SPECTRUM INSURANCE

RISK & BUSINESS

MAGAZINE

FALL 2021

The Impact Of Comorbidities

WORKERS' COMP INSIGHTS

Spectrum INSURANCE GROUP

CYBER LIABILITY: RANSOMWARE + 5 STRATEGIES FOR REDUCING BENEFIT COSTS + HYBRID WORK MODEL

RISK&BUSINESS

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CONTENTS

& WELCOME

Welcome to the fall 2021 edition of *Risk & Business Magazine*. Spectrum Insurance Group is pleased to provide this magazine as a valuable resource for your company. The purpose of the magazine is to bring you relevant content to help your business succeed. Inside this edition, you'll find many great articles related to business insurance, employee benefits, safety/risk management, employment law, banking, financial management, and general business topics. We think you will find these articles informative and useful to the success of your business.

When Spectrum Insurance Group was started in 2007, one of the core values we established was to provide value-added services to our customers. *Risk & Business Magazine* provides another outlet to help inform and educate not only our customers but all businesses located throughout the state of Wisconsin. What is good for all businesses in Wisconsin is good for Spectrum Insurance Group!

The insurance-related articles for the fall 2021 edition are dedicated to specific trends that are impacting businesses in 2021 and beyond. We are seeing major shifts in the insurance marketplace, from increased rates to lower capacity for limits to evolving insurance risks to businesses. We have included articles on some of the more volatile coverages in the marketplace including Directors & Officers, Employment Practice Liability, and Cyber Liability.

The year 2021 will definitely be an interesting one not just in insurance-related issues but also in the political environment with a new administration in the White House and a Congress that is controlled by the Democrats. Social justice issues and the ongoing COVID-19 pandemic will continue to have a significant impact on businesses as well. No matter what happens in 2021, businesses in Wisconsin have an innate ability to adapt to challenges that they are confronted with. This makes Wisconsin an excellent state to do business in! +

Sincerely,

Darrel Zaleski, Owner
SPECTRUMINSGROUP.COM

Considering A Hybrid Work Model

The pandemic has resulted in countless employees working from their kitchen tables or living rooms rather than the office or other workplaces. However, as more Americans receive a COVID-19 vaccination and organizations develop or update their return-to-work plans, some employees may still be eager to continue working remotely, even if just for a few days each week.

This article provides an overview of hybrid workplaces, the work model's advantages and challenges, and tips for accommodating distributed employees.

OVERVIEW OF HYBRID WORKPLACES

Work flexibility is consistently cited as a post-pandemic trend, and some employers are already introducing hybrid work models in their reopening plans. In fact, a Mercer survey found that 73% of employers plan to implement a hybrid work environment. By definition, a hybrid workplace is a flexible model designed to support a distributed workforce of both on-site and remote employees.

In some form, a majority of organizations are opting for either all-remote or hybrid-remote arrangements. In the following workplace models, employees are allowed to make their workday flexible outside of set days or hours:

- Flex remote means employees are on-site on set days. Flex remote is likely to be a popular model to provide employees the flexibility to be on-site some days and work the other days remotely.
- Core hours means employees are available during designated times. Employers designate a block of time when employees are present, available for meetings, or working at the same time. That model helps hybrid teams intentionally collaborate, which is especially helpful if employees are located in different time zones.
- Custom scheduling may be an option for employees who want to request a specific hybrid work schedule. To support this, employers or managers may ask employees to fill out a form with their desired work schedule and locations.

These are just a few examples, but the practical application of a hybrid model may be a combination of several arrangements. Employers may also consider whether certain departments or roles need to work on-site or can be just as effective working remotely. Every organization will be different, and the working model will need to be what's best for both the employer and the overall employee experience.

LOCATION CONSIDERATIONS FOR HYBRID WORKPLACES

It's equally important to consider what's critical for businesses when it comes to the physical workplace. Employers may consider a large headquarters or one to two main offices. Depending on the business, it may make sense to create multiple proportionately sized offices or small regional workplaces. Employees can travel to regional hubs rather than a central headquarters location that may be farther away. If a permanent office isn't necessary for business, employers could consider renting flex space for periodic collaboration. Keep in mind that the focus of flex space for a remote workforce is in-person collaboration, not connectivity.

Hybrid workplaces can look very different based on the organization's priority of factors, including the ability to access talent, individual and team productivity, and the cost of real estate.

ADVANTAGES OF HYBRID WORKPLACES

Despite remote work being forced upon some organizations during the pandemic, a long-term approach for a hybrid workplace offers several benefits to both remote workforces and employers. Advantages of hybrid workplaces can include the following:

- Wider talent pool as a result of removed geographical limits
- Increased employee productivity
- Stronger employee engagement
- Better collaboration
- Greater schedule flexibility
- Healthier work-life balance

If the timing on leases and other workplace contracts works out, employers could also realize reduced operation costs. It's essential to evaluate if any office locations or expenses are redundant or underutilized.

CHALLENGES OF HYBRID WORKPLACES

Like any new initiative or strategy, a hybrid workplace also has its shortcomings. Challenges of hybrid workplaces include the following:

- Potential for different time zones due to geographically dispersed teams
- Communication misunderstandings due to limited availability of visual cues
- Lack of real-time collaboration
- Shortage of team-building opportunities and events
- Loss of belonging and shared purpose as a separate on-site culture and remote culture emerge
- Cybersecurity and reliance on IT infrastructure

Employers can reduce the prevalence or impact of such challenges by being intentional about decisions and trade-offs. They must be empathic and listen to individual employee needs while also being creative when developing connected and effective workplace solutions.

STRATEGIES FOR HYBRID WORKPLACES

Taking hybrid workplace advantages and challenges into consideration, employers can develop their ideal hybrid workplace and bring that idea to life in a return-to-work plan. The process may involve making an organizational culture shift, which may also reshape organizational goals and objectives.

Most organizations have norms in place for on-site employees, but they can also adapt a mirroring set of standards for those working remotely.

IT'S IMPORTANT FOR EMPLOYERS TO NOT ONLY ACCOMMODATE ALL EMPLOYEES BUT ALSO CREATE PRACTICES THAT TREAT ALL EMPLOYEES FAIRLY.

To best accommodate a distributed workplace, consider the following tips:

- Formalize hybrid work processes. For hybrid work processes to be effective, employers should establish clear expectations and communicate them often and openly. It's especially important to formalize technology and other remote-specific policies or guidelines. If employers are accommodating custom schedules, a formal remote or hybrid schedule request process will streamline the process for managers and HR professionals.
- Be transparent about remote and hybrid work expectations and decisions. There are a variety of reasons why some employees may be expected to work on-site while others are granted the opportunity to work remotely. Being transparent about decisions can facilitate a friendly and open environment for distant teams to effectively collaborate.
- Plan meetings to be friendly to all employees. Remote employees attending a meeting via a conference line or video platform can be just as active as those sitting in the conference room chairs. At the beginning of a meeting, leaders should introduce participants joining remotely and ensure that all participants have a chance to share their thoughts or ideas.
- Create an open chat. Chat tools can facilitate dialogue for both remote and on-site employees. Channels can be created for efficient work-related communication—or even to replace water cooler conversations and help build camaraderie within teams.
- Ask for and listen to feedback. It's equally important to elicit employee feedback and concerns to optimize return-to-work plans or working arrangements.

A thoughtful hybrid workplace approach combines the best aspects of an organization's on-site and remote workplaces.

CONCLUSION

Hybrid workplaces can help maintain a great work-life balance for employees and an employee-centric work environment for employers and organizational leaders. In general, employers should prioritize employee engagement and well-being in workplace strategies and plans. Contact us today, spectruminsgroup.com to learn more about developing and managing a hybrid workplace. +

Cyber Liability:

RANSOMWARE-AS-A-SERVICE EXPLAINED

Ransomware attacks—when a cybercriminal deploys malicious software to compromise a device (or multiple devices) and demand a large payment be made before restoring the technology for the victim—have become a significant concern for organizations across industry lines. In fact, the latest research provides that these attacks have increased by nearly 140% in the past year alone, with the median ransom payment demand totaling $178,000 and the average overall loss from such an attack exceeding $1 million.

A key contributor to this surge is the recent debut of Ransomware-as-a-Service (RaaS). Put simply, RaaS refers to a dark web business model that permits sophisticated cybercriminals to sell their ransomware software to willing buyers (usually less-skilled cybercriminals) who then utilize the software to launch an attack and secure a ransom payment.

The RaaS model poses a serious threat to organizations of all sizes and sectors as it allows cybercriminals of any skill level to execute ransomware attacks on their targets. Review the following guidance to learn more about the RaaS model, its impact on organizational cybersecurity, and best practices for addressing RaaS concerns.

WHAT IS RaaS ?

Although its purpose is to sell a harmful product, the RaaS model operates quite similarly to a normal business model. First, knowledgeable ransomware developers generate malicious software to be offered for sale. In order to be attractive to buyers, this software must carry a high likelihood of penetration and a minimal risk of discovery.

Once the software has been created and is ready for distribution, it gets launched as a multi-end-user infrastructure. RaaS developers then seek potential customers throughout the dark web by using typical business marketing methods such as advertisements and online forums. Some developers are more selective in whom they offer their software to, requiring customers to demonstrate certain technological skills or cybersecurity knowledge, while others are not as strict.

