

# A LOOK AHEAD TO 2016



16 business experts share their predictions  
and advice for a successful year

FEATURING INSIGHTS FROM:

**JOHN  
JANTSCH**

Marketing Author and Speaker

**CHRISTIANE  
LEMIEUX**

Design Entrepreneur

**ROHIT  
BHARGAVA**

Brand Strategist

AND MORE...

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## INTRODUCTION

# What Can We Expect in 2016?

In 2015, we talked a lot about the future—thanks in part to that old time-travel movie in the news. But for smart entrepreneurs, looking forward is a constant state of mind. Or at least it should be. After all, anticipating future trends, future challenges and future opportunities is what separates great companies from the ones that'll be history by this time next year.

Unfortunately, no one actually has a time machine. Experience counts for a lot, however—the more you see, the more you see things repeat themselves—and that kind of accrued foresight is invaluable to any fast-growing company.

With this in mind, to help give small businesses across the country a leg up on the new year, we reached out to some of the savviest entrepreneurs we know, and asked them a simple question:

*“In your opinion, what is the top issue that business owners should be focused on for 2016—and why?”*

What surprised us was the range of responses and viewpoints, which, collectively, provide a pretty good snapshot of where your attention should be focused in 2016.

Here's to a great year.



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**Rod Kurtz**

*Editor-at-large, OPEN Forum*

# 3 Ways Any Entrepreneur Can See the Future



## Prepare for growth in 2016 by:

- Mapping out possible external scenarios that could affect your business, like new legislation.
- Attending a conference or networking event outside of your industry or skill set.
- Inviting experts outside of your industry to brainstorm new business ideas.

**A**s an entrepreneur, you no doubt have your hands full managing day-to-day business and putting out immediate fires.

So what could a futurist possibly have to share that could actually help you grow your business? And, for that matter, what's a futurist?

Far from the stereotype of the academic theoretician with no grounding in reality, futurists have a surprising amount to say on the outlook of small businesses. In my 17 years of professional experience, 10 of which I've spent working in the [Foresight & Innovation team](#) of a 12,000-strong, global, privately-owned [engineering](#) and design organization, I've had the chance to apply foresight tools in a number of different business contexts. While it's quite often a challenge, given the immediate responsibilities that come with their roles, to persuade senior leadership and staff of the importance of future planning, inevitably some unforeseen event or conversation happens that triggers the forward-looking exercise.

I'm not suggesting that as a business owner you need to become certified as a futurist (because really, who has time for that?), but here are three techniques for you to consider as you grow your business.



### ABOUT THE AUTHOR

**Francesca Birks**

Francesca Birks leads [Foresight, Research + Innovation](#) for Arup Americas and is the editor-in-chief of their online magazine [Doggerel](#), focused on innovation in the built environment.

## 1 Future Scenario Planning: Anticipating Change

Have you ever wondered what might happen to your business or customer base if a new technology were introduced in your sector or new legislation were passed? Exploring hypothetical scenarios allows you to explore plausible future contexts, in order to assess the challenges and opportunities presented by those disruptions to your business. Tell-tale signs are when the same issues begin to present themselves in multiple scenarios.

Let's say your business involves managing the monthly delivery of a box of beauty products, and you live in a state that is just beginning to explore drone usage in a commercial capacity—how might the legalization of drones impact your business? Will drones allow you to be more cost-effective as a delivery service? Will it cut down the time for deliveries and reduce human error? On the other side, you may want to consider your market's response to the usage of drones. Would it affect your customers' perception of your brand if they knew that their luxe beauty samples were being delivered by an unmanned aircraft?

It would be a mistake to assume that the business you manage today will look the same tomorrow. Many companies have succumbed to complacency and then not lived to see the next financial year. For more information on scenario planning, [start here](#).

## 2 Extending the Network: Avoid the Echo Chamber

Everyone tells you in business school, or when you're starting a new business, that your network matters.



## OUR OUTLOOK

In 2016, it's about authenticity. The landscape has changed dramatically in business: You have to be a storyteller and be authentic now more than ever. With content overload and social media's growing role in marketing, it's important to constantly reinvent, recreate, redefine and carve your own way. Industries are changing drastically and the businesses that will continue to prosper will have a powerful voice, solid vision and personality. And above all, they will be authentic—capturing the hearts, minds and spirits of their consumers.



### Danielle and Jodie Snyder

Co-Founders, [DANNIJO](#)

Danielle and Jodie Snyder are the president/CMO and CEO, respectively, of DANNIJO, an international jewelry and accessories brand based in New York. As sisters and co-founders, they appear regularly in the media and are widely recognized for their celebrity and corporate-brand collaborations.

