

SPECTRUM INSURANCE

# RISK & BUSINESS

MAGAZINE

FALL 2023

## 6 Tips To Help You Practice Radical Candor

KIM SCOTT

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## WHY RC MOWERS PARTNERS WITH SPECTRUM INSURANCE

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INSURANCE GROUP



# RISK&BUSINESS

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**W**elcome to the fall 2023 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 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 year 2023 continues to be very difficult for most insurance companies. Most of the large losses continue to be in the property line. While we hoped 2023 would be better than a very difficult 2022, the opposite has occurred with weather losses topping those from 2022. Property markets will remain hard with no softening in the foreseeable future. Property rates are expected to increase between 10%–25% from a pure rate standpoint. We are also starting to see most insurance companies implement a percentage wind/hail deductible between 1%–3% in Wisconsin. Please keep in mind that if your property policy has a W/H deductible, the percentage applies to each building value at the time of the loss. It's not a single deductible per occurrence. Workers' compensation rates continue to be the bright spot for buyers as rates are going down an average of 8% starting October 1, 2023.

Now more than ever, you need an insurance professional who understands your business, helps you plan for unique risks, has access to many insurance companies, and advocates on your behalf. All of this can be achieved by working with an independent insurance agent who can tell your story to insurance carriers in a way that will best position your business come renewal time. No matter what happens in 2023 and 2024, 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! +

Darrel Zaleski, Owner  
[SPECTRUMINSURANCEGROUP.COM](http://SPECTRUMINSURANCEGROUP.COM)

# Insurance Premiums For Workers' Compensation Continue To Decline

## INSURANCE RATES COVERING ON-THE-JOB INJURIES DROP FOR EIGHTH YEAR IN A ROW

**W**isconsin companies will pay on average 8.4% less in workers' compensation insurance rates starting October 1, 2023, benefiting businesses around the state, the Wisconsin Department of Workforce Development reported.

The latest reduction in premiums is expected to save Wisconsin employers some \$148 million on policies starting on or after October 1, 2023.

The lower rates reflect Wisconsin employers' attention to workplace safety for the benefit of workers and employers alike. Moreover, it's a way for Wisconsin companies to stand out as they seek to attract and retain staff during a time of near-record-low unemployment. The 2023 rate decrease, approved by the Wisconsin Office of the Commissioner of Insurance, marks the eighth year in a row workers' compensation insurance premiums have declined in Wisconsin. The actual rates that inform premium amounts vary by employer based on factors such as injury risk exposure.

The workers' compensation program covers medical expenses and lost wages for employees injured on the job. The independent nonprofit Workers' Compensation Research Institute ranks Wisconsin tied with Iowa as the lowest of 18 states studied for the time employees spend away from work after an injury thanks to strong health care networks and return-to-work programs that support a smooth transition back to the workplace.

"A work atmosphere built around worker well-being is the result of partnerships among employers, workers, and training providers," said DWD Secretary-designee Amy Pechacek. "Wisconsin is committed to a workplace that is fair, just, and above all, safe. This approach benefits workers, their families, and communities while supporting the competitiveness of employers statewide."

Workers' compensation insurance rates are adjusted annually by a committee of actuaries from members of the Wisconsin Compensation Rating Bureau. This independent body examines and selects the methodology and trends that produce the

proposed rate adjustment, which is then reviewed and approved by the Wisconsin Commissioner of Insurance. While the overall rate level will decrease by 8.4%, the impact to policyholders will vary based on specific circumstances.

"The continued decreases in workers' compensation rates reflect the workplace safety practices that support a strong workforce in our state," said Insurance Commissioner Nathan Houdek. "Employers doing business in Wisconsin can count on our competitive insurance marketplace for affordable, high-quality coverage for their business and employees."

DWD's Workers' Compensation (WC) Division administers the state's WC program through a collaboration with WCRB, OCI, the Self-Insurers Council, and the Workers' Compensation Advisory Council, which is composed of representatives from management and labor and recommends WC law changes. Most employers in Wisconsin are legally required to have Worker's Compensation insurance policies. +



2023

# Commercial Property Insurance Midyear Market Outlook



**T**he last several years have seen the commercial property insurance market progressively harden, evidenced by ongoing rate increases over the past 22 consecutive quarters. Such rate hikes showed some signs of stagnation throughout 2022 by largely remaining within single digits, according to insurance experts. However, this moderation didn't last in 2023, as rates surged by an average of 20.4% in the first quarter of the year. Industry data reported that this jump represented the first time the segment has recorded overall rate increases above 20% in more than two decades. Further, current market trends have left some insureds with above-average rate increases and lower capacity, particularly those exposed to catastrophe (CAT) perils (e.g., hurricanes and wildfires). Looking ahead, policyholders who conduct high-risk operations, have poor loss control practices, or are located in natural disaster-prone areas will likely remain increasingly vulnerable to persistent rate hikes and coverage limitations

## DEVELOPMENTS AND TRENDS TO WATCH

**Natural disasters**—Natural disasters often cause severe losses for affected establishments, and the rising frequency

and severity of these catastrophes have continued to pose concerns in the commercial property insurance market. According to industry research, natural disasters cost the global economy an estimated \$77 billion in the first quarter of the year, with about one-third (\$22 billion) of those expenses covered by insurers. Such costs are only expected to persist—or even worsen—throughout 2023 as hurricane season approaches and wildfires spread across the Western United States. In particular, the National Oceanic and Atmospheric Administration predicts that 12–17 total named storms will take place amid this year's Atlantic hurricane season, which runs from June 1 through November 30. Among these storms, as many as nine could become hurricanes (winds of 74 mph or higher), while up to four could reach major strength (winds of 111 mph or higher).

Additionally, the National Interagency Fire Center reported that nearly 20,000 wildfires have already taken place so far this year, burning more than half a million (620,986) acres along the West Coast. Although this total falls below the 10-year average, the potential for yet another intense wildfire season in the months ahead remains. Many climate experts anticipate that natural disaster trends will

proceed to exacerbate related property losses in the coming years.

**Reinsurance capacity concerns**—The latest natural disaster and inflation trends have proven particularly difficult for the commercial property reinsurance space to navigate over the last few years, contributing to widespread capacity challenges. Making matters worse, Hurricane Ian wreaked havoc on the segment in the final months of 2022, causing substantial losses and making it even more challenging for reinsurers to maintain their coverage offerings, specifically as it pertains to CAT exposures. Consequently, some reinsurers have begun limiting their capacity for these exposures or eliminating capacity altogether, all while rates continue to surge. According to industry data, January 1 reinsurance treaty renewals delivered some of the hardest market conditions in decades, with capacity shrinking by more than half across most layers and rate increases ranging between 40% and 100% for most policyholders, depending on their CAT exposures. Six months later, June 1 renewals reflected similar trends, with capacity tightening even further and rate hikes falling between 25% and 40%, thus demonstrating ongoing risk aversion within the reinsurance space. +

# Why RC Mowers Partners With Spectrum Insurance

BY: MICHAEL BRANDT  
CEO, RC MOWERS



It has been a long time since anyone made a change to the world of mowing. For years, mowing companies have been sending crews of multiple mowers out to schools, parks, community areas, and other large grassy areas. We knew things could be safer, more efficient, and more cost-effective, so we built our own solution. In 2018, we started RC Mowers to solve the biggest challenges in the mowing business.