When RaaS developers secure buyers, these customers are usually provided with access to not only the ransomware software itself but also some form of a product portal. This portal may include detailed instructions for software implementation, user reviews, support forums, and special discounts or offers for future purchases from the developer. Customers may receive permanent access to the software they buy or only be given an allotted amount of time to utilize it (similar to a rental agreement).

Depending on the developer, RaaS purchases can be a one-time sale or a monthly subscription service. In some cases, RaaS developers don't actually sell their software but rather recruit other cybercriminals who are willing to launch attacks using the developers' software in exchange for a percentage of the resulting ransom payment. This commission-based partnership is also known as an affiliate program.

"CYBERCRIMINALS INVOLVED IN RaaS MODELS HAVE BECOME MORE CONFIDENT IN THE STRENGTH OF THEIR MALICIOUS SOFTWARE, MOTIVATING THEM TO RAMP UP THEIR RANSOM PAYMENT DEMANDS."

Regardless of whether RaaS developers have customers or affiliates, once these cybercriminals receive the developers' software, they can use it to execute ransomware attacks on their targets, potentially resulting in widespread disruption, damaged or destroyed data, reputational repercussions, and significant financial fallout for the affected organizations. Well-known RaaS incidents include WannaCry, Cerber, MacRansom, Philadelphia, Atom, Hostman, and FLUX.

THE IMPACT OF RaaS

Prior to the emergence of RaaS, cybercriminals needed to possess extensive software knowledge and coding capabilities in order to pull off a ransomware attack. In other words, only the most sophisticated cybercriminals could successfully launch such attacks and obtain ransom payments from their victims.

However, the introduction of RaaS to the dark web has allowed cybercriminals of practically any skill level and very little technical ability to accomplish this feat with a simple purchase, contributing to a rapid increase in the frequency of ransomware attacks as a whole.

In addition to attack frequency, cybercriminals involved in RaaS models have become more confident in the strength of their malicious software, motivating them to ramp up their ransom payment demands. This is particularly true with RaaS affiliate programs. Because affiliates only receive a portion of the overall ransom payment following an attack, an elevated payment demand provides them with a larger profit.

That being said, the RaaS model has played a major role in increasing both the frequency and cost of ransomware events in recent years, compounding the expected consequences that affected organizations will face for an already severely damaging form of attack.

ADDRESSING RaaS CONCERNS

The best way to minimize the growing threat of RaaS concerns at your organization is to make ransomware prevention and response measures a top priority. Remember that ransomware attacks are commonly deployed via phishing emails, deceptive links, dangerous websites, harmful attachments, and malicious programs. With this in mind, here are some best practices for combatting ransomware attacks:

- **Secure your systems**—First, it's important to take steps to protect your organizational IT infrastructure from potential ransomware exposures. This may entail:
    - Using a virtual private network (VPN) for all internet-based activities (e.g., browsing and sending emails)
    - Installing antivirus software on all workplace technology
    - Implementing a firewall to block cybercriminals from accessing your organization's VPN
    - Restricting employees' access to websites that aren't secure
    - Establishing email filters to keep phishing messages from reaching employees' inboxes
    - Encrypting sensitive data on all organizational devices and routinely backing up this information
    - Limiting which employees receive administrative controls to prevent inexperienced staff from mistakenly downloading a malicious program
    - Regularly updating all organizational devices and security programs to ensure effectiveness
    - Developing a cyber incident response plan that adequately considers ransomware scenarios and practicing this plan with staff
- **Educate your employees**—Next, be sure to train your employees on how to prevent and respond to a ransomware attack. Give your staff these tips:
    - Avoid opening or responding to emails from individuals or organizations you don't know. If an email claims to be from a trusted source, be sure to verify their identity by double checking the address.
    - Never click on suspicious links or pop-ups—whether they're in an email or on a website. Similarly, avoid downloading attachments or software programs from unknown sources or locations.
    - Only browse safe and secure websites on organizational devices. Refrain from using workplace devices for personal browsing.
    - If you suspect a ransomware attack, contact your manager or the IT department immediately for further guidance.

For additional risk management guidance and insurance solutions, contact us at SpectrumInsGroup.com. +

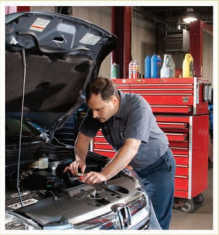
The Silver Lining®

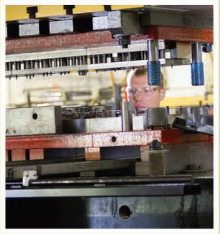










The reason people spend their hard-earned money on insurance is that there are certain things they simply can't afford to lose. Which is exactly why it's so nice to have a policy from West Bend.

Because at the core of everything we do lies a simple premise.

A sincere desire to help our agents and their customers through problems and adversity.

To make sure that positives come from negative situations.

To step up when you need us.

To do the right thing.

That's the Silver Lining.

WEST BEND®
THE SILVER LINING®

www.thesilverlining.com

3 STEPS TO DEVELOPING *A Happier Mindset*

BY NEIL PASRICHA

While researching resilience for *You Are Awesome* I found that in order to become more resilient, you need to cultivate a positive mindset first. Why? Because the stronger we are mentally, the better we are able to *bend*—not *break*—when challenges come.

A positive mindset is like Optimism Insurance. It helps soften every blow you get from a nasty email, friend letting you down, or bad news story flying across the headlines. >>

>> So how do we develop a happier mindset?

Let me answer in three steps:

STEP 1: FLIP YOUR HAPPINESS MODEL

Our parents lied! They said they wanted us to be happy but then also encouraged us to go to a good school, find a good job, and work hard for a promotion. Sure, everyone's parents are different, but I would argue that most of us hear some version of this model told to us as children:

GREAT WORK → BIG SUCCESS → BE HAPPY

You know, study really hard, get good grades, go be a doctor! (Are my Indian roots showing?) Or simply work really hard, get a promotion, then be happy!

The first step to cultivating a positive mindset is flipping this model.

Based on research I share below, how does developing a happier mindset really work?

BE HAPPY → GREAT WORK → BIG SUCCESS

Yes, it's the opposite! A phenomenal paper called *The Benefits of Frequent Positive Affect: Does Happiness Lead To Success?* shows that if you're happy first ... then you do great work, because you're happier doing it! You're 31% more productive, have 37% higher sales, and are three times more creative, amongst a host of other benefits.

So Step 1 is realizing that cultivating a positive mindset needs to happen first ... and not as the result of work or success.

STEP 2: COMMIT TO A "20 FOR 20" HAPPINESS CHALLENGE

So we know we have to be happy first. But ... how? Does anyone just wake up in a good mood every day? I don't! Most people don't. We have to work at it. It's like yoga. A *practice*. The goal isn't to be perfect ... the goal is to be better than before.

Luckily there are dozens of positive psychology studies that give specific, tactical practices that we can use to cultivate this mindset.

I often challenge people to commit to a "20 for 20" challenge which means you take one of these practices below and commit to doing it for *20 minutes a day for 20 days in a row.* By then you have created a new happiness practice that will be harder to stop.

What are some of the practices? I've listed five of my favorites below together with one study on each. Remember: These all take 20 minutes or less a day. And it's a multiple-choice question. You don't have to do them all! Just pick one.

Journaling about the highlights of your day

In a University of Texas study called "How Do I Love Thee? Let Me Count the Words," researchers Richard Slatcher and James Pennebaker had one member of a couple write about their relationship for 20 minutes three times a day. Compared to the test group, the couple was more likely to engage in intimate dialogue afterward, and the relationship was more likely to last. What should you write down? Simply a laundry list of the highlights of your day. If you aren't the pen and paper type then try the free email journaling service Ahhlife.com.

Take a nature walk (or another exercise you like)

The American Psychosomatic Society published a study showing how Michael Babyak and a team of researchers found three 30-minute brisk walks or jogs can improve recovery from clinical depression. Yes, clinical depression. Results were stronger than those from studies using medication or studies using exercise and medication combined. Can you commit to going for a jog 20 days in a row or going for a walk in the woods? If you can get into nature the phytoncides released from trees can reduce adrenaline and cortisol (a stress hormone) in your body. (More on this from the paper "Effect of forest bathing trips on human immune function")

Reading 20 pages of fiction

A 2011 study published in the *Annual Review of Psychology* showed that reading triggers our mirror neurons and opens up the parts of our brain responsible for developing empathy, compassion and understanding. What does EQ help with? Becoming a better leader, teacher, parent and sibling. (Sidenote: This big a-ha on reading is one of the reasons I launched my podcast three Books ... where I interview folks like David Sedaris, Judy Blume, and Malcolm Gladwell about which three books changed their life. Trying to help find that always elusive next great book to read.)

Playing "Rose Rose Thorn Bud" around the dinner table

My family and I play a game called Rose Rose Thorn Bud almost every night. Essentially, we take turns sharing two roses (what we're grateful for), a thorn (what didn't go well that day), and a bud (something we're looking forward to).

