

Growing Business in Arizona

SUCCESS TO SIGNIFICANCE

HOW THE TRIPLE BOTTOM LINE (PEOPLE, PROFITS, PLANET) IS BECOMING THE NEW NORMAL

These days, everyone seems to be talking about *“the new normal.”* We see it in blogs, business journals, and newspapers. We hear the chatter in executive forums, networking meetings, and around boardroom tables. Common questions that define this new business environment are;

- How has the recession changed the rules of business?
- Have my customers’ expectations shifted?
- Are my employees looking for jobs elsewhere?
- How can we avoid missteps from the past?



well admit we have all played some role in this country’s problems, and focus on how to avoid missteps in the future. We each must come to terms with our *“new normal.”*

Next, let’s take the perspective that business, more so than any other social

well will only guarantee survival. Identifying new, innovative strategies based on the new rules of the game will propel our businesses beyond survival to Success and Significance. As futurist Joel Barker said, “Our past success will guarantee nothing in the future. We must challenge old rules and paradigms, and create a new path to the future.”

Startling Data Sheds Light

Up until now, U.S. businesses, spurred by Wall Street’s mantra for quarterly growth, measured success primarily in economic terms. Most often success was defined by profit, return on investment, market share or economic value. Economic success

The events of 2008 and 2009 shook U.S. businesses at their very core. And, it’s natural to focus on who to blame for this pervasive mess. We might as

institution (religious, political, civic), is the driving force for advancing and evolving human behavior. As business owners and leaders we can determine how our customers, markets, supply chains, and employees have permanently shifted, and then adapt accordingly. We all know that adapting

can be influenced by hidden factors. Recent studies, such as from Gallop and IBM, clearly show economic success, employee engagement, and community connectedness are interconnected to one another. Notices these startling statistics:

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- Sick days at an average salary result in a \$200 loss in productivity/day
- 28% of employees are engaged, and they are twice as likely to thrive in their lives overall compared to disengaged employees.
- The U.S. ranks first in productivity of its labor force measured by GDP per capita but 9th in productivity per hour worked. Today Americans work an average of 163 more hours per year than they did two decades ago!
- Disengaged employees are twice as likely to experience depression, heart attack, and other stress-related maladies as engaged employees.
- People with high quality friendships are 7 x more engaged in their work.
- Total shareholder return is 19%-22% higher in companies with high employee engagement vs. companies with low engagement.
- The number of companies with declining employee engagement is on the rise.

What are we doing to ourselves? Isn't there more to life than an endless grind for economic success?

Redefining What We Measure

Many now are redefining "Success." Profit is critical for every business—it is the fuel, which enables our companies to operate and grow. A car needs fuel to run just like a business. But does the car exist for gasoline? No. Nor do our businesses *exist* for Profit. The purpose of a business is to provide a product or service people need or want.



It's easy to see that our single-minded focus on profit is at least partially responsible for the mess we are in today. We don't suggest leaders substitute other worthy goals for profit. But we do suggest you include more than profit to your definition of success. Consider what a growing number of companies are doing by focusing on profit AND two other worthy

goal areas—**People and Planet**. We propose incorporating a broader approach, using a "triple bottom line" of Profits, People, and Planet. When we shift to a more "balanced scorecard" in defining and measuring business success, building a company becomes more significant. Why not create a company that is committed to:

1. **Meaningful work**
2. **Sustainability**
3. **Business Social Responsibility**
4. **Work-life balance**

From Success To Significance

It's all about taking the journey beyond economic success to significance (S2S) through this triple bottom-line approach. The journey requires a willingness to change, openness to new ideas and models, commitment, discipline, and perseverance. Once on this journey, you will develop new skills, inspire others, create significant impacts with and for your people, customers, community, and the planet at large. Personally, you will take the new normal and build something successful and significant.

Up-coming Phoenix ScoreBoard Newsletters will feature Dean and Charlie's triple bottom line strategies to create Success and Significance in your business and life. Also check out Dean's article in this month's AZ Magazine.

Dean Newland As CEO of Mission Facilitators International Inc., Dean Newland is passionate about individual, team and organizational transformation, and therefore, spends most of his time conducting strategic planning sessions, facilitating team discussions on their leadership and redesigning their culture, and coaching executives on their leadership. Dean speaks and trains internationally and his monthly column "Leadership Exchange" can be found in AZ Magazine. www.missionfacilitators.com

Charlie Tombazian Charlie is President, Innovative Strategies LLC, a Scottsdale, AZ-based management consulting firm specializing in customer experience improvement, differentiating strategy creation, and leadership development. From 2000-09, Charlie was VP, Voice of the Customer Office, and Director, Global Strategic Planning at Avnet, the Fortune 150 technology distributor. www.myinnovativestrategies.com