

Strategy or Tactics?

After another exciting year of business in 2006, I am delighted to present the first newsletter for 2007 for Sarah Richardson Consulting. Thank you to all the clients who provided interesting and challenging projects for the consultancy last year.

The idea of strategy sounds good — in theory. In practice tactics define many businesses as operators react to one situation after another. A strategic approach requires planning ahead, setting goals and collaborating across the business groups. Many managers do not have the patience, conceptual focus or willingness to work as a team with their functional colleagues to use a strategic process. Instead, decisions are made tactically, responding to immediate crises.

Much of the consultancy's work in the recent year revolved around defining and articulating business strategy

ranging from developing business plans, to recommending organisation structure and processes, through to marketing communication direction. Most of us understand the importance of strategy but unfortunately the ongoing running of the business may take precedence.

An efficient well-functioning organisation is important. However, tactics are typically not enough to ensure long-term success. Without a balance of strategy and tactics there will be no direction in a business world where the environment is constantly changing. In recent years we have seen transformations in products and services, customers, marketing communication, organisation structure, workforce and processes.

Moving from a tactical to a strategic approach will not happen overnight.



It typically requires a culture shift, role adjustments and investment in external expertise.

Make a new year's resolution that this is the year to incorporate a strategic approach in the business to define the organisation's future success.

Sincerely,

Sarah Richardson
Director

Group Decisions

Collaboration between team members and across functional groups is important in identifying the right direction and



completing projects successfully. However, groups can also make the wrong decisions and create barriers to effective execution. Studying group theory in my undergraduate and graduate courses never totally prepared me for the way people dynamics can lead to the wrong decisions or poor implementation. Motivations are not always straightforward and some find it difficult to interpret information and come to logical conclusions. We have all been in group

situations where decisions are influenced by the group dynamics rather than reason or logic. Recently seeing a re-staging of Reginald Rose's *Twelve Angry Men* reminded me of group decision-making.

As the year begins, now is a good time to reassess the company's senior and mid-level management teams. Make sure there are the right people and processes in place to take the business to the next step. Recognise also that everything does not require a team approach and some projects and activities may work best when driven by one person.

Skills Shortage

The successful firms will recognise the labour situation is part of doing business and adapt their organisations, cultures and processes to meet the current environment.

The resources boom and general flow on to other sectors of the economy has created a shortage of skilled and unskilled workers in Western Australia. The ageing of the population and the desire for more leisure time have also contributed.

Most businesses in this state are feeling the impact, whether existing employees departing to better opportunities and others negotiating improved packages to stay or the difficulty in finding new candidates. Recent studies also confirm salary is only one motivator for employee satisfaction and retention.

The labour scarcity can be seen as positive for some companies. Perhaps the business has changed over time and the shortage provides the impetus to evolve the organisation structure and people to meet the

new enterprise. Thinking creatively and determining that untraditional employees such as older people, part-timers, long-term unemployed or those with a disability could add value to the firm. Maybe the crisis highlights the truly worthwhile people who



remain in the business and focuses management to identify ways to develop and reward these employees. The time might finally be right to reflect on the company culture and processes and identify how the business should move forward.

Certainly the labour shortage in Western Australia has created a massive hurdle for many organisations. The booming state economy is predicted to continue for a number of years and coincides with population and lifestyle trends meaning a changing workforce. The companies that succeed will not be the ones with an ostrich strategy digging their head in the sand nor the ones using fire-fighting tactics. The successful firms will recognise the labour situation is part of doing business and

adapt their organisations, cultures and processes to meet the current environment.

Customer Feedback

Wouldn't it be easy to run a business without customers? No client comments, no customer complaints, total focus on operations. Sometimes the immediate response by managers is to react to every piece of user information, often distracting the organisation and not necessarily resolving the issues. Other times response processes such as grouping by type of feedback, forms and telephone lines are created. Another approach is to set up a customer contact centre.

This centre can be part of the solution but more importantly customer awareness needs to be

built into the way the organisation functions from identification of company offering through to operations, finance, then marketing and sales. While the regular client interaction should remain the responsibility of the sales team, all employees should be aware of customers.

Building customer awareness throughout the organisation can be interesting and meaningful to employees and create not only better understanding but also a sense of responsibility and ownership among staff. Marketers are traditionally responsible for

customer understanding and can develop powerful workshops to extend this knowledge across the firm, usually creating a fun environment and sense of teamwork at the same time. Now is a good time to initiate this important forum which will not only communicate insights into buyer needs and behaviours across functional areas but also provide customer feedback from across the business and bring together diverse teams in a common purpose. Organisations without a marketing function should engage an outside expert on an annual basis to lead this essential seminar.

The New Media Environment

By John Sintras, COO of Starcom Australia

John Sintras has over 20 years industry experience covering all types of media and advertising management including the launch of Starcom in Australia. He has recently completed his term as President, Media Federation of Australia. Ranked as a leading worldwide brand communication group, Starcom MediaVest Group encompasses an integrated network of nearly 3,800 contact architects specialising in media management, internet and digital communications, response media, entertainment marketing, sports sponsorships, event marketing and multicultural media.



