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RISK & BUSINESS

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14 Easy Interview Body Language Hacks To Land Your Next Job

VANESSA VAN EDWARDS

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CTECH MANUFACTURING: REVOLUTIONIZING STORAGE SOLUTIONS

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Welcome to the spring 2024 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 2024 continues to be a very difficult year for the insurance marketplace. Most of the large losses continue to be in the property line. This year will continue to see higher than average rate increases in property and auto insurance as losses continue to outpace premiums. Casualty policies (general liability, auto liability, and umbrella) are seeing the adverse effects of social inflation caused by large jury awards, especially in the auto liability and umbrella lines. Restrictions in policy terms and conditions are also very common, with limitations on roofs being placed on ACV valuation as well as older buildings being placed on ACV instead of reconstruction cost. There are many factors that will dictate what happens to insurance premiums for the remainder of 2024 and 2025, but signs point to a plateau in premiums sometime in 2025.

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 2024 and 2025, 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

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Key-Person Insurance

Shielding Your Business

Most organizations employ at least one individual who is essential to the company's success. This person may be a partner, owner, majority stockholder, or another individual who is crucial to the business. If this person unexpectedly leaves the organization—due to death, disability, or immediate resignation—it may be hard for the organization to survive.

- Need to protect their revenue stream from loss (e.g., a hospital protecting against the loss of a high-earning, respected surgeon)
- Would be devastated if a high-revenue-producing client (e.g., actor, writer, or other entertainer) died or became disabled and unable to perform

In the event a vital employee becomes disabled or deceased, key-person insurance

- Premiums are based on several factors, including the key employee's age, physical conditions, health history, and the amount of coverage

KEY-PERSON DISABILITY INSURANCE VS. KEY-PERSON LIFE INSURANCE

When most business leaders think of purchasing key-person coverage, they turn to life insurance. However, industry leaders point out that the chance of losing a key person to disability is 17 times greater than losing a key person to death, and the costs of hiring a recruiter to replace the key person and training him or her for a short period could be much higher than finding a permanent replacement.

CONSIDERATIONS BEFORE PURCHASING KEY-PERSON LIFE OR DISABILITY INSURANCE

- Estimate the value of your key employees. Think about the projects that would be lost without these people and the amount of sales that are generated by these people, as well as the costs associated with replacing them.
- Determine if this coverage is necessary, as credit insurance will cover outstanding loans and debts.
- Create a business continuation plan that outlines how your business will function if you lose key employees.

REQUIREMENTS AND COVERAGE OPTIONS

To obtain key-person disability or life coverage, the individual must be a consenting employee and you must demonstrate that your organization would incur substantial financial loss without him or her. To qualify as a key person, most insurers require that the employee's salary be in the top 20% of the company. All key-person policies are written specifically for the employee in question. To learn about coverage options, limits, and other plan details, contact Spectrum Insurance Group today. +

IF YOUR ORGANIZATION EMPLOYS INDIVIDUALS WHO ARE VITAL TO ITS SUCCESS, KEY-PERSON LIFE INSURANCE OR KEY-PERSON DISABILITY INSURANCE CAN HELP PROTECT YOU FROM CHAOS CAUSED BY THEIR ABRUPT ABSENCE.

These insurance solutions can give your organization options other than immediate bankruptcy should you lose your company's key person or people without warning.

WHO NEEDS KEY-PERSON LIFE OR DISABILITY COVERAGE?

Many organizations can benefit from key-person life or disability coverage, including those that:

- Have employees who would be extremely difficult, time-consuming, or expensive to replace such as central decision makers, chief executives, vital sales managers, or employees whose ideas have critical commercial impact
- Employ highly skilled individuals with unique training
- Employ people with exclusive ties to key clients such as sports stars
- Employ leaders with irreplaceable knowledge
- Would lose considerable business and profit without a certain employee
- Have narrow profit margins and would be financially distressed in the event of a key staff loss

provides the company with income to make up for financial loss or to use for temporary or permanent replacement costs. Business owners should purchase separate policies for each key employee at the company.

HOW DOES KEY-PERSON COVERAGE WORK?

- Employer purchases life or disability insurance for key individual(s).
- Employer is the beneficiary of the insurance policy and owns the policy. If the key employee dies, the policy pays out to the employer.
- Tax-free dollars from the policy can be put toward finding, hiring, and training a replacement employee; compensation for lost business during the transition; and/or financing timely business transactions.
- The policy can be transferred to a departing key employee as a retirement benefit or to a different key individual upon the retirement of the original key employee.
- Can be used to buy out the key employee's shares or interest in the company.

CTECH MANUFACTURING

Revolutionizing Customization And Innovation In Storage Solutions



CTech Manufacturing embodies a tale where passion ignites innovation, transforming a vision into a legacy of excellence in the manufacturing world.

Founded in 1993 by Jim Greenheck, a passionate drag racer since his teenage years, CTech has transformed from a humble operation selling cabinets and drawer units to fellow racing enthusiasts into a pioneering force in the storage solutions industry. Emphasizing a customer-first design approach, CTech stands as a leader in innovation and manufacturing, driven by a profound comprehension of its clients' requirements and a ceaseless dedication to excellence, quality, and efficiency.

THE BIRTH OF INNOVATION: A RACER'S SOLUTION

The journey began with Greenheck's realization of a gap in the market for high-quality, accessible storage solutions in the racing world. Drawing from his direct experiences, he created the company's first patent, the Motion Latch Drawer. This innovation was a model of simplicity and functionality, designed to enable users to easily open drawers with just one finger, even while holding tools in their hands.

This pioneering design was more than just a product; it was a clear demonstration of CTech's commitment to putting customers' needs first. The design ensured that drawers

would remain securely closed amidst the fast-paced environment of racing, a seemingly minor but revolutionary feature that laid the groundwork for the company's future innovations.

Today, CTech's operations thrive under the guidance of Mike Greenheck, Jim's nephew, who has taken the helm with the same spirit of innovation and dedication to excellence. Under Mike's leadership, the company continues to expand its product line and reach, embodying the legacy of a customer-centric approach while pushing the boundaries of what's possible in storage solutions.

EXPANDING HORIZONS: BEYOND THE RACETRACK

Just like many businesses, CTech receives plenty of ideas and feedback from customers. However, what sets CTech apart is its knack for truly listening, absorbing, and acting on this feedback, propelling the company far beyond its modest start.

CTech's growth was propelled by customer demand, leading to the expansion into various markets beyond racing. Today, CTech boasts four product lines: drawer units, cabinets, aluminum carts, and a specialized line of Cop Boxes for police interceptors. While racing remains at the core of CTech's business—supplying pit carts to NASCAR Cup teams, among others—the company has successfully diversified. Its products now serve high-profile events and organizations, including the NFL, highlighting the versatility and appeal of CTech's offerings.

WHAT SETS CTECH APART

CTech Manufacturing has made several strategic manufacturing decisions that lead to superior products, quicker delivery times, minimal extra costs for customers, and high customizability.

Opting for aluminum over traditional steel, CTech not only achieves lighter and more mobile products but also enhances fuel efficiency and reduces operational costs. This choice further enables unparalleled flexibility in product design, allowing CTech to effortlessly tailor products to meet unique customer demands without imposing additional fees.

CTech Manufacturing distinguishes itself with a proactive strategy to slash lead times, significantly outpacing the industry norm. This is achieved through strategic investments in internalizing key manufacturing processes, including injection molding and sheet metal fabrication. Where the industry standard lead times extend into months, CTech's refined operations enable the swift readiness of most products, shipping them within weeks and, in some instances, dispatching orders as soon as the next day.

INNOVATION AT THE HEART

"We have more ideas than products," Mike Greenheck highlighted, capturing the essence of CTech's dedication to innovation and its culture of continuous improvement and creativity. This philosophy is brought to life through the use of advanced technology, such as CAD software and 3D printers, which aids in developing initial concepts. By housing an R&D department and adopting processes like injection molding, CTech keeps a firm grip on its design and manufacturing, ensuring that innovation never slows down.

