

Leadership

WHEN COMPANIES SHOULD ACCELERATE PERFORMANCE

Economic indicators may be mixed, but Steve McKee urges business owners to plan for recovery and drive hard to expand while the road is clear

Corporate earnings are up. Manufacturing is up. Looks like we may be finally coming out of the long, hard recession.

Not so fast. Retail spending is still down. A record 46 percent of unemployed workers have been out of work for six months or more. Consumer debt is near an all-time high. Taxes are going up and we may be in for a nasty bout of inflation. Oh, and the national debt will soon exceed gross domestic product—currently about \$115,000 for every U.S. household.

Are we in recovery or not? If we aren't, when will we be? If we are, how long can it last?

These are consequential questions for anybody in business. Those of us responsible for the long-term health of our companies continually have to determine when, where, and how much to invest. While nobody has ever been able to predict the future, today it's even more difficult to see what's coming down the road. We all know we can't afford to stand still, but when—and how—should we give our companies the gas?

Cristobal Conde, chief executive officer of SunGard Data Systems, a \$5 billion global software and IT corporation, also happens to be a big NASCAR fan. He was quoted in a recent Wall Street Journal article using a racing metaphor to describe his company's strategy during the recession: "Going into the crisis is not that different from going into a turn. You

slam on the brakes. In the turn, the most important thing is your position relative to other cars." Using race strategy as his guide, Conde has focused his team on market share, rather than volume, while the economy remains down. If history is any guide, SunGard (and other companies that have done the same) will indeed do better coming out of the turn.

While the racing metaphor is a good one, the course we're on is not a predictable NASCAR oval. It is a twisting, turning, Formula 1 track that winds its way through nooks and crannies and narrow city streets. Those of us behind the wheel have to navigate short straights and wicked corners, keeping our cars from falling behind, spinning out, or even hitting the wall. F1 cars have to be capable of going from zero to 100 mph—and back—in fewer than five seconds. Such rapid acceleration and deceleration puts tremendous stress on both vehicle and driver. Still, it's the only way to win.

ROAD MAP FOR TACTICAL AGGRESSION

Under these type of racing conditions, we have no choice but to use the acumen, skills, and vision we've acquired over our years in business to anticipate and react more nimbly than ever. We have to know what we're going to do heading into the corners and straights before we get to them. We must swiftly and aggressively

execute moves without hesitation—not recklessly, but with tactical aggression. Nobody knows at this juncture whether we can open things up for a long stretch of road or if we'll have to hit the brakes again right away. But now appears to be a time to accelerate, however briefly, our acquisition of customers and profits, which puts certain skills at a premium:

Fast reflexes. An April white paper by sales software provider Leads360 shows that Internet-generated inquiries that win responses within one to two minutes convert 160 percent more often than average. If response comes in fewer than 60 seconds, they convert an astounding 391 percent more often. Nearly 9 in 10 leads that convert are those that have been contacted within the first 24 hours. Such statistics represent a big opportunity for companies with the capabilities and staff to respond quickly to inquiries—and a missed opportunity for those that don't.

Fuel management. Big-spending advertisers such as Ford (F), Verizon (VZ), and AT&T (T) seem to be betting on a better economy as the year goes on. Demand for the upcoming fall season's TV advertising inventory is up some 15 percent, with prices increasing in the high single digits. The more the economy heats up—even if only for a short time—the less inventory will be available for all advertisers in every medium—and the higher

prices will go. Companies that can make commitments now will get more for their money.

Recruitment. To the casual observer, it's the driver who wins the race. Those who know understand that there's an entire team behind every winning car. The higher the stakes, the more options the best talent will have, so it's important always to be one step ahead in planning for your human-asset needs. In the case of employment, we may still be on a curve, as hiring by private companies has slowed in recent months. Demand

will one day catch up with supply and the best people will go first. And fast.

Race strategy. Intensity and adrenaline are great assets, but they can also cloud your vision. In some F1 races it's advantageous to take more pit stops, rather than fewer. The cars can then run with lighter fuel loads and the timing of the stops can be used to improve competitive position. Don't neglect the need to refuel, change your tires, and reconfirm your tactics by taking the appropriate mental pit stops, alone and with your team. The best drivers are the wisest ones, not merely

the fastest.

It appears that we're on a stretch of straight track at the moment, however briefly. Knowing there's always going to be another hard turn ahead, when should you step on the gas? The short answer in today's unpredictable economy is simple: whenever you can.

By Steve McKee

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Founded in 2004 and headquartered in Los Angeles, California, Leads360 develops software as a service (SaaS) solutions for managing sales leads. Distinguished by its focus on solutions that address the unique needs of businesses who sell to consumers, Leads360 is recognized as a market and technology leader, managing more than 25 million leads for over 5,000 clients. With a suite of solutions scaled for small to enterprise organizations, the company offers the industry's most comprehensive and configurable lead management platform.

Leads360 enables companies to distribute, track, analyze, and convert sales leads using a customizable lead management workflow. Professional services, including training and process consulting, are also offered to deliver a highly effective solution for converting sales leads. Businesses look to Leads360 for solutions that allow them to maximize their investment in leads generated online and from traditional sources, and ultimately increase sales closure rates for greater revenue. For more information, visit www.leads360.com.