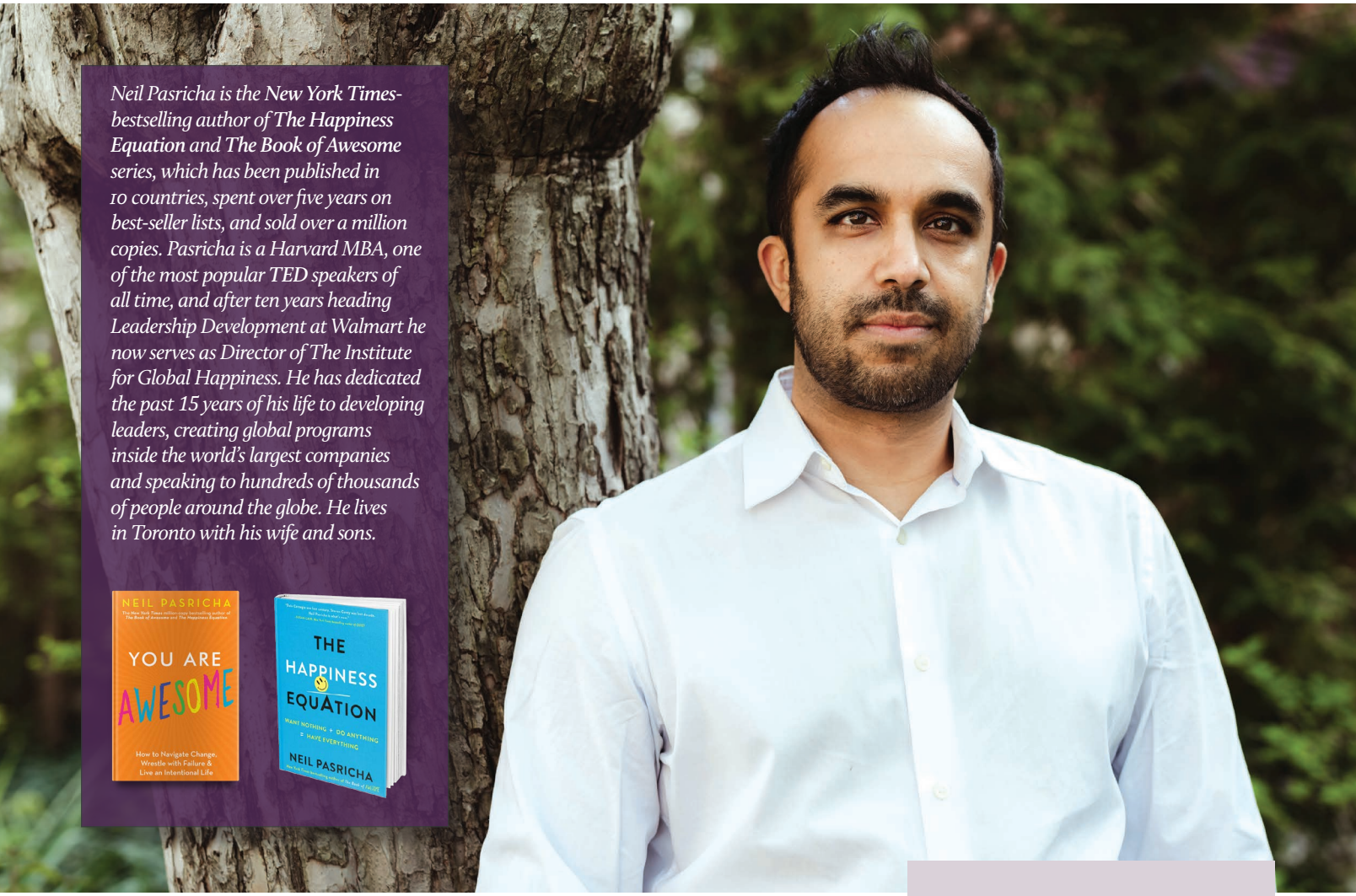
Singing

A study published in *Evolution & Human Behavior* found that choral singing calms the heart, boosts endorphin levels, improves lung function, expands pain thresholds, and decreases reliance on pain medication. Choral singing was even found to elicit feelings of inclusion, connectivity and positivity, and fosters social closeness in a group. Can you join a church choir or develop a sing-a-long playlist to jam with your kids during school dropoff or pickup?

STEP 3: SWAP NEGATIVE INPUTS FOR POSITIVE INPUTS

Our brains crave bad news.

We have 200,000 years of evolution programmed into our brains that have perfected the art of looking for problems, finding problems, and solving problems. It's why we rubberneck on the highway, it's why if it bleeds it leads, it's why,



Neil Pasricha is the New York Times-bestselling author of The Happiness Equation and The Book of Awesome series, which has been published in 10 countries, spent over five years on best-seller lists, and sold over a million copies. Pasricha is a Harvard MBA, one of the most popular TED speakers of all time, and after ten years heading Leadership Development at Walmart he now serves as Director of The Institute for Global Happiness. He has dedicated the past 15 years of his life to developing leaders, creating global programs inside the world's largest companies and speaking to hundreds of thousands of people around the globe. He lives in Toronto with his wife and sons.

in the words of author and media critic Ryan Holiday, "MSNBC's real goal is to glue you to a television screen and sell you Subarus." We get addicted to that hit as our amygdala constantly scans the world for problems. No wonder sometimes that's all we see!

So what's Step 3 to developing a happier mindset?

Swap negative inputs for positive inputs. Cancel your newspaper subscriptions, unfollow all news sites on social media, swipe left on your iPhone and scroll down to disable the News Widget that automatically pops up. What's the goal?

Swap superficial knowledge of "many bad things every single day" for deeper knowledge on the things that matter to you most. How? Through reading books. And, signing up for emails that actually serve and honor your attention instead of mining it for ads.

Don't worry. After you ditch the news you'll still know what's going on. It's impossible to avoid all the TV screens blaring in the corner of every elevator, dentist office, or airport lounge. You may know less about what's going on but you'll be consciously trading that in for deeper knowledge, greater wisdom, and, yes, a happier mindset. +

WHAT ARE THE THREE STEPS TO DEVELOPING A HAPPIER MINDSET?

Step 1: Flip your happiness model.

Step 2: Commit to a "20 for 20" happiness challenge.

Step 3: Swap negative inputs for positive inputs.

Do you think you can do it?

I know you can do it.

Start right now.

And good luck!

A Guitar Lesson

LOOK AT THE ADJACENT IMAGE. WHAT DO YOU SEE?

BY DAN SOLIN

see a musical instrument.

My son is a lifelong guitarist. Here's what he sees:

- Acoustic guitar
- Mahogany body
- Rosewood fretboard
- Steel strings
- Dot inlays.

The image evokes very different feelings in us. I really enjoy acoustic guitar music. All I feel is a vague sense of pleasure when I see this picture. Here's what he feels:

How does it sound? How does it play? Is it mechanically sound? Will it tune up easily and consistently? Does it have high quality hardware? Does it have a bolt-on or a glue-in neck joint?

Is it a one piece top and back or multiple? Does it look like it was manufactured mostly by machine or by hand? Where was it made – in the US or overseas? What is the quality of the inlay work?

Is the rosette a printed image around the sound hole or was it done in some other way? What is the material used for the dot inlays? Was it mother of pearl, abalone or plastic?

We're both looking at the same picture, but we see and *feel* something entirely different.

THE GUITAR LESSON

We look at situations through a lens of our own biases and experience. We aren't starting from the same perspective. That's why we perceive the same image or situation differently.

It's called naïve realism. Understanding it is critical to how to effectively communicate with others.

Here are additional examples, pulled from today's polarized reality.

What do you think of when you hear these phrases?

Keep America Great.

Black Lives Matter.

Depending on your political affiliation, your background and your personal experiences, there's going to be a huge disparity in responses.

When you understand the ramifications of naïve realism, the first lesson you learn is that it's highly unlikely using logic will change the mind of people who see things different from you.

The reason is simple: You aren't seeing the same thing. Your perception may be totally different depending on factors unique to you.

There's another, compelling reason why attempting to change the mind of others is often fruitless.

Do you ever wonder why Apple users are so loyal to that brand? Many would argue newer Android devices are less expensive and have superior features, yet Apple users refuse to make the switch.

Why?

Because of the "rule of consistency," which holds that once you make up your mind about something, it's very difficult to change it.

The combination of naïve realism and the rule of consistency is a formidable barrier to persuading others you are "right" and they are "wrong."

A BETTER WAY

If you want to deepen your relationship with those who hold different views, stop trying to persuade them. Instead, ask them questions geared to help you understand their point of view better. Then ask follow-up questions showing you heard them and demonstrating an interest in learning more about the basis for their opinion.

You won't change their mind, but you will be perceived by them very differently. They'll consider you a person who is empathetic and caring. One who is genuinely interested in them and who takes the time to explore their feelings.

