

FOCUSING ON WHAT MATTERS

LEADERSHIP ADVISORY SERVICES

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Customers Fixating on Price? Products and Services Viewed as Commodities?

4 possible pricing strategies to diminish the impact of price on a transaction:

- Use price structure to clarify your advantage – think of Goodyear who prices tires based on how many miles you can expect- tells customers they will be charged based on the value they receive – price is varied based upon what is most distinctive about your offering- causes customers and potential customers to stop and think
- Willfully overprice to stimulate curiosity- think of Starbucks and Burt's Bees
- Partition prices to highlight overlooked benefits – invites closer analysis and increases the likelihood that a customer will change their consumption

behavior- this only succeeds when it primes customers to see a benefit it would have otherwise overlooked

- Equalize price points among your selection – think of I Tunes and Swatch watches – provokes customers to think about their desires vs. fixating on prices (How to Stop Customers Fixating on Prices, Marco Bertini and Luc Wathieu – HBR, May 2010)

Of course, if you are measuring and constantly improving your net promoter score above the 50% level, you may not be as concerned about price, are you?

Get More from Your people by Demanding Less?



A 2007 Towers Perrin survey found only 21% of people are fully engaged at work and 40% were disenchanted or disengaged. In a September 2009 Corporate Executive Board survey, 33% of high potentials felt disengaged, which means they are apt

to change jobs as the economy improves. Sony has made 2 fundamental shifts in the way it manages people:

- No longer expects people to act like computers – at high speeds, running all the time; people perform best when they alternate between periods of intense focus and intermittent renewal
- Stopped trying to get more out of people and instead invests in meeting their four core needs which directly impacts **energy levels**:

- Physical health- nutrition, sleep, exercise, daytime renewal
- Emotional well being – feeling appreciated and valued
- Mental clarity – ability to focus intensely, prioritize, and think creatively
- Spiritual significance – serving a mission beyond generating a profit

(The Productivity Paradox, by Tony Schwartz, HBR June 2010)

The Problem of Employee Silence



Tight lipped employees and oblivious bosses:

- Bury constructive criticism

- Bury the unvarnished truth
- Prevent good ideas from bubbling up

Some key ideas from a recent study:

- 42% speak up periodically but withhold information when they feel they have nothing to gain-or something to lose
- 25% withhold information because they feel it just wastes their time
- 20% say a fear of consequences keeps them from making suggestions (Debunking Four Myths about Employee Silence, by James R. Detert, Ethan R. Burris and David A. Harrison, HBR June, 2010)

How much money is this costing us? PS – I can help you with this!!!!!!

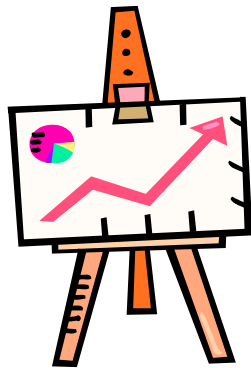
Bringing Out the Best in Your People



As discussed in our last newsletter, your direct reports, in fact all your people are your customers. Your job, among others, is to bring out the best in them. That's what a coach should do. So the question is: Are you a multiplier or a diminisher?

Diminishers underutilize people and leave creativity and talent on the table. Multipliers do the following:

- Look for talent everywhere and acknowledge people's capabilities
- Understand people's capabilities and connect them to the right people and the right opportunities
- Foster a productive environment- explicitly giving people permission to think, speak and act with reason
- Push employees to look beyond what they already know
- Ask hard questions that create a natural tension that impels people to find answers
- Engage in rigorous discussions about issues – people can weigh in, develop understanding and equip them for action
- View themselves as coaches and teachers – once they delegate a task, they don't take it back
- **SUMMARY** – invite people's best thinking and lead like a multiplier and you will get more discretionary effort, energy, fresh ideas and results



(Bringing Out the Best in Your People by Liz Wiseman and Greg McKeown, HBR, May 2010)

Alignment Check



For you and your team!

1. We know what we do well, better than anyone else, and we stick to it.
2. We know how we create value for the customer.
3. We have capabilities that our customer's value, we know how they work together and we are improving on them all the time (and our competitors can't match them).

Leadership Advisory Services focuses on assisting organizations in the following key areas:

- **The leader**
- **Strategies, plans and execution**
- **The leadership team**
- **Monitoring results**

I greatly appreciate introductions to leaders who will value and significantly benefit from my counsel.

Please visit my website for copies of previous newsletters.

Thank you!

Tony Chivinski

<http://www.leadershipadvisory.net/newsroom.html>