



first thoughts

Hello and welcome to this first edition of Sage Thinking, our bi-monthly newsletter. Our aim here is simple: to address topics and issues that impact on personal, and organisational success in ways that add value.

We have a clear mission: to encourage sustainability thinking and action. We see this as the only way for us collectively to leave our world better than we found it, for those who will come after us, those who will inherit whatever we leave them.

All of us at Sage hope that you'll find our newsletters encouraging and inspiring. We invite and welcome your responses to what we write ... as well as what we leave out!

Best wishes until our next edition.

Robert Vander Wall,
MD.

Programming for success

Robert Vander Wall

Don't be late! Don't forget to take the files!" How often do people tell you what they don't want, and how often do we give them what they said they don't want? They are surprised and puzzled that you failed, even after the (apparently) clear reminder.

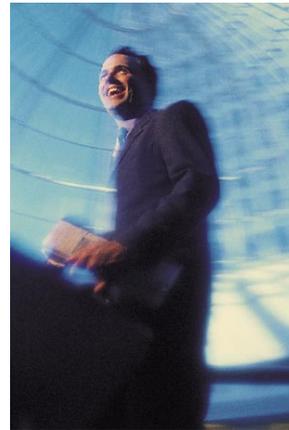
The fact is that the intention was good, but the program was corrupted, which means that the chances of a successful outcome are greatly reduced.

So what is wrong with these program statements? 'Be late and 'forget' are the key words and they are placed as the dominant thought in the receiver. The problem for the programmer is that the receiver of the program can only work towards their dominant thought and this does happen most of the time.

As a direct result, the person receiving the communication unconsciously worked to deliver the result which is in fact the opposite of what the programmer wanted. The person's thoughts and actions combined to make them late or forget the files.

The programming statements that we hear from others who want us to do something for them are also programs we use on ourselves when we set out to do something. For instance a cricketer sets out

at the start of his innings with the thought that he will not get out to the bowling of a particularly difficult bowler. He has placed 'out' as the dominant thought in



his head, and this makes it extremely difficult for him to keep his wicket as he is working against himself.

So, how do we change the program? Work on using positive program statements: "Please be on time for the meeting", "Please remember to take the files" or "I will score a century in this innings". The dominant thoughts here are: 'remember files', and 'score century'. It does not mean that you will always succeed, but your chances are exponentially better.

The lesson is clear: Please practice using positive programs!

Sage Advice: "Sometimes silence can be the best answer." - *The Dalai Lama*

Fitness and intelligence

The quality of our brain function is not fixed from birth. Rather, brain fitness is an on-going product both of how we use our brain and how we exercise our bodies.

The former refers to specific use of the brain such as simple mathematical exercises that help to stimulate the neurons and their connectivity. Research by Japanese neurophysiologists recently confirmed this. The latter exercise that is, helps to increase the volume of oxygenated blood that flows to the brain that means more oxygen for the neurons to use. Oxygen is a key energy source for hardworking brain cells.

To get the most out of your brain, do a half-hour of cardiovascular exercise at least three times a week and help your hard working brain to function better. Added benefits are that you will also look even better and help your heart cope a lot better. Start now and reap the benefits.

inside

Recovering Customer Satisfaction *page 2*

Employee Loyalty/Job Security *page 2*

Downsizing: Things To Keep In Mind *page 2*

Making CSR Viable *page 3*

Client Profile - Brown-Forman Australasia *page 3*

How Healthy Is Your Business? *page 4*

What Sage Does *page 4*

Downsizing: Things To Keep In Mind

Economic downturns always raise the spectre of downsizing. While downsizing may be necessary to keep the balance sheet healthy, it does require some thought on practical issues for continued business viability.

For instance, consider how you will deal with:

- Lowered morale and job security fears of those who remain; fears that shift peoples' focus from the job at hand, when it is most needed
- Loss of knowledge and experience
- Loss of established contacts and service points for customers in a savagely competitive environment
- Possibilities of bringing staff back as independent contractors at higher total costs
- Impact on future sales due to inability to ramp up as the economy improves
- Diminished market position and status as a market leader, innovator and corporate citizen.

These are some of the most fundamental considerations needing attention from senior management before staff are retrenched. The premise being that the organisation needs to survive the downturn by being efficient and effective during the bad times, and resourced to capitalise on the return of better business conditions.

Employee Loyalty/Job Security: A High-Stakes Balancing Act

Regardless of an organisation's size, the costs of failing to retain key employees are high. Loss of continuity and organisational knowledge, the need for training replacements ... all adversely impact the bottom line.