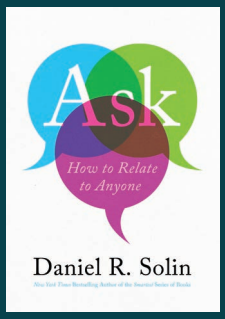
My son and I will still see and feel images of musical instruments differently. We view it as an opportunity to learn from each other and deepen our relationship. +

BY: DAN SOLIN

Dan Solin is The New York Times best-selling author of the Smartest series of investing books and The Smartest Sales Book You'll Ever Read. Dan's books have been widely praised by The New York Times, The Wall Street Journal, The Library Journal, Vanguard co-founder John Bogle and many financial columnists, authors and others. He has appeared on The Early Show, The O'Reilly Factor, MSNBC's Week-end Economic Review, Fox Business and CNN's Money, and has been interviewed on many radio programs, including USA, CBS, ABC and on a number of regional NPR stations.

He has shared the research in Ask with thousands of people in North America, Europe and Australia.

AskDanSolin.com.



Your BRAND *Is Not* ABOUT YOU >>

BY DEB GABOR

When people imagine my job as a brand expert, they usually picture a marketing whiz sitting in a closed-off boardroom brainstorming and crafting a perfect brand.

That couldn't be further from the truth.

The reality is, branding doesn't come from your company. Branding comes from your customers.

Your brand lives in your customers' needs and desires, as well as their perceptions of you and their connection to you. Branding is not an inside-out activity; it's an outside-in activity.

Real branding comes down to getting inside your customers' heads and then working inward from there. What do your customers think? How do they behave? What do they need? Where do they go to get it? Where do they shop? How much are they going to spend? What's important to them? How does it make them feel? And how does it advance the goals that they have for their lives?

This is where branding starts.

DON'T KNOW WHAT YOUR CUSTOMERS THINK? ASK THEM!

Most companies don't have a six-figure budget for market research. So how do you learn about your customers?

Lo and behold, you learn who your customers are by actually finding and having a conversation with them. There are many different ways to talk to your customers. Conversations can take place through informal market research, or through formal research

methods. Each approach offers a number of opportunities to dive into your customers' inner lives.

The different methods available for informal market research prove that budget is not a barrier. On the super-low-budget end of the spectrum, you can just hang around in a Starbucks and ask people to try your product or service - then solicit their opinions. Be sure to ask open-ended questions, such as "What do you like about this brand?"—or—"How do you see this fitting into your life?"—or—"What would you change about this?" Actually talking to customers face-to-face is one of the most valuable things you can do to understand your brand.

One easy way for marketing managers and executives to interact with customers is by fielding customer service calls or inbound sales calls. Even at the CEO level, if you take customer service calls for a few hours every month it might just be the most valuable time you ever spend. The callers won't have any idea you're the CEO, so they won't sugar coat how they feel about your brand. And you can ask them almost anything you want, and they'll answer honestly.

Another inexpensive method is hosting a pizza and beer party (or flatbread and wine party, depending upon your target demographic). Invite friends and friends of friends to visit your office or your home and try your product.

Tell them you'll provide take-out food and beverages in exchange for their time.

The key here is to make sure you're getting honest feedback.

Friends and family will usually try to tell you they love it, even if they don't. So offer them the booze in exchange for brutal, unvarnished honesty.

The above ideas are free or extremely inexpensive. Entrepreneurs in early stage start-ups, and companies without market research budgets, should take full advantage of all of these ideas and devise other methods that put them front and center with customers.

On the opposite end of the cost spectrum is formal market research. These could include everything from focus groups, to quantitative studies in-depth interviews, surveys, or even observing your customers "in the wild" through ethnography. Professional focus groups can yield a tremendous amount of data, but they're costly.

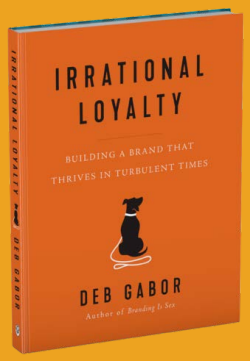
Regardless of how much you spend, companies of all sizes should be asking their customers about their needs. Oh, and here's a pro tip: smart companies don't just ask this of their own customers; they ask their competitors' customers too. Customers must always be a central part of the equation when you're doing brand strategy.

Unfortunately, there are many marketing agencies out there that believe in the myth of the marketing executive in a closed-off and customer-free boardroom. To do branding in a vacuum without putting the customers' point of view front and center is a massive mistake. In building a strong brand that connects deeply with customers, you must conduct discovery so you can gain an understanding of customers' needs as well as the trends, forces and brands that compete for their attention.

The goal is to do more than safeguard against what other brands are doing. You need to gain insight into your company's unique role in the marketplace, and your unique relevance to your Ideal Customer. +

BY: DEB GABOR

Deb Gabor is the founder of Sol Marketing, a consultancy that has led successful strategy engagements since 2003 for global brands like Dell, Microsoft and NBCUniversal, and for numerous digital brands, including Allrecipes, Cheezburger, HomeAway and many more.
A leading expert on brand disasters, she is the author of Branding Is Sex: Get Your Customers Laid and Sell the Hell out of Anything, and Irrational Loyalty: Building A Brand That Thrives In Turbulent Times. Deb has been featured in USA Today and other major publications. A displaced Midwesterner, Deb currently lives in Austin, Texas, but travels frequently to help her clients build bulletproof brands.



HOW XPRIZE WORKS

BY PETER DIAMANDIS

The best way to predict the future is to create it yourself!

I founded the XPRIZE Foundation back in 1994, 27 years ago(!!) based on that premise, as an innovation engine whose mission is to "inspire and guide entrepreneurs to solve grand challenges."

XPRIZE empowers entrepreneurs and innovators and paints a clear and detailed vision of an abundant future across domains. It gives the world *hope*.

In this article, I want to talk about XPRIZE: what it is, how it started, how it works, and what we're doing to create a hopeful, compelling, and abundant future for all of humanity.

Let's dive in …

XPRIZE'S ORIGIN STORY

I first had the idea of XPRIZE after reading Charles Lindbergh's book T*he Spirit of St. Louis* given to me by my dear friend Gregg Maryniak in 1994. The XPRIZE Foundation was started a few months later with the vision of creating an incentive prize to encourage would-be spaceship designers to build rockets for the rest of us.

And in May of 1996, even though I didn't have *any* prize money, we announced the $10M XPRIZE for Spaceflight under the Gateway Arch in St. Louis.

I thought for sure that someone would fund the $10M purse. After all, you wouldn't have to pay the prize money until *after* a team successfully flew a passenger-carrying rocket to 100 km altitude, twice in two weeks.

But it wasn't easy by any means.

Between 1996 and 2002 I must have pitched over 150 philanthropists and sponsors and was told NO—over and over and over again. Everyone thought the prize was too difficult and they were concerned that people would lose their lives.

Finally, I met the Ansari family who funded the purse (we ultimately named it the $10M Ansari XPRIZE in their honor), and a few years later on October 4, 2004 the first XPRIZE was won.

WHAT XPRIZE BELIEVES

And today, as the XPRIZE Foundation is hitting its stride 27 years after it was founded, we have launched over $250M worth of XPRIZEs.

FOLLOWING ARE OUR 5 CORE BELIEFS:

(1) We believe in the power of competition. It's part of humanity's DNA to compete. We do our best competing in sports, in business … why shouldn't we also tap into that indomitable spirit of competition to bring about breakthroughs and solutions to solve the world's biggest challenges?

(2) We believe that you get what you incentivize, and there are many innovative ways to solve a problem. Rather than tell entrepreneurs HOW to solve a problem, instead define a finishing line, and allow hundreds of innovators to try thousands of ideas.

(3) We believe that challenges must be audacious, but achievable, tied to objective, measurable goals. And understandable by all.

(4) We believe that solutions can come from anyone, anywhere and that some of the greatest minds of our time remain untapped, ready to be engaged by a world

that is in desperate need of help. Solutions. Change. And radical breakthroughs for the benefit of humanity.

(5) The day before something is a breakthrough, it's a crazy idea. It's important to realize that truly "breakthrough ideas" are not small incremental improvements. They emerge as innovators reinvent fields and disrupt the existing doctrines.

HOW DO XPRIZE COMPETITIONS WORK?

There is no shortage of important areas in the world that require breakthroughs.

The mission of the XPRIZE Foundation is to *accelerate* those breakthroughs and help them scale into impact.

Here are six ways that XPRIZE makes achieving breakthroughs easier:

(1) Identify Prize Target Areas: XPRIZE works with innovators, scientists, and philanthropists around the world to get consensus on areas that are stuck—where innovation is possible but not moving forward. In choosing our next XPRIZEs, we are clear that not all problems are "prizeable" and not all prizes are XPRIZEs. Our goal is to find those challenges that can best be conquered with an XPRIZE incentive competition.

(2) Develop a Set of Clear and Objective Prize Rules: Once a target area is identified (e.g., Commercial Spaceflight, Gigaton Carbon Removal), XPRIZE then develops a set of clear, measurable, and actionable guidelines that offer teams a target to shoot for.

(3) Raise the Funding for the Purse to Credential the Prize: Next, our Foundation raises a significant prize purse and the budget to operate the prize over two to 10 years. The size of the purse is typically proportional the size of the challenge. That is, how "crazy" the idea is. Most recently Elon Musk funded our largest competition to date: the $100M XPRIZE Carbon Removal.

