

# “Strategic Conversations” Will Help You to Work Smarter in Difficult Times

By Michael Oleksak

We are currently experiencing times of unprecedented economic turmoil and difficulty. You can read the news and feel like crawling into a hole. However, if you are responsible for the financial well-being of your company, you better be trying new ways to turn things around.

One new way is to go directly to your key stakeholders – your biggest and best customers, your key suppliers, your industry experts and even your employees. These are all experts playing every day in the game you’re trying to win. Their perspectives are different than yours. You want to hold “strategic conversations” with them, that is, ask them to share their experience of your service to them so that you can know what you’re doing well, know what you’re not doing well and in general adapt your operations to take advantage of the changing landscape, and its available opportunities.

In early 2008, for example, before we were told a recession had begun (even though most Americans sensed it), one client

had me reach out to 25 of its customers. In so doing, it had learned of the respect their customers had for the quality of its finished product as well as its ability to acquire scarce materials. What it also learned, however, was that its customer service was uneven, that not all deliveries met its customers’ deadlines. So improvements were made in responsiveness and delivery time. The result of this? Higher sales and higher customer satisfaction, even with a gathering recession well underway.

Another client of mine prepared for 2009 by reaching out in December 2008 to its 10 biggest customers and to two industry experts in the construction field. For the most part, opinions ran high about the quality and delivery of this sub-contractor’s work. However, some glaring gaps appeared in market coverage due to employee turnover. This reach-out exercise also surfaced sectors that had been well-served but proved under-promoted by the company in its marketing materials, web site and sales focus. Each of these revelations



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could then be addressed with a goal toward maintaining revenues in this dismal construction market.

## How to do it?

Here’s what you need to do to successfully implement such “strategic conversations”...

- Identify top 15-20 key external stakeholders
- Have your CEO or COO or other chief contact send e-mails requesting permission to speak for 10-15 minutes to each stakeholder as part of a planning exercise
- Identify who will be making the actual calls, either an internal person or a third party you’ve hired for the exercise

Having a professional, third party running the strategic conversations exercise is actually a great idea because it conveys to the target that this exercise is a serious undertaking. A third party also means there is a better chance for honest and open responses, especially if you also offer complete confidentiality to the source.

## Who to call?

- Person in charge of relationship at target stakeholder
- Industry expert who knows your company but also knows market
- Supplier who has a good view of market

These people will have a different perspective on the market than you have. Your customers are called on by, and do business with, your competitors. Suppliers sell to your competitors.

## What to ask?

What should you ask? A sample of questions could include:

- What is target's outlook for the industry for the next 12 months?
- Specific sector strength in the industry?
- Areas of weakness in the industry, i.e., who's laying off?
- Who's having financing issues?
- How does the target feel about the relationship with your company?
- What could be improved?

- Are there services or products offered by others that would improve our service to you?
- What's keeping you up at night?
- Is there a new product or service idea for initial feedback?
- What are trends affecting the industry? Examples: energy, the environment, technology
- How do these trends affect how your target is conducting its business?

## What to do with the results?

- Make the easy changes quickly. Evaluate the other suggestions for internal ROI, and potential return to customer.
- Develop new marketing and sales strategies so as to go after segments by showing newly-discovered positive feedback and client success in those areas. Sell harder into these segments.
- Control inventory where possible
- Streamline products or services you may be offering that are no longer profitable
- Exploit the weaknesses of competing companies by taking their best employees or customers away from them. Instead of being passive about it, can you be aggressive and exploit the information you have learned about available human capital?

Upon synthesizing and analyzing your results, you may decide to share these results with managers or even all your employees. The two companies mentioned earlier held department by department meetings because they felt their results would be illuminating to all employees, not just feedback about difficult market conditions but also as a morale builder in tough times thanks to comments about how well the company was viewed by the respondents.

The value of a "strategic conversations" exercise is that it elicits opinions straight from the source, calling on only the significant partners and customers (and sometimes your own employees) with the goal of obtaining information about critical issues and getting them on the radar. In a time of change, this is precisely what you want and need to know. Thus this bounty of "fresh information" will lead to better decisions, better operations and overall greater results.