*“It would be a mistake to assume that the business you manage today will look the same tomorrow.”*

— Francesca Birks

One of the habits I've tried to cultivate as I get closer to my 10-year anniversary with my current firm is to identify new conferences on topics less familiar to me and a few degrees removed from my area of expertise. By attending these, I continue to develop new contacts and create the opportunity for new mental connections. New ideas emerge when you step out of your comfort zone and expose yourself to new people and new ways of thinking about the world.

It may be as simple as signing up for a [Meetup](#) you wouldn't ordinarily attend. From meditation meetings to Big Data gatherings, you could discover a new side hustle or passion.

### 3 Stakeholder Engagement: Facilitating Innovation

Managing a small business can sometimes be overwhelming; it often feels like a very insular experience. Somewhere along the way you may hit a wall and find yourself unable to generate new ideas or concepts. When that happens, it can be incredibly useful to facilitate an idea-generating workshop with a variety of stakeholders.

At our firm, we run a ventures program to solicit concepts for game-changing technologies for cities and communities. The ventures program is intended to

harvest ideas which have commercial potential within design and engineering. The most promising ideas are given funding to explore market and intellectual property potential, and to develop business plans.

One of the important steps in the ventures process is engaging multiple technical experts to explore the potential in a concept. Let's say the concept was for a new gravity base for a wind turbine. We might invite an ecologist to comment on the environmental impact, a materials expert to weigh in on the ideal type of concrete and an economist to provide insight on the business potential of the concept. From that discussion, we're able to decide whether to put the idea forward for future investment. Similarly, no matter what industry your business involved in, it's likely that there are experts within your inner circle or your extended network that could help you test out new product/service concepts or business ideas.

The quality of the vetting process is a direct result of the quality of the participants invited into the room. As a business owner, don't be afraid to reach out to the people inside of your business or within your wider network to gather the best ideas when you are tackling important business challenges. By involving your networks, you will inspire their commitment to the initiative and they will likely be interested to receive updates and progress reports.

While it's impossible to predict what will happen in the future, there are tactical ways to help improve your odds. By adopting these three techniques (and with some luck!) you can be in a better position to anticipate and act on future market opportunities—but only if you make an effort to see them.

# 5 Keys to Predicting Trends in 2016



## SNAPSHOT

*Spotting trends can help you grow your business. Here's how.*

- Gather ideas by saving interesting things as you come across them.
- Group together disconnected ideas.
- Identify the themes and trends you've spotted.
- Give the trends a memorable name.
- Prove the trends with concrete research and examples.

**S**everal years ago, I was invited as a guest on NPR to discuss a surprisingly popular toy that, as with most momentarily popular kids' toys, took off and went rapidly viral.

It was no small irony that an author like myself who spends much of his year writing about trends can also be embarrassingly good at talking about fads as well.

A fad is a product or a platform or a thing that captures the attention of a lot of people. Fads are popular and people can't help talking about them. Fads are like popular fashions or 3D printing or the latest social-media platform of the month. They are always interesting, generate lots of media interest and, on the surface, always seem like a smart bet to leverage in some way for your small business.

Trends go deeper.

Imagine you had the superhuman ability to see what your competitors could not. With this ability you could know what products your customers would be interested in next year. You could forecast out your demand perfectly and even invest in the things that you knew would pay off for your business.

Sound valuable? That is what knowing how to predict real trends can do for your business. For the past five years I have been teaching business owners, brands and marketers how to do it.



## ABOUT THE AUTHOR

**Rohit Bhargava**

Rohit Bhargava is a trend curator and the *Wall Street Journal* best-selling author of [Non-Obvious](#). He is the founder of the [Influential Marketing Group](#) and a popular keynote speaker on trends and creating more-human organizations.



To start, let me share my definition of a trend.

## **Trend: A curated observation of the accelerating present.**

For the past five years, I have published an annual report detailing 15 trends that change how we buy, sell or believe anything. In doing the research for this report every year, I have learned there is a process anyone can use to see around the corner and help learn to predict the future for themselves.

I call this process the “Haystack Method” and it is named after a cliché that you probably recognize. Often, trends surface through the act of “trendspotting” and the people who do it. Trendspotting describes a world where a small group of expert innovators use their powers of finding needles in the midst of haystacks. Most of the time, we believe the needle is the most important piece of the puzzle.

This is completely backwards.