A prime example of CTech's commitment to innovation is its "online configurator." This tool transforms customer interaction with CTech products by offering a customized, easy-to-use shopping experience. Customers can now personalize products to their exact needs with simplicity. This breakthrough aligns CTech with the convenience and flexibility of top e-commerce platforms, showcasing their dedication to fulfilling consumer needs through advanced technology and flexibility. It represents a significant milestone in CTech's ongoing pursuit of excellence and customer satisfaction.

CTECH'S COMMITMENT TO EXCELLENCE IN EXPANSION

Driven by a steady stream of customer requests, CTech is on the path to expansion. Breaking ground on a new 100,000-square-foot facility near its headquarters highlights CTech's commitment to enhancing production capabilities and meeting the increasing demands of the market.

This expansion is made possible by the company's rigorous approach to quality control. Through automation and detailed checks by employees at every stage of production, CTech ensures that its products consistently uphold high standards. The company's design philosophy skillfully merges aesthetic appeal with functionality, cleverly addressing manufacturing imperfections to elevate product quality. These initiatives not only tackle immediate obstacles but also reinforce CTech's position as a leader in the storage solutions industry, setting the stage for sustained growth and innovation.

A PARTNERSHIP THAT ENHANCES BUSINESS

CTech's collaboration with Spectrum showcases the power of strategic partnerships in equipping small businesses with the tools needed for big-league operations. CTech leverages Spectrum for a variety of services including business insurance, group health insurance along with dental and vision, a range of other coverages and policies, and human resource helpline support.

This partnership significantly enhances CTech's operational agility, allowing it to concentrate more on innovation and its key strengths. By tapping into Spectrum's specialized knowledge, CTech streamlines its approach to managing talent and boosts its capacity to handle market expansion and swift growth. This support ensures CTech can adhere to its high standards of quality and efficiency even as it innovates and solidifies its position as an industry leader.

CTECH MANUFACTURING'S PATH TO SUCCESS

CTech Manufacturing's journey from humble beginnings to industry leader exemplifies the power of innovation, customer-centricity, and strategic partnerships. Through a relentless commitment to quality, efficiency, and continuous improvement, CTech has revolutionized the storage solutions industry. By embracing technology, listening to customer feedback, and fostering collaborations, CTech not only meets but exceeds customer expectations. As it forges ahead, CTech remains dedicated to driving innovation and excellence, shaping the future of storage solutions. +





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14 EASY INTERVIEW

BODY LANGUAGE HACKS TO LAND YOUR NEXT JOB

BY VANESSA VAN EDWARDS





Mastering your body language can make or break your interview success. It's not just what you say, but how you say it that truly communicates your confidence and competence.

Everyone gets a little nervous about job interviews. What should you do to prepare? Practice? Script answers to the interviewer's potential questions? All good, but the most important thing you can do is prep your body language.

What you say is not as important as how you say it.

Are you communicating all of your best traits in an interview? What are your interview body language and nonverbal behavior saying to the interviewer?

DON'T BLOCK

If you bring your resumé to your interview—whether you're in person or on Zoom—a common body language mistake people do is hold it right in front of them. Holding your resumé out front creates a barrier between you and the interviewer, breaking rapport. Instead of blocking yourself, hold your resumé out to the side. Not only does it prevent the block, it also opens up your body naturally since your hands are out to the side. It makes you look friendlier and more relaxed.

DON'T SELF-TOUCH

Are you a fidgeter? Fidgeting comes in many forms:

- **Playing with your fingers**
- **Biting your nails**
- **Picking at your lips or keyboard**

- **Wiggling around your car keys or earrings**
- **Adjusting your tie or watch**
- **Spinning your ring on your finger**
- **Bouncing your feet**

Whatever you do, don't bring your fidget spinner to the interview.

One recent survey even found that hiring managers skipped hiring applicants 26% of the time because they fidgeted too much. That number may be a bit extreme, but if only those fidgeters knew what I'm about to tell you... they may have gotten the job.

HERE'S MY SECRET TO CONTROLLING YOUR FIDGETING: LEARN TO HIDE IT.

Instead of fidgeting, try wiggling your toes. Nobody will know except you! Try to keep your hands empty. Holding pens and even your watch might tempt you to start fidgeting. And if you really want to get rid of that fidgeting for the long term, learn how to break that bad habit forever.

Pro Tip: Want to really master your video calls? Body language on video is harder to see—there's lag, bad lighting, and the unfortunate case of some interviewers forgoing their pants. Don't make these mistakes!

RELAX WITH YOUR HANDS ON THE TABLE

Most likely, you'll be sitting at a desk or your office computer. When you're not

gesturing with your hands (or fidgeting), your natural resting place should be on the table. But most people nervously hold their hands together with their fingers intertwined.

People may intertwine their fingers and hold them close when they are nervous. This also acts as a barrier between you and the interviewer. Instead, imagine the table as your natural rest spot—whenever you're done gesturing, simply return your hands to the table in a neutral position.

I like to keep my arms bent at a slight angle, lightly resting my palms on the table, with no tension and fully relaxed. Make sure there is a gap between your hands so you aren't blocking your interviewer. This helps avoid any awkward "What should I do with my hands!?" moments that may arise and keeps you open.

HAVE ONE BAG

This might sound crazy, but research has found that when people carry more than one item, they look disorganized, messy, and scattered!

- **If you are a man, carry one briefcase.**
- **If you are a woman, have one purse and leave your notes or resumé inside.**

Also, jackets count. If possible, have the receptionist or secretary take your coat and hat before you walk into the interview.

This simple trick is a nonverbal way to make you look sharper and more put together.

Pro Tip: Carry a slim briefcase or purse. C-level executives often carry slim briefcases for the most important notes. Bulkier briefcases signal people who have too much work—and often, those are the workers who have lower status.

DON'T FORGET THE BACK OF YOUR SHOES!

One study found that female interviewers look at the back of a person's shoes in almost every interview.

Pro Tip: Women, men have been shown to look at a woman's rear as they exit (yikes!). To avoid this, as you're walking out, simply turn your head back, make light eye contact, and give a warm smile in return.

SMILE RIGHT

A lot of interview advice says that people should smile more in interviews, but this is not always a good idea. What's better is to smile right. People who smile too much are actually perceived as submissive and weak!

Many studies have shown that people in positions of power actually do not smile much at all but rather smile at the right time.

DON'T CONTRACT, DON'T EXPAND

In an interview, you want to take up the right amount of space. When we are nervous, we tend to “turtle,” which is when we bring our neck down and our shoulders up to take up less space. We also try to make ourselves as small as possible—women cross their legs, men fold their arms over their chest. This shows the interviewer you are insecure and can make it look like you have something to hide. So, relax your arms, plant your feet, and don't let your body show your tension.

Occasionally, men will do the opposite: they will try to claim territory by taking

up as much space as possible, draping an arm over the couch, or spreading legs wide while they talk. This is very aggressive and will make the other person take subconscious (or even conscious) note of the territorial move.

Insider Tip: Sometimes when people are nervous, they tend to grip the arms of their chair or clench their fists at their sides. This subconsciously sends the signal that you are preparing for battle or are defensive. Take deep breaths and keep your hands loose and relaxed.

START IN THE PARKING LOT

When possible, start all of your nonverbal tips in the parking lot before you even enter the building. There are two reasons for this:

- 1. Bosses, colleagues, and interviewers might see you in the parking lot or in the elevator, and**
- 2. You only get one chance to make a first impression.**

I have heard many stories of people who were friendly in an elevator, and that person ended up being one of the people who made a hiring decision.

