Economy (CORE). It's about cutting costs and creating new products while reducing our burden on the planet — and very little capital investment is required to get started.

In fact, Russell estimates that most small businesses can cut energy consumption by 30 percent with even the most basic measures, like caulking windows and turning off machines. **ENERGY STAR estimates that small businesses that invest strategically in energy efficiency can cut utility costs 10-30 percent. Add to that appliance rebates and available tax credits, and you're looking at major bottom-line savings.**

1. Set a Sustainability Plan in Motion

The business case for sustainability has never been clearer. Companies like Wal-Mart and Lexmark already require vendors to have transparent sustainability programs. Increasingly, business leaders need to answer to regulators, consumers *and* clients about their environmental and social practices. But the biggest shift of all isn't compliance-driven.

Russell is a vocal proponent of sustainability as a business proposition. "Large companies have already realized not only can they save money, but there are opportunities to make money by developing new products and services," he says. "Think of sustainability in terms of how you do things, your business processes. Start in a place where you get the biggest bang for the smallest buck in the shortest amount of time."

Fortunately, resources at the small business level are multiplying. A case in point is Russell's current project. He is site moderator for SustainableOfficer.com, a unique peer-to-peer (P2P) information exchange for professionals engaged in creating and implementing sustainability initiatives in their own organizations. The P2P site is a venture of *ColoradoBiz* magazine.

Dr. Kathy Miller Perkins, Vistage speaker and president of Miller Consultants, outlines a five-pronged plan for business leaders to jump-start sustainability on GreenBiz.com:

1. **Assess the baseline.** She suggests you analyze waste habits and resource usage. Energy audits can help.

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2. **Identify best opportunities.** Yours might be in water-use reduction or ink-cartridge recycling. Figure out where you can make the biggest dollar impact.
3. **Plan implementation steps.** Formalize what small steps will result in savings.
4. **Set deadlines.** Name who's responsible for meeting them.
5. **Keep revising the plan.** Your sustainability plan, like your business plan, will evolve over time.

Deciding whether a green initiative should be implemented at all, as Daniel C. Esty and Andrew S. Winston emphasize in *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage*, should involve a business process much like any other product introduction.

The benefits are far-reaching. "Doing the right thing attracts the best people, enhances brand value and builds trust with customers and other stakeholders," write Esty and Winston.

2. Leverage Emerging Technology for Long-Term Savings

Evolving technology is making going green even more cost-effective. Many next-step sustainability measures require an up-front investment in new technology, but the savings are exponential:

- **Install LED lighting.** Yes, turning the lights off when you close up shop is good. But why not look ahead to LED, or light-emitting diode, technology to save on electricity-related operating expenses? Energy Star LED lighting uses at least 75 percent less energy than incandescent lighting and lasts longer (35-50 times longer than incandescent and 2-5 times longer than fluorescents). Savings are enormous: Chili's restaurants, for instance, expects to save $3.7 million annually with LED.
- **Switch to cloud computing.** Private or public cloud computing solutions are an excellent way to reduce operating expenses incurred by in-house servers and the resources required to maintain them, so much so that stating the technology's value in terms of "greenness" seems superfluous. Even federal agencies are climbing on board; they will spend a projected $19 billion on technologies to reduce energy consumption, including cloud computing, by 2015. But the steep reduction in up-front costs is driving small business adoption.
- **Telework.** Leaps and bounds in Internet speed as well as platforms for managing workers — from web-based meetings on GoToMeeting.com to video chat and VOIP teleconferencing — are drastically reducing our need to commute from Shanghai to Miami for meetings, or even 25 miles from home to the office. You'll cut thousands of tons of carbon emissions by avoiding plane fares and shifting staff to telework-only or partial teleworking status. "Cut real estate costs by 50%, cut turnover rate and improve productivity. Staff benefit from an effective salary raise of 10-12 percent because they're not paying for gas or wear-and-tear on cars," says Russell. The potential benefits are striking: A 2009 survey of 2,000 Cisco employees showed that 91 percent considered teleworking important to their overall job satisfaction; furthermore, it saved Cisco $277 million annually in time and productivity costs. And their workers only telecommute, on average, two days a week.

