

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. As always, click on our social media icons and don't forget our next bootcamp class coming up this fall. Contact Charlotte for more information.

This week I want to talk about communication. I know you're probably tired of us talking about communication, but it's so important and you need to communicate more now.

Now that sounds counterintuitive. The pandemic is beginning to wind down and things are beginning to get a little bit more back to normal. So why in the world should you be communicating more now? And why is that important? Well, just in the last few weeks, we've been getting some reports from our members about what the future looks like, 2021 and beyond. One of our members said that 60% of their 2021 volume is at risk. That's kind of terrifying, that potentially means big, big changes for that company.

Another said they were already forecasting to be 15% off next year. Another one has said that they are forecasting instead of 2020 being a positive year, they're looking at a half a million dollar loss for the year. Things have changed from really big, strong, healthy backlogs to a more pessimistic, frankly, outlook for 2021 and maybe even beyond. Now, what does this got to do communication? Well, in the absence of clear communication, people make things up.

And, in addition, the things that they make up are almost always worse than reality. You need to nip this in the bud as Barney Fife would say and get ahead of this communication. Let me give you four tips for communicating more clearly. First, it helps you provide leadership. You've got to provide leadership; you've got to provide direction. I know you've got a business plan and a strategic plan that you've put together and everybody's singing from the same handbook, but things are constantly in motion. You need to be ahead of this curve.

The second key here is you need to provide stability, a sense of stability, a sense of, I know things have changed a little bit for the worst, but here's what we're doing, here's how we're staying ahead of the curve, here's how we are adapting to the new reality.

The third thing is this is a good opportunity to educate your employees. If you just handed your employees your financial statement and your balance sheet, they probably wouldn't know how to make heads or tails of them. It's accounting formality for them, but it does give you a chance to educate them about where your costs are. Maybe simplify it, put your costs into a pie graph, let them see that just because your volume is X, your profit is not that. I think sometimes employees think if you gross a million dollars, that \$900,000 of that falls to the bottom line. It's a good opportunity to educate about how thin margins actually are in business and how it takes, in my case, in the FBI's case, it took 28 years to be an overnight success. And a couple of bad years in a row can kill a company. And that's the last thing any of us want, obviously.

And the fourth point here is communication is not just a necessary evil. I can hear you out there now thinking, why do I need to spoonfeed all this stuff to my people? I don't need to be spoonfed. Why do they need to be spoonfed? Well, it just makes sense that if they're going to make up things, they're going to talk among themselves. There's a potential for gossip. Then it just makes sense that you're going to grab the bull by the horns and you're going to create reality, you're going to have truths, some difficult truths, but you're going to have reality and truth that you're pushing out to your employees.

If you all remember the movie, A Few Good Men, Tom Cruise movie from who knows how long ago, a long time ago, but in the ultimate scene, you've got Jack Nicholson and Tom Cruise in a courtroom battle. And Jack Nicholson gets all heated. And he says, he screams one of the most famous lines in the movie, "You can't handle the truth"! and I'm here to tell you, your employees can handle the truth. They want the truth. They want reality. They want leadership. Communicate more now in challenging times than you would in normal times.

This is Wayne Rivers. I'd love to have your comments. Thanks very much.