You want to smile when you first meet the person and shake their hand, when you talk about subjects you are passionate about, and at the end of the interview while saying goodbye. This is especially important for females—smiling too much because you are nervous or trying to build rapport actually does the opposite: it makes females look less smart, not more friendly. +



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REST OF THIS
ARTICLE
HERE**



*Vanessa Van Edwards is Lead Investigator at Science of People. She is the bestselling author of *Captivate: The Science of Succeeding with People*, translated into 16 languages. More than 50 million people watch her engaging YouTube tutorials and TEDx Talk. Her much anticipated new book *Cues* was released on March 1st, 2022. Vanessa shares tangible skills to improve interpersonal communication and leadership, including her insights on how people work. She's developed a science-based framework for understanding different personalities to improve our EQ and help us communicate with colleagues, clients, and customers. Vanessa works with entrepreneurs, growing businesses, and trillion-dollar companies; and has been featured on CNN, BBC, CBS Mornings, Fast Company, Inc. Magazine, Entrepreneur Magazine, USA Today, The Today Show, and many more. Millions visit her website every month for her methods turning “soft skills” into actionable, masterable frameworks that can be applied in daily life. Hundreds of thousands of students have taken her communication courses on Udemy, CreativeLive, LinkedIn, and her flagship course People School. Vanessa is renowned for teaching science-backed people skills to audiences around the world including SxSW, MIT, and CES. Her groundbreaking and engaging workshops and courses teach individuals how to succeed in business and life by understanding the hidden dynamics of people. She regularly speaks to innovative companies including Google, Facebook, Comcast, Miller-Coors, Microsoft, Amazon, and Univision. She has been a spokesperson for Dove, American Express, Clean & Clear, and Symantec.*

Read more at:
scienceofpeople.com/media

YOUR PASSION IS *Infectious*

BY DAVID MEERMAN SCOTT



write about strategies to turn fans into customers and customers into fans. I also share ways to use real-time strategies to spread ideas, influence minds, and build business.

People are naturally attracted to those who are passionate about the things they love, and this passion builds fandom. Yet too few people share their personal passions in their business life.

When my daughter Reiko and I were conducting research for our *Wall Street Journal* bestseller *Fanocracy: Turning Fans into Customers and Customers into Fans*, one of the most surprising things we learned was the power of passion. There is no doubt passion is infectious.

Sharing your passion isn't just about attracting others who share the same love as you, rather it shows that you are an interesting person and would be good to work with.

THE SKATEBOARDING DENTIST

For example, Dr. Jon Marashi, a dentist in Southern California, competes with thousands of other dentists for new patients. While every dentist these days has a website, and many have a Facebook page or Instagram feed for their business, very few stand out.

Since the services offered by dentists are seen as interchangeable by most

prospective patients, the website and social feeds are among the only ways to compare one dental practice from another.

The problem is that nearly all dentist websites and social media are only focused on dentistry. They all look the same -- you know with that ubiquitous photo of dirty teeth on the left and clean teeth on the right.

Dr. Marashi is different. He loves to skateboard and shares this love in his work. At his practice, he has skateboards on the walls as decoration, and he sometimes skateboards from one examination room to another.

He has photos of him skateboarding on his practice website.

Most interesting to me is Dr. Marashi's Instagram feed, which uses to promote his dental practice. Sure, he has photos of him doing dental stuff. But there's also plenty of skateboarding photos and videos. He's got nearly 35,000 followers.

Dr. Marashi measures how new patients find his practice and how much they spend. He told me that his Instagram feed was responsible for 30% growth in new patients and 23% growth in new revenue.

For Dr. Marashi, his passion for skateboarding is good for business.

SHARE WHAT YOU LOVE

Most people don't share what they are passionate about. Instead, they keep their business social feeds like LinkedIn focused only on business.

It doesn't matter what you love – a sports team, a sport you love to play, cooking, birdwatching, an author, or musician – your passions are infectious.

Many people know that I am a massive fan of the Grateful Dead. I saw my first show when I was 17 years old, and I am still going to see live Grateful Dead music. I wrote the book *Marketing Lessons from the Grateful Dead* with HubSpot co-founder and Executive Chairman Brian Halligan and the NBA basketball hall-of-famer Bill Walton.

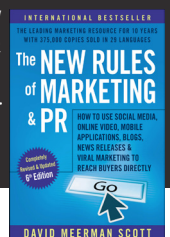
Heck, I even collect artifacts from the band. I recently purchased a guitar called "No Fun" that was played on stage by Bob Weir of the Grateful Dead for about 100 shows in the mid-1980s.

I celebrate my love of the Grateful Dead. I don't hide it from my business contacts. This has led me to many important business contacts, has been directly responsible for bringing on new clients and getting booked for speaking engagements.

Sharing your passions are good for business. And good for the soul too. +



David Meerman Scott is the author or co-author of ten books and the series editor of six. Three of his books are international bestsellers. David is best known for *The New Rules of Marketing & PR*. When first published in 2007, "New Rules" opened people's eyes to the new realities of marketing and public relations on the Web and was six months on the *BusinessWeek* bestseller list. He has regularly updated the book and it is now in a 6th edition with over 375,000 copies sold in English and available in 29 languages from Albanian to Vietnamese. "New Rules" continues to be a top seller and is now a modern business classic. His other international bestsellers include *Real-Time Marketing & PR* and *Marketing Lessons from the Grateful Dead* (written with HubSpot CEO Brian Halligan). His latest book is *The New Rules of Sales and Service: How to Use Agile Selling, Real-Time Customer Engagement, Big Data, Content, and Storytelling to Grow Your Business* now in a new revised paperback edition.





Negotiation Training

THE TOP 4 'NO-ORIENTED' QUESTIONS

BY CHRIS VOSS

Yes doesn't always mean yes. This is why shrewd negotiators don't aim for yes, but instead try to get their counterparts to say no.

In this installment of our negotiation training series, we examine the top four no-oriented questions from The Black Swan Group™, what they replace, and why you should use them.

1. "IS NOW A BAD TIME TO TALK?" REPLACES:

- "Have you got a few minutes to talk?"
- "Is now a good time to talk?"

Why Use This

This is a great way to practice getting your repetitions in with no-oriented questions and seeing their effectiveness in action.

- People feel anxious when they sense you are seeking a yes. This relieves your counterpart from wondering what they are getting themselves into if they agree.
- People feel safe and secure when they say no. This is a great way to learn this concept.

You Will Only Ever Get Two Answers To This Question

- "Not at all! It's never a bad time to talk to you. What have you got?" Or something very close to this. When you get a response like this you now have their complete attention—which is what you were after in the first place.
- "Yes, it is a bad time. But I can talk with you at (a time they suggest)." Perfect. Again, this is what you were after—their focused attention.

I'm Sure You're Wondering: What If They Say Yes And Don't Give You A Good Time To Talk?

Consider this: Do you want to be on the phone with someone who responds like that? Someone else out there is waiting for you, and this call is keeping you from them. Move on.

2. "IS IT A RIDICULOUS IDEA ... ?" REPLACES:

- "Is this a good idea?"
- "Would you like to do this?"
- "Does this look like something that would work for you?"
- "Would you be willing to ... ?"

Why Use This

- See above re: No. 1.

This replaces the clarification and micro-commitments of yes-oriented questions.

Also realize that you will often get "No, but ..." as a response. The information you get after the "but" is exactly what you need to understand the obstacles standing between you and implementation. This is crucial for solving those obstacles—if they can be solved. If not, you can move on with a clear conscience.

3. "ARE YOU AGAINST ... ?" REPLACES:

- "Do you agree?" ("Do you disagree?" is also acceptable here as a replacement.)
- "Will you ... ?"

- "Are you in favor of ... ?"
- "Does this look like something that will work for you?"

Why Use This

It replaces the commitment of yes-oriented questions. This is very similar to the second no-oriented question on this list. Both can also be used in combination for clarification of details and commitment to action.

4. "HAVE YOU GIVEN UP ON ... ?" REPLACES:

- "Do you still want ... ?"
- "Are you still interested in ... ?"
- Any communication to check in with someone who has stopped communicating with you.

This is also the best way to restart communication!

Why Use This

It is critical to remember the context here! Someone can't give up on something they haven't started. This isn't a replacement for poor opening lines that ask about something the counterpart hasn't even started.

If they are "ghosting" you (i.e., no longer responding), you must account for how you got there. Your communication system leading up to this was designed to give you this outcome.

There Are Two Reasons People Stop Communicating

- You're not listening to them.
- They lost influence on their side of the table.

If communicating with you was doing them any good, they would still be doing it.

You can't go back to the approach that led you to this point.

After they respond (and they will respond quickly—be ready), you must do a Summary™ of their perspective to get a "that's right."™

"So far, this is what has happened. This is its impact, which is not what you wanted. And now, you are concerned about where this is going."