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- **Use fuel cell–powered energy.** Fuel cells produce low-emission electricity at a tiny fraction of normal utility costs. The technology has been around for years, but only recently has it become durable and affordable enough for business use. ClearEdge Power, FuelCell Energy and other manufacturers are leading the way. One hotelier lowered his utility costs 25 percent (and carbon dioxide emissions 36 percent) with his ClearEdge system. The city of San Diego just partnered with BioFuels Energy to create clean power for UCSD and a municipal water facility.

3. Innovate to Unlock Profit

"Any company that can develop a tool or product or service to become 'greener,' or if they're willing to work with customers to become greener, has a real competitive advantage," Miller Perkins says.

Sustainability is one way small businesses can differentiate — and drive new sources of revenue — in 2011. Executives at printing giant Lexmark actually prefer to work with small vendors. "They believe their small company suppliers are more flexible and creative," explains Miller Perkins.

There are many examples of small companies making sustainability part of their business proposition. She describes two that are doing it particularly well:

- **Close the Loop.** Close the Loop is a U.S. company dedicated to recycling toner and ink-jet cartridges. They have a zero-waste policy and work with manufacturers to return materials for reuse in new printers, cartridges and other products — even pens. They formed preferred partnerships with industry leaders like Lexmark and Xerox.

- **Greensource Organic.** Seattle-based Greensource Organic Clothing Company supplies organic cotton to big-box chains without high consumer costs by creatively managing its supply-chain relationships — both with the Wal-Marts and Kohl's at the top and the farming cooperatives at the bottom. And it's been doing so for 17 years.

Another "Green" Benefit: Attracting Younger Generations of Workers

For smaller business owners who are one down in terms of wages and benefits, sustainability has a lesser known advantage: attracting the best young talent to build, grow and innovate from within.

"What we have found in our research is younger people want to work for green companies," says Perkins. "They will take less money if they feel like they're working for a company that's doing something meaningful in the sustainability arena."

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Tenet Four: Become an Efficiency Machine

The least-effective executives and managers are often those who look the busiest. A 10-year management study conducted by Drs. Heike Bruch and Sumantra Ghoshal found that **90 percent** of managers squandered their time on ineffective activities. And the problem is only exacerbated by the steady drip of e-mail distractions and a corporate focus on so-called multitasking.

Constant, frantic motion is mistaken for active leadership, and it may be taking a toll on your bottom line.

Bruce Breier, a Vistage speaker and Organizational Consultant, has been helping executives become better leaders by becoming more organized since 1978. But he's never seen a greater readiness to change ineffective work habits than he has in the past several months.

"There's no longer that confidence that things will return to the way they were before, so the attitude of trying something innovative is a lot better in the last six to nine months," he says.

He suggests that leaders who are craving focus start with the simple stuff to better win the battle for focus in a world of near-constant distractions.

1. Implement Daily Planning

Many executives prize their busyness. "It's not uncommon to see somebody constantly start something and then stop as they get interrupted or disrupted," says Breier. "When you combine that behavior with the extremely low degree to which executives and managers formally plan their days, the workday becomes filled with constant interruptions and distractions."

But effectiveness and efficiency are very difficult to achieve if you're too busy to set clear expectations for the workday in the first place. Breier offers specific steps for leaders to set and meet more priorities:

- **End each workday with a daily planning routine.** Use the time to identify the highest priorities for the next day in writing.
- **Schedule time in your calendar for those priorities.** Make that time inviolable, as you would a meeting.
- **Focus on being effective (getting the right things done) rather than being productive (getting a lot of things done).**
- **Replace multitasking with "mono-tasking."** Multitasking is an ineffective work style. You only look busy.

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Most executives fail to plan their days because it seems futile, it's not required, and it can be a boring way to work. "A person who arrives home at 7:30 p.m. potentially has a spouse who's upset with work hours, loses customers due to poor follow-through during the day, and experiences low morale among staff (and increased turnover) can look at the crisis-oriented culture as a significant cause. The best way to change is to make Organizational Efficiency and Staff Effectiveness key categorical components of the strategic business plan," explains Breier.

2. Define Strategy — on One Page

Once you've tackled daily inefficiency, you need to tackle the bottleneck that so often ensnares your leadership team.

Simon Mundell, noted business execution expert and director of Results.com, has worked with hundreds of business leaders to help them execute. He takes a low-tech but proven approach: **Get the business strategy onto a one-page document.**

If management and other employees are clueless about operating strategy, then "they'll never become part of the operating DNA of that company," he says. "What happens in too many organizations is, when they want to execute strategy, all of a sudden they have, let's say, a product quality issue, which is a distraction.