Our autonomous mowers—yes, you heard that right, autonomous—are designed to address landscaping perimeters of any shape, size, or terrain. When we were just starting out, our focus was on remote-control mowers for hazardous areas. We

designed these for any areas that you normally wouldn't send a mower, such as steep slopes, muddy areas, fields with tough terrain, retention ponds, and difficult-to-reach areas. As we expanded, we began developing a fully autonomous (self-driving) mower that could do the work of multiple people to solve the labor shortage problem for large landscaping contractors. It has built-in obstacle safeguards and is easily programmed to service unique spaces and landscapes. We are passionate about delivering hassle-free business solutions to our customers, including reducing labor needs, improving mowing services profitability, and enhancing employee safety.

However, there was a critical component of our business that was the opposite of hassle free: insurance. When we first started out, no major insurance companies wanted to work with us. They didn't fully understand our technology, weren't sure how to insure autonomous mowers, and weren't interested in spending the time to help our startup navigate difficult terrain. As an entrepreneur and CEO, I never imagined this aspect of doing business would create such a roadblock for my venture.

When I got in touch with Mike Tiedt at Spectrum Insurance Group, he didn't know much about insuring an autonomous mower manufacturer, but he



was the first person willing to figure it out. His can-do spirit and resourcefulness seamlessly matched our Midwest values of hard work and collaboration, and I felt confident in a partnership with Spectrum Insurance Group immediately.

Although I was impressed by Mike's approach to doing business, the results he delivered spoke for themselves when it was time to seal the deal. Mike sat down with me to understand our needs in depth. Not only did RC Mowers need business insurance but it also needed benefit insurance, workers' compensation insurance, liability insurance, and other types of coverage. To be honest, I didn't even really know what we needed. I was looking for someone with a better vantage point to provide guidance, and that's exactly what Mike delivered.

Once he had a handle on our one-of-a-kind approach and innovative business model, Mike got to work. He was able to get me in touch with some of the most well-respected insurance companies on the market. Mike was able to convince some of the same providers that weren't willing to sit down with me earlier to come to the table and have a discussion. He was a liaison that advocated for my business needs while also helping the insurance companies understand our company and our products.

At the end of those discussions, we had better coverage than I could have ever expected. From that moment on, I knew Mike was going to do whatever he could to

help protect the business I had worked so hard to build. He has been our Spectrum Insurance agent ever since.

Working with Mike is more than easy; it's truly enjoyable. When I reach out with a question—which, there are a lot of questions when you're leading a “revolution”—he and his team at Spectrum are quick to respond, dedicated to finding the right answers, and helping us build a path forward. That level of service is hard to come by these days, but with Spectrum, it's the standard.

Within the last two years, we had someone slip and fall in an icy parking lot. We're no strangers to cold, icy, Green Bay winters, but I truthfully didn't know how to respond from an insurance angle. I didn't know if I should work with workers' compensation insurance or something else, but after one phone call with Mike, I had a confident plan of action. Being able to rely on my insurance provider as somewhat of a business advisor in pertinent situations is something I'll never take for granted. Many of my peers in the industry don't have the same dynamic with their insurance agents, and I regularly recommend Mike at Spectrum Insurance.

As a whole, Spectrum is a large-enough insurance group to provide multiple types of insurance that businesses need to operate safely. Whether you're working in a labor-intensive industry like mowing or have your own accounting firm, securing the right insurance shouldn't be an afterthought. Working with a variety of

different businesses and business models is just a normal Tuesday for Spectrum. They've mastered specialized and sometimes hazardous sectors like robotics, autonomous machinery, and industrial, yet they are still small enough to provide personalized service.

At RC Mowers, we pride ourselves on doing business differently. We've created a whole new “ecosystem” of service, aka, our way of seeing and doing business. Our approach to mower design and manufacturing is revolutionizing the entire industry. Sometimes I think we found Spectrum because of our shared values. We both conduct ourselves differently than other companies that surround us, and that's what makes us successful. I can't imagine a day where we don't work with Mike and the greater Spectrum team; they've been with us since the very start.

If you've ever wanted to take a chance on a new business venture or simply expand your current offerings, I can't recommend highly enough that you partner with an insurance agent you wholeheartedly trust. I'm not sure RC Mowers would be where we are today if we didn't have Mike in our corner, helping us break down barriers and open minds. Thank you, Mike Tiedt and Spectrum Insurance for being invested in the success of RC Mowers. +







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# The 4 “Musts” FOR A STRONG UNIQUE SELLING PROPOSITION (USP)

BY ROBIN ROBINS





It is important to stand out among competitors and give people a reason to buy from you. At Technology Marketing Toolkit, we teach 10 different ways to differentiate your business. You could do any combination of them, but you don't need all 10; however, you do need a way of differentiating yourself when you're developing your unique selling proposition. Here are my 4 "musts" for a strong USP to beat out your competitors and close more deals.

#### THE 4 "MUSTS" FOR A STRONG USP

1. **BE UNIQUE TO YOU**
2. **HAVE MEANINGFUL SPECIFICS**
3. **MUST HAVE A STRONG APPEAL TO YOUR TARGET MARKET**
4. **BE DEFENSIBLE BEFORE THEY BUY**

You don't want to be different just to be different. That doesn't make any sense, and you need to be able to protect your USP. Let me share a story with you.

#### HOW HAVING A GREAT USP BUILT A FAMOUS BRAND

Here is a story about a business that has the best USP that I have ever heard in my life. To this day, the company is still around, so they know something about building a USP. When the company started (an orphan actually started it), he decided he needed to make his way in life. He didn't have family money and needed a way to put himself through college. So, he starts this little business on the edge of the college campus, knocks on the door, and says, "Hey, would you sell me your business?" One owner was happy to dump it on him. There was no money down; he just took over the business. He slept on cots in the back office, used the shower on campus, and started running this business to put himself through college because, again, he was an orphan. He didn't have family money. He didn't have scholarships, and this was his only plan. He recruits a buddy of his, and off they go.

Then, within a few months, he suddenly realizes why the owner was happy to dump

it on him. No money down. It was because the business was failing miserably. He was losing money. Bleeding money. His partner in crime, this other student that was going to swap out classes with him and help him run the business, decides, "You know what? It's not for me. I'm out." He leaves, and our hero then has to drop out of college to run the business full-time because the debts are piling up. It's his name on the business and he has to figure it out. One day he came up with a unique selling proposition, and what's really cool about this unique selling proposition is it hits on all four of these points.

This USP was completely and radically unique. For its time, nobody had ever thought about it. Nobody had ever done it in his business category, and he quickly dominated his area by using this unique selling proposition. He dominated his city, and pretty soon, he became a national brand; and at one point in time, even probably still today, you could stop people at random on the street and ask them to name the business in this category, and almost 90% of them would name his company as the brand. That's how well he developed his unique selling proposition and grew his business.