(4) Provide a Level Playing Field and Clear and Fair Judging: One of the most important ways we can help make breakthroughs easier is by offering teams, both big and small, a level playing field to demonstrate their solutions and technology, as well as knowledgeable and fair judges to help compare and evaluate teams.

(5) Identify and Anoint a Winner: Ultimately, XPRIZE crowns a winner, giving the winner publicity, capital (the purse), and credibility to help them scale globally.

(6) Promote the Winner and Winning Technology to Drive Impact: Finally, the XPRIZE Foundation has a responsibility to help take the winning team and technology from a news story to a scalable impact.

FINAL THOUGHTS & THE FUTURE

Creating a world of abundance isn't about creating a world of luxury, it's about creating a world of possibility.

We want to create a future we can be proud of.

As I think about what kind of XPRIZE competitions we'll create in the next 10 to 20 years, I believe that we'll continue to see prizes that help create increasing abundance in the world in areas such as food, water, shelter, communications, knowledge, education, healthcare and human rights. Our mission is to uplift and bring more possibility to every person on the planet.

Years ago, I pondered the question, "If I had an extra billion dollars, how would I use it to make the world a better place?"

My answer is that I would launch a set of 10 $100M XPRIZEs to get the world's cognitive surplus working on the grand challenges we face. Here are 10 areas that those $100M XPRIZEs would focus on:

(1) Gigaton CO2 Removal (Already launched and in process. Thanks, Elon!)

(2) An Age Reversal XPRIZE to help us extend the human health span (This prize is in process, 50% funded towards a $100M purse.)

(3) An Asteroid Detection and Deflection Prize

(4) A Wildfire Detection and Extinction Prize

(5) An Earthquake Warning Prize

(6) A Pandemic Early Warning System Prize

(7) An Interstellar Transport Prize

(8) A Zero-Point / Cold Fusion Energy Prize

(9) A Brain Computer Prize

(10) A Nanotechnology Prize

JOIN MY ABUNDANCE360 COMMUNITY

If you want my coaching as an exponential entrepreneur and to reinforce those mindsets that will inspire and guide you to create a hopeful, compelling and abundant future for yourself and humanity, then consider joining my year-round Abundance360 coaching program. +

Dr. Peter H. Diamandis is an international pioneer in the fields of innovation, incentive competitions and commercial space. In 2014 he was named one of "The World's 50 Greatest Leaders" – by Fortune Magazine. In the field of Innovation, Diamandis is Founder and Executive Chairman of the XPRIZE Foundation, best known for its $10 million Ansari XPRIZE for private spaceflight. Diamandis is also the Co-Founder and Vice- Chairman of Human Longevity Inc. (HLI), a genomics and cell therapy-based diagnostic and therapeutic company focused on extending the healthy human lifespan. He is also the Co- Founder and Executive Chairman of Singularity University, a graduate-level Silicon Valley institution that studies exponentially growing technologies, their ability to transform industries and solve humanity's grand challenges. In the field of commercial space, Diamandis is Co-Founder/Co-Chairman of Planetary Resources, a company designing spacecraft to enable the detection and prospecting of asteroid for precious materials.

He is also the Co-Founder of Space Adventures and Zero-Gravity Corporation. Diamandis is the New York Times best-selling author of Abundance – The Future Is Better Than You Think and BOLD – How to go Big, Create Wealth & Impact the World. He earned an undergraduate degree in Molecular Genetics and a graduate degree in Aerospace Engineering from MIT, and received his M.D. from Harvard Medical School. Diamandis' mission is to open the space frontier for humanity.

3 REASONS EMOTIONAL INTELLIGENCE

IS MORE CRITICAL NOW THAN EVER

Emotional intelligence (EQ) is more in-demand than ever. In 2020 alone, EQ made the top 10 job skills on the World Economic Forum's report, the top five on the LinkedIn skills report, and the top four training priorities on Udemy's Workplace Learning Trends.

Emotional intelligence (EQ) is your ability to recognize and understand emotions in yourself and others, and your ability to use this awareness to manage your behavior and relationships. One of the main reasons EQ is growing so quickly is that it's foundational to developing a whole set of other critical skills. Here are three relevant skills fueled by emotional intelligence that are particularly helpful during challenging and uncertain times.

1. CHANGE MANAGEMENT

The effects of big changes at work are so extreme that experts frequently compare it to the five stages of grief. Change is uncomfortable, emotionally draining, stressful, and can cause burnout. Worst of all, change begins a wicked cycle where exhaustion from change makes people more resistant to change. People skilled in EQ are better prepared to break this cycle and manage change by recognizing and understanding how change affects them and then managing their feelings and reactions.

EQ Skills Help You Navigate Change: In-person marketing meetings on Guy's team were always full of energized brainstorming and chatter. But, in the shift to remote meetings, they've lost their energy, and their usual surplus of ideas is running dry. Aside from going remote, Guy hasn't changed anything. Each subgroup's leader summarizes the work they're doing (i.e., articles, videos, and podcasts), but people tune out instead of engaging with questions, challenges, thoughts, or ideas. Guy is worried about his team but feels paralyzed. He needs to get people engaged, or the whole team is going to suffer. After talking with his wife at dinner, he begins to recognize two key things: 1) this change to remote work isn't going away anytime soon, and 2) he's paralyzed because he's afraid of making a big change to something they've done successfully for years. Once he recognizes this, he's quick to change their format. He leverages the breakout room feature, mixing the breakouts intentionally for interaction. When they regroup from breakouts, each group shares highlights. Energy and engagement spikes right away. Now more information is synthesized than ever. Guy succeeded because he recognized his team's disengagement (social awareness) and his own fear of change (self-awareness), and then he was able to move forward with a plan (self-management) and introduce a format encouraging interaction (relationship management).

2. STRESS MANAGEMENT

Dr. Moïra Mikolajczak found that people with high EQ report better moods, less anxiety, and less worry during times of tension and stress than those who can't identify and manage their emotions. This is because high EQ people have improved their ability to simultaneously engage their emotional and rational thinking. When confronted with stress, they can control what they do next. Instead of catastrophizing, casting blame or worrying, they find the silver lining, practice positive self-talk, and recall good memories. Once they get control of their reaction, they devise a plan of action.

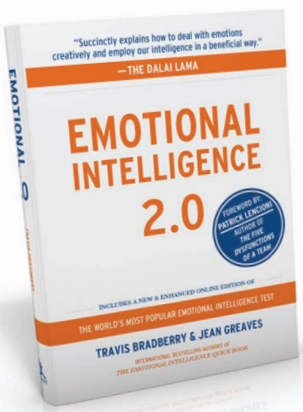
EQ Skills Help You Tackle Your Stress: Right after the transition to remote work, Nitya couldn't slip back into "family mode" the way she used to when she got home from the office. With her work computer just in the other room, she found herself thinking constantly about that next meeting, email, or client while her kids tried to tell her about their day. Only after she caught herself missing what her kids were saying and making mistakes on multiple late evening emails did she realize her stress was a problem. To get herself back on track, she first reminded herself that she balanced her work and family for years without a problem. Then, she put together a plan. Each day when she stopped working, she would slip out the side door to her espresso machine on the patio. She would make a latte, sit, and drink it. She wouldn't check her phone or read. She would just sit and unwind. If something work-related came to mind, she would write it on a notepad as a to-do for tomorrow. The routine was simple, but it acted as the perfect mental transition between work and family. Post-latte, Nitya found she was able to turn off her work brain and turn on her family brain.

3. EFFECTIVE COMMUNICATION

The working world, and our lives, are made up of important conversations. At work, we give and receive feedback, deliver bad news, manage conflicts, and check-in with struggling coworkers...The list goes on. As different as each example seems, important conversations usually share three things in common: 1) opposing opinions, 2) strong emotions, and 3) pressure.
Because developing EQ builds the connection between the emotional and rational parts of the brain, it equips people to manage their emotions under pressure and come up with an effective response in real time.

EQ Skills Help You Communicate Effectively: Dianne's in her first week of work at the front desk of a hospital's imaging department. Their appointments frequently run late, and she finds herself overwhelmed as she informs patients. When a patient begins to get upset, she boils over and snaps at him. He then complains, and her manager, who is displeased, has a long conversation with her at the end of the day. That night Dianne commits to adjusting her approach to these moments. The first thing she will do is take a deep breath and count to five before responding. Then, she will ask a question to learn why the patient is upset. Some people, she now finds, are quite nervous about the imaging procedure and their results (and she is able to talk them down). Others are anxious because they have somewhere to be (and she offers apologetically to reschedule). These small adjustments make a big difference in Dianne's ability to uncover slight differences in patients' needs and then address each accordingly.

From Insights to Action. The best thing about EQ skills is they can be developed with practice. Practicing any of the above behaviors will build new habits for you, too. The result is that when you're faced with a similar situation in the future, you will respond with emotional intelligence. +



BY: DR. TRAVIS BRADBERRY

As a cofounder of TalentSmart and world-renowned expert in emotional intelligence, Dr. Travis Bradberry speaks regularly in corporate and public settings. He is also coauthor of the #1 best-selling book ***Emotional Intelligence 2.0****,* ***Leadership 2.0****, and* ***The Emotional Intelligence Quick Book****. His books have been translated into 25 languages and are available in more than 150 countries.*

Dr. Bradberry also co-developed the Emotional Intelligence Appraisal®, a suite of self and 360 assessments. His survey and assessment development expertise are grounded in simple, applied approaches to measurement.

