

ADAPTING IN UNCERTAIN TIMES

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CHANGE IS THE ONLY CONSTANT IN LIFE

A wise person once observed that change is the only constant in life. You are probably finding this to be true in your business now more than ever.

You can't predict *how* things will change, but you can figure out how to keep thriving amid ongoing change by taking a look at your business with an open mind and fresh eyes. Here are three steps for adapting to these uncertain times.

STEP 1: RETHINK WHAT BUSINESS YOU'RE REALLY IN

Throughout history the businesses and industries that manage to endure don't define themselves by the products or services that they produce and sell. That can be too limiting. Remember how the railroad lines lost out to the airline and automotive industries because they thought they were in the rail business instead of providing transportation.

Instead consider the big picture of what difference you can make in people's lives. Think less about selling something and more about satisfying customers. That's how Netflix beat out Blockbuster, which had gotten stuck on renting videos out of its brick-and-mortar stores.

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TO REORIENT YOUR THINKING ABOUT THE FULL POTENTIAL OF YOUR BUSINESS, USE THE FIVE WHYS EXERCISE:

1. Put five concentric circles on a large piece of paper and print it out.
 2. Start by writing at the top of the page a descriptive statement about your business, such as "We make X products" or "We deliver X services."
 3. Then ask yourself, "Why is that important?" and write the answer in the largest circle.
 4. Do this five times, each time asking the question in response to the previous answer and writing the answer in the next smallest circle.
 5. Use the final answer in the center circle to clarify what business you're really in and to brainstorm the products and services you could offer to fulfill that purpose.
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And Netflix has continued to rethink its business, adapting from mailing DVDs to streaming video to now even developing its own exclusive content.

The folks at Moodelier used to make unique colorful props and design pieces for commercial photographers. When COVID-19 shut down most of their clients' work, they challenged themselves to rethink their offerings. They realized that they were really in the business of empowering and equipping photographers, so they started offering online courses and other educational resources as well.

BE WILLING TO REPLACE YOUR EXISTING PRODUCTS AND SERVICES SO YOU CAN CONTINUALLY CAPITALIZE ON NEW GROWTH OPPORTUNITIES.

STEP 2: IDENTIFY WHAT YOUR CUSTOMERS NEED AND EXPECT NOW

People's needs have changed dramatically. McKinsey reports around 80 percent of customers expect to continue the new behaviors they've adopted during the pandemic. You can't afford to operate business as usual or wait for things to get back to "normal." Now is the time to update your customer experience.

Consider how quickly after the travel industry got hit that Airbnb assessed that customers would be reluctant to make new reservations. In response, the company instituted blanket refund and last-minute-cancellation policies. The company also understood customers' fears about health and safety, so it introduced "enhanced cleaning" procedures. Or think about how many restaurants have recognized that families are eating more takeout meals together and therefore started offering family feasts and product bundles.

It's not possible to meet every new need of every customer out there, so you should prioritize your most valuable customers and seek insights about how their needs and expectations have changed. Here's how:

1. PRINT THE SWOT ANALYSIS PRINTABLE

2. IDENTIFY ONE TO THREE OF THE MOST IMPORTANT GROUPS ON THE BASIS OF THEIR VALUE TO YOUR BUSINESS,

e.g., estimate their profitability (current or future) or how much influence they have on other customers.

3. CREATE A PROFILE OF THE PEOPLE IN EACH PRIORITY GROUP USING PICTURES AND WORDS; print out the profiles; and post them in a place to keep these customers top of mind.

4. DO RESEARCH TO LEARN WHAT THEY NEED AND EXPECT FROM YOU NOW.

- a. Conduct interviews or focus groups with people in each group.
- b. Field a short survey.
 - i. *You can do this over the phone or over email; design a survey using Google Forms or an online platform such as SurveyMonkey; or print out a questionnaire for customers to complete in person.*
 - ii. *Ask different kinds of questions—open-ended, ratings or multiple choice—to get at what your customers are looking for now.*
 - iii. *Use these sample questions as a starting point, and customize them to your business.*
- c. Use social media listening (that is, monitor the social media channels they use and learn what they're thinking and feeling from the mentions of your brand, competitors, products and the keywords related to your business).

5. USE THE LEARNINGS TO IDENTIFY WAYS TO SERVE YOUR CUSTOMERS BETTER.**QUESTIONS CAN BE OPEN-ENDED, SUCH AS:**

What can we do to serve you better?
 How can we improve the products
 (or services) we offer?
 What other products
 (or services) would you like us to offer?
 What other businesses do you buy X from?
 Why do you buy from them?

OR YOU CAN SET UP QUESTIONS THAT USE A SCALE OF 1–5, SUCH AS:

Compared to a year ago, how important are the following to you? (1=much less important; 5=much more important)

Speed of service?
 Immediate availability of products?
 Convenience of pickup/delivery?
 Personalized service?
 Pricing?
 A wide selection of products?
 Other? Please specify.