If you get anything other than that's right, followed by more information, you missed something. Actively seek correction to build the relationship and accelerate communication.

Say: "It seems like I've missed some important things." +



Chris Voss is CEO of the Black Swan Group and author of the national best seller "Never Split The Difference: Negotiating As If Your Life Depended On It," which was named one of the seven best books on negotiation. A 24-year veteran of the FBI, Chris retired as the lead international kidnapping negotiator. Drawing on his experience in high-stakes negotiations, his company specializes in solving business communication problems using hostage negotiation solutions. Their negotiation methodology focuses on discovering the "Black Swans," small pieces of information that have a huge effect on an outcome. Chris and his team have helped companies secure and close better deals, save money, and solve internal communication problems. Chris has been featured in TIME, Business Insider, Entrepreneur, Inc., Fast Company, Fortune, The Washington Post, SUCCESS Magazine, Squawk Box, CNN, ABC News and more.



44 THINGS I'VE *(Almost)* LEARNED AS I TURN 44

BY NEIL PASRICHA



I've been wisdom-collecting for years. In my 20s I took hundreds of flights and always made it my goal to ask the person I was sitting beside for a piece of life advice before getting off the plane. (It helps that my 20s were before airplane internet and giant headphone cocoons.) I'm sure a lot of these come from those chats. And then, after last year's list, I made a little file on my phone called "44" and have been planting, snipping, and pruning it all year - treating this list like some kind of little plant I'm ready to finally put on my porch.

And remember: Lists like these are preachy by nature! Take what you like and chuck the rest in the bin.

HERE WE GO:

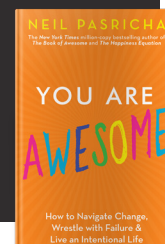
1. The best sunblock is the one you use.
2. If you don't know if it goes in the dryer, it doesn't.
3. Let your kids catch you reading books. Don't let them watch you scrolling social media.
4. The three E's of a great speech: Entertain, Educate, Empower.
5. Dating tip: You meet interesting people in interesting places.
6. Add a silent mental "...yet" to any sentence you catch yourself starting with "I can't," "I'm not," or "I don't." "I can't speak Hindi ...yet," "I'm not a runner ...yet," "I don't eat oysters ...yet."
7. Mood follows action.
8. Time you spend with your kids when they're young correlates with time they spend with you when you're old.
9. Stock tip: Buy the haystack, not the needle.
10. Never buy a couch before taking a nap on it.
11. Remember the 'End Of History Illusion': We all know our pasts were bumpy - yet never expect our futures to be.
12. Ideas are the easy part. Doing it is the hard part.
13. No cell phones in the bedroom. If you need waking up, buy an alarm clock. If you get emergency calls, get a landline.

14. There's nothing wrong with ending a sentence with "of".
15. Easy way to entertain toddlers: Lie face down in the middle of the floor.
16. Grapefruits that look best often taste worst and grapefruits that look worst often taste best.
17. Wrap floss around middle fingers not pointer fingers.
18. Most people read zero books last year. 2 pages of fiction a day helps build back the habit. *Foster, Animal Farm, A Christmas Carol, The Little Prince, and The Old Man and The Sea* are all <100 pages.
19. You can't make new old friends.
20. Addiction is when something that takes you from normal to good starts taking you from bad to normal.
21. Beware the 5 greatest regrets of the dying: i) I wish I'd had the courage to live a life true to myself ii) I wish I hadn't worked so hard iii) I wish I had the courage to express my feelings, iv) I wish I had stayed in touch with my friends, and v) I wish I had let myself be happier
22. Don't post your kids faces online. They might sue you.
23. Divorce is not a death sentence.
24. Strapping things to your body to measure things in your body makes you less connected to your body.
25. Between jobs remember: The longer you hold your breath underwater the more interesting place you come up.
26. On making decisions: Low time, low importance? Automate. High time, low importance? Regulate. Low time, high importance? Effectuate. (Just do it!) High time, high importance? Debate.
27. If you don't deal with your crap, your crap deals with you.
28. When sending meeting options in multiple time zones put their time zone first.
29. Stitches vs Band-Aids Test: Aim to say yes to kids trying things that cause Band-Aids and no to things that cause stitches.
30. You don't have to finish the book.
31. Ikigai: A reason to get out of bed in the morning. Write one down on a folded index card and leave it on your bedside table.
32. To pay more attention in video meetings: Hide Self View.
33. Blender breakfast I've used for 15 years: water, cinnamon, turmeric, protein, frozen banana, frozen greens, powdered greens, nut milk, nut butter, yogurt, avocado.
34. Guaranteed way to get good: Do it for free for 10 years.
35. You don't rise to the level of your goals. You fall to the level of your systems.
36. Funeral Rule: If you're not sure if you should go, go.
37. The Lindy Effect: Longer something's been popular, longer it'll stay popular. Helpful for finding books, restaurants, ideas.
38. Cut the cord between guilt and pleasure.
39. Social Media Paradox: More you're posting about it less you're doing it.
40. There is a relationship between how much you buy local and how nice the flowers are in your park.
41. Changing your mind is a sign of strength not weakness.
42. There is a tiny arrow on your gas gauge that tells you which way to park your car at the pumps.
43. Quickest happiness hack? Lower expectations.
44. You only earned what you spent and enjoyed. +



Neil Pasricha thinks, writes, and speaks about intentional living. All his current work focuses under themes of gratitude, happiness, failure, resilience, connection, and trust. Neil is the author of 10 books and journals including: The Book of Awesome, a spinning rolodex of simple pleasures based on his 100-million-hit, award-winning blog 1000 Awesome Things, The Happiness Equation, Awesome Is Everywhere, Two-Minute Mornings, and You Are Awesome. Neil's books are New York Times and #1 international bestsellers, have spent over 200 weeks on best-seller lists, and have sold over 2,000,000 copies across dozens of languages. Neil also gives over 50 speeches a year at places like Harvard, SXSW, and Shopify. His first TED talk "The 3 A's of Awesome" is ranked one of the 10 Most Inspiring of all time. Neil hosts an Apple "Best of" award-winning podcast called 3 Books where he is on an 'epic 15-year-long quest to uncover the 1000 most formative books in the world.' Neil shares his current writing on this blog and in a series of newsletters read by over 100,000 people. Neil's pro bono work focuses on youth literacy and mental health. Neil has degrees from Queen's University and Harvard Business School. Neil lives in Toronto with his family.

Neil.blog



THE UNINTENDED CONSEQUENCES OF PPP AND ERC: *A Change Of Mind-Set*

BY ANDY BAILEY



When the COVID-19 pandemic swept the globe, businesses were left reeling. In an effort to protect the health of themselves and their loved ones, people stopped going out to restaurants, buying movie tickets, and attending events. While it was hard to immediately “pause” our daily activities, it quickly became clear that an even bigger threat was looming: businesses weren’t going to be able to pay their employees if they weren’t bringing in any money.

Panic ensued. Layoffs happened. Business owners didn’t know what to do, so the government stepped in.

In the United States, businesses were offered many different resources to make it through this unprecedented time. The Employee Retention Credit (ERC) was crafted, giving businesses access to a potential tax credit, but it didn’t stop there. The Paycheck Protection Program (PPP) was a forgivable loan program that granted businesses funds to pay their employees.

Canada and many other countries formed similar versions of these bills to offer relief to businesses, keep people employed, and save the economy. On paper, all those things are great.

The intent was good and true. But, three years later, the unintended consequences of these programs are rearing their ugly heads.

As a business coach, I support businesses across the Americas with a wide range of challenges, helping them overcome whatever obstacles they face. Recently, the evidence has been clear: these programs may have done more harm than good.

To move forward, we first must examine what went wrong.

UNINTENDED CONSEQUENCES

Businesses got free money, so everything should be better now than it was before, right? Wrong. We are facing some of the highest rates of business bankruptcies in 25 years and the lowest rates of employee satisfaction that we have seen

in decades. These programs impacted the fundamental ability of businesses to survive, but there are a lot of layers to understand.

