

MARCH 2024

## Smart Observations: What March Madness Teaches Us

**March Madness** is the three-week basketball tournament that matches the top 68 men's teams and the top 32 women's teams in their own separate battles for supremacy of NCAA basketball.

I was preparing to write about business and life lessons learned from March Madness when I discovered this analysis in the [Sports Business Journal](#). According to writer Chris Gannett (with my comments mixed in), here are the six reasons why March Madness is the best and most exciting leadership course on the planet:

- **Win or Go Home:** The single-elimination format places pressure on every game, just as we face at work in competitive sales and innovation every day while working under a tremendous amount of pressure. Smart decision-making under pressure wins.
- **Selection Sunday:** The anticipation and drama of being selected, and then discovering your favorite team's opponents are electric because there are always surprises. That moment adds the element of surprise that determines the strategic game plan for your next opponent, similar to the way we prepare to compete against our work competitors.
- **Upsets Occur:** How does a blueblood such as **Kentucky** lose to **Oakland**? And where is Oakland located, anyway? (It's near Rochester, Minnesota!) Kentucky's roster was filled with high school All-Americans and not one player on the Oakland team was even considered by Kentucky. **Business lesson:** Never take an underdog competitor for granted.



• **Adaptability and Strategy:** Coaches meticulously analyze the vulnerabilities of their next opponent and develop strategies to exploit them. They also make in-game adjustments when key injuries occur. Savvy business leaders are agile and can swiftly pivot their strategies in response to changing market dynamics (COVID-19, for example) and competitive pressures.

• **Resilience in the Face of Adversity:** Teams often bounce back from deficits and overcome obstacles to turn a loss into victory. In business, leaders learn to navigate through challenges without losing focus on their ultimate goals.

• **Learning from Losses:** Only one team wins the entire tournament and all others return to campus with the memory of a loss. The smartest coaches and business leaders learn lessons about **why** they lost and what they could have done better. Some of last season's biggest disappointments are showing up as this year's top performers because they spent the past 12 months developing a hunger and winning strategy to make up for last year's disappointment. In business, that turnaround can be only days or weeks later instead of an entire year.

Please email me with your thoughts on what lessons you have learned after a loss in sports, life, or business at [john@thefletch.org](mailto:john@thefletch.org).

## **Smart Connection: Country Star Tim McGraw Wears Caitlin Clark Jersey**

There's no doubt that country music superstar **Tim McGraw** knows his audience. When he performed in concert in Des Moines, Iowa, this past Thursday evening, he wore a black **Caitlin Clark** jersey.

For non-basketball fans, Caitlin Clark has set the all-time NCAA scoring record for **men's and women's** basketball, and she plays on the University of Iowa basketball team.

What a brilliant way to pay tribute from one superstar to another. Very well done, Tim





## Smart Business Move: Making Fans Owners

Here's another country music superstar making news. Fox Business reports that **Eric Church** is **literally giving a piece of his bar to his fans**.

Church gave individual deeds to the bricks that built **Chief's** – his Nashville venue – to the people who have supported him the most throughout his career.

In what is likely one of the best quotes of the year, he said, **“You’ve helped me build my career brick by brick, and I want the whole world to know that the building is yours. This is not just another club downtown. This is our house!”**

Fans who received a deed to a Chief's brick also received exclusive access to never-before-heard demos, unreleased video footage, and priority entry to the newly built bar, which stands **six** stories tall in historic downtown Nashville.

Chief's will also serve as a music venue for local and touring musicians and will house a broadcasting studio for **“Eric Church Outsiders Radio”** on **SiriusXM**.



## Not-So-Smart Risk: Wendy's and Dynamic Pricing

Please allow me to disclose upfront that I am a **Wendy's** fan. Wendy's was my first major client when I opened my advertising agency, and I met founder **Dave Thomas** numerous times.

I was honored to be his chauffeur and spend time with him when he came to Waco to speak at a leadership conference and celebrate a local Wendy's major renovation.

Dave is gone, and Wendy's stubbed its corporate toe recently in a way that would make its iconic Wendy's namesake's **(his daughter Wendy)** hair turn redder than ever.

On February 27, Wendy's issued a news release that it would experiment with a **“Dynamic Pricing” model** which would adjust menu prices on a supply-and-demand basis, just as we see with airline and Uber pricing.

To implement this model, every Wendy's location would be required to install a digital menu so the prices could change at a moment's notice. That would be quite an investment with over 6,500 American locations.

If you haven't taken an Uber ride recently, the rate increases during heavy drive times due to demand.

Imagine the price of Wendy's chili increasing on a particularly frigid day or the price of a Wendy's Frosty costing more when the temperature reaches a scorching 100 degrees.

The blowback from customers was so loud and so extreme that within only 24 hours, **Wendy's announced that** "dynamic pricing" was merely a "consideration" and that it would not happen. Wendy's added that the strategy intended to give discounts rather than raise prices.

### Here are the lessons that Wendy's learned:

- When you see an emerging technology, embrace it and become an early adopter **when you see only an upside**
- **UNLESS** that emerging technology will create **negative goodwill**
- THEN, **allow your competitor to become the early adopter** and YOU follow along as if you were forced to join the trend

There's a time to be the leader. And there's a time to be the follower!

**Know the difference!**



### Smart Insight: Every Tennis Player has a NUMBER

About 30 years ago, my friend **Rex Houze** lamented after losing consistently to his friend, V.M. His local tennis pro, **Robert Trogolo**, then at Lakewood Country Club in Waco, gave him a mind-blowing revelation: **EVERY TENNIS PLAYER HAS A "NUMBER!"**

Robert explained the normal amateur will hit a certain number of shots during a point and then grow impatient and go for a low percentage shot to end the point, win or lose. **That is the player's number.**

"Rex, your number is six," he told my friend. You will grow impatient and go for a low-percentage shot on your seventh ball every time. The good news for you is that V.M.'s "number" is seven. If you put two more shots back in play - and they don't have to be difficult shots, then V.M. will miss on his eighth shot!"