I guarantee you know or you've heard of this company. The unique selling proposition was this: fresh hot pizza delivered in 30 minutes or less guaranteed or it's free – Domino's Pizza. Based on that unique selling proposition, Tom Monahan built a business empire. His USP was unique to him because there was no other pizza place that was offering that. What is funny, after a while, they had to stop doing it because their competition eventually caught up to it. This happens with all really good unique selling propositions, but it was unique to him, had meaningful specifics, was appealing to his target audience, and was very defensible. It was defensible before you bought because the guarantee was there before you bought, and it strongly appealed to his target market. After all, at the time when he started growing his business, he built all



his pizza joints at the edge of college campuses because his target market was university students.

#### **KNOW WHAT YOUR TARGET AUDIENCE WANTS AND DELIVER ON IT**

His target audience is college students; they smoke funny stuff, get hungry for carbs, and are incapable of going out and getting any. They want someone who's going to get carbohydrates to them fast. They don't care about organic. They don't care about the special family recipe handed down from generation to generation that is under glass in a hidden drawer somewhere. They don't care about thin crust. They want the pizza, and then they eat the box it came in. They want carbohydrates. So that's an example of a really, really strong, unique selling proposition. And guys, you have the advantage of designing it. Now, the way you're going to have to design it is you've got to define your target market. You've got to define your target market and target quality customers; then, you have to define what it is that you need to deliver on that would make them want to do business with you. +



## **SO HOW DOES ONE BE UNIQUE FOR A STRONG USP?**

- **Market Research**
- **Emotional Connection**
- **Focus On A Specific Niche**



*Robin Robins is the IT industry's most in-demand marketing consultant, sales trainer, and direct response marketing consultant who specializes in developing strategic marketing, sales and lead generation systems for MSPs, VARs and IT services companies.*

*MSPSuccess.com*

*Watch Robin's Video Here*



# A Wake Up Call For **ENTREPRENEURS AND SMALL BUSINESS OWNERS -**

**Become Unstoppable**

BY MIKE MICHALOWICZ



I've always seen it as a necessity to grow as a leader. Why wouldn't I? No one is the same from one year to the next – neither is the economy.

Translation: You can't meet your client's needs if you don't grow with the changes in the evolving market that they are dealing with.

### A WAKE UP CALL TO SMALL BUSINESS LEADERS

I used to follow the old blueprint for managing my team. Well, if I had a blueprint. Let's face it, most entrepreneurs start alone and then slowly build a team of employees afterward. So I didn't exactly have a blueprint. What I did know about employee management was what I learned from my first job in a corporate atmosphere, and I'll be blunt: It was Hell.

Traditional leadership includes leading with fear, intimidation, and/or stoicism. The result? Lots of insecure – and therefore ineffective employees. Employees who are, for all accounts, running your business. Your team is the face of the business, they produce your offering, and they communicate with your clients and customers. They are the foundation of your business. I know, shocker, your business doesn't revolve around you. It revolves around the people working to drive your revenue and are working toward your mission and goals.

It's never been harder building successful teams. With challenges of work-from-anywhere, flex schedules, and generational

divides, business leaders bend over backward searching for solutions that work. From food perks and ping pong tables to endless team-building exercises and training – nothing sticks.

I think small business owners focus on the wrong things when it comes to their employees. So much so that I wrote a book about it. We've made some major upgrades in my business, and I want to share them with you as a resource that you can implement – and get the success I have seen come from it.

To start, I want to introduce you to the FASO model. I know, another acronym. Remember the DAD method? Someday I'll figure out an UNCLE method. But I digress. The FASO model is what I want you to apply to your business so you can build the unstoppable team that I found I now have.

- Recruit in the right way the right talent
- Transform struggling employees into superstars
- Match individual abilities to client and company needs
- Promote a culture of caring where employees and leadership are equally invested

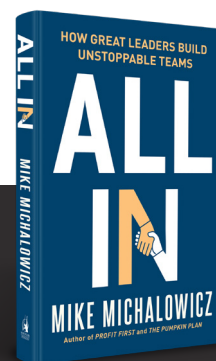
You want a thriving workforce that shines and sticks around. One that takes full responsibility for their work and outcomes. I'm building a community of employees who love our organization and are

invested in its growth through the FASO model.

- **Fit** – Adapt roles. Don't look for a person who can do it all. Look for the person who can do best at what you need most.
- **Ability** – Unleash potential. People who want to do a job always outperform people who need to do a job. Seek the want. The desire. The thirst.
- **Safety** – Cultivate security. People do their best when they're not worried about the rest. Protect your team and set up conditions in which they feel safe, enabling them to lean into contribution.
- **Ownership** – Empower ownership. When team members are designated ownership over aspects of their job, the natural tendency is for them to put everything they have into it.

Build a world-class team. One that you love to work with. One that your customers and clients love to work with. (And let's face it, one that your accounts love too). +

Coming In  
January



*Mike Michalowicz\* is the entrepreneur behind three multimillion dollar companies and is the author of Profit First. He is globally recognized as the guy who “challenges out dated business beliefs” and teaches us what to do about it.*

*To learn more about Mike and get access to a treasure trove of entrepreneurial tips, visit [MikeMichalowicz.com](http://MikeMichalowicz.com).*

# Think of Conversation As Travel

BY SHAWN HUNTER

**"JUST LIKE ACTUAL TRAVEL, A DEEP CONVERSATION IS ALSO AN ADVENTURE, AN OPENING TO NEW IDEAS AND OTHER WAYS OF SEEING THE WORLD."**

**W**ithin every individual, there is an entire world within them, a universe of experiences, knowledge, joy and adversity. Think of conversation as travel, as an exploration. And just like actual travel, a deep conversation is also an adventure, an opening to new ideas and other ways of seeing the world.

## START TALKING WITH STRANGERS

I haven't always talked to strangers, but I try more often now. At our local grocery store, the kind person bagging groceries always asks the same series of questions. "How heavy would you like your bags?" "Would you like your milk in a bag?" "Would you like your cleaning products in the same bag with your produce?" "Would you like your ice cream in a separate bag?"

I understand they are being polite. I usually tell them, "You can decide. You're an expert. You have much more experience. I trust you." Then I can go back to asking the clerk about her tattoo. That's another level of interaction. Try asking a complete stranger about their tattoo. A few years ago, I never would have done this. Are you kidding? For many people a tattoo is a sacred icon, a



cherished memory, a badge of identity. I wouldn't dare.

I was wrong to assume people don't want to talk about their tattoos. A tattoo is a powerful and permanent reminder of an event or expression of identity. In my experience, people light up with enthusiasm if I ask. It's their daughter's birthday, their life motto, their favorite quote, an ancient symbol. Tattoos reflect powerful emotions and life choices. I've never yet met anyone unwilling to tell me the story of their tattoo.

There's an expression in social psychology called the *Lesser Minds Problem*, which is short-hand for the common, impatient and reflexive assumption we make about unknown people. Namely that strangers:

1. Have less world experience than we do ("They're so foolish!")
2. Make decisions that are less informed because of their lack of experience ("They don't know what they're doing!")
3. Have a less nuanced and unrefined understanding of the world because of their lack of experience ("They don't understand how the world works! Idiots!").