WEAKENED BUSINESS DECISIONS

When businesses are challenged, internal leaders have two options: get scrappy and find a solution or fail. Because of the \$800 billion safety net given to businesses in the United States alone, business leaders didn’t have to make the tough but necessary decisions during that time. Think about it in a personal sense: if you have a lot of cash coming in, you’ll probably keep your Netflix subscription, but if you know you have to tighten your belt to survive, you’ll make the tough decision to shut it off.

Businesses needed to get scrappier. They needed to get out of unfavorable supplier contracts, restrict spending, and focus on growing business opportunities. Instead, things stayed the same, the loan money was spent, and lazy business practices compounded, adding to the situation we see now.

SUBSTANDARD PEOPLE MANAGEMENT

The whole purpose of government support for businesses was centered around keeping people employed. If half a country's population loses their jobs, disaster strikes. A study by the National Bureau of Economic Research found that 2-3 million jobs were saved by the PPP alone, so at the very basic level, it did what it was designed to do.

However, poor performers were kept in their roles, people were promoted without working for it, and new hires were brought in with funding that had a very near-term limit. Now, those poor performers are dragging down companies, businesses have run out of money to pay everyone, and unprepared professionals are floundering in leadership roles. Since many companies weren't forced to trim the fat and streamline their business operations, they are now dangerously low on cash and don't know how to move forward.

FALSE SECURITY

Seventy percent of lottery winners go broke and 30% of lottery winners end up filing for bankruptcy. With COVID relief programs, businesses won the lottery. They were given a large chunk of cash that they weren't properly prepared for and didn't have to face the threatening reality they were up against.

So, they spent it. Business leaders are human too, and being human means that we can be emotional and impulsive when making decisions. The safety net of government funds and tax credits created a false sense of security, leaving businesses in even worse situations months and even years later.

MOTIVATION AND ACHIEVEMENT

Personally, this is the worst outcome. When people work hard to achieve a common goal, they find inspiration and create their own motivation to continue excelling. If, instead, people and businesses are given something for free without working for it, then they'll fall

into a pattern of mediocrity and low-effort endeavors. We are seeing that now in employees and business owners alike. People adjusted to coasting, lost interest in their goals or the chasing of those goals, and no longer strive to be better every day in the same way that they used to prior to the pandemic.

I want to reiterate that these government relief programs weren't bad. They were intended to serve a purpose in a time when governments had to act swiftly, and they did serve that purpose. However, there has been organizational fallout since their implementation that no one anticipated. In order to recover on an individual business level and a collective societal level, we have to be honest with ourselves about the origins of the consequences we are facing.

LOOKING AHEAD

Untangling the web that your business is experiencing might feel overwhelming or impossible, but, just like every other challenge you have overcome up to this point, you'll get through this one, too.

COVID relief programs saved many businesses in this country. Now the unintended consequences of those programs are hurting the businesses they were intended to help. It's time to change the momentum, get smart, and make the hard decisions that were avoided for years. Are you ready?

At Petra, when we coach a business that is ready to do the hard work to get set for the future, we start by asking questions, identifying paths, and constructing a plan to move through the current state and into the future.

If you feel like you might need someone to help you get honest with your people, your business, and your consequences, give us a call. There's a long road ahead if we want to truly recover, but instead of using Band-Aid solutions, we must be proactive, critical, and willing to do the work. Not doing the work was what got us here in the first place. +



Andy Bailey can cut through organizational BS faster than a hot knife through butter, showing organizations the logjams thwarting their success and coaching them past the excuses we all use to avoid doing what needs to be done. He doesn't ask for what's easy, only what's possible, and with his assistance the possible often expands to include the formerly impossible, as organizations learn that one step at a time gets you a long way when you step up to the challenge every day. After all, as he tells his clients, 100% annual growth is only 2% growth every week. It's not easy. But certainly possible. Andy learned how to build great organizations by building a great business, which he started in college, then grew into an Inc. 500 multi-million dollar national company that he successfully sold and exited. He founded Petra to pass on to other entrepreneurs, business owners and leaders the principles and practices he used to build his successful enterprise, which are rooted in the Rockefeller Habits methodology. In addition to building a successful company, Andy founded the Wireless Reseller Council and served as the regional membership director for the Entrepreneurs' Organization East Region, encompassing 18 chapters in the eastern U.S. Recently he was named the new Membership Director for EO's West Coast Region, and currently serves as president of the EO Nashville Chapter, named one of the fastest growing EO chapters in the world. He is a two-time finalist for Nashville Executive of the Year and has been honored as Nashville's Volunteer of the Year.

PetraCoach.com

TAKING CHARGE

BY LIZ WISEMAN



Managers love a good hand-off—that feeling of passing a piece of work to someone who will move it forward and get the job done. Ammar Maraqa, chief strategy officer at Splunk, described an Impact Player this way: “He’s a no-look pass kind of person. I can always throw the ball to him and know he’ll not only catch it, but run with it and score for the team.” Players who are trusted with the ball are those who are not only in position but know what to do next – how to move forward and make a play. They are professionals who step up and do things without being asked. Ammar then described another staff member, operationally strong, but who waited to be

asked before taking action, “He couldn’t work independently, so I couldn’t count on him to catch a ball and drive it.”

When a manager sees one person in need of handholding and another ready to take the handoff, whom do they choose? Who gets passed the high-profile assignment? Managers generally don’t choose the one waiting to be told what to do (in line with a frustration that ranks second highest for the managers we surveyed). In many ways, managers dole out the most important work not simply to the most capable but rather to the most willing. Much like a classroom, the person that gets called on is usually the one raising their hand. Joya Lewis grew up in Muncie, Indiana, in a tough neighborhood in this struggling

city, in a poor family, and without a lot of support. As a young girl she made her own breakfast, got herself ready for school, and did her homework by herself. At 15 she had her first job, washing dishes in a sandwich shop. It was hard work and she had to move fast. But there were times when she wasn’t busy and would notice co-workers doing other jobs who were struggling to keep up. So, she started clearing tables and sweeping floors until the dishes piled up again. The manager noticed her initiative and gave her a raise. She was delighted but shocked, saying, “Oh, I’m just doing what is right and helping out.” At 15, the first of several important connections was made: When you took on more responsibility, you made more money.”

Joya wanted a better life, so she kept volunteering for the hard jobs and taking care of the responsibilities she was entrusted with. In college, she worked multiple jobs simultaneously but still offered to take the extra shifts no one wanted. While working at Target in overnight stocking, her colleagues would show relief when the night's shipment was small saying, "It's a small truck. It can be an easy night." Joya would unload the truck and then offer to do more. Her initiative led to promotions and quickly became a mindset, "If I raise my hand, I will be rewarded."

Joya still works for Target, currently as a store director of a high-revenue store in St. Louis, Missouri. She's now financially secure but still taking responsibility for the hard jobs and using her influence to give back to her community.

Impact Players have a stewardship orientation in their work. They have a heartfelt desire to make things better—both for themselves and for others—and a willingness to take responsibility for making things happen. They are people like Betty Williams and Paul Forgey who were committed to making things in their part of the world better and who took action without being directed. Many people want change; what distinguished these people is that they believed they had the personal power to initiate change. Their fundamental guiding belief is: I can improve this situation. Once again we see a strong sense of personal agency and the presence of an internal locus of control as driving assumptions. This inclination to fix what is perceived as wrong, change the status quo and use initiative to solve problems rather than passively accepting one's environment is what psychologists refer to as a proactive personality. They are, as Stephen Covey put it, products of their decisions not products of their circumstances.

They don't just believe things could or should be better; they take action to make something better. They take charge of teams, lead others, and instigate collective action. As Tony Robbins bluntly said, "Any idiot can point out a problem. A leader is

willing to do something about it." From our interviews with managers, it was clear the Impact Players see themselves as capable of leading, making an impact, and contributing to larger goals. Our survey confirmed these findings. Specifically, 96% of high-impact contributors always or often take charge without waiting to be directed, compared to 20% of typical contributors. 91% of the Impact Players were always or often seen as good leaders. By comparison, 14% of typical contributors were seen the same way.