I believe great trends are described from observation across multiple stories, examples and disciplines. They

*“I believe great trends are described from observation across multiple stories, examples and disciplines. They are built from gathered ideas that are brought together and analyzed with the right model.”*

— Rohit Bhargava

are built from gathered ideas that are brought together and analyzed with the right model. They are described in powerful ways. I refer to these ideas as the hay—and learning to gather it is far more important than the needle itself.

The Haystack Method describes a model where we assign more value to the ideas (the hay) rather than trying to find the needle. The Haystack Method is comprised of five important steps that any of us can train ourselves to utilize.

## **Step 1: Gathering**

Gathering is the simple act of collecting stories and ideas from any interaction you have with people or with content in any form across multiple channels.

Do you read the same sources of media religiously? Or do you skim Twitter occasionally and sometimes follow the links to continue reading? Regardless of your media-consumption behavior, chances are you encounter plenty of interesting stories or ideas. The real question is, do you save them?

The key to gathering ideas is making a habit of saving interesting things.

My method involves always carrying a small notebook in my bag and keeping a folder on my desk to save







#### STEP 1

### Where to find ideas:

- Personal conversations at events or meetings *(ask lots of questions)*
- Live speakers *(write down memorable quotes)*
- Entertainment *(TV shows and movies that actually make you think)*
- Books *(nonfiction and fiction)*
- Museums *(the more obscure the better!)*
- Magazines and newspapers *(as unexpected or outside your realm of knowledge as possible)*
- Travel *(even if the destination doesn't seem exotic or far away)*

media clippings and printouts. By the time you read these words, that folder on my desk has changed color and already says “2016 Trends” on the outside of it.

Your own method doesn't have to be quite so scripted or calendarized—as long as you have a way to capture and save these ideas in a way that makes them valuable for you to revisit at a later date.

**The bottom line:** Gathering valuable ideas means training yourself to uncover interesting ideas across

multiple sources and become diligent about collecting them.

### Step 2: Aggregating

Aggregating involves taking individual ideas and disconnected thoughts and grouping them together based on bigger ideas.

Once you have begun diligently gathering ideas, the next step is to choose a time to go and combine the early results of your observation and curiosity with thoughtful insights about what it means and how it fits together.



#### STEP 2

### How to group ideas:

- What broad group or demographic does this story describe?
- What is the underlying human need or behavior that this idea is an example of?
- What makes this story interesting as an example?
- How is this same phenomenon affecting multiple unrelated industries?
- What qualities or elements make me interested in this story?

When you move from gathering to aggregating, you take the first step toward adding meaning to stories and ideas. At this stage, it is important to remember

that industries or categories don't matter for grouping. When sorting, don't fall into the obvious trap of putting all the financial examples together or putting every story related to Facebook together.

**The bottom line:** Aggregating involves sorting ideas based on insights and human motivations, not industries or demographics.

### Step 3: Elevating

Elevating trends means thinking about the underlying themes that relate one group of ideas to another, to describe a single broader idea or shift.

If you have gone through gathering and aggregating ideas, this is the point where you will probably confront the same problem I do every year: There are too many possibilities.

When I go through my annual exercise of curating trends, the first time I aggregate all of my ideas usually yields between 70 and 100 possible trend topics. That is far too many for a book, and a sign that there is more work to be done. So in this third step, the aim is to start to take a bigger view and aggregating multiple groupings of information together into something that might eventually be a trend. This can be the most challenging phase of the Haystack Method as combining ideas can also lead you to unintentionally make them too broad (and obvious).

**The bottom line:** Elevating an idea ultimately means you have to work hard to make it more encompassing of multiple examples, and therefore more valuable.



#### STEP 3

### How to ensure you have an effective trend name:

- Is the name not widely used or already well understood?
- Is it relatively simple to say out loud in conversation?
- Does it make sense without too much additional explanation?
- Could you imagine it as the title of a book?
- Are you using words that are unique and not overused or cliché?
- Does it build upon a popular theme or topic in an unexpected way?

## Step 4: Naming

Naming trends involves describing an elevated idea in an easily understandable and memorably branded way.

Naming trends is a bit like naming a child—you think of every way that the name might unintentionally be dooming your idea (or child) to a life of ridicule and then you try to balance that with a name that feels right.

Of course, naming trends also involves the choice of sharing a specific point of view in a way that names for kids generally don't. Great trend names convey meaning with simplicity—and they are memorable.



### STEP 4

#### How to think bigger about ideas:

- What interests me most about these ideas?
- What elements could I have missed earlier?
- What is below the surface?
- What is the bigger picture?
- Where is the connection between ideas?

