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# trekking

**a newsletter on practical strategic thinking and action**  
**issue #66**

## changing the mindset

A lot of economic indicators, including the stock market, GDP measurements and some consumer confidence polls, are telling us that the economy is beginning to turn around. With that said, you can't overlook the fact that the unemployment rate, even though we know it is a lagging indicator, is still high. Some are even looking at some pretty strange non-traditional indicators to help determine where the economy stands; 19% more homes grew their own vegetables in 2009 versus 2008, liposuction procedures were down 19% compared to last year and the dry cleaning industry has taken a hit with people wearing clothes longer in order to cut costs. I know it sounds odd, but those numbers say a lot about what Americans are really thinking.

The [dismal jobs report](#) issued on October 2, 2009 had a lot of implications. First, the official unemployment number at 9.8% is getting even closer to 10%. When we actually reach 10%, it will be like when the Dow dropped below 10,000 and kept falling. Second, the "real" unemployment number is even higher, more like 17%, when you include those who have depleted their benefits and have dropped off the screen. Finally, there are many self-employed sole proprietors with their own businesses who are struggling but do not qualify for unemployment insurance, so those numbers are not included in the statistics. Taking all of this into consideration, some estimates then put under-employment and unemployment at close to a staggering 24%.

But, if you own or manage a business, you shouldn't ignore the other signs that tell us that there is actually room to grow in today's economy. Instead of focusing on surviving, we're going to have to get back into some risk-taking. My partner, Mary Adams, and I have a book coming out in 2010 entitled [Intangible Capital: Putting Knowledge to Work in the 21st Century Organization](#). We believe that there are incredible opportunities for American business today. Challenges around energy use, sustainability, health care, transportation and education will create opportunities in almost every industry. In order to take advantage of these opportunities, business owners need to start thinking today about how their business can leverage these opportunities in the future.

## a different approach

Everyone in your company is reading the same newspapers you are - they know that things are still tough out there. Many of your employees probably have family or friends that are unemployed. Seeing so much uncertainty, many employees may not have the enthusiasm for taking on the job of innovation. So, how can you change this mindset inside your company?

To get your team focused on the future, you'll need to change the message a little bit. One of the best sources of ideas that your company can use to [turn things around](#) in a dismal environment appeared in Inc. Magazine in February. Following are some of the excellent bits of advice successful business owners gave that you can use to point your company in the right direction:

- Train your employees on how your entire business works, not just their small slice. The result? Better ideas from employees as well as the knowledge that you're all pulling in the same direction. (SRC Holdings)
- Get your company's name out there. Remember, marketing is meat and not fat - especially in lean times it shouldn't be cut. Use marketing or a focused sales effort to let your current and potential customers know you are aggressively doing business. (Jenny Craig)
- Reach out to your customers about your business and "listen, really listen" (Life is Good).
- Look at upgrading IT by using software as a service (SaaS) instead of maintaining servers on-site. Not only will you be upgrading your business, but you'll be saving money. (Y Combinator)
- Ask your staff about ideas for new products or services. There may be some ideas out there just waiting to be launched that will improve your company's profitability (Anchor Brewing).

## reading list

*The Paradox of Choice - Why More is Less*

By Barry Schwartz

Last month I attended a great conference in Wentworth-by-the-Sea, New Hampshire hosted by investment bankers Bigelow and Company. We were all assigned to read, [The Paradox of Choice: Why More is Less](#).

The book presents a lot of good observations about how consumers are simply overwhelmed by choices. Supermarkets offer hundreds of brands of crackers, 401-K decisions are endless and health care options are numerous. Schwartz analyzes how the overwhelmed consumer will

often choose to make no decision when faced with this avalanche of choices.

From the book I learned that I am not a "maximizer", one who has to look at all the options available and then making sure they select the very best. For maximizers, this process often leads to second-guessing and uncertainty because the decision may not in fact identify the very best. As it turns out, I am a "satisficer". That is, I set a goal or objective and when I find a selection of a service or product that meets my standard I make my decision. This feels like it makes life simpler in these complicated times.

If you are looking for a good book with interesting insights, I recommend you check this one out.

## announcements

On Thursday morning, October 22, at the Regus Conference Center in Wellesley Hills, MA the Exit Planning Exchange (XPX) Content and Curriculum Committee will host a live, interactive Exit Planning Case Study and Training Class. Bonnie Carson DiMatteo, founder of Atlantic Consultants, and John Leonetti, author of *Exiting Your Business, Protecting Your Wealth* and founder of Pinnacle Equity Solutions, will co-host. This exercise in exit planning calls for group participation and exercises to help you learn to prepare a business owner for their eventual exit. Limited to 30 attendees.

On Wednesday evening, November 18, at the Charlestown, MA offices of XPX's Platinum sponsor [Caturano and Company](#), Caturano partners will speak on tax and financial issues affecting businesses, owners and exits in the middle market. Networking will precede and follow the presentation.

For more information or to register for these events, please visit the events page of the Exit Planning Exchange [the events page of the Exit Planning Exchange](#)

Finally, on a personal note, I ran my first marathon in Baltimore on Saturday, Oct. 10. I did a lot of my training in the muggy weather of August, including three runs of 20+ miles. I ran the marathon with two friends and finished in 4:37. Woohoo!



Trek Consulting is proud to announce that our Trekking newsletter was named a 2008 Constant Contact All Star!

## about trek consulting

Trek works with owner-managed businesses to develop action plans for growth. Trek also works with the owners to prepare for their successful exit by coordinating the resources necessary to increase and preserve the firm's value, creating the succession plan and assembling the right transaction team, financing and post-transaction plan.

Our clients report improved market focus, greater revenues, better margins and increased profits. To learn more about Trek Consulting and how we can help you improve your company's results, visit us on the web at [www.trekconsulting.com](http://www.trekconsulting.com) or call us at 781.729.1008.