This brings us to another core assumption in the Impact Player Mindset: I don't need formal authority to take charge. While others are stuck in hierarchical, by-command forms of leadership, the Impact Players are practicing on-demand leadership. By-command leaders wait to be appointed from above and typically find it difficult to relinquish control when the job is done. On-demand leaders rise up when the situation summons them. They take ownership but they think and act more like temporary caretakers than permanent owners. They are willing to take the lead, but they don't hold on to power longer than is needed to solve a problem.

In order to understand the role and impact these stellar professionals have on their teammates, we can look to playmakers in association football (soccer in the U.S.). A playmaker makes important passes and puts themselves and others in position to score and win. They control the flow of the team's offensive play and use their vision, creativity and ball handling to orchestrate critical passing moves. These instrumental athletes can operate from a variety of positions on the field. Marta Vieira da Silva, the prolific Brazilian scorer known for her quick feet and ability to play off of her teammates, plays in a forward attacking position. Midfield winger David Beckham would find teammates making runs and deliver the ball in his signature long, curved, killer passes. Like da Silva and Beckham, playmakers often serve as team captain. But from any position, they make plays happen and are a thrill to watch and a joy to play with.

Playmakers, on the field and in the workplace, lead in bursts. Sparked by an opportunity for improvement and fueled by a belief that they can make a difference, they take charge of the field and make critical plays.

It's a belief system that propels them to take responsibility. The Impact Player Mindset is the pathway to leadership because, after all, isn't the very essence of leadership the desire to make something better and a willingness to do something about it? +



Liz Wiseman is a researcher and executive advisor who teaches leadership to executives around the world. She is the author of New York Times bestseller Multipliers and Wall Street Journal bestsellers Rookie Smarts and Impact Players. Liz is the CEO of The Wiseman Group, a leadership research and development firm headquartered in Silicon Valley, California. Some of her recent clients include: Apple, AT&T, Coca-Cola, Disney, Google, Meta, Microsoft, Netflix, Nike, Salesforce, Tesla and X. Liz writes for Harvard Business Review, Fortune and a variety of other business and leadership journals. She is a former executive at Oracle Corporation, where she worked as the Vice President of Oracle University and as the Global Leader for Human Resource Development. Liz has received the top achievement award for leadership from Thinkers50 and has consistently been named one of the world's top 50 management thinkers.

TheWisemanGroup.com



How To Become
**ONE OF THE
TOP CUSTOMER
SATISFACTION
COMPANIES**

BY JOHN DIJULIUS



HOW SATISFIED ARE YOUR CUSTOMERS?

Forbes' latest ranking, "Best Customer Service," highlights the companies that, according to consumer feedback, stand out with high customer satisfaction scores for delivering exceptional service in the United States. These are companies who also have significant brand loyalty.

"Customer service is one of those areas that has historically been viewed as a cost, but our data shows that there's an opportunity to view it as an edge," says Rob Pace, founder and CEO of HundredX.

"There's a massive return on investment when companies focus on things that are probably within their grasp. It just requires a mindset of customer centricity."

BEING CUSTOMER OBSESSED = HIGH CUSTOMER SATISFACTION & BRAND LOYALTY

Some winners shared their customer service philosophies in a *Forbes* article "Best Customer Service 2024: The Winning Strategies." With more than 800 locations, Dutch Bros Coffee placed 10th on the list. "Our greatest differentiator is our people and how they strive to be difference-makers in people's days," says Brian Maxwell, chief operating officer at Dutch Bros Coffee. "Part of the company's mission, he says, is still to be "fun loving" and to have customers "drive away feeling important, appreciated and better equipped to have an amazing day."

HOW TO ACHIEVE MORE THAN JUST CUSTOMER SATISFACTION: BECOME THE BRAND CUSTOMERS CANNOT LIVE WITHOUT

We all have a company or two that we can't fathom life without. What are the few

companies that you would be extremely upset if I told you, "You can no longer do business with them, ever again"? When I ask my audiences this question, the same brands always get mentioned such as: *Apple, Starbucks, Nordstrom, & Amazon* besides local mom and pop shops. These are all companies with high customer satisfaction. Now the important part is, think about what they have done and what they consistently do to make you so loyal, to make you feel that you cannot live without them. That is power. That is brand loyalty. The more people you can make feel like they cannot live without your brand, the closer you are to making price irrelevant. The key deciding factors to being a business people cannot live without are:

1. GREAT SERVICE/PRODUCT
2. CONSISTENCY
3. EASE OF DOING BUSINESS
4. EMPLOYEE EVANGELISTS
5. EDUCATE VERSUS SELL
6. PERSONALIZED EXPERIENCES

1. GREAT SERVICE/PRODUCT

This is a given. It is the price of admission that your product or service better be damn good. However, this is typically not even listed in the top three reasons why people are loyal to a brand. A company is in trouble if they are relying on their product or service to differentiate them in their market. Today every product or service is eventually commoditized.

2. CONSISTENCY

This is huge and cannot be over emphasized. Undeniably, more than anything else, customers want brands

to be brilliant at the basics. Consistency drives customer satisfaction and brand loyalty. Basically, you can forget the bells and whistles—just be consistent, reliable, accurate, and friendly in every interaction. Don't make it dependent on which location or which employee your customer deals with.

3. EASE OF DOING BUSINESS

Think about Amazon, Zappos, Nordstrom, and Uber. Amazon is the easiest and most convenient company for purchasing, from one-click, to returns, to their customer support. Is it any surprise they have high customer satisfaction scores? Companies like Zappos and Nordstrom do not have return policies. Surprisingly, you can bring it back in a year; you don't need your receipt. Does your company have policies and rules to make your life more convenient? How easy is it to speak to a human being? How easy is it to find a phone number on your website? Is the buying experience for your customers convenient for you or your company?

4. EMPLOYEE EVANGELISTS

Great brands have employee evangelists of two things: 1) what they do and 2) the brand they do it for. Because of this, when you shop at world-class brands, you see a strong similarity; their employees love the product, love helping and discussing the benefits of different types of products, and they love working for that brand. Their employees are loyal to the brand, and customers are likewise brand loyal.



Being customer obsessed isn't just about satisfaction—it's about creating brand loyalty that makes your business indispensable in customers' lives."



John DiJulius is redefining customer service in corporate America today. He didn't read the books on customer service, he wrote them: Secret Service, Hidden Systems That Deliver Unforgettable Customer Service, What's The Secret? To Being a World Class Customer Service Organization, The Customer Service Revolution, The Best Customer Service Quotes Ever Said, and The Relationship Economy. One of the most captivating and charismatic speakers today, John's keynotes and workshops are used by world-class service companies to provide unforgettable customer service every day. In his high-energy presentations, he uses powerful visuals as he discusses the 10 commandments of customer service and explains how to improve the service aptitude of employees at all levels. As the authority on world-class customer experience, organizations across America use his philosophies and systems for creating world-class service. He has worked with companies such as The Ritz-Carlton, Lexus, Starbucks, Nordstrom, Panera Bread, Nestle, Marriott Hotel, PWC, National City Bank, Cheesecake Factory, Progressive Insurance, HarleyDavidson, State Farm, Chick-fil-a, and many more, to help them continue to raise the bar and set the standard in service that consistently exceeds customer expectations.

TheDijuliusGroup.com

5. EDUCATE VERSUS SELL

The best brands gain brand loyalty and high customer satisfaction scores by teaching their employees to educate customers versus sell to them. I love technology and the moment something new is released I have to have it (worst thing a consumer can do).

Consequently, when Apple released a new iPad, I ran into the Apple store to upgrade. When the Apple employee asked me what I wanted, I said, "I currently have the iPad, but I want the iPad 2." He could not have had an easier sale. However, he asked me what I used my iPad for. I said, "For email, surfing the internet, social media, and I read articles and books on it." He said, "Do you play games or watch movies?" I replied, "No, never." He said, "Don't get it. It won't be worth it. The big difference between the iPad and iPad 2 is the resolution that you would only appreciate if you played games or watched movies."

I couldn't believe he talked me out of spending \$500. Subsequently, I was actually bummed! Then I said, "Well maybe I will start playing games." No seriously, I would have bought anything in the store from this employee after that.

He wasn't about selling me, he was about educating me and thus making sure I spent my money wisely.