Some of Dr. Bradberry's past speaking engagements include: Wells Fargo, NY Life, Fortune Magazine Growth Summit, Salesforce.com, and The Conference Board: Learning from Legends. He has also written for, or his work has been covered by, Newsweek, Business-Week, Fortune, Forbes, Fast Company, Inc., USA Today, The Wall Street Journal, The Washington Post, and Harvard Business Review.

Dr. Bradberry received his PhD in Organizational Psychology from the California School of Professional Psychology and his BS in Clinical Psychology from the University of California – San Diego.

TalentSmartEQ.com

FUNNEL VISION AND THE SALES CLOUD

BY SCOTT STRATTEN

Many of us in sales and marketing came up learning the traditional sales funnel. This was how we were supposed to think about and treat other humans—as they moved, or were converted, from "hot leads" and prospects to customers.

That was before social media shifted more information into the hands of our market and a negative review could spread around the world in a matter of hours.

The traditional funnel focused on sales and conversions. Once customers moved through the funnel, they were off the radar.

Today, **almost 60% of all B2B purchase decisions are made before customers enter your funnel.** Consumers come to you prepared and educated, with trusted referrals in hand before they ever hear your sales pitch. Today, we can't have funnel vision—we need to look past the funnel and into what I call the Sales Cloud. With 74% of consumers relying on social networks to guide purchase decisions, it's just too big to ignore. Or is it 67% like another study quoted. It almost gets to the point of ridiculousness to try to convince someone in this day and age that buying decisions involve something before a sales person contacts them.

The Sales Cloud is made up of all the ways customers hear about your brand—blogs, online reviews, trusted referrals, social media sites, your website … These are where your market may or may not be hearing about you—for better or for worse. This is where most of the purchasing decisions are made. In fact, once someone is in your traditionally viewed funnel, the goal is more about not messing it up, because they've come to you with information.

Here we see why these experiences are so important. We aren't alone as businesses, we are in competition with many other products, services and content. In the sales cloud people have access to a ton of information. This is why creating amazing experiences people want to share is so important—because

if you aren't, someone else is. And when what's being shared about your company is negative, there is always another brand ready to make a good impression.

Your customers don't stop being important once they've bought from you. Once they move through your sales funnel - if you've been able to get them in, and keep them happy during the process—they now re-enter the Sales Cloud and join the other voices. Was their experience as a customer good enough to share? Did they leave unhappy? Making the sale isn't enough, we need to be creating sharable experiences for our customers through great products and service.

Once through the funnel, customers return to the cloud—this is almost always ignored. Current customers are treated as an entirely different pool than prospective ones. We bend over backwards for new prospects, while leaving current customers to fend for themselves. How many times have you seen special offers made to new customers of the brands you use, only to be left without the great rate, or free iPad, or any other special treatment they've been offered? Focusing outside the funnel is what UnSelling is all about.

One of the arguments against valuing social media referrals is that there isn't always an easily measurable line between referral and purchase. But has there ever been? In the past, when I walked into a store to make a purchase, the sales person never wondered whether it was my sister's recommendation, a billboard or random chance that brought me in. Now that we can measure where a click comes from—we think that this line should be direct.

According to data from *Forrester Research, "forty-eight percent of consumers reported that social media posts are a great way to discover new products, brands, trends or retailers, but less than 1% of transactions could be traced back to trackable social links ... These factoids come from consumer surveys, as well as the tracing of 77,000 online purchases made by American consumers over a two-week span in April. What researchers found is that consumers almost never buy something right after seeing it mentioned in a post by a friend or retailer on Facebook or other social media outlets.

The key term here for me is that they don't buy it "right after"—we have so much information before us now, that we may check 20 resources before making a click thru to purchase decision. That doesn't mean that these influences aren't important, or that they don't lead to decisions and purchases. It may have taken three ads, two sightings on a friend's blog and a lot of nagging from my mom to get me to buy a new pair of jeans—but each one leads to the sale with equal importance.

In today's world, we need to drop our funnel vision ways and focus on UnSelling if we're going to remain top of mind for our market. Buy or goodbye is ineffective in a world where purchase decisions are made long before you even get a chance to pitch. +

BY: SCOTT STRATTEN

Scott and Alison Stratten are co-authors of four best-selling business books, co-owners of UnMarketing Inc and co-hosts of not only The UnPodcast, but five children, two dogs and two cats. The website, the show and the books all represent their thoughts on the changing world of business through their experiences of entrepreneurship, two degrees (Alison), not lasting long as an employee (both) and screaming at audiences around the world (Scott, Alison is more polite).

They were put on this earth to remind the world that not all Canadians are passively polite. Businesses like PepsiCo, Saks Fifth Avenue, IBM, Cirque du Soleil, Microsoft and others have been brave enough to want their advice, to the point that Scott has been named one of the Top Five Social Media Influencers in the world by Forbes.com. They now spend their time keynoting around the world and realize they rank 10th and 11th in order of importance in their home. Oh, and they met on Twitter. How's that for ROI?

5 WAYS TO AVOID BURNOUT

BY MELISSA AMBROSINI

This year has been big for so many people, with massive shifts and loads of uncertainty … No wonder lots of people are feeling wobbly and a tad burnout!

That was me too, for a little while there. In the past, I would have let those feelings derail me and burn me out completely, but I now know better and I have the tools to avoid it and I want to share them with you today.

So here goes …

Five of the best ways to avoid burnout.

1. BOOK YOURSELF IN FOR A GETAWAY OR A RETREAT EVERY QUARTER.

If you follow me on Instagram or Facebook, you will know that I recently got back from two nights at Gaia Retreat and feel like a completely different person. It was truly magical! My body, mind and soul feel completely rejuvenated and replenished. We ate all organic food straight from their garden, did yoga, Pilates, qi-gong, soaked up the stunning rolling mountains, spent loads of time outdoors in nature, got organic facials and massages, and laughed until our bellies hurt. It was exactly what I needed, true soul medicine. I can't recommend it enough and I will 100% be going back very soon. Book yourself in for quarterly getaways or a retreat and soak it up. You deserve it and you are worthy of it.

2. MEDITATE. ANOTHER GREAT WAY TO AVOID BURNOUT IS WITH A DAILY MEDITATION PRACTICE.

There's so much science out there now on the benefits of meditation, it's awesome. Meditation can help you with the following…

- Gaining a new perspective on stressful situations
- Building skills to manage your stress
- Increasing self-awareness
- Focusing on the present
- Reducing negative emotions
- Increasing imagination and creativity
- Increasing patience and tolerance
- Plus so much more!

If you don't have a daily meditation practice, now is the time to start. Begin with one of my guided meditations and see how you feel. Start with doing it once in the morning and again before bed and feel the shift through your entire being.

3. DO YOGA, DANCING OR ANY FORM OF MOVEMENT EVERY SINGLE DAY.

Movement is hugely beneficial for your mind, body and soul. It's also a powerful depression fighter. Most importantly though, it promotes all kinds of changes in the brain, including neural growth, reduced inflammation and new activity patterns that promote feelings of calm and well-being. It also releases endorphins, powerful chemicals in your brain that energize your spirits and make you feel good. It can also serve to help break you out of the cycle of negative thoughts that feed depression. Find something you like and do it daily, even if it's just 15 minutes. Try yoga, Pilates, dancing, body weight exercises, qi-gong, walking, swimming, whatever you like. There are so many free exercise/movement videos online, so check them out if you want to find some cool new ideas and routines. I love using the app Down Dog each morning for a 15-minute yoga flow.

4. SPEND TIME IN NATURE EVERY DAY.

Spending time in nature can help relieve stress and anxiety, improve your mood, and boost feelings of happiness and wellbeing. Whatever you want to call it—forest bathing, ecotherapy, mindfulness in nature, green time or the wilderness cure —humans evolved in the great outdoors, and your brain benefits from a journey back to nature. For me, I'm at the beach or walking outdoors every day. Even in the middle of winter, I make sure I get outside. Kick your shoes off and feel the grass or sand under your toes and take in some deep belly breaths. For extra mind, body and soul nourishment, take your meditation or movement outside and soak up as much of those negative ions as possible.

5. GET INTO BED AT 9PM AND GET 8 HOURS OF DEEP SLEEP.

There are so many benefits of getting good quality sleep—including boosting your mood and avoiding burn out, being more focused and 'sharp', having a healthier heart, steadying your blood sugar (so that you're not always reaching for a sugar hit), boosting your immune system and balancing your weight… and that's just for starters! If you read my books and listen to my podcast, you will know that I LOVE my sleep and I'm in bed by 8pm each night (sometimes even 7:30pm), I LOVE it! I make sleep a priority. I get into bed, read, connect with my husband and take that time to wind down. If I have a few late nights I really feel it — I want sugar, I'm cranky, I get irritable and start to feel run down and burnt out. Make sleep your priority to avoid burnout.

