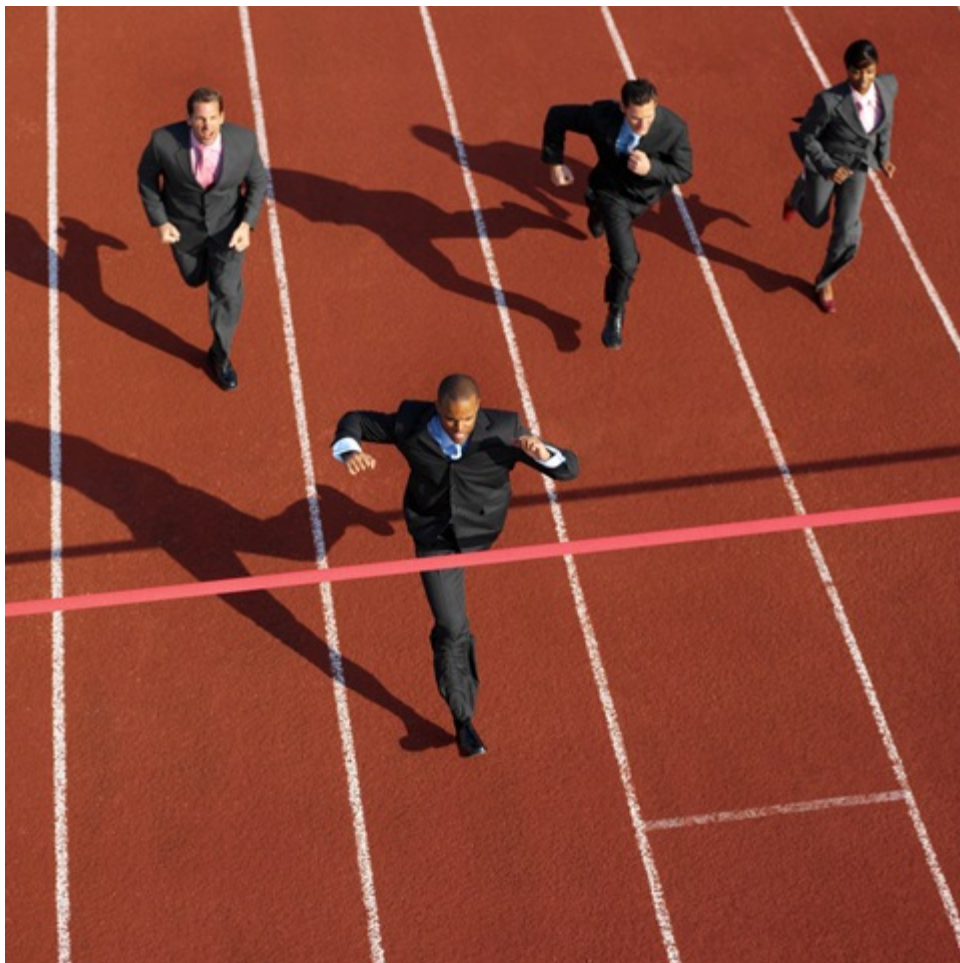




Ignite Business Coaching Whitepaper

Do You Have the Intangibles to Win?



Have you heard or made any of these comments over the past two years? “Your 401k match has been suspended indefinitely. Sincerely, the Tax Attorney.” “Our employee recognition program has been stopped until our profitability levels exceed last year’s results.” “You know, other companies are laying off their entire mid management teams to save money.” All of these comments are real life examples made by leaders in local organizations.

If you were a mid manager in this organization, how would these communications make you feel? Do they inspire you to reach new levels of performance? Are you willing to put in the extra effort to make a difference? Would you take the approach that a local manager who experienced this did? Her day was spent keeping her head down and trying not to make mistakes.

Recent economic realities and lack of available credit have led to belt tightening measures that have included the suspension of 401k matching and increased insurance deductibles to offset the rising healthcare premiums. These moves are defensible and often understood by our teams. However, our economy has led many department heads to feel that they can lead through fear and intimidation.

The old adage of “it’s not what you say, but how you say it” really matters today. What would have been easier to swallow? A town hall meeting where an effective leader brings the team together and says “it’s tough for us right now, and while we don’t like suspending the 401k match, we need to do it to keep our team members fully employed” or the letter from the tax attorney with no follow-up comments from the organization’s leadership?

Great sports teams and athletes are often very close in talent. What separates the best of the best? Many times you will hear someone state the difference is in the intangibles. Spirit, follow through, passion and persistence make the difference. The same can be said for companies. There are organizations that still focus on intangibles such as employee motivation and satisfaction. Even today, it is imperative to realize that a thinner team with a shallow bench needs to be recognized.

While economic uncertainty may limit the financial rewards that were common before the current downturn, there are still plenty of reasons to recognize employees and not suspend reward programs in their entirety. A study performed by Wharton’s Alex Edmans showed that Fortune 100

companies who invested in intangibles such as employee satisfaction returned 2.25x the market average. Today's employee must focus not just on generating "100 widgets" per hour, but on increasing customer satisfaction, improving productivity, team building, and generating new ideas.

Often, managers are concerned that the investment in these programs adversely impacts short term profitability. As the study points out, this is far from true. Naturally, if a manager is compensated on short term profits and not the other piece, you won't likely see much of a shift.

The need to focus on long term growth is key. I'm sure we have all heard of the little company that starts with "G-O-O-G" that has taken this approach. Understand that investing in an intangible program like employee recognition and satisfaction isn't an "either-or" decision. It's the difference between winning and losing. If you want your company to attain a winning position in your industry, investing in the intangibles is essential.

About Ignite Business Coaching

Ignite Business Coaching provides leadership development coaching and business consulting services. Coaching clients include financial professionals and teams looking to improve their competitive advantage to provide more value to clients and employees while achieving personal goals. Consulting clients engage Ignite to develop strategic plans, analyze business models, and design or optimize business processes.



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