6. PERSONALIZED EXPERIENCES

Every regular customer at Starbucks has "their order." Additionally, it is unique from anyone else's. It usually is something long and complicated like a "grande, single shot, 4 pumps sugar free peppermint, nonfat, extra hot, no foam, light whip, stirred white mocha." Did you know there are over 80,000 ways you can order your Starbucks drink? What is easier than that?

HOW CAN YOUR COMPANY BE THE BRAND CUSTOMERS LOVE?

Review the list of six things that make a company a brand customers cannot live without. Then, do an audit of how your company fares in each of the six categories and see where you can improve so you can become the brand your customers can't live without. +



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WHAT IS MDR?

And Why Is It Becoming Important In Cyber Insurance?

BY: JOHN ROBERTS
General Manager, Security



In cyberspace, small businesses are at a significant disadvantage. They often lack the necessary resources—time, money, personnel, expertise, and technology—to continuously shield themselves from the increasing risk of cyberattacks.

Implementing best cybersecurity hygiene practices can help, but security posture protocols that once seemed cutting edge can quickly phase out or be rendered less effective by threat actors' evolving attack methods.

If we are going to keep policyholders abreast of the newest advances in cybersecurity, we need to identify the next controls that will give them an edge over attackers. More specifically: Which security control has the greatest potential to become a staple in every business's cybersecurity strategy and even a potential requirement to obtain cyber insurance in the not-so-distant future?

The answer? Managed detection and response (MDR) is quickly becoming the newest important cybersecurity control for cyber insurance policyholders to implement and on track to outpace others at the top of the list.

MFA IS A STRONG SECURITY CONTROL—BUT IT'S NOT A PANACEA

MFA, or multi-factor authentication, has long been the most recognized and required security control by cyber insurers. While it dates back to the '90s, it did not truly gain traction until the mid-2000s. As smartphones grew in popularity, especially among businesses, so did MFA. The technology became more feasible once users had their own devices capable of verifying login attempts and receiving authentication codes as a second factor to complement passwords.

With more digital accounts and access, businesses needed a way to secure it all, and now, MFA is applied to nearly everything. This essential tool helped both large and small businesses seamlessly add an extra layer of protection to their networks.

Cyber insurance providers embraced MFA because it's easy to implement and creates enough friction to deter attackers and prompt them to move to their next target. Many cyber insurers began incentivizing or even requiring MFA after the increase in cybercrime during the pandemic. These

days, you'd be hard-pressed to find a cyber insurance policy that doesn't mention MFA.

However, as new technologies and attack vectors emerge, threat actors evolve their tactics, techniques, and procedures to circumvent many forms of MFA. Consequently, businesses need additional ways to enhance their security posture.

MDR IS A STRONG CONTENDER FOR THE NEXT IN-VOGUE SECURITY CONTROL

MDR combines technology with human expertise, leveraging the alerting and detection capabilities of endpoint detection and response (EDR) with human threat hunters who can respond to alerts in real time. EDR tools are valuable for detecting suspicious activities, but they're an imperfect solution if there's no human expertise in place to take the immediate and necessary actions.

Using artificial intelligence and machine learning to spot anomalous and known malicious activity, MDR can help businesses catch threat actors midattack. When the security control detects suspicious activity, third-party human experts can intervene in numerous ways, including cutting the connection of a remote session, isolating impacted machines, or revoking privileges for compromised attacks.

Companies with MDR in place have a 50% faster mean time to respond, dramatically decreasing the impact of a cyber incident. In some of the recent large-scale cyber events, like MOVEit or Citrix Bleed, many of the businesses that were hit would've been able to catch and contain the attack if they had dedicated people or MDR in place.

As a result, cyber insurance providers are increasingly requiring or encouraging and incentivizing businesses to implement MDR, sometimes by providing premium credits on their cyber insurance policies, just as they did with MFA. At Coalition, for example, businesses that use MDR are eligible for a premium credit up to 12.5% on our cyber insurance policies.

MDR HELPS POLICYHOLDERS COMPETE WITH THE TAXING CYBER THREAT LANDSCAPE

MDR is more than just another tool. It can help businesses keep pace with new

vulnerabilities without burdening existing teams. Most small businesses don't have the resources to run a security operations center because of time, effort, and technology costs. MDR offers a more cost-effective way for businesses to add expertise and improve their security posture without adding headcount.

Common vulnerabilities and exposures (CVEs) have steadily increased every year for nearly a decade, with more than 26,000 disclosed in 2023 and a 25% increase expected in 2024. Moreover, CVEs are among the most popular threat vectors for ransomware attacks, reaching a record-high of \$365,000 per claim last year.

With new vulnerabilities emerging at a rapid rate, businesses can often feel they're buried beneath an avalanche of alerts. The overwhelming volume and repetitive nature of these alerts can trigger alert fatigue, causing security professionals to lose the ability to distinguish between alerts that represent serious and concerning issues and everything else that's just noise. MDR can alleviate this by bringing together alerts from other tools and data sources, providing a more complete picture than any one tool alone.

MDR IS THE NEXT MFA—AND IT WILL BE AN ESSENTIAL CYBERSECURITY TOOL FOR BUSINESSES

Most businesses simply cannot afford 24/7 security. Threat actors know this and use it to their advantage. The good news is that cyber insurance providers know it too, and that's why they are increasingly encouraging businesses to implement MDR—just as they did with MFA. MDR gives businesses the technology and expertise to help respond and recover faster, minimize impact, and prevent future attacks.

As the cyber risk landscape evolves, businesses need help to better identify emerging vulnerabilities and enable predictable threat detection and response. MDR gives businesses a scalable, cost-effective way to monitor and mitigate cyber risk proactively. +



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DEPARTMENT OF LABOR

Independent Contractor Rule

Worker classification directly impacts employee eligibility for benefits, legal protections (such as minimum wage and overtime rights), and taxation. Employee misclassification is a growing concern for the U.S. Department of Labor (DOL). While several tests exist to determine whether a worker is an employee or an independent contractor, the DOL uses the economic reality test (ERT), which examines whether a worker is economically dependent on the employer or engaged in business for themselves. Under this test, if a worker is economically dependent on the employer, they are an employee and should be protected by employment laws, including the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA).

The DOL released a final rule, effective March 11, 2024, revising the agency's guidance on how to analyze who is an employee or independent contractor under the FLSA. This final rule rescinds the 2021 Independent Contractor Rule.

WORKER CLASSIFICATION

- Worker classification is the process of determining whether an employment relationship exists.
- Several tests exist to determine whether a worker is an employee or an independent contractor.
- The DOL favors the economic reality test to classify workers.

IMPACT ON EMPLOYERS

- In general, employment, labor, and related tax laws apply only to employees and do not apply to independent contractors.
- Misclassified employees often are denied benefits and protections they are entitled to by law.
- Employers that misclassify employees can be liable for expensive fines and litigation.

BACKGROUND

Under the FLSA, employees are entitled to minimum wage, overtime pay, and other benefits. Independent contractors are not entitled to these protections and

benefits. According to the DOL, the final rule will reduce the risk of employees being misclassified as independent contractors while providing a consistent approach for businesses that engage with individuals who are in business for themselves.

2021 INDEPENDENT CONTRACTOR RULE

The DOL published the 2021 Independent Contractor Rule on January 7, 2021. The 2021 rule reasserted the ERT as the DOL's preferred method to determine whether a worker should be classified as an employee or independent contractor under the FLSA. In doing so, the 2021 rule focused on two core factors: the nature and degree of the worker's control over the work and the worker's opportunity for profit and loss based on initiative and/or investment. These factors carried more weight in determining the status of independent contractors.

2024 FINAL RULE

The final rule rescinds the 2021 Independent Contractor Rule and returns to the pre-2021 rule precedent.



IN DOING SO, THE FINAL RULE RESTORES THE MULTIFACTOR, TOTALITY-OF-THE-CIRCUMSTANCES ANALYSIS TO ASSESS WHETHER A WORKER IS AN EMPLOYEE OR AN INDEPENDENT CONTRACTOR UNDER THE FLSA.