Some changes can't be avoided: an employee may make an important career move; conditions may require that staff numbers must be cut. Yet much can be done to boost retention.

Employee loyalty

Levels of employee loyalty have changed significantly in the last fifteen years. Several factors have influenced the changes to employer/employee relationships. They include:

- More frequent downsizing
- Growth of knowledge workers and their portable skills
- Promotion of technically competent younger people to management positions despite their lack of management or leadership training
- The massive growth of senior management remuneration packages
- The tendency for quarterly profit projections the influence decision making processes
- The strong reliance on technology to solve business problems.

Under these assaults, employee loyalty has become a matter of mutual convenience. Employees now believe that they must take charge of their own destiny: they'll work hard to deliver results, but they'll constantly look out for better opportunities elsewhere. Their sense of belonging, of loyalty to the organisation, is disappearing: they no longer see any sustainable *quid pro quo*.

The result? Organisations must not only keep replenishing talent but wear the costs of the time lag before that talent really delivers results. In contrast, consistently successful organisations look at balancing task achievement with team and individual

needs, and they do so very well. Building a culture that engenders and maintains such high levels of trust is no longer optional.

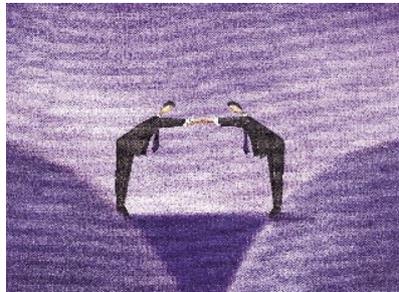
Job security

Security is on the second tier of

Maslow's hierarchy of human needs. When it's threatened we do what we can to remove the threat. Since job security is clearly under threat, mitigating the situation is crucial.

Employers: Give your people the specifics of the challenges the business is facing; involve them in finding innovative solutions; be visible and available to discuss concerns and be honest when responding: if there's belt-tightening ahead, ensure you lead the tightening and be seen to do so. Brief your management team to keep communication flowing and, when there is any hint of uncertainty, quickly assert the organisation's position on the issue.

Employees: Be willing to cross boundaries and add value to your role—the "that's not my job" mentality no longer flies. Voice any concerns to management, not your team members: this could magnify the concern and cause unnecessary paranoia. Try things that are not familiar to you: your adaptability will dramatically increase your value to the organisation, and hence the likelihood of your retention.



Making CSR viable

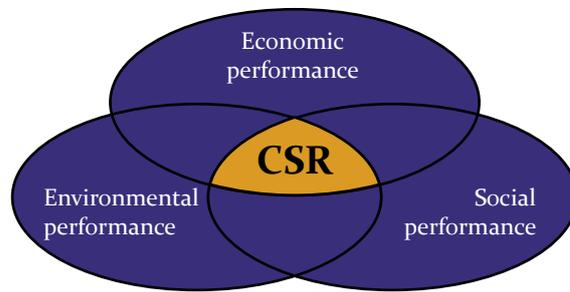
Much of the recent explosion of CSR management literature asserts the strong need for change in today's business organisations. Few disagree with this need for change. Unfortunately, the vigour with which this need is presented can induce cynicism in the management mindset and create significant obstacles for itself.

CSR started out being viewed as what corporations must do to meet legislative requirements, just as OH&S and Equal Opportunity were treated. Many organisations use it as a marketing or brand building strategy; this is fine because it marks the start of a shift to making CSR a strategic imperative for sustainable growth.

Since corporate leaders are judged and rewarded on profit and growth, they need to see the necessity to shift from quarterly projections to long term

been accustomed to until now — profit.

Many organisations are shifting to this sustainability model and their economic success



planning that enables steady growth.

For this they need support from investors: support that is reflected in the measures of success they are asking for, such as that depicted in the model (inset). This means that there will be a 'triple' bottom line, rather than the single one we have

has not suffered.

The evidence? Just look at Toyota.

Sage Advice: "The organization must be adaptable and responsive to changing conditions, while preserving overall cohesion and unity of purpose." - *Dee Hock, Founder of Visa*

Recovering customer satisfaction

The research is unequivocal: few encounters offer the potential to build customer loyalty than the failure of your product or service.

Unhappy and upset customers want the following "little things" from you:

- To be listened to and taken seriously
- An understanding of their problem or issue
- To be treated with respect
- A sense of urgency: to get their issue dealt with quickly, as a priority
- Restitution, compensation or a satisfactory resolution
- Assurance the problem or

issue won't happen again.