There you have it, my to five ways to avoid burnout. +

Named a "Self-Help Guru" by Elle Magazine, Melissa Ambrosini is the best-selling author of Comparisonitis, Mastering Your Mean Girl, Open Wide, Comparisonitis and the Audible Original PurposeFULL as well as the winner of 'The Best eBooks Of All Time' as voted by Book Depository.

Melissa is the host of #1 rated podcast The Melissa Ambrosini Show, where she shares her wisdom and interviews with the biggest thought leaders and experts in the world to help her audience unlock their full potential and live their dream life.

When Melissa isn't writing books and recording her podcast she is speaking on stages, teaching and creating online programs, meditations and life changing live events.

With a deep commitment to empowering others to become the best version of themselves, Melissa believes that awakening is possible for everyone. She strives to inspire others to reclaim their power, step into their truth, live with intention, and move in the direction of their dreams.

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IS EVERYONE **COACHABLE?** IS EVERY SKILL **COACHABLE?**

BY SHAWN HUNTER

Given today's evolving workplace, those who want to improve will have a slight edge. No questions asked. This is not only because they want to get better at their jobs, but also because they care about the impact they can cause. This is why they can be coachable to facilitate their growth, their communication, and their professionalism.

Coaching is great but not everything can be coached. At the end of the day, someone's personality can't be changed instantly after a coaching session. However, with consistent coaching, someone can learn to understand and adapt to improve their skills. This happens because the biggest area for coaching is the behavior. This is what people see, hear and observe.

Coaching is not a magic wand that can immediately transform a person. But coaching can change mindsets, perspectives and behaviors.

"WITH CONSISTENT COACHING, SOMEONE CAN LEARN TO UNDERSTAND AND ADAPT TO IMPROVE THEIR SKILLS."

It can facilitate the process of growth and change, helping people be better communicators, professionals and teammates. The question is, who is coachable? With the exception of those who don't want to do the work or show no signs of improvement or progress, mostly everyone can benefit from coaching. And the next question is, what is coachable? Well, not everything. Some parts of every person are harder to change than others. And as a coach, you need to understand where you can make a difference.

Let's say you're someone who values accountability and you work hard to complete projects and keep promises and stay on time. But there are others in your workgroup who don't follow through and this really bugs you. Well it makes you angry and it takes the fun out of working, and you may feel uncomfortable confronting others. You would like to do something to change the situation, so you decide to ask for a little coaching. Now, a skillful coach will not try to fix the situation for you, coaching managers know that the best results occur when people discover their own answers and their own solutions. A good coach will not try to change your values either. Values are deep-seated and unlikely to respond to change, even under stress. You can't be coached out of being an accountable person, but coaching can help you manage your emotions, better understand others, and adopt some new behaviors.

Think of yourself like a bullseye target with the center ring being your DNA, the values that you adopt early in life. And as you go out in the world you discover your style, your personality. We'll call that the middle ring of the bullseye. Your personality won't change that much, but it can be modified and adapted, and understood in ways that allow you to better interact and work with others.

Coaching can help increase the awareness of who you are and what works for you. And the biggest arena for coaching is your behavior. That's that outer ring. This is what people see, what people hear, what they observe. The interaction between the middle ring and the outer ring is often the key coaching opportunity. +

BY: SHAWN HUNTER

Shawn Hunter Founder & President of MindScaling Entrepreneur, author, idea developer. Shawn has collaborated with hundreds of business authors, executives, and researchers to create learning solutions. Shawn's first company, Targeted Learning, was acquired by Skillsoft in February 2007. He is the author of Out•Think and Small Acts of Leadership. Mindscaling.com and ShawnHunter.com

Property Insurance & The Rising Cost Of Building Materials

Recent findings from the National Association of Home Builders (NAHB) confirmed that construction costs have surged over the past year. This rise in construction costs is directly tied to soaring building material expenses—namely, the price of lumber. According to the NAHB, current lumber costs are up 340% from 2020. What's more, lumber prices have already risen by an additional 67% since the beginning of 2021.

There are several reasons for these higher expenses. Specifically, the COVID-19 pandemic and the presence of historically low interest rates have contributed to a rise in home purchases and renovation projects that has elevated the demand for building materials. This increase in demand has been met with supply shortages throughout the construction industry. In the midst of greater demand and lower supply, building material prices have subsequently soared.

Unfortunately, this surge in costs could pose coverage consequences for insureds across the country. After all, increased building material and construction prices could lead to higher property building insurance claim expenses, seeing as it would currently cost more to repair or rebuild a structure following a loss.

As a result, property owners could discover that their existing policy limits and coverage features no longer offer adequate protection, leaving them financially vulnerable in the event of a loss. Further, property owners' insurance carriers may increase policyholders' premium costs to account for the risk of elevated claim expenses.

In light of these ongoing cost concerns, it's important for property owners to respond accordingly. As such, consider taking the following measures:

- **Review your policy.** Be sure you fully understand your property insurance policy. Take note of whether you have replacement cost coverage (which can offer compensation for the cost of replacing or rebuilding your building as new) or actual cash value coverage (which can offer compensation for the depreciated value of your home). Ensure your policy provides a correct replacement cost or overall value for your building.
- **Consider coverage adjustments.** Consult a trusted insurance professional to help you determine whether you need to adjust your policy to have sufficient coverage in the event of a loss. This may entail changing your policy's valuation method, increasing your current limits, obtaining specialized coverage, or implementing a policy endorsement.
- **Communicate with your insurance carrier.** Lastly, make sure to inform your insurance agent and your insurance carrier whenever you make renovations or implement other improvements in your building. +

WORKERS' COMP INSIGHTS:

THE IMPACT OF COMORBIDITIES ON WORKERS' COMPENSATION PROGRAMS

There are numerous factors that can contribute to higher workers' compensation expenses for an organization. One emerging cost driver is the concern of comorbidities.

A comorbidity occurs when an individual experiences multiple health conditions at the same time. The presence of comorbidities within your workforce can carry significant consequences—namely, elevating the severity of workplace injuries and lengthening employees' recovery time following an injury. These ramifications can, in turn, lead to an increase in both the overall cost and complexity of workers' compensation claims.

Review the following guidance to learn more about how comorbidities can impact your workers' compensation program as well as what you can do to mitigate this concern.

COMORBIDITIES EXPLAINED

Put simply, comorbidities are health conditions that an individual experiences simultaneously.

Comorbid conditions are typically long-term, underlying health complications that have the potential to increase the severity of other injuries or illnesses that the affected individual may experience. These conditions can also make it more difficult to diagnose workplace injuries and place additional roadblocks in an injured employee's recovery process.

Common comorbid conditions include:

- Obesity
- Diabetes
- Hypertension
- Depression and anxiety
- Alcohol and drug abuse

According to a study conducted by the National Council on Compensation Insurance, workers' compensation claims involving comorbidities have nearly tripled since 2000. Further, the average cost of workers' compensation claims connected to a comorbid condition totals almost twice as much as that of comparable claims that don't involve comorbidities.

This increase in workers' compensation costs is likely tied to the often complex, long-term nature of claims that involve comorbidities. Individuals who have comorbid conditions typically take longer to heal from an injury, are more prone to develop additional complications due to an injury, and are even at an increased risk of being left permanently disabled by an injury.

For example, an employee who already has diabetes would be more likely to suffer an infection or even require an amputation procedure following an injury to one of their legs on the job. While diabetes wouldn't be listed as the cause of the employee's injury, the presence of this comorbid condition could certainly worsen its impact.

It's also important to note that an employee's workplace injury can lead to the development of a comorbid condition during their recovery process, increasing their risk of experiencing more severe, long-lasting (and costly) complications in the future.

For instance, if an otherwise healthy employee were to experience that same leg injury, they might become addicted to the pain medication they are prescribed during the recovery process, instigating a substance abuse problem. If that employee were to then become injured once again at work and require medication to heal, their history of addiction could make it more difficult for them to properly recover without experiencing further substance abuse issues.

HOW TO MITIGATE COMORBIDITIES

In order to help minimize the concern of comorbidities within your workforce and keep workers' compensation costs under control, consider implementing the following:

- **Wellness initiatives**—These initiatives can encourage your staff to prioritize their health and reduce their likelihood of developing comorbid conditions. Potential initiatives might include:
    - Having an on-site fitness center or providing discounted memberships for off-site fitness centers
    - Offering healthy snacks and lunches in the break room or cafeteria
    - Administering on-site wellness activities, such as health education courses or yoga classes
    - Using an employee assistance program
    - Conducting annual, on-site health assessments or screenings
- **An effective return-to-work program**—In addition to developing various wellness initiatives, it's also important to ensure your organization utilizes an effective return-to-work program for injured employees. Such a program can help support injured staff throughout their recovery, reducing their risk of developing comorbid conditions during the healing process. Specifically, be sure to collaborate with returning employees to create a personalized plan that prioritizes their safety and establishes transition tasks that support their specific needs. After all, even employers with solid return-to-work programs can be tested by cases involving comorbidities. In these situations, it's especially critical for your organization to be flexible and creative in finding ways to properly accommodate returning employees—whether that entails changes to the work environment or modified job tasks.