CHOICE QUESTIONS, SUCH AS:

In the next six months, do you expect to use X product more often than, less often than or just as often as now? Has your monthly budget for X changed since last year? Yes/No. If yes, select one of the following:

Increase 10–25 percent
 Decrease 10–25 percent
 Decrease > 25 percent

**BE PROACTIVE, OPEN-MINDED
 AND EMPATHETIC SO YOU
 TRULY UNDERSTAND YOUR
 CUSTOMERS AND HOW TO
 DELIVER VALUE THEY CAN'T
 GET ELSEWHERE.**

STEP 3: DETERMINE IF YOU NEED TO REPOSITION YOUR BRAND

Great brands are well positioned—meaning they occupy a distinct space in the minds of their customers. They clearly stand for something that is relevant to customers and different from other options. A strong positioning makes a brand appealing, memorable and valuable.

With so much change going on, it may be time to reposition your brand—or position it well in the first place. Remember how Burberry had fallen out of fashion and lost its exclusive appeal back in the early 2000s? The company was reinvigorated from an old, traditional British heritage to a contemporary luxury icon.

Brand positioning isn't important only for big, established companies. A bookkeeper who was getting lost in a sea of sameness among competitors adopted a new name, Big Cheese Business Services, and focused on making small businesses feel like "the big cheese." By repositioning her brand, she was able to highlight how she made clients feel special and successfully attract new business. To determine if you should reposition your brand and how to do so:

1. USE THE CUSTOMER, CONTEXT AND COMPANY ACTIVITY SHEETS.

2. ON EACH PAGE LIST OBSERVATIONS ABOUT YOUR BRAND FROM EACH PERSPECTIVE ON THE BASIS OF QUESTIONS SUCH AS THE FOLLOWING:

- a. Customer—what are customers' opinions about your brand, what you offer and how you serve them vs. your competitors?
- b. Context—how are key trends in your category, such as technology developments and macro factors such as the economy, impacting your brand performance?
- c. Company—how well are you leveraging your capabilities, assets and resources to differentiate and promote your brand? Write down your answers on sticky notes—one note for each observation.

3. CLASSIFY EACH OBSERVATION FROM NUMBER 2 ABOVE BY RE-WRITING YOUR NOTES IN THE SWOT GRID BOXES

- a. Strengths—inherent or internal factors that can help your brand adapt to changes
- b. Weaknesses—inherent or internal factors that hinder your brand's adaptability
- c. Opportunities—independent or external factors that can help your brand adapt
- d. Threats—independent or external factors that jeopardize your brand's adaptability

4. LOOK AT THE SWOT ANALYSIS AS A WHOLE AND DECIDE IF YOUR BRAND IS WELL POSITIONED IN A VOLATILE MARKET—AND IF NOT, WHAT NEEDS TO CHANGE.

Carefully evaluate if and how you need to make your brand more clearly different and valuable.

APPLY YOUR CONCLUSIONS FROM STEPS 1–3

Once you've completed these steps, synthesize all your conclusions to do the following:

- Determine which products and services you need to add, drop and/or evolve.
- Redesign your customer experience as necessary.
- Develop messaging and communication that clearly conveys the differentiation and value you create for customers.

**ENSURE THAT YOUR BUSINESS
IS READY TO SUCCEED NOW
AND IN THE FUTURE. AFTER ALL,
YOU SHOULD DISRUPT YOURSELF
BEFORE SOMEONE ELSE DOES.**