If I have a headache and it is painfully debilitating, and then you tell me you have a headache, I may likely think, "Sure but it's nothing like *this* headache!" Our own subjective pain is usually more painful than someone else's. Which is why almost everyone buys "extra strength" pain medication. We believe our experiences are deeper, more meaningful, more enlightening, than other's experiences.

In a research paper called *More Human Than You*, Nick Haslam and his colleagues show that we ascribe more human characteristics to ourselves than strangers. When asked to evaluate how *curious*, *sympathetic* or *imaginative* a stranger was compared to themselves, participants consistently described themselves as possessing more of these human nature traits. People tend to see themselves as more dimensional, and more mentally complex, than the strangers we encounter in the world.

The obvious secret to finding the humanity in others is to talk to strangers so they're not so strange any longer. When you interact with people, their humanity becomes undeniable.

With over 60% of younger people (18-25 years old) now experiencing moderate to severe loneliness, we need to recognize that connecting with other humans is an essential human need, like breathing, exercising and thinking. In Joe Keohane's new book *The Power of Strangers: The Benefits of Connecting in a Suspicious World*, he offers ideas on how to break the silence, connect with others, and enrich understanding.

Start by finding safe places to start a conversation with a stranger. The "cosmopolitan canopy" is an expression coined by sociologist Elijah Anderson at Yale University to mean safe public and semi-public places where starting a conversation isn't considered weird or too out of place. Coffee shops, libraries, grocery stores, public squares and markets are all environments where initiating a

conversation isn't too odd or off-putting.

Shared experiences are also good environments. If you're both watching a baseball team winning, or your local high school team losing, you have a shared point of departure.

Answer greetings honestly. A few years ago, my mom died of cancer. Within an hour of hearing the news I went for a walk by myself. A neighbor walked by and asked, "Hi, how are you?" I hesitated and then told her the truth. My mom had just died. My neighbor gave me a hug and we spoke about the fragility of life. It's the most meaningful brief interaction we have ever had, and yet to this day we always share a kind moment when we see each other in the community. And I believe that kindness can be traced back to that one moment of human honesty.

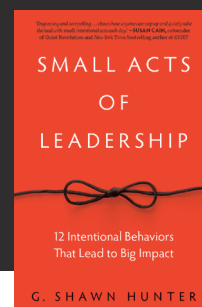
Perhaps one of the most accessible tips Keohane gives is to break the script. Our script is the pro forma things we say every day to talk, and yet not talk. We say Hello, how are you? as a throwaway comment to fill dead air. We don't actually intend someone to answer. Try breaking the script and actually answering the question truthfully. "*Oh, I'm alright. I didn't sleep too well but I had a fun yoga class. I'd say I'm about a 6 or 7 right now.*"

When you answer truthfully, it's a cue to the other person that this could be interesting. This could go somewhere. It's playful, audacious, and an invitation to deepen the conversation. Take a chance. Open a conversation with someone new. +



Entrepreneur, author, idea developer. Shawn Hunter 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](http://MindScaling.com) and [ShawnHunter.com](http://ShawnHunter.com)



A HIP Approach to Feedback:

# 6 TIPS TO HELP YOU PRACTICE RADICAL CANDOR

BY KIM SCOTT





**W**e're all about helping people become more Radically Candid with their feedback. By feedback, we mean praise and criticism. Being Radically Candid means:

1. Being more specific and sincere with praise
2. Being more kind and clear with criticism

This will improve your relationships at work AND help you achieve a better business result. But it's easy for us to give this advice and hard for you to do it.

Here's a way to think about how to be more kind and clear with criticism and more specific and sincere with praise. Radical Candor is HIP:

- **HUMBLE**
- **HELPFUL**
- **IMMEDIATE**
- **IN PERSON**
- **PRIVATE CRITICISM / PUBLIC PRAISE**
- **NOT ABOUT PERSONALITY**

Below is a brief explanation of what these elements mean.

**BUT, A NOTE OF CAUTION:** Whatever you do, don't sit there saying nothing trying to remember what "I" stands for. For the vast majority of people, the important thing is to just say it!

### BE HUMBLE

You can't Care Personally or Challenge Directly if you're not humble. First, it's hard to care at a personal level about somebody if you think you're superior. And you can't Challenge Directly and be open to the reciprocal challenge if you're not humble enough to realize you may be wrong. By humble we don't mean you have to grovel or pretend to be worse than you are. We just mean that you need to have the possibility top of mind that whatever you're saying may be wrong. Don't be arrogant. Be curious. Deliver your feedback firmly and with supporting rationale but be open to push-back. Listen with true intent to understand so that you get a full command of both perspectives before agreeing or disagreeing.

### BE HELPFUL

It's easy for us to say, "be helpful." It's obvious that being helpful is the whole point of Challenging Directly and that it's a great way to show you Care Personally. Still, it's hard for you to do it. You don't have a lot of time, and you don't have all the answers! The good news is that being helpful doesn't mean you have to be omniscient or to do everybody else's work for them. It just means you have to find a way to be as clear as possible and to offer that clarity as a gift.

### GIVE FEEDBACK IMMEDIATELY

When you give feedback immediately, you save yourself the burden of remembering to give it later, and, since the details are all fresh in your mind, you are able to be much more specific. You also give the person a better chance to improve immediately. If you offer immediate impromptu feedback, it really won't take too much time, though it might occasionally make you a couple minutes late to your next meeting.

### GIVE FEEDBACK IN PERSON (IF POSSIBLE)

Remember, the clarity of your feedback gets measured not at your mouth, but at the other person's ear. That's why it's best to deliver feedback in person. Since upwards of 90% of communication is non-verbal, you won't really know if the other person understood what you were saying if you can't see the reaction. When talking in person, you can make adjustments based on their body language and emotions. If they are not hearing you, you need to move further out on the "Challenge Directly" axis. If they are upset, you need to move further up on the "Care Personally" axis — without backing off your direct challenge!

### PRAISE IN PUBLIC, CRITICIZE IN PRIVATE

A good rule of thumb for feedback is praise in public, criticize in private. Public criticism tends to trigger a defensive reaction and make it much harder for a person to accept they've made a mistake and to learn from it. Public praise tends to make the recipient feel great, and it encourages others to emulate whatever they did that was great. But, it's a rule of thumb, not a hard and fast rule.

### DON'T MAKE YOUR FEEDBACK ABOUT PERSONALITY

There is a big difference between Caring Personally and talking about personality when giving praise and criticism. Make your feedback about the work the person has done, rather than about the person. "I think that's wrong" is more effective than "You're wrong." And "That was a great presentation because X, Y, Z" is more beneficial than "You're great at presentations!"

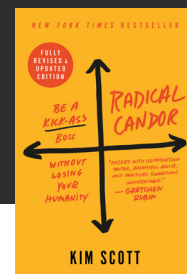
Hopefully this introduction to the HIP approach is helpful. +



*Kim Scott is the author of Just Work: How to Root Out Bias, Prejudice, and Bullying to Build a Kick-ass Culture of Inclusivity and Radical Candor: Be a Kick-Ass Boss Without Losing Your Humanity and co-founder of the companies Just Work and Radical Candor.*

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# The 10 REFERRAL COMMANDMENTS And How To A.S.K. FOR MORE

BY TONY RUBLESKI



I love getting referrals. In my opinion, they are one of the highest compliments in business. When a person gives us a referral to someone in their sphere of influence, it shouldn't be taken lightly. Not only is someone entrusting us to follow up, but they also have something even more important at stake: their reputation.