These days it has become fashionable to mass media bash but the days of mass media are certainly not over. Consuming mass media is still the largest discretionary pastime for most people and clever marketers continue to leverage it to create real value for their brands. Also mass media owners keep receiving significant income from consumers who engage with and pay for quality content every day. Further, if the days of mass media are over, then these must be the days of niche media? However, neither Subscription TV nor the Internet is niche any more and the penetration of most of the newer digital options is well past the point of niche too. There is also a business reality that needs to be considered - most client briefs are not looking for niche sales objectives. Clients typically require some scale in order to deliver their objectives.

What is definitely over, however, is the notion that clients can buy many (wasteful) mass media impressions in the hope that some of them will connect; that an ill-considered, dull communication piece can be placed in mass media with no regard for contextual relevance and be expected to generate a meaningful response. The days of mass media are not over but the way clients leverage mass media is evolving and will continue to as people consume and engage with it differently.

Today our agency's focus is on helping our clients deliver Connections that Captivate - customer connections that generate a meaningful and measurable response for their brands. It is more than just achieving 'engagement' for the sake of it; it is about eliciting real customer intent or behaviour.

To that end, we focus concurrently on three areas - Content (a relevant and powerful message), Contact (the most appropriate channels to deliver that message, mass media or otherwise) and Context (the optimal mood, mindstate or time for that message to resonate). It is only when we identify the intersection of these three areas that we deliver optimal communications solutions. Media channels, mass or niche, are not mandated as part of this organic and collaborative process. Deep customer insight is the signpost, not some irrelevant descriptor of media type.

Mass media is here to stay, but there is no longer any room for lazy, formulaic approaches to communication that fail to recognise how and why people engage with different touchpoints in different categories at different times every day.

People Management

Whether the team is just a few staff or several hundred, the way they work individually and as part of a group fulfilling their functions will be critical to the firm's success.

People can be the backbone of a business — either withstanding pressure and moving the organisation forward or fracturing and splintering apart the enterprise. The leadership style and company culture certainly both have an impact but, without a solid team, most businesses falter.

Many managers underestimate the importance of recruitment often delegating it to junior staff or an employment agency and taking an ad hoc approach. Recruitment is also usually to fill a position rather than bring in a new person for the long term. New employee induction is typically unplanned

with the emphasis on introductions rather than communicating the role and integrating the new member into the organisation.

Retention is also often not considered until an employee leaves the firm.

Whether the team is just a few staff or several hundred, the way they work individually and as part of a group fulfilling their functions will be critical to the firm's



success. Internal and external experts can clearly contribute at particular points but human resources should be a component of every manager's job and include team structure and roles, recruitment, induction, ongoing training and development and, last but not least, retention.

Sarah Richardson Consulting Pty Ltd

PO Box 1881
Subiaco, WA 6904
T/F: (08) 9380 9898
M: 0407 800 856
E: srichardson@srconsulting.com.au
www.srconsulting.com.au



Sarah Richardson Consulting was established in early 2004 to provide sales, marketing and management consulting for small to medium sized firms based in Western Australia. The consultancy offers business advice to Managing Directors/owners who may not have a full-time senior marketer or who are looking for an objective outside review.

The company provides consulting on:

- Sales & Marketing
- Organisation Structure
- Forecasts & Budgets
- Purchasing
- Acquisitions Integration
- New Business
- Supplier Management
- Profit Optimisation

Sarah Richardson, the sole Director, has held senior sales, marketing, strategic planning and general management positions over 18 years in the following business-to-business and consumer branded companies:

- Kellogg's (Australia)
- CCH (Australia)
- Johnson & Johnson (Australia)
- Yoplait (France)
- NutraSweet (USA)
- British Petroleum (New Zealand)

Prior to Sarah Richardson Consulting, she managed for three years the national sales, marketing and customer service functions for a small family owned importer and producer of craft products distributing to many small retailers and large chain stores across Australia.

Qualifications include:

- MBA (Honours), Marketing/Finance, University of Chicago Graduate School of Business, USA
- BCA, Business/Accounting, Victoria University of Wellington, New Zealand
- BA, English Literature, Victoria University of Wellington, New Zealand
- CPA and CMA Exams, Society of Chartered Accountants, New Zealand
- Teacher's Drama Diploma, Trinity College, United Kingdom
- Australian Institute of Company Directors Scholarship

Sarah Richardson is an active member of:

- Chamber of Commerce & Industry
- Rotary
- Australian Marketing Institute (CPM)
- Australian Institute of Company Directors



Communication Clutter

Customers are exposed to thousands of different brands and marketing messages every day. To cut through the communication clutter, brands need impact and customer relevance. Even the most basic of brands can add important value to the business if developed and used wisely.

The typical communication of a brand is through its logo — and some companies invest further by developing marketing materials such as stationery, electronic communication, signage, advertising or events. It is surprising how many

companies maintain an inadequate logo but spend heavily on some or many elements of marketing which incorporate this logo. If the logo is powerful, there is no reason to change it. However, if it has strategic or technical problems, now is the time to evolve the logo.

Logo evolution rather than dramatic change is usually important to take advantage of the historic brand investment and also so customers recognise the new logo as coming from the existing brand. An experienced graphic designer will generally

be able to take elements of the existing logo and come up with an evolution that meets the strategic and technical objectives.

Consider the marketing activity planned for the coming year as well as the unconscious brand communication that occurs through building and vehicle signage, company stationery and other communication forms. It may well be the time to enlist the help of an experienced expert to evolve this valuable company asset, its brand identity.