Under the final rule, the six economic reality factors are all weighed to assess whether a worker is economically dependent on a potential employer for work according to the totality of the circumstances. Moreover, additional factors may be relevant in determining whether the worker is an employee or independent contractor if they indicate whether the worker is in business for themselves, as opposed to being economically dependent on the potential employer for work.

Arguably, the final rule may result in classifying a greater number of workers as employees, not independent contractors. This classification would be significant, particularly in the gig economy, as it would afford more individuals FLSA rights and protections. The DOL has released guidance to help employers comply with the final rule.

THE ECONOMIC REALITY TEST

The DOL uses the ERT to determine whether a worker is an employee or an independent contractor under the FLSA. This test uses multiple factors to determine if an employment relationship exists. The goal of the test is to decide if the worker is economically dependent on the employer for work or is instead in business for themselves. For example, if the economic realities show that the worker is economically dependent on the

employer for work, then the worker is an employee. However, if the economic realities show that the worker is in business for themselves, then the worker is an independent contractor. The economic realities of the entire working relationship are looked at to decide whether a worker is an employee or an independent contractor.

The ERT applies the following six economic reality factors to analyze employee or independent contractor status under the FLSA or FMLA:

1. The degree to which the employer controls how the work is done;
2. The worker's opportunity for profit or loss, depending on managerial skill;
3. The amount of skill and initiative required for the work;
4. The degree of permanence of the working relationship;
5. The worker's investment in equipment or materials required for the task; and
6. The extent to which the service rendered is an integral part of the employer's business.

Proper worker classification requires employers to evaluate the six economic reality factors when determining a worker's status for FLSA purposes. No single factor (or set of factors) automatically determines a worker's status as either an employee or an independent contractor.

1. THE DEGREE TO WHICH THE EMPLOYER CONTROLS HOW THE WORK IS DONE

This factor considers the potential employer's control, including reserved control, over the performance of the work and the working relationship's economic aspects. Facts relevant to the potential employer's control over the worker include whether the potential employer:

- Sets the worker's schedule;
- Supervises the performance of the work;
- Explicitly limits the worker's ability to work for others;
- Uses technological means to supervise the performance of the work (such as using a device or electronic monitoring);
- Reserves the right to supervise or discipline workers; or
- Places demands or restrictions on workers that do not allow them to work for others or work when they choose.

Whether the potential employer controls economic aspects of the working relationship, including prices or rates for services and the marketing of the services or products provided by the worker, should also be considered.

Actions taken by the potential employer for the sole purpose of complying with a specific applicable federal, state, tribal, or local law or regulation are not indicative of control. In contrast, actions taken by the potential employer that go beyond compliance with a specific applicable federal, state, tribal, or local law or regulation and instead serve the potential employer's own compliance methods, safety, quality control, or contractual or customer service standards may be indicative of control.

2. THE WORKER'S OPPORTUNITY FOR PROFIT OR LOSS, DEPENDING ON MANAGERIAL SKILL

This factor considers whether the worker has opportunities for profit or loss based on managerial skills, including initiative, business acumen, or judgment that affect the worker's economic success or failure in performing the work.

Relevant factors for employers to consider when evaluating whether a worker has opportunities for profit or loss based on managerial skill include, among others:



Proper worker classification requires employers to evaluate the six economic reality factors when determining a worker's status for FLSA purposes. No single factor (or set of factors) automatically determines a worker's status as either an employee or an independent contractor.

- Whether the worker determines or can meaningfully negotiate the charge or pay for the work provided;
- Whether the worker accepts or declines jobs or chooses the order and/or time in which the jobs are performed;
- Whether the worker engages in marketing, advertising, or other efforts to expand their business or secure more work; and
- Whether the worker makes decisions to hire others, purchase materials and equipment, and/or rent space.

A worker's decision that impacts the amount of pay they receive, such as working more hours or jobs, when they are paid a fixed rate per hour or job generally does not suggest the worker exercises managerial skill.

If a worker has no opportunity for a profit or loss, then this factor suggests they are an employee.

3. THE AMOUNT OF SKILL AND INITIATIVE REQUIRED FOR THE WORK

This factor considers whether the worker uses specialized skills to perform the work and whether those skills contribute to the business-like initiative, or if the work is dependent on training from the potential employer. This factor indicates employee status when the worker does not use specialized skills to perform the work or is dependent on training from the potential employer to perform the work.

Where the worker brings specialized skills to the work relationship, this fact is not indicative of independent contractor status because both employees and independent contractors may be skilled workers. It is the worker's use of those specialized skills in connection with business-like initiative that indicates that the worker is an independent contractor.

4. THE DEGREE OF PERMANENCE OF THE WORKING RELATIONSHIP

This factor weighs in favor of the worker being an employee when the work relationship is:

- Indefinite in duration;
- Continuous; or
- Exclusive of work for other employers.

On the other hand, this factor weighs in favor of an independent contractor classification when the work relationship is:

- Definite in duration;
- Nonexclusive;
- Project-based; or
- Sporadic based on the worker being in business for themselves and marketing their services or labor to multiple entities.

Such conditions may include regularly occurring fixed periods of work; however, seasonal or temporary work by itself would not necessarily indicate independent contractor classification.

Where a lack of permanence is due to operational characteristics that are unique or intrinsic to particular businesses or industries and the workers they employ rather than the workers' own independent business initiative, this factor is not necessarily indicative of independent contractor status unless the worker is exercising their own independent business initiative.

5. THE WORKER'S INVESTMENT IN EQUIPMENT OR MATERIALS REQUIRED FOR THE TASK

This factor considers whether any investments by a worker are capital or entrepreneurial in nature. Costs to a worker of tools and equipment to perform a specific job, costs of the worker's labor and costs that the potential employer imposes unilaterally

on the worker are not evidence of capital or entrepreneurial investment and, therefore, indicate employee status.

Investments that are capital or entrepreneurial in nature, indicating independent contractor status, generally support an independent business and serve a business-like function. Such investments may include:

- Increasing the worker's ability to do different types of or more work;
- Reducing costs; or
- Extending market reach.

A worker's investments should be considered relative to the potential employer's investments in its overall business. If the worker is making similar investments as the potential employer, even on a smaller scale, it suggests that the worker operates independently, indicating independent contractor status.

6. THE EXTENT TO WHICH THE SERVICE RENDERED IS AN INTEGRAL PART OF THE EMPLOYER'S BUSINESS

This factor considers whether the work performed is an integral part of the potential employer's business. This factor does not depend on whether any individual worker is an integral part of the business but rather whether the function they perform is integral to the business.

This factor weighs in favor of the worker being an employee when the work they perform in relation to the potential employer's principal business is:

- Critical;
- Necessary; or
- Central.

In contrast, this factor weighs in favor of the worker being an independent contractor when the work they perform is not critical, necessary, or central to the potential employer's principal business.

ADDITIONAL FACTORS

The ERT allows additional factors beyond the six factors discussed above to be considered if they are relevant to the overall question of whether the worker is in business for themselves or is economically dependent on the employer for work.

Certain facts are not relevant to whether an employment relationship exists, including:

- What the worker is called—a worker may be an employee under the FLSA regardless of the title or label they are given;
- Whether a worker is paid off the books or receives a Form 1099; or
- Whether the worker agrees verbally or in writing to be classified as an independent contractor, including by signing an independent contractor agreement.

Additionally, such facts as the place where work is performed, whether a worker is licensed by a state or local government, and the time or mode of pay do not determine whether a worker is an employee or an independent contractor under the FLSA.

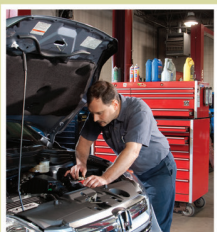
EMPLOYER COMPLIANCE CONSIDERATIONS

A worker's coverage by a particular law or entitlement to a particular benefit often depends on whether they are an employee or an independent contractor. In general, employment laws, labor laws, and related tax laws do not apply to independent contractors. Employers who misclassify employees may be liable for expensive fines and litigation if a worker should have been classified as an employee and did not receive a benefit or protection they were entitled to by law.

MORE INFORMATION

Please contact Spectrum Insurance Group for additional information on appropriate worker classification. +

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