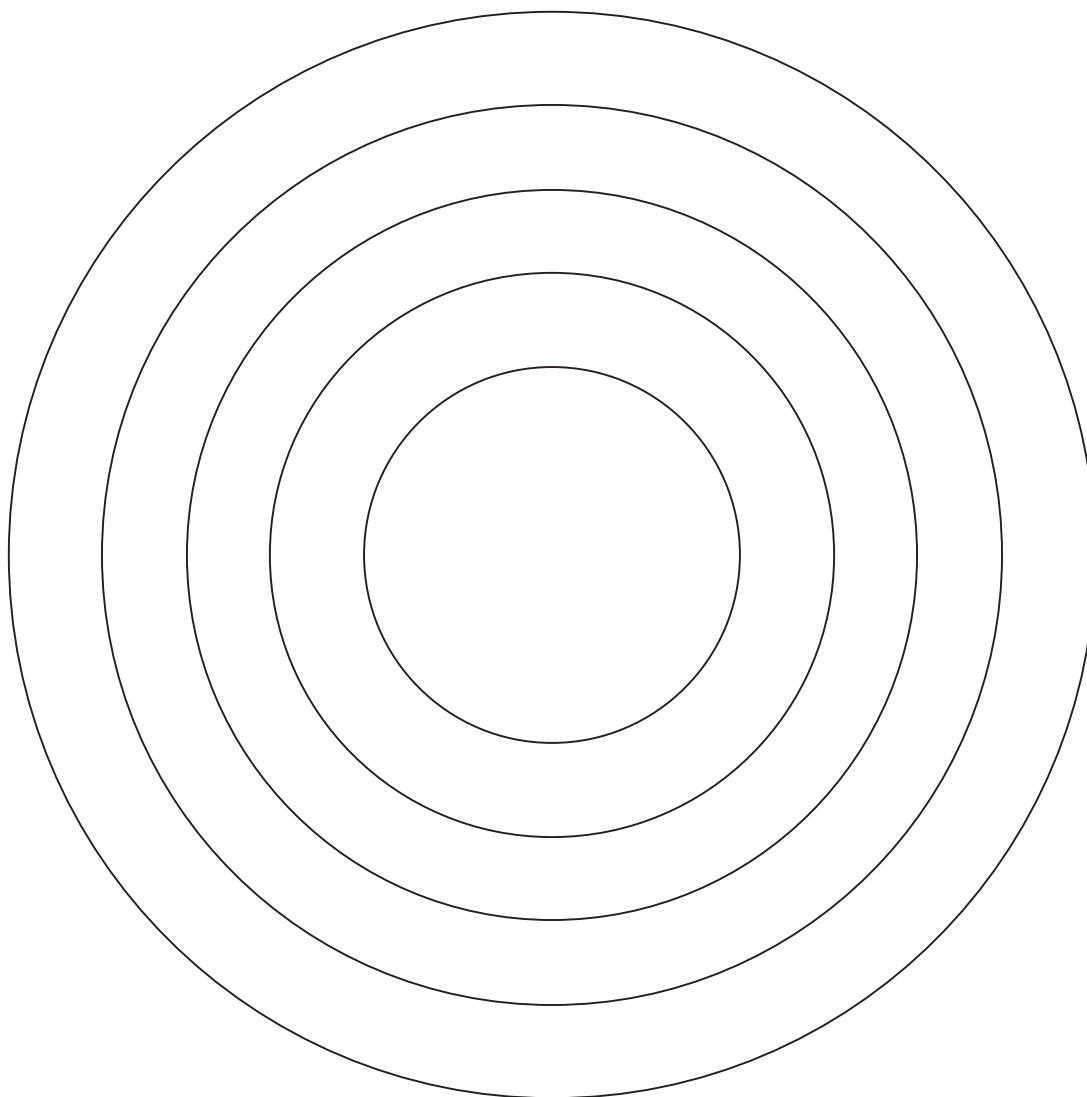


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THE FIVE WHYS EXERCISE

Ask yourself, “Why is that important?” and write the answer in the largest circle. Do this five times, each time asking the question in response to the previous answer and writing the answer in the next smallest circle. Use the final answer in the center circle to clarify what business you’re really in and to brainstorm the products and services you could offer to fulfill that purpose. Be willing to replace your existing products and services so you can continually capitalize on new growth opportunities.

Write a descriptive statement about your business



A SWOT ANALYSIS

- 1) Print the following pages, one each for customer, context and company.
- 2) On each page list observations about your brand from each perspective on the basis of each question at the top of the pages.
- 3) Use the SWOT analysis grid to classify each observation from step two into the grid boxes.
- 4) Look at the SWOT analysis as a whole and decide if your brand is well positioned in a volatile market—and if not, what needs to change.

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

- A. STRENGTHS—INHERENT OR INTERNAL FACTORS THAT CAN HELP YOUR BRAND ADAPT TO CHANGES**
- B. WEAKNESSES—INHERENT OR INTERNAL FACTORS THAT HINDER YOUR BRAND'S ADAPTABILITY**
- C. OPPORTUNITIES—INDEPENDENT OR EXTERNAL FACTORS THAT CAN HELP YOUR BRAND ADAPT**
- D. THREATS—INDEPENDENT OR EXTERNAL FACTORS THAT JEOPARDIZE YOUR BRAND'S ADAPTABILITY**

CUSTOMER

WHAT ARE CUSTOMERS' OPINIONS ABOUT YOUR BRAND, WHAT YOU OFFER AND HOW YOU SERVE THEM VS. YOUR COMPETITORS?

CONTEXT

HOW ARE KEY TRENDS IN YOUR CATEGORY, SUCH AS TECHNOLOGY DEVELOPMENTS AND MACRO FACTORS SUCH AS THE ECONOMY, IMPACTING YOUR BRAND PERFORMANCE?

COMPANY

**HOW WELL ARE YOU LEVERAGING YOUR CAPABILITIES, ASSETS AND
RESOURCES TO DIFFERENTIATE AND PROMOTE YOUR BRAND?**