**The bottom line:** Finding the right name for an idea can help a smart idea to capture the right people's imaginations—and help them to own and describe it for themselves.

## Step 5: Proving

Proving trends is the final step in ensuring that there is enough concrete research and examples to justify why an idea does indeed describe the accelerating present enough to be called a trend.

Up until this point in the process of developing and curating trends, you might be thinking there hasn't been much hard research or data gathering involved. In the process I have shared so far, that is true. But it doesn't mean that data or hard research isn't important.



### STEP 5

#### How to quantify a trend:

- Is the trend idea unique enough to be described as new or fresh?
- Has anyone published research related to this trend idea?
- Is the media starting to uncover examples or focus on it?
- Are there enough examples across industries to show adoption?
- Is it likely to continue into the foreseeable future?

The Haystack Method relies heavily on analyzing stories and ideas that have been collected over an extended period of time and spotting patterns in those ideas. When it comes to proving a trend idea, though, getting the right research and data can be a critical last step.

**The bottom line:** The more analytical or scientific your stakeholders and audience, the more likely it is you will need some more concrete data to support your curated trends. You always want to make sure every trend has proof in three critical areas—idea, impact and acceleration.

## The Conclusion

The future often seems like a mystery that no one can predict. While the future is never written in stone, I believe anyone can learn to collect ideas and then

*“While the future is never written in stone, I believe anyone can learn to collect ideas and then start to predict trends.”*

— Rohit Bhargava

start to predict trends. The real key is the right process to curate those ideas, see the patterns between them and then use them in your business to help prepare for the future.



## MY OUTLOOK



**Ben Conniff**

Vice President, [Luke's Lobster](#)

In 2016, diners and shoppers will demand more transparency than ever in their purchases. They will want to know where their food comes from, how it's grown and harvested, and how it's handled as it makes its way from its origin to their plate. In 2016, this movement, which started in food, will extend further to the clothes people wear and the products they buy. Consumers will understand better than ever the true cost, environmentally and socially, of artificially cheap products, and will seek out businesses who are willing to invest time, effort and money in sourcing goods they can be proud of.

Ben Conniff is co-founder and vice president of Luke's Lobster, a casual lobster shack featuring traceable, sustainable seafood, with 19 locations in New York, Boston, Philadelphia, Washington, Chicago and Las Vegas.

# How to Stay Focused in an Always-On World



## SNAPSHOT

*Staying focused on what's important in 2016 can help your business grow.*

To do this, set fewer priorities, make daily progress on your biggest projects and measure your progress to see how far you've come.

**F**ocus, or lack thereof, has always been an important issue for business owners, but maintaining focus has become increasingly difficult in this always-on, ever-changing world we live in today.

So, to thrive in 2016 and beyond, we must get very, very good at understanding growth objectives, limiting distractions and playing in fewer channels—even as the siren scream to do more is amplified.

Wait—did you just check your phone?

I know a lot of people think things like cash flow, productivity and lead generation are the big issues of the day, but I believe that scattered focus costs businesses more than any other dynamic.

When you try to do too much—and trust me, there is always too much to do—you can end up running in circles and conclude each day with no attention paid to things that actually matter: The things that produce the highest payoff.

To focus on less and do more, you must know how to choose your highest priorities, understand what it takes to achieve them, hold them very close and measure your progress often.



## ABOUT THE AUTHOR

**John Jantsch**

John Jantsch is a marketing consultant, speaker and author of *Duct Tape Marketing*, *Duct Tape Selling*, *The Commitment Engine* and *The Referral Engine* and the founder of the [Duct Tape Marketing Consultant Network](#).

As 2016 approaches, here are three methods for keeping focus in decidedly unfocused times:

## 1 Set fewer priorities.

In most small businesses, it can feel like everything is on fire and in need of attention. Instead, in 2016, I recommend that you choose two or three priorities each quarter and make them the basis of your attention.

Figure out what it will mean if you nail the projects and tasks that will allow you to accomplish your burning priorities—and put most of your focus there. Obviously,

this can seem particularly difficult if it's just you doing all of the work, so perhaps your first priority must be to find ways to delegate work to virtual assistants or the army of freelance experts out there waiting to perform magic for you.

## 2 Then, visit your real priorities every day.

Once you develop your very, very small list of priorities, you should write them on a whiteboard, on your computer's wallpaper, in a daily reminder notebook or whatever your preferred method is, so that you



## MY OUTLOOK



### Peter Arvai

Co-Founder and CEO, [Prezi](#)

Peter Arvai is a serial technology entrepreneur and the co-founder and CEO of Prezi, an online-presentation platform with more than 60 million users worldwide.