"Then they have some customer complaints, and they're dealing with morale issues, cash flow issues — the constant juggle of business. Until you disrupt that process, until execution of strategy gets as much or more attention in your business as the day-to-day distractions do, your business will not change."

To achieve operational efficiency, you have to disrupt the crisis mode of business as usual. Mundell outlines five pillars of good execution every leader can model:

1. **Vision.** Define core values, purpose and long-term goals.
2. **Strategy.** Carve out a strategic position you can own and lead.
3. **Engagement.** Focus on employee engagement. People need to align with your vision, sit in the right seats, and see where they fit in the big picture.
4. **Accountability.** Companies should define long-term goals as well as three priorities per quarter. Ensuring those get accomplished is a matter of holding people responsible for getting the job done.
5. **Cadence (rhythm or flow).** "Most businesses only do lip service to strategy once a year," says Mundell. Instead, have a meeting agenda that includes discussion of two measurements: (a) implementation of quarterly priorities and (b) metrics that describe the current state of business.

As a leader, it's your responsibility to help your core team balance energy between execution and business as usual. "Execution without strategy is pointless," says Mundell.

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3. Write Efficiency into the Business Plan

Strategy needs to factor into goal setting at all levels. "Both the long-term and fiscal-year goals of every business ideally should be in alignment with the mission statement," Breier explains. He recommends developing a strategic business plan using these five categories as a blueprint:

- Customer Service
- New Business Development
- Financial Performance
- Staff Effectiveness
- Operational Efficiency

Measuring the effectiveness and efficiency of any organization can be as simple as calculating the percentage of priority policy statements (e.g., "All meetings must have an agenda") adhered to per month. The suggested metric is to meet priorities **90-100 percent** of the time.

Requiring all leadership-level employees to implement daily planning goals and adhere to organizational policy statements will result in high levels of effectiveness and efficiency at every level of the organization.

4. Automate and Organize with Cutting-Edge Tools

New tools aim to take the overconnectedness of your world — made possible by mobile technology — and organize it. The best part? Most are free or very inexpensive, and the best tools travel well in the form of smartphone apps.

Writes John Gerzema for *Inc.*, "[New innovators] are helping us organize the web for consideration instead of chaos." Some of the top tools named by business leaders, experts and tech forecasters can help you become better at managing your priorities through automation and organization by following these steps:

- **Read what counts.** Instapaper is a web browser bookmarklet that lets you save interesting articles to "read later" with one click. Trippy is an app that estimates what articles you can read during your commute. And Google Alerts track industry news and keywords automatically.
- **Manage your social media.** HootSuite, Sprout Social, Involver, CoTweet and TweetDeck, to name a few, provide powerful ways for businesses to manage multiple social streams. In 2010, leaders were toying with social media; in 2011, it's part of their strategy. Join the conversation (without losing focus).
- **Use organization tools.** OmniFocus for the iPad is a feature-rich task management software that gets high marks from busy executives. Evernote is a note-taking app that syncs across phone, desktop and tablets.

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- **Collaborate.** Dropbox is a free 2GB virtual "cloud" hard drive that you can access from any computer. Apps for smartphones and iPads make it seamless on the go, too. Don't forget Google Docs. It's free, easy and web-based.
- **Use team and project management.** Yammer is like a private Twitter list for your organization. Announce times when your door is closed, and find out who's working on what through status updates. Basecamp is a web-based project management tool that keeps track of shared tasks, due dates and time spent working across a team or organization; Encamp makes Basecamp mobile.

The secret is to use your smartphone or laptop to increase organization, not stymie it.

2011: A Growth Year for Small Business

Business leaders are confident that 2011 is destined to be a growth year. Economic indicators are up, and innovative technologies and developments, from mobile commerce to green energy supply, are creating new paths to profit.

By focusing on one or all of these key tenets — customer acquisition, health care, green initiatives and productivity — CEOs can proactively position their organizations for sustained growth in the New Year. Lowering costs, increasing efficiency and innovating in these four areas also provide an opportunity to reconnect with your team and focus on execution instead of survival.

Mundell believes we're at a critical juncture in the global business world — one that will amply reward innovation and execution. And the time is now. "There will be more change in the next 20 years than there's been in the entire history of civilization. If you're not innovating, someone else is."

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