This is always an in-demand topic from clients and readers of my books. To help address this, I've put together a list of 10 referral commandments to remind and inspire you of their importance and ways to increase the likelihood you'll receive more of them.

#1. *Thou shall follow up quickly on new opportunities.*

#2. *Thou shall thank the person who referred you with a phone call or thank-you note.*

#3. *Thou shall assume that the referral may have an interest but is not a sure thing*

#4. *Thou shall do your homework by asking good questions to see if this person is a good fit to work with you.*

#5. *Thou shall be courteous and respect the time of the person who has been referred to you.*

#6. *Thou shall make asking for referrals from happy customers an active part of your marketing efforts*

#7. *Thou shall always carry a pen and business cards to capture unexpected opportunities.*

#8. *Thou shall focus on listening to others without distraction to identify possible referrals that would otherwise be missed.*

#9. *Thou shall have a great 15-second commercial to engage and clearly describe what you do and who you seek to serve.*

#10. *Thou shall network with a plan and seek out the best groups to maximize valuable time and energy.*

### SO NOW THE QUESTION BECOMES HOW DO YOU ASK FOR REFERRALS?

The real challenge is less the asking and more the setting up a system to get referrals on a consistent basis.

An area I've shared with others is something I call the "A.S.K. Formula for Getting More Referrals."

#### A IS FOR ASK

#### S IS FOR SPECIFIC

#### K IS KNOW WHEN TO ASK FOR THE REFERRAL

#### HERE'S A HELPFUL BREAKDOWN OF HOW YOU CAN PUT THIS TO WORK FOR YOU:

When you A.S.K. for referrals it should be done in such a way that triggers your happy customer to immediately think of 1-3 people in their contact sphere that could benefit from knowing more about you. Sounds like common sense, but so few people even do this critical first step.

When you are SPECIFIC about whom you'd like to be introduced or referred to, the chances that your customer thinks of someone in their immediate circle who is a great fit for your product, service, or organization increases. The mind thinks in pictures. Thus the goal is to paint a picture in their mind of someone just like them or a peer that they know who might be a good match for you to connect with. Again, the more specific you are with the request, the better the outcome.

The final step in the process is to KNOW when to ask for a referral. Let me give you two big clues as to when referrals could be literally sitting in front of you. First, when a customer is raving about the job you've done for them, quality of your product, service they've received, etc. When you are receiving positive comments then this is the best time to ask for referrals. They are often very receptive to introduce you to other people they know. The second scenario is when you come through in a pinch and really help a customer in a bind. At this point they know you can deliver on what you say. And are very likely, if you've followed the first two steps in the formula, to send you a referral or two.

Don't be afraid to ask for a referral. Show up ready and prepared for every opportunity. +

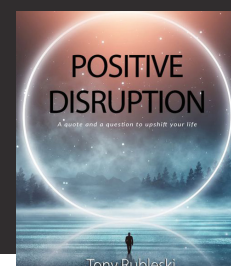


*Tony Rubleski is the president of Mind Capture Group, where his message is designed to help people "capture" more minds and profits. He is an in-demand speaker who has given hundreds of presentations, is a strategic business coach, and the creator of the Mind Capture Bootcamp, which just finished its ninth year. He has 25+ years of experience in the personal development industry.*

*His Mind Capture book series has spawned multiple best sellers in a variety of business and coaching categories with Amazon. The acclaimed series has received many endorsements from a wide range of leaders in marketing, sales, psychology to academia, and multiple New York Times best-selling authors. Book #7 in the series titled, *Positive Disruption: The Power of a Quote & Question to Upshift Your Life*, is now available.*

*His work has been featured in various media outlets ranging from Toastmasters International Magazine, The Detroit Free Press, the FOX TV network, ABC, to CNN Radio, NPR and Entrepreneur Magazine Radio. In addition, he has also served as a faculty member with the U.S. Chamber of Commerce and CEO Space International.*

For more information, go to:  
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# What I Learned FROM A BAD PARACHUTE

BY JIM MCCORMICK

**W**e all question our abilities at times. Uncertainty plagues us. It is even more intense if the ability we are questioning relates to something we have never tried or not succeeded at in the past.

Setbacks are common, but we rarely welcome them. We are inclined to respond negatively to adversity. It may be time to revisit that reflexive response.

I had an experience that caused me to reconsider whether a negative response to adversity is always justified when I was confronted with a life-threatening situation.

It was mid-morning on a warm and pleasant Saturday. I was in the midst of my first skydive of the day. It was my 2,123rd jump since having taken up the sport fifteen years before.

After a minute of freefall and about 5,000 feet above the ground, I parted ways with my fellow jumpers to get enough separation to open my parachute safely. I initiated opening around 3,000 feet above the earth.

My parachute opened with some twists in the lines between the parachute and me. This is not that uncommon. What was different this time was that I was not able to clear the twists.

The twists in the lines caused my parachute to take on an asymmetrical shape. Receiving asymmetrical inputs, the canopy did what it is designed to do and initiated a turn -- that's how it's steered. The problem occurred when the turn quickly became a rapid, diving downward spiral that was spinning me a full 360 degrees about once every second. This was a problem.

I looked up to assess my canopy and saw something I don't often see -- the horizon clearly visible ABOVE the trailing edge of my canopy. This meant my canopy and I were now on roughly the same horizontal plane. In that I could see the





## "THE GREATER DRAGON IS NOT THE EXTERNAL THREAT ... OR ANOTHER CHALLENGE. THE REAL DRAGON IS THE SELF-DOUBT WE CARRY WITHIN US"

horizon behind it, I was actually above my parachute and it was leading our fast spinning parade rapidly towards Mother Earth.

My first need was to acknowledge that I was not going to be able to solve this problem. This is not as easy as it seems. Having successfully completed over 2,100 jumps without having to resort to my second parachute, it was hard for me to believe I had really encountered a problem I could not solve. I had a natural inclination to assume I could fix this problem as I had all those in the past.

Sound familiar? It's easy to lapse into denial when confronted with a problem. Until we acknowledge the problem and our possible inability to solve it – or to use the methods we have used in the past – we are not positioned to address the challenge.

Fortunately, the urgency of this situation caused my hard-headed nature to yield much quicker than usual. That decision probably took a second or two.

The next step, having accepted the need to follow a different course than in the past, was to determine the course. Fortunately 15 years of training and practice before every day of jumping took hold.

I looked straight down at the two handles on either side of my chest – one to release me from my malfunctioning canopy and one for deploying my reserve parachute – and realized I needed to quickly get them in my hands. I could not help but notice when I made eye contact with them, as had been ingrained in me during my First Jump Course many years before, that by now the rapid spins had turned me back to earth and there beyond my toes was once again the horizon. This was bad!

Time was of the essence at this point not only because I was now rapidly progressing toward the horse pasture below me, but also because the centrifugal force I was

starting to experience would soon make it impossible to get my hands to those two handles.