The biggest challenge businesses will continue to face in 2016 is staying relevant in the face of increasingly rapid changes in technology and business models. If we want to survive in this constantly evolving landscape, we need our teams to come up with innovative solutions—which means that we, as leaders, need to “we operate.” This means hiring the right people: People with a creative mindset, rather than those with lots of experience. Experience is quickly becoming outdated, so you need to find people who are intrinsically motivated, willing to be vulnerable and try new things and capable of challenging basic assumptions. Additionally, you need to make sure that you reward people within your organization for taking risks, approaching your business goals differently and working together based on a shared sense of purpose.



start each and every day creating tasks focused on achieving your chosen priorities. Say you've set rolling out your awesome new product as a key priority. Revisit that goal each morning and create some tasks that will move that priority forward—no matter how small. Daily progress is how you accomplish big tasks, and big tasks are how you make a difference. Checking your email for the 47th time is not how you make progress.

### 3 Measure your progress.

One of the keys to progress is measurement. If you know you need to create a new course to sell to your market and have 32 lessons to create for the new product, then draw a big 32 on the wall and change that number every time you knock out a new lesson.

One of the mistakes many business owners make in the pursuit of the far-off horizon of success is that they fail to turn around and measure just how far they've come. Measurement is how you stay inspired and motivated! Focus is a tool, focus is a strategy and focus is the key to progress. Now, I hesitate to give you yet another tool to help you focus, but if you're someone that has trouble staying on task with things like email, Facebook and cat GIFs, then perhaps you try out an app such as [Focus.io](#), [Pomodoro Timer](#) or [SelfControl](#). These tools turn off your access to distracting apps and sites so you can stay focused on the tasks that serve your priorities.

Let 2016 be the year you accomplish so much more—by doing so much less.

*“I know a lot of people think things like cash flow, productivity and lead generation are the big issues of the day, but I believe that scattered focus costs businesses more than any other dynamic.”*

— John Jantsch



STOCKSY

# Social Media Finally Reigns Supreme



## SNAPSHOT

*To grow in 2016, your business needs to be on top of social media—it may soon be more important than traditional advertising.*

Your best long-term strategy is being authentic, consistent and, most importantly, interesting.

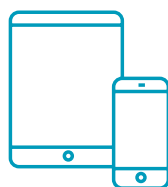
*I think 2016 will be the year we finally hit a tipping point, as the social Web overtakes traditional advertising in importance to real branding.*

Attention—the ultimate value—will flow through billions of instant decisions made on mostly smaller devices, to click, read, like, follow (or not follow). And it's going not to the best ads or the biggest budget, but to whatever serves the self-interest of the people doing the clicking. That's been coming for a while, and now it's almost here. The secret to 2016: *Don't be boring.*

To call it a “perfect storm” may be trite, but there is, for sure, a convergence of at least four important trends, all coming together in 2016:

1

**Mobile devices are taking over.**



**62%** of time spent on digital media is activity on smartphones and tablets.

— comScore's 2015 U.S. Mobile App Report

Already today, activity on smartphones and tablets accounts for nearly two-thirds of time spent on digital media, according to



ABOUT THE AUTHOR

**Tim Berry**

Tim Berry is the founder and chairman of [Palo Alto Software](#) and founder of [bplans.com](#). His latest book is [Lean Business Planning](#), published by Motivational Press.

[comScore's 2015 U.S. Mobile App Report](#). Odds are you are reading this on a phone or tablet. People click on what their friends like, not ads. Attention spans are already shorter and screens are smaller.

## 2 Ad blocking reflects deep cultural change, not just an option or an app.

We lived with ads for generations because we needed to suffer the ads to get the content. And now we don't. Apple is allowing [ad blocking on mobile](#), and other big players will follow. And we all skip ads in time-shifted television, or just jump direct to the streaming options, like Netflix, Hulu or Amazon Video. YouTube—which

is part of Google—just announced [ad-free video on a subscription basis](#). We read and watch what we want.

## 3 I predict that search engine optimization and pay-per-click ads won't perform as well.

Why? Instead of searching all the time, we're jumping from content to content. We don't go from Facebook or Twitter to the Web—we stay inside them. Facebook's new [Instant Articles](#) and Google's open version of the same thing, called [Accelerated Mobile Pages](#), and whatever else follows, give us back our own whimsical choices on what gets our attention.