A tall order? Only if you enjoy high rates of customer churn. Customers cost too much to replace. It's better to keep customers happy, of course, but if you can't, recover quickly and effectively.

This means that as soon as you've solved the problem and given the customer assurances, you launch into a thorough analysis of the problem and fix it, to ensure there is no repeat.

This approach opens up many opportunities to assess how customer-driven your systems and processes really are. The most common

challenge is to prevent the formation of functional silos—the great enemy of effective and efficient customer satisfaction.

Understand how your value chain works and then assess the quality of relationships that are interdependent.

Where there are sub-optimal relationships you need to set about improving the teamwork as a matter of priority. Then, service failure is minimal.

But when the (inevitable?) failure does occur, nothing will build a customer's loyalty better than giving them superb treatment, particularly when they're not happy.

Client Profile: Brown-Forman Australasia



Brown-Forman is one of the largest American-owned spirits and wine companies. It sits enviably among the top 10 largest global spirits companies, sells its brands in more than 135 countries and has offices in cities across the globe. Brown-Forman has more than 35 brands in its portfolio of wines and spirits.

The BF Australasian business has performed beyond expectations, even in the currently depressed market. One of the principal reasons for the organisation's resilience is the its focus on people engagement in the business purpose, through value-driven leadership. People development is a key vehicle for enabling the values to be translated behaviourally.

Sage Training is working with Brown-Forman on team development in Australia and India, where improved teamwork has enabled greater process efficiency. The program outcomes make a difference on the job because of HR and management inputs to Sage's program design, and their participation in both the program and post-program support.

How Healthy is Your Business?

Sometimes we can be so operationally involved that we don't step back and ask ourselves some fundamental questions about our business. Too often, we become like athletes who are so busy competing that they fail to train appropriately ... and then wonder why their performance isn't improving.

It's yet another opportunity to practice what Stephen Covey calls "sharpening the saw":

if we do ask the right questions and then proceed to use the answers in ways that help ensure our business remains healthy, we might not need to be as busy to remain successful.

While the questions may seem obvious, the bigger question is, "Are you asking them?" If you are, great. If not, you'll



probably find that answering them will reveal opportunities and/or instill a sense of pride.

So, here they are, and remember, whenever you answer "yes," you must be able to say why.

- Do your staff help you to successfully reach your business objectives?
- Are your customers happy with the way your staff treat them?
- Do you have trained people to step in when key staff members are on holidays, leave, or retire?
- Do you have clear picture of how you want your business to develop, along with appropriate objectives?
- Do you know how to identify what type of training your staff need?

How Can Sage Help You?

We support our clients through customised skill development at all organisational levels, including:

- » Strategic Management
- » Change Management
- » Sustainable Leadership Skills
- » Systems-focussed Management Skills
- » Team Development
- » Corporate Wellness
- » Communication Skills
- » Emotional Intelligence
- » Sales & Negotiation
- » Project Management
- » CSR/Sustainability/Triple-Bottom-Line Management
- » Leader/Manager Coaching

We add value to our relationships with our clients through:

- » Thorough understanding of our client's business objectives and values
- » Determining critical success factors
- » Charting critical business processes
- » Identifying improvement

opportunities
 » Designing & implementing interventions to bring about positive change
 » Monitoring the effectiveness of implemented changes.

The standard we set for ourselves is to seek quantitative and qualitative objectives by which our effectiveness is measured in order to ensure that we deliver a positive return on our clients' investments in our services.

We seek to become the preferred supplier of learning and development services to all our clients. We believe we can succeed in this because we offer:

- » Multi-disciplinary capabilities
- » Strong and lasting value-adding partnerships with our clients

» A long and successful track record of aligning human resources with corporate objectives
 » Robust support for major organisational change initiatives
 » Expertise in process re-engineering
 » Strong internationally-experienced strategic relationships with consulting organisations in Australia and Asia
 » Resource-sharing and learning to make Sage stronger through collaboration, and passing the resulting advantages on to our clients.

Our values are simple and clear. At all times, we strive for dealings which exemplify:

- » Integrity, mutual respect and confidentiality
- » Continuous learning and development
- » Positive ROI for our clients
- » Walking our talk.

For further information please contact:

In Australasia:

Sage Training
 Mezzanine Suite
 40-42 Coronation Pde
 Enfield NSW 2136
 Australia

L +61 2 9743 0690
 M +61 4 1827 6087

In South Asia:

Sage Training
 Suite 9
 No.2 Barnes Place
 Colombo 07
 Sri Lanka

L +94 11 462 2478
 M +94 777 283 837

www.sagetraining.org