With my hands now securely on the handles, I was confronted with a bothersome question, "Which one goes first?" The wrong order could cause my reserve parachute to deploy into my spinning main parachute which would result in an incurable entanglement.

Fortunately, ingrained training once again took over and I pulled them in the right order. First the handle on the right side which released me from my spinning main parachute followed by the handle on the left side to deploy my reserve parachute.

This brought on a wonderful experience. My malfunctioning black, teal and magenta canopy was replaced with a bright, yellow never before used reserve parachute. What a lovely sight! And all this by 1,700 feet – plenty of time to spare.

Many years ago, I read a book about the challenges and responsibilities of U. S. Secret Service agents. One of the sad aspects of that profession is that agents who have never had the chance to validate their years of training by responding to a threat to the person they are protecting sometimes struggle severely in retirement. They are faced with not knowing – with certainty – how they would respond when faced with the paramount challenge their career can deliver. For this reason, agents who have faced such a challenge successfully are admired within the culture of the Service.

That Saturday morning, I had the privilege of facing a similar, life-threatening and I now realize life-defining challenge. I faced what Secret Service agents call "the dragon."

For all of us the greater dragon is not the external threat, whether it be an assassin's bullet, the unforgiving and fast

approaching earth or another significant challenge. The real dragon is the self-doubt we carry within us.

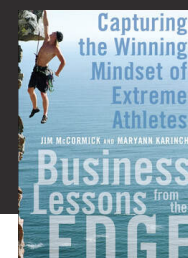
For those few splendid moments after landing safely, I was able to put my foot firmly on the neck of the dragon ... and it felt great.

Keep this in mind the next time you are confronted with adversity. On the far side of the experience the adversity presents, there could be a valuable gift – a bolstered confidence and certainty. +



*Jim McCormick is the President and Founder of the Research Institute for Risk Intelligence. He has earned fifteen skydiving World Records, was a member of a skydiving expedition to the North Pole and has jumps from over 31,000 feet. He is an MBA, former corporate Chief Operating Officer and author of four books including The Power of Risk, Business Lessons From The Edge, The First-Time Manager and Body Language Sales Secrets.*

More information is available at  
[Risks-Institute.com](http://Risks-Institute.com)



# 5 WAYS TO BUILD UP YOUR BUSINESS

BY VERNE HARNISH







### DON'T BE MYOPIC ABOUT MARKETING

**M**ost entrepreneurial companies treat marketing as glorified sales-support. Even worse, they fail to use it to crank up the flow of qualified job applicants they need to win. Take a cue from one fast-growing company I know that needed to lure workers physically fit enough for trash collecting. It posted ads in local gyms asking, “Would you like to be paid for your workout?” The fliers cost next to nothing, and the owner found plenty of energetic candidates.

### FIGHT PROCESS PARALYSIS

Functions such as recruitment, billing, and customer care are like hallway closets. You have to clean them up once in a while—not just throw more people at them—so they don’t get sloppy. Nurse Next Door, a home health care provider in the U.S. and Canada, found that its payroll and billing accountant was working weekends before it streamlined her workflow. That saved her a good 20 hours a week. Now the firm teaches the same pared-down approach to its franchisees.

### LOVE YOUR ACCOUNTANTS

Most entrepreneurs undervalue—and understaff—their finance department, viewing it as a necessary evil to keep the tax collectors at bay, issue and pay invoices, and provide monthly accounting statements. Big mistake. Hire a sophisticated pro who can gather the granular data you need to see where you’re making money by product, customer, location, or salesperson. It’s the quickest way to double profits and cash flow in a year.

### TEACH YOUR PEOPLE WELL

If you want the company to grow by a factor of 10, you need 10 times the leadership skills among your key people. They’ll need to excel at predicting where the market is heading, communicating the company’s values, goals, and priorities—and delegating successfully to

their teams. Give them time away from the fray to attend the conferences, classes, and seminars they need to make a bigger contribution—so you don’t have to pay for their on-the-job mistakes.

### INVEST IN SYSTEMS

Fast-growing firms need to upgrade their infrastructure at three critical points or their teams will get lost in inefficiency: At 10 employees, you need a better phone system; at 50, sophisticated accounting software; and at 350, a single database that links all key information, so a simple change of address by a customer doesn’t trigger a cascade of mistakes. Procrastinating on this will kill your growth. Trust me: Your most aggressive rivals made these changes—last year. +



*Verne Harnish is founder of the world-renowned Entrepreneurs' Organization (EO), with over 16,000 members worldwide, and chaired for fifteen years EO's premiere CEO program held at MIT, a program in which he still teaches today.*

*Founder and CEO of Scaling Up, a global executive education and coaching company with over 200 partners on six continents, Verne has spent the past four decades helping companies scale up.*

# IT FEELS So Good

BY DAN SOLIN

**W**hen I first started to write books I would lament how difficult it was to achieve sales. Friends and family would tell me, You need to go on *Oprah*. I would nod politely, but here's what I'd be thinking: Great idea. I'll just call her up and we'll set a mutually convenient time for my appearance.

Unsolicited advice is almost always unwelcome and often demeaning. Even when someone seem to be asking for advice, it can be a trap.

## IT FEELS GOOD

We love to give advice. I should know. I've spent my entire adult life-giving advice as an attorney, a wealth advisor, a coach to investment advisors and an author. I'm giving advice in this blog (ironically, my advice is to stop giving advice!).

Part of the reason we give so much advice is that it feels good. Talking feels better than listening. Being a dispenser of wisdom enhances our feeling of self-worth and self-importance.

What about the person on the receiving end? According to neuroscientists, unsolicited advice is considered the second greatest threat to the amygdalae. The amygdalae functions in our brain to detect threats. It secretes chemicals when we feel threatened.

I doubt your goal when giving unsolicited advice is to trigger something akin to a

"flight or fight" response in others.

Think twice before doing it.

## SOLICITED ADVICE

We're so eager to give advice, we look for opportunities. When my friends heard me complaining about selling books, they (wrongly) interpreted my statements as a plea for help.

Often those who appear to be seeking advice just want to be heard. Before giving advice, ask a series of questions intended to discern the real issue. Here are some examples:

- What can I do to help?
- What have you done to try to resolve that issue?
- Can you give me more details about the problem?

I differentiate advice in my core areas of competence from more general advice. If I'm asked an investing or self-help question, I have no problem sharing my views.

If the issue isn't within my expertise, it's unlikely I can add value. My goal is then to show empathy and not trivialize the concern being expressed by offering a glib solution (like, you need to get on *Oprah*).

When I'm tempted to give advice, I think about the difference in my brain chemistry when I dispense it (a feeling of well-being and happiness) and the brain of the poor soul on the receiving end (like being attacked). +



*Dan Solin is the New York Times bestselling 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.*

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# PREPARING FOR THE DOL'S PROPOSED FLSA OVERTIME RULE



**O**n August 30, 2023, the U.S. Department of Labor (DOL) announced a proposed rule to amend current requirements that executive, administrative, and professional employees (EAPs) must satisfy to be exempt from the minimum wage and overtime requirements of the Fair Labor Standards Act (FLSA). If the rule is finalized and implemented, the overtime protections will extend to approximately 3.6 million more workers in the country.