## MY OUTLOOK

As an entrepreneur (and CEO of a company that happens to develop software) I know it's tempting to look for a catch-all, end-all solution to run your business—a one-stop software shop to run everything from your employee management to billing to filing your quarterlies. But I can say with certainty, that's not the way that successful companies will operate in 2016 and beyond. When I see tech companies maxing bandwidth and scrambling to develop software solutions that do it all, I see a model that pigeonholes the very customers they're trying to attract. Instead, it's critical to find the best-of-breed, targeted apps that are partnering with other top apps to create a seamless, vibrant ecosystem that's stronger and smarter than the catch-all solution. Letting go of the “everything to everyone” mentality, and embracing specialization and the power of app integrations, is essential for any entrepreneur looking for the right systems to operate and scale.



### Matt Rissell

Co-Founder and CEO, [TSheets](#)

Matt Rissell is the co-founder and CEO of TSheets, a fast-growing, time-tracking technology company based in Boise, Idaho. A serial entrepreneur, with five other successful companies under his belt, Matt speaks nationally on topics of growth and company culture.

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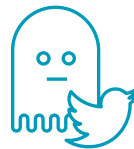
## The new demographic—the fake people—are killing analytics.

Earlier this year, it was [reported](#) that between 5.5 percent and 11.2 percent of Facebook users are fake. Analytics expert Lutz Finger, author of *Ask Measure Learn: Using Social Media Analytics to Understand and Influence Customer Behavior*, estimates [seven percent of Twitter users are fake](#). An [MIT Technology Review report](#) from earlier this year says fake users “are used to inflate follower counts, to push spam or malware, and even to skew political discourse.” What does a like or follow mean when you can buy a thousand of them for \$39? They are not going to buy your product or use your service.



**5.5 - 11.2% of Facebook users are fake**

— TheNextWeb.com



**7% of Twitter users are fake**

— Lutz Finger, analytics expert

One result of all this is that real attention goes to what's new, trending, interesting, useful, outrageous, shocking and funny. Kittens do way better than ads.

Another is that as more businesses, and bigger businesses, and interest groups, and fringe groups all jump into the attention battle, there's more noise, and it gets a lot harder. 2016 is when we realize the best long-term strategy is giving value, living our business story, staying authentic, consistent and interesting—and, above all else, not boring.





## MY OUTLOOK



### Chris “Drama” Pfaff

Founder and CEO,  
[Young & Reckless](#)

Chris “Drama” Pfaff is the founder and CEO of Young & Reckless, a streetwear-apparel brand and production company focused on music and youth culture. A fixture on MTV for the past decade, as co-star of two successful reality shows, he appears nationally as an advocate for young entrepreneurs.

When I think about problems or challenges in 2016, the first thing that comes to mind is just the oversaturation of ideas and news. Meaning, it's constantly becoming more difficult to get your idea heard. The barrier to entry is almost nonexistent—which is sometimes great for some people—but I think it's harder to hear the good ideas out there. That leads me back to the content thing—we're trying to focus a lot more on creating content, to catch people's attention in the sea of chaos. And trying to figure out how to create as much content at a good quality for the cheapest amount of money.

With a \$5 million budget, you could put out a video every week, but that's excessive. How do you stand out from the noise, create good stuff, but be cost effective? For us, that means hiring a new person, which we did, whose sole job is to learn YouTube and learn social media and learn ad buys—and then apply them. Right now, we're in the phase of just guessing. But if you can figure it out, it's a scalable sort of strategy, because unlike in the old days when you would do a billboard campaign or magazine campaign, you can track if anyone saw your content and goes to your store because of it.

# Cash Remains King



## SNAPSHOT

*Help your business stay ahead in 2016 by maintaining your cash flow:*

- Review your financial setbacks from previous years.
- Determine and prepare for potential cash-flow emergencies in the year ahead.
- Keep your financials in order and have a contingency plan in place before the new year.

**W**hat are the biggest issues facing small business owners in 2016? Is it learning social media? Entering global markets? Could it be the volatility of our own economy?

Some business owners will do extensive research; others will resort to breaking out the crystal ball. In talking at length with many of my clients, we seem to agree that the biggest factor in running their businesses will be maintaining proper cash flow.

Cash flow is the fuel that drives most small and midsize companies. Nothing becomes more important or pressing than when flashing lights go off on the business checking account, as payables become past due and receivables float somewhere out in the universe. This nightmare scenario is usually what keeps most business owners up at night.

So if you want to sleep better in 2016, here are three very important steps that can help:

1

### Learn from the past.

In reviewing your financials from 2014 and 2015, were there any months when you had a cash-flow emergency? Did it happen more than once? What were the reasons? How long did it last?



