

Our Conclusion

Successful enterprise relationships are delicately balanced and interconnected. They must be nurtured, energized and matured with constant and purposeful attention given to every aspect. Watch for the danger signs, and if you see them, act. Protecting and preserving relationships is key to protecting and preserving your business. It's not easy; in fact, it requires the best that your management has to offer. But the rewards are enormous, and the penalties for failure immense. Powerful relationships make for a powerful business.

Call Caxton Growth:

1-877-442-7011

bestchoice@caxtongrowth.com

Are You Crippling Your Workplace & Marketplace Relations?

The Eight Corrosive Scenarios That Can Destroy Business Relationships

The quality of a company's relationships can be jeopardized by the slightest, seemingly insignificant fraying or strain anywhere along the chain that brings a product or service from your workplace to the marketplace. Productive and unproductive business relationships occur in every hallway, cubicle, office and stairway; during every formal and informal meeting, sales call, teleconference and chance encounter.

Signs of unrest or potential strife with customers or employees take on different forms and shapes, and aren't confined to a company's customer service line or HR department. Some are easier to spot than others, but these situations all add up to the same thing ... growth is impeded because of a breakdown in relations. Allowing things to get to that point may very well jeopardize your entire enterprise.

But how can you know if you've got relationship problems? There are a number of warning signs that your organization might have significant issues with its relationships in the workplace, marketplace, or both. If you see your company described in any of the eight corrosive scenarios set forth below, it may be time to reexamine the way you enlist, build, and leverage your most important business relationships.

Eight Relationship-Corrosive Scenarios

1. Market Mystified - These companies are theoretically committed to establishing good customer relationships, but they're confused about what to do to truly strengthen them. Their talk is about being "customer



focused," but they have only a shallow understanding of what that means. Managers often complain about their products or services becoming increasingly "commoditized," but they don't have a clear definition of this supposed trend. They can't credibly explain who buys their products, or why. These deficiencies in understanding the market will soon begin to affect current customer relationships, and they are likely already impeding the ability to gain new ones. Their own employees, especially customer-facing ones, have probably already begun to lose faith.

2. Workplace Dysfunctional - Turmoil is prevalent in the workplace, but it's not clear why. Dysfunctional employee relationships are undermining growth, progress, and overall performance. Managers complain that success is being impeded by a few bad actors, but it is not clear what to do about them. Executives grumble that "HR" issues are too fuzzy to be dealt with effectively and purposefully. Morale sinks to new lows. Employees at all levels may openly voice disdain for management. Employees don't like it; customers won't stand for it.

3. Focus Drunk - The importance of focus in the business is vocalized, but misunderstood. The management team is committed to "strategic focus," but it veers like a drunken driver from place to place. Management is alternately torn between "responding to the customer" - being compelled to do what the customer demands (regardless of profitability) - and "responding to bottom line pressures" - being compelled to do what is needed to assure short-term profitability (regardless of the customers' needs). The constant weaving is straining both workplace and marketplace relationships.

4. Complexity-Driven Confusion - These organizations tend to operate in complex environments - where their products or services affect a matrix of inter-related customers, suppliers and competitors, especially in international markets and heavily-regulated industries. This has a tendency to create



internal confusion, because managers are unwilling or unable to take the time to effectively communicate business goals throughout the organization. Over time, the organization begins to bounce across many diverse initiatives, programs, and management fads - all of them "right". In order not to leave any market behind, resources are broadly dispersed, so that every market is left behind. In already complex environments, employees become befuddled, and customers soon follow - making it difficult (and unattractive) for anyone to do any real business.

5. Warlord Power Silos - These organizations are run by disunited chiefs chasing their own agendas and fostering fractured workplace relationships. The leaders are operating with little or no consistent process, discipline, or common vocabulary to discuss market needs. Those trying to play together are frustrated that they are without a consistent framework or strategy to guide them. Vision and business perspective vary greatly within the enterprise. Leaders would like to adopt a comprehensive, practical, market-focused, and unified strategy for the business - as long as it is their strategy that is adopted. Employees are at the mercy of the warlords, for now. Customers are not, and they may leave.

6. Crisis Crunched - Some crisis has struck, and has distracted management from the core business operations. Executives become focused on responding to accountants, lawyers, and consultants - and easily lose sight of customers and employees. Too often, these distractions cause the ignored customers and employees to tumble into disarray. Management may be too unfocused to see the developing problems, let alone do anything about them. The death spiral has begun.

7. Compliance Confounded - These organizations likely know that they're operating in an environment where they, and their relationships, are governed by certain legal and regulatory requirements. But due to new legislation, more strident enforcement, or their own growth "above the



radar", compliance becomes more urgent. The business needs to get its arms around these compliance requirements quickly, before government agencies get their arms around the business.

8. Dispute Damaged - Significant time and money has been invested in creating, building, and sustaining important relationships with customers, employees, and business partners. But some of these carefully constructed relationships have been thwarted by disputes, including unexpected lawsuits. Instead of stepping in and taking charge, management has relinquished control to outside influences, such as the courts, government agencies, and opposing counsel. Few relationships can withstand the withering fire of scorched-earth litigation. Expensive and valuable relationships vanish; new relationships come harder in the light of the company's "tough" stance.

These eight corrosive scenarios indicate that your organization may have significant relationship issues in the workplace, marketplace, or both. Experiencing strained relationships may indicate that you are or will be experiencing difficulty growing the business.

There are remedies, if you are willing to act purposely, aggressively and immediately. Consider the following:

Enlist your best customers and employees to strengthen relationships. Realize that they are pivotal in your business existence and most likely have critical information about the enterprise relationship spectrum. Probe them for insight on their day-to-day experience, analyzing your credibility and vulnerability in the marketplace and workplace. Gather the management team and review your strategy based upon this new and/or refreshed market and customer information. Refine and refocus your value proposition.



With this new, razor sharp focus, take a good look at your customer-facing staff, and ensure you have the right people on board - in the right roles. From a market perspective, you can use that same factual foundation to ensure that you're positioning and message development are fine tuned and well supported through marketing and communication initiatives. Your relationships with your current customers and employees are powerful - and you of course want to maintain them. Don't let these relationships wither easily - and if they do, take pains to understand why.

Enrich and retain the most powerful relationships. Vigilantly protect those relationships you do have - it's far cheaper than finding new ones. Develop target account and employee retention programs to ensure you keep your best. Both the customer and employee relationships are all about people and you'll want to confirm that your performance rewards system is aligned with your sales and retention strategy. Review your compensation and benefits option in the same light.

Ensure these relationships are not encumbered by operational issues including workplace and marketplace compliance - such as anti-harassment and discrimination education, and customer information and international privacy. If not well understood and followed, these smaller issues can become relationship killers.

Energize relationships to create economic benefit. After all, it's all about profitable growth -- energizing and revitalizing relationships for maximum life and leverage. This may include reviewing your sales planning, sales force and HR functional effectiveness. Examine employee and labor relations - do they work to create positive lift from your employees? Does your marketing support the effort through effective branding, identity, communications, and e-marketing initiatives?



Examine the technology components including HR information systems and sales force automation. Technology can often provide an efficient and cost effective way to communicate. Reassess new product development and management. And don't forget dispute savvy conflict management --- disputes are likely to arise even in the best of situations. You can protect relationships in their toughest moments if you've considered smart options to handle disputes.