The DOL has established a 60-day comment period for this rule. However, although the DOL has announced the proposed rule to amend the FLSA white-collar exemptions, the proposal

has not been published yet in the Federal Register. Those wishing to comment on the proposal must wait until the rule is published and the comment window begins.

The agency's new overtime rule could significantly affect organizations' operational and compliance costs and increase their litigation risks, so it's critical that employers understand the new rule and its potential impacts on their businesses. The proposal does not impose any new requirements on employers at this time. Still, employers should familiarize themselves with the rule and evaluate what changes they may need to adopt if it is implemented as proposed.

This article provides an overview of the proposed overtime rule, highlights potential changes the new rule could bring, and outlines preparations for employers.

## **OVERVIEW OF THE FLSA'S WHITE-COLLAR MINIMUM WAGE AND OVERTIME PAY EXEMPTIONS**

Under the FLSA, covered employers must pay employees at least the federal minimum wage for all hours worked, and overtime pay—at a rate of 1.5 times their regular pay rate—for all hours worked over 40 in a workweek. However, the FLSA provides several exemptions from minimum wage and overtime pay requirements. The most common



are “white-collar” exemptions. These exemptions mainly apply to EAPs but include outside sales personnel and certain computer and highly compensated employees (HCEs).

To qualify for a white-collar exemption, an employee must satisfy the following tests:

- The salary basis test ensures the employee is paid a predetermined and fixed salary that is not subject to reduction due to variations in the quality or quantity of work.
- The salary level test confirms that the employee meets a minimum specified amount to qualify for the exemption. The current salary threshold is \$684 per week (\$35,568 per year) for EAPs and \$107,432 per year for HCEs. The current salary threshold took effect on Jan. 1, 2020.
- The duties test requires that the employee’s job duties conform to EAP duties. To satisfy the duties test, an employee’s actual work responsibilities must match the description the FLSA assigns to the exemption.

### PROPOSED FLSA OVERTIME RULE

The proposed rule doesn’t impact the duties test for the white-collar FLSA exemptions. The DOL is proposing to increase the standard salary level from:

- \$684 to \$1,059 per week (\$35,568 to \$55,068 per year)
- \$107,432 to \$143,988 per year for highly compensated employees

The rule would enable the DOL to update salary levels automatically every three years without having to rely on the rulemaking process.

With this substantial increase, more workers will likely qualify for overtime pay. However, significant changes to

the salary threshold will likely result in legal challenges to the DOL’s new overtime rule, which could delay the implementation of any rule changes.

### PREPARING FOR THE NEW OVERTIME RULE

While the proposal doesn’t impose any new requirements on employers at this time, employers should become familiar with the FLSA’s proposed rule and evaluate what changes they may need to adopt if the rule is implemented as proposed. These include determining whether to increase employees’ salaries to maintain their exempt classification or reclassify exempt employees to nonexempt status and pay them overtime for all hours worked over 40 in a workweek, as well as auditing exempt employees’ job duties.

### REVIEWING EMPLOYEE COMPENSATION

With the anticipated increase to the overtime exemption threshold, employers can review their employees’ compensation to determine which of their employees may be impacted. After reviewing affected employees’ salaries, employers can prepare for any salary increases and how those increases could impact the broader organization. If the overtime rule becomes final, employers can then decide whether to increase affected employees’ salaries to the new threshold to remain exempt or convert them to nonexempt employees.

### AUDITING EXEMPT EMPLOYEES’ JOB DUTIES

An employee’s job title is not determinative of whether they are exempt under the FLSA. Therefore, to prepare for the new overtime rule, employers can audit their exempt employees’ job duties to determine whether the duties and responsibilities those workers are actually performing satisfy the FLSA’s duties

test for the white-collar exemptions. Employers can then update employee job descriptions and duties to accurately reflect the work those employees perform.

Many states and even some localities have their own overtime requirements that differ from the FLSA. To avoid potential violations and penalties, employers need to be familiar with all laws that apply to their organizations. Employers are encouraged to seek legal counsel to discuss specific issues and concerns.

### EMPLOYER TAKEAWAYS

The general public will be allowed to comment on the proposal once it’s published in the Federal Register. If the DOL’s overtime rule becomes final, it will significantly impact most employers. Employers might use this proposed rule as an opportunity to revisit their exemption determinations more broadly. Understanding the FLSA’s proposed overtime rule and its potential impacts allows employers to prepare, adapt, and set their organizations up for long-term success.

For more workplace resources, contact Spectrum Insurance Group today. +

# 10 KEY STEPS FOR CRAFTING A ROBUST BUSINESS CONTINUITY PLAN



In today's fast-paced and unpredictable business landscape, preparing for the unexpected is not just an option, it is a necessity. As businesses increasingly rely on technology, interconnected supply chains, and global markets, the need for a robust business continuity plan (BCP) has never been greater. This article explores the critical steps to create a modern business continuity plan, drawing insights from Preparis years of experience

creating business continuity plans for organizations of all sizes.

In an era when disruptions can arise from natural disasters, cyberattacks, or even global pandemics, a well-structured BCP is your organization's insurance policy for survival. It goes beyond just ensuring that the lights stay on during a crisis. It's about maintaining core operations, safeguarding your reputation, and emerging stronger when the crisis subsides.

## 1. ESTABLISHING A DEDICATED BCP TEAM

The journey to creating a robust BCP begins with assembling a dedicated team. This team should be comprised of individuals who deeply understand your organization's processes, technology infrastructure, and compliance requirements. They will play a pivotal role in driving the BCP development process, ensuring it's tailored to your specific needs.



## 2. RISK ASSESSMENT AND BUSINESS IMPACT ANALYSIS

Before crafting your BCP, it's crucial to understand the risks that could potentially disrupt your operations. Conduct a thorough risk assessment to identify vulnerabilities and potential threats. This should include both internal and external factors such as natural disasters, cybersecurity threats, and supply chain disruptions.

A business impact analysis helps determine the critical functions and processes that must be prioritized during a crisis. This step is essential for allocating resources effectively and ensuring minimal downtime.

## 3. DEVELOP A COMPREHENSIVE RESPONSE PLAN

With a clear understanding of your risks and critical functions, it's time to create a comprehensive response plan. This plan should outline the steps to be taken during different types of crises including communication protocols, employee safety procedures, and strategies for maintaining essential services.

## 4. COMMUNICATION STRATEGY

Effective communication is the backbone of any successful BCP. Establish clear communication channels both internally and externally. Ensure that all employees are aware of their roles during a crisis and have backup communication methods in place in case primary systems fail. Keep stakeholders, including customers and suppliers, informed about the situation and the measures you're taking to mitigate the impact.

## 5. DATA BACKUP AND RECOVERY

Data is often a company's most valuable asset in the digital age. Implement a robust data backup and recovery strategy to safeguard critical information. Regularly back up data to secure off-site locations and test the recovery process to ensure it works seamlessly when needed.

## 6. FACILITIES AND RESOURCE PLANNING

Consider the physical aspects of your operations. Determine alternate work locations or remote work capabilities for employees if your primary workspace becomes inaccessible. Secure essential resources, such as power generators, to maintain operations during power outages or other facility-related issues.