ABOUT THE AUTHOR

**Brian Moran**

Brian Moran is founder and CEO of [Brian Moran & Associates](#), a company set up to help entrepreneurs run better businesses. You can connect with Brian on Twitter at [@BrianMoran](#).



How did you finally fix the situation? The answers to these questions will help you put together a contingency plan for 2016. One note: It's almost always better if you can have more than just your set of eyes reviewing the past. Set up a meeting with your financial person (bookkeeper or accountant), business adviser and key members of your team who might be able to share insights about what happened in the past.

## 2 Predict the future.

Once you've taken a look at past cash-flow emergency situations, work with the same group of people to determine where these potholes might pop up in 2016. What triggers or economic indicators should you follow in 2016 that could cause a cash-flow emergency? The first and most obvious area is accounts receivable.

*“Don't let 30-day invoices become 60- or 90-day problems. If necessary, be the squeaky wheel with your customers.”*

— Brian Moran

Don't let 30-day invoices become 60- or 90-day problems. If necessary, be the squeaky wheel with your customers. Another trigger to track might be natural disasters. We've seen countless stories of how hurricanes, tornadoes, mudslides and more have adversely affected small-business owners. In some cases, it might not be your company that is affected, but rather your customers, partners or suppliers.



## MY OUTLOOK



### Christiane Lemieux

Founder, Lemieux et Cie  
and [DwellStudio](#)

I am looking to China in 2016. I will be contrarian to macro reporting. I am taking strides to develop business in China and in India. I see demand for U.S.-made goods in China and have long said the shipping containers will go the other way. That time is now. I think getting in early with the right partners on the smaller brand side is really exciting.

Christiane Lemieux is a design entrepreneur and founder of Lemieux et Cie and DwellStudio. She authored her first book, *Undecorate*, to critical acclaim in 2011, and will publish her second book in the spring of 2016. She recently entered the television space as one of the judges on *Ellen's Design Challenge*, a furniture-design competition show on HGTV.

Take a contractor working on a home-repair project with an outstanding invoice, for example. If a hurricane hits the area, and insurance gets involved, it might be months (or more) before the situation gets resolved and the contractor gets paid. In 2016, try to tighten up your receivables before hurricane season hits.

### 3 Prepare for the new year.

A good approach to dealing with cash flow in 2016 is to make sure your financial statements are in order. Also, keep daily or weekly tabs on both payables and

receivables, depending on your business. Make sure you have a contingency plan for cash flow in place before January 1. The plan could be a line of credit, an emergency fund or some other way to access capital quickly. Lastly, if you aren't meeting with your accountant or bookkeeper on a regular basis, make that a priority in the new year.

Follow the three steps listed above and you'll help ensure that a cash-flow emergency is, thankfully, not a part of your 2016.



## MY OUTLOOK



### Warren Brown

Founder and CEO, [CakeLove](#)

Warren Brown is the founder and CEO of CakeLove bakery and author of four cookbooks. He hosted *Sugar Rush* on Food Network and has appeared on numerous TV shows, including *The Oprah Winfrey Show* and *Today*.

**M**y advice? Expand your customer base going into 2016. Definitely reach beyond your local market and extend into multiple channels where possible. Today's climate means resellers keep low inventory and constantly review performance of their product mix. The fact that you can buy anything online these days means B2B buyers and retail consumers can look almost anywhere for solutions to their needs, so loyalty feels like less and less of a business transaction. Be ready to shift your product into more accessible formats—like size, label design, product name—or, where necessary, run your product through a viability test. What was once gold now may just be pewter. Products and services are being eclipsed all of the time by the impact of the Internet and the market's preference for innovation.

# Why It's Time to Run Your Numbers



### SNAPSHOT

Conduct a financial checkup as the new year approaches to make sure your business is focused on organic growth and that you're able to pay your employees what they're worth.

**A**s 2016 approaches, one of the best ways to put your business on a successful path is to conduct a financial checkup.

Some economists have been asking themselves a difficult question: Will the stock market and economy contract in 2016? These sentiments are based on the fact that the [S&P 500](#) has posted double-digit returns since 2009, with the exception of 2011, and these outsized returns may not be sustainable forever. Furthermore, interest rates will likely not remain low forever, and any upward trend could potentially put pressure on a full economic recovery reducing consumer spending and corporate investment.