WE'RE HERE TO HELP

Overall, the issue of comorbidities in your workforce is a growing concern, with the potential to have a costly impact on your workers' compensation program. That's why it's crucial to take comorbidities seriously and do what you can to prioritize your employees' health, thus minimizing your organizational risks.

Fortunately, you don't have to navigate this issue alone—we're here to help. Contact Spectrum Insurance Group today for additional workers' compensation guidance and resources. +

5 Strategies For Reducing Health Benefits Costs In 2022

For the past two decades, health costs have increased each year. This happens for a variety of reasons, such as inflation or, say, a global pandemic. With that in mind, employers can bank on prices going up in 2022.

According to a PricewaterhouseCoopers (PwC) report, medical costs are projected to increase 6.5% in 2022. This is about average for the past decade; although, it is slightly lower than the 7% increase projected this year (as more spending goes toward the COVID-19 pandemic).

Yet, 6.5% is still a considerable increase, especially when so many budgets have been reallocated or slashed due to the pandemic. That's why employers must think both strategically and creatively about how they can lower their health benefits expenses in 2022.

This article includes five ways to help reduce spending without compromising benefits quality.

"EMPLOYERS CAN EDUCATE EMPLOYEES ON THE PRICE DIFFERENCES BETWEEN NAME-BRAND AND GENERIC MEDICATIONS."

1. CONTROL DRUG SPENDING

Drug prices are rising faster than any other medical service or commodity. Prices are now 33% higher than they were in 2014, according to GoodRx. This is a significant problem during inpatient procedures, where individuals aren't usually given an option to select a generic medication. Patients rarely know what drugs they're given until after the fact. Even in routine prescription scenarios, employees may be prescribed name-brand medications simply due to physician preference.

Employers can educate employees on the price differences between name-brand and generic medications. Doing so can help employees understand that they can save money while still receiving the same quality treatment.

Additionally, employers may consider introducing varying levels of prescription drug coverage. For instance, fully covering generic prescriptions or drugs used for chronic conditions. For higher levels (e.g., specialty drugs), employers may cover less of the costs. Ultimately, employers will need to determine the appropriate coverage levels for their unique workplaces.

2. ENCOURAGE ACTIVE BENEFITS PARTICIPATION

Beyond drug spending, employers can help limit overall health costs by making employees active participants in their health care. This means encouraging employees to improve their health literacy and research treatments and to price shop.

Price shopping, in particular, should be easier in 2022, given the new hospital price transparency rule that takes effect January 1, 2022. Employees will now be able to see specific prices for procedures and other services. This incentivizes employees to educate themselves before making costly health decisions.

3. OFFER SAVINGS ACCOUNTS WITH CARRYOVERS

Health plans with savings components are becoming more popular each year. That's because these tax-advantaged savings accounts empower employees to control their own spending and improve their health literacy. The accounts include health savings accounts (HSAs), flexible spending accounts (FSAs), and others.

Many accounts allow for fund carryover year to year or allow employers to add that option onto their plan designs. Allowing carryover encourages employees to contribute more funds since they're no longer in a "use it or lose it" situation. Since many employers match contributions up to a limit, more money added to these accounts means greater tax savings for everyone.

4. EMBRACE VIRTUAL HEALTH OPTIONS

One major takeaway from the COVID-19 pandemic has been that virtual solutions can offer high-quality outcomes. This is so true that many companies are allowing employees to work remotely permanently. Virtual health options are no exception to this trend.

There are countless telehealth services available these days. Individuals can connect with health professionals in just a few clicks—no waiting times or driving to a clinic. Additionally, individuals will not need to take large chunks of time off work, allowing for greater productivity. As such, telehealth solutions are often much less expensive than a typical in-person doctor visit. Even the Centers for Medicare & Medicaid Services (CMS) acknowledges the usefulness of telehealth services, seeking to expand access.

Employers can consider adding telehealth services into their plan designs. In some cases, it may be cost-efficient for employees to schedule a virtual health visit before an in-person appointment. In any case, having a telehealth option expands access to care and lowers expenses for everyone.

5. CONSIDER PLAN FUNDING ALTERNATIVES

A more drastic option for reducing health costs is restructuring how plans are funded. For instance, a self-funded plan may be more cost effective than paying a monthly premium for a fully insured plan. Other options include level-funding or reference-based pricing models, each of which carries its own set of administrative rules and legal constraints.

Funding decisions should not be taken lightly and should be based on several factors, such as the size of an organization, risk tolerance, and financial stability. Employee financial stability should also be considered, especially while the effects of the COVID-19 pandemic can still be felt. Employees may not be able to bear the burden of large premium increases, constraining some plan funding flexibility options.

Historically, employers have shifted costs onto their employees (usually through higher premiums) as a way to reduce spending. However, that trend is not expected to be widespread in 2022. Considering the tight labor market and how many individuals are struggling financially due to the pandemic, employers will likely be hesitant to shift too much of the burden. Doing so may cause employees to seek other jobs or simply forego preventive care, which can lead to chronic conditions and higher future health care costs.

CONCLUSION

Employers have a variety of ways in which they can help contain health care expenses. Choosing the right method will depend on unique employee populations and budgets. Reach out today for help strategizing your best options. +

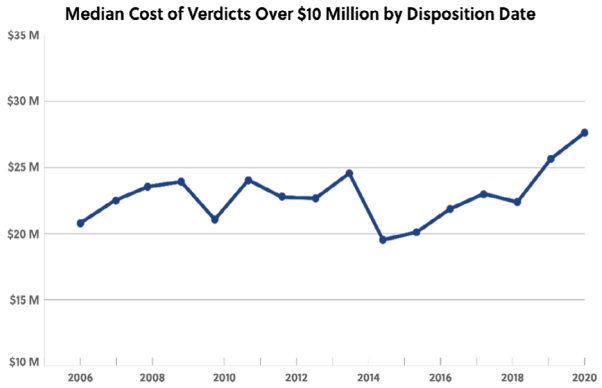
Median Cost Of Large Jury Awards Increased 35% In Five Years

From 2015 to 2020, the median cost of a jury award over $10 million increased from $20 million to $27 million, according to Advisen's loss database.

A jury award of more than $10 million is considered a "nuclear verdict" within the insurance industry. The rise in nuclear verdicts has many insurers worried about so-called "social inflation."

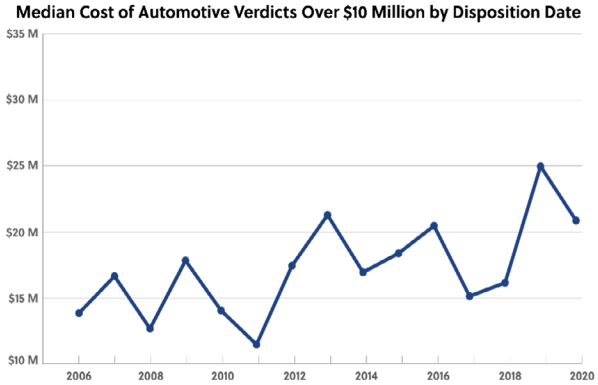
Social inflation is a term used to describe increased loss costs stemming from claims far more severe than what could be anticipated under the usual scope of economic inflation and claims trends. It is thought to be the result of litigation funding, an erosion of tort reform, negative public sentiment toward large businesses and corporations, and jury desensitization to large awards.

According to Advisen loss data, the median cost of awards over $10 million remained in the low- to mid-$20 million range from 2005–2018, before rising in 2019 and 2020.

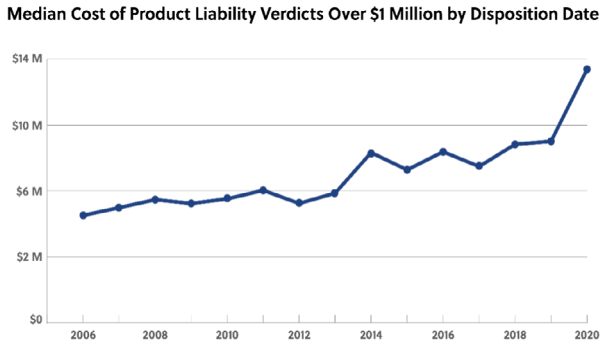


The increase seen in 2020 may be due to a data lag and will likely moderate as more cases are added.

Jury verdicts for commercial auto losses over $10 million showed a gradual increase from 2010 to 2013—with a low of $12 million and a high of $22 million—before rising dramatically in 2019, according to Advisen loss data. Nuclear verdicts are a primary concern for transportation companies and a factor in insurance rates. Preliminary data for 2021 shows a dramatic increase over the prior years, although this will likely moderate as more losses are added.



Product liability verdicts have also been increasing. Advisen data shows the median cost of product liability verdicts over $1 million rising steadily from 2006 to 2019, with a sharp jump in severity in 2020 to pass the nuclear verdict threshold.



The impact COVID-19 will have on social inflation is still unknown. Some experts believe negative sentiments expressed toward insurers over pandemic-related coverage could lead to increasingly severe verdicts. Others believe the job opportunities presented by large corporations will lessen the negative sentiment expressed toward them by juries in the aftermath of a COVID-19-related recession. It's important to note that not all jury verdicts are final. Some large verdicts are appealed and overturned; therefore, the loss severity of recent cases may be subject to change. +