## 7. EMPLOYEE TRAINING AND AWARENESS

Your BCP is only as effective as the people who implement it. Conduct regular training sessions and drills to ensure that employees are well-prepared for various crisis scenarios. Foster a culture of resilience and awareness throughout the organization.

## 8. TESTING AND MAINTENANCE

A BCP is not a static document. It should evolve and adapt to changing circumstances. Regularly test your plan through tabletop exercises and full-scale simulations. Identify weaknesses as well as areas for improvement and update the plan accordingly. Maintenance is key to ensuring your BCP remains effective over time.

## 9. COMPLIANCE AND REGULATIONS

Be aware of industry-specific regulations and compliance requirements that pertain to your business. Ensure that your BCP aligns with these regulations, and regularly review and update it to stay in compliance.

## 10. VENDOR AND SUPPLY CHAIN MANAGEMENT

Your business doesn't operate in isolation. Assess the resilience of your suppliers and partners. Develop contingency plans for supply chain disruptions and establish alternative sources when possible. Collaborate closely with key suppliers to ensure they have robust BCPs.

## CONCLUSION

In the modern business landscape, resilience is a competitive advantage. Crafting a robust business continuity plan is not just a checkbox exercise, it is a strategic imperative. By following the critical steps outlined above, your organization can be better prepared to weather the storms, emerge stronger, and continue to thrive in an unpredictable world. Remember, a well-prepared business is a business that's ready for anything. +

For more information, contact Katie Frank



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# Distracted Driving Prevention



**D**istracted driving reduces awareness, decision-making, and performance, increasing the likelihood of driver error, near-crashes, or crashes.

What's more, distracted driving is not always attributable to a medical condition, alcohol and drug use, or fatigue.

Distracted driving is an ongoing safety concern for commercial fleets. However, the widespread increase in cellphone use over the past decade has brought the issue to the forefront.

Studies have shown that many collisions and near-collisions involve some form of driver inattention, often just three seconds prior to the event. These statistics are particularly noteworthy for fleets as many commercial vehicles have poorer driver visibility than personal cars and are much more difficult to control or stop in the event of an emergency. For commercial fleets, distracted driving can lead to increased insurance premiums, costly repairs, decreased productivity, reputational damage, and driver injury or death.

To protect themselves and public safety, organizations and fleet managers must

have an understanding of distracted driving, including common causes and prevention strategies. This guide provides background information commercial fleets can use to supplement a risk management program and establish a safe workplace.

## RESPONDING TO DISTRACTED DRIVING

Even the most experienced drivers can become distracted from time to time. In order to maintain safe driving practices, organizations must take a top-down approach to combating distracted driving. Only through effective policies and training can commercial fleets identify and respond to potentially harmful driving behaviors.

## TIPS FOR EMPLOYERS

The following are some ways organizations and their fleet managers can help reduce the risk of distracted driving:

- Create a driver safety program and a distracted driving policy. Regularly communicate your policies using things like emails, blogs, and posters.
- Use applications to detect when your drivers are on the road. Many of these applications prevent individuals from contacting a driver while their vehicle is in motion.
- Instruct drivers to pull off the road and park if they need to use their phone or an electronic device.
- Equip vehicles with lockboxes that drivers can use to store potential distractions like smartphones and tablets.
- Educate your drivers on the risks of driving while distracted. Use real-life examples and stories to explain how dangerous distracted driving can be.
- Update your organization's handbook, noting any disciplinary actions you will take if you identify unsafe driving behavior.
- Ask your employees to sign a pledge form indicating their willingness to drive in a safe and courteous manner.
- Work with drivers to plan trips. This ensures that drivers have a clear understanding of their routes, which can reduce the need for GPS



and other potentially distracting navigation devices.

- Manage driver schedules to ensure employees are well-rested between trips.
- Use telematics, driver monitoring programs, and in-cabin camera systems to evaluate individual drivers. Whenever possible, reward positive driver behavior to encourage a culture of safety.
- Perform a safety audit, which will give you a high-level overview of distracted driving risks and other concerns.

### TIPS FOR DRIVERS

While employers must provide training and guidance to prevent distracted driving, road safety is ultimately up to individual drivers. The following are tips your drivers should keep in mind whenever they're out in the field:

- Remain educated on the risks and consequences of distracted driving. Attend any refresher courses your employer provides.
- Do not text, dial a cellphone, or use dispatching devices while you drive.
- Avoid distracting activities such as eating, personal grooming, and reaching for items.
- Install an application on your cellphone that recognizes when your vehicle is in motion and responds to texts and calls with a preset safety message.
- Minimize the potential for distractions by planning your routes. Research your drive ahead of time to eliminate the need for GPS, maps, and other navigation tools.
- Organize your vehicle's cabin to ensure personal items you may need during a long trip are well within reach. To eliminate the need

to reach for items while you drive, program your GPS, adjust your mirrors, and tune your radio before you hit the road.

- Avoid multitasking when driving. If you need to make a phone call or respond to a text message on the road, pull over beforehand. Even the use of a hands-free device is dangerous and can create a cognitive distraction. To help eliminate the urge to use cellphones and other devices, turn them off and stow them out of sight in a safe compartment.
- Ensure you are well-rested prior to getting behind the wheel. When you drive fatigued, the chances of becoming distracted and getting into an accident increase.
- Focus on driving and do not let anything divert your attention. While you drive, actively scan the road, using your mirrors to watch out for other vehicles, pedestrians, and cyclists.
- Plan your meals in advance and avoid eating while you drive.
- Understand and adhere to distracted driving laws in your state.
- Follow employer-mandated guidelines outlined in distracted driving programs and similar policies.

Drivers who glance away from the road for any reason—even for just a second—risk the safety of themselves and others. In order to remain safe on the road, employers and drivers must work together to understand and reduce the risks of distracted driving.

### CREATING A DISTRACTED DRIVING POLICY

Even if employers provide adequate training and oversight, drivers are effectively on their own when they're out

in the field. To help prevent distracted driving long after training is complete, fleets need to develop and implement a distracted driving policy. These policies are typically part of larger driver safety programs and promote safe driving practices through well-communicated initiatives.

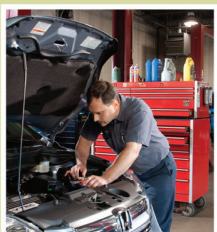
While the specifics of policies may differ from fleet to fleet, they should include the following:

- A policy statement that clarifies your organization's stance on distracted driving. This statement should specify the purpose and goals of the policy.
- A definition of distracted driving. This definition should highlight the dangers of distracted driving and the ways it affects your organization.
- A summary of whom the policy applies to. In general, your policy should account for all company employees, even if driving a vehicle isn't a regular part of their daily duties.
- A list of what constitutes distracted driving and actions that are strictly prohibited to ensure driver safety.
- A list of suggested practices to reduce the risk of distracted driving.
- A list of potential consequences if the terms of the policy are breached.
- A space for the employee's and fleet manager's signatures.

### INSURANCE TO PROTECT YOUR BOTTOM LINE

Managing distracted driving will only become more difficult as technology advances and individuals become more reliant on personal devices like cellphones and tablets. Regardless, commercial fleets have a duty to ensure a safe workplace and combat all forms of distracted driving. +

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