As a result, planning for next year seems uniquely appropriate so that your business can withstand any potential market turmoil. Whether you want to help set yourself apart from the competition, or simply achieve a higher growth trajectory, it is critical to do an internal financial assessment of your business. Let's be clear—few business owners like conducting a financial assessment, but those who do tend to have the last laugh.

A real financial checkup represents more than just sitting down with your accountant to review your prior year's financial statements, payroll and taxes. Rather, it should be strategic and forward-looking. You should be able to check off the following questions on your checklist:



#### ABOUT THE AUTHOR

**Charisse Conanan Johnson**

[Charisse Conanan Johnson, CFA](#), is a TV personality, financial wellness expert, entrepreneur, writer and speaker. She is the creator of the [Charisse Says Show](#). You can follow her on Twitter [@CharisseSays](#).



### *Financial checklist:*

- ☐ What are next year's profitable growth opportunities, particularly if the economy weakens in 2016?
- ☐ Does my business need outside capital to grow, and if so, will 2016 be a good year to raise capital?
- ☐ Do I have the right A-team in place to execute on the business's financial goals?

Yes, there are additional questions that can add to your checklist, but these three are critical to help your business get to the next level in 2016.

In serving as an adviser to several businesses this year, I learned that many management teams admitted their own mistake of chasing unprofitable revenue to grow their businesses. In simple terms, these businesses were so concerned with top-line growth that they neglected bottom-line success. According to a [Wasp Barcode 2015 report](#) on the state of small businesses, increasing profit is one of the top three challenges for businesses with 11 to 50 employees. As a result, owners must assess whether their businesses should shed unprofitable customers and product lines, or limit expansion efforts until profitability aligns with revenue growth.

Looking into 2016, staying focused on organic growth

as opposed to growth-by-acquisition will also be key. If the stock market crashes in 2016, raising money to do acquisitions will be tough for anyone—private or public. Also, while small businesses have the benefit of escaping daily market valuation in the public stock market, investors still value organic, profitable growth.

Owners must also fully understand whether their businesses need an infusion of external capital to support their growth. With the rise of [convertible equity](#) in 2015, small businesses have additional financing structures to support their expansion efforts without scaring off investors. While [venture firms are not as flush with cash](#) as they were at this time last year, they are still putting large sums of money to work, according to the National Venture Capital Association. Furthermore, companies like [Mattermark](#), [PitchBook](#) and [Venture Scanner](#) have made it more affordable for owners to get information on how much money other industry competitors are raising.

Management teams, however, will have a tough time executing on any 2016 plans without extremely high-performing employees, also known as “A-team” players. Finding top-tier talent is always a challenge, but companies that offer competitive compensation packages that pay workers for performance can fare

*“Owners must also fully understand whether their businesses need an infusion of external capital to support their growth.”*

— Charisse Conanan Johnson

better than most. Now, the payment may come in form of salary, profit sharing, equity compensation or some combination of all three. Either way, right-sizing compensation for the inherent business risk that accompanies many small companies is critical. Companies like Walker & Company, which [raised \\$24 million in 2015](#) to hire A-team employees, provide a good example of paying for quality to achieve business success.

In addition to ensuring that your employees are paid well enough to achieve the business goals, ask yourself whether your company is setting employees up for personal success. Whether it's following in the footsteps of companies that recently began offering

[16-weeks of paid paternity leave](#), or having more diversity so workers do not feel alienated, setting up a culture of balance and inclusion will attract and keep the A-players on your team. Asking yourself whether you have the right A-team in place is the last question on the checklist, but equally as important as asking yourself about profitable growth opportunities. If you do not have the right team, you cannot execute.

The mind of a business owner is always racing, particularly as he or she thinks about the year ahead. But one thing is constant—companies that perform an internal financial checkup to assess profitable growth opportunities, external capital needs and an A-team philosophy will be well-positioned in 2016.



## MY OUTLOOK



### Jennifer Hill

Startup Attorney and Adviser;  
Chief Operating Officer,  
[Remedy Analytics](#)

2016 is an election year, so it's going to be the year of the minimum wage. And while the minimum wage will increase some small businesses' costs, it will also provide opportunities. A higher minimum wage means more funds in employees' pockets to fuel spending locally and nationally, and enables the attraction of better talent and a more loyal workforce, both of which create value for small businesses. All ears will be tuned towards small business and where it falls on this issue.

Jennifer Hill is the chief operating officer of Remedy Analytics, a health-care data-technology company, and managing director of Atomic Porcupine, a digital-strategy firm focused on emerging brands. As a serial entrepreneur and international startup attorney, she is a prominent advocate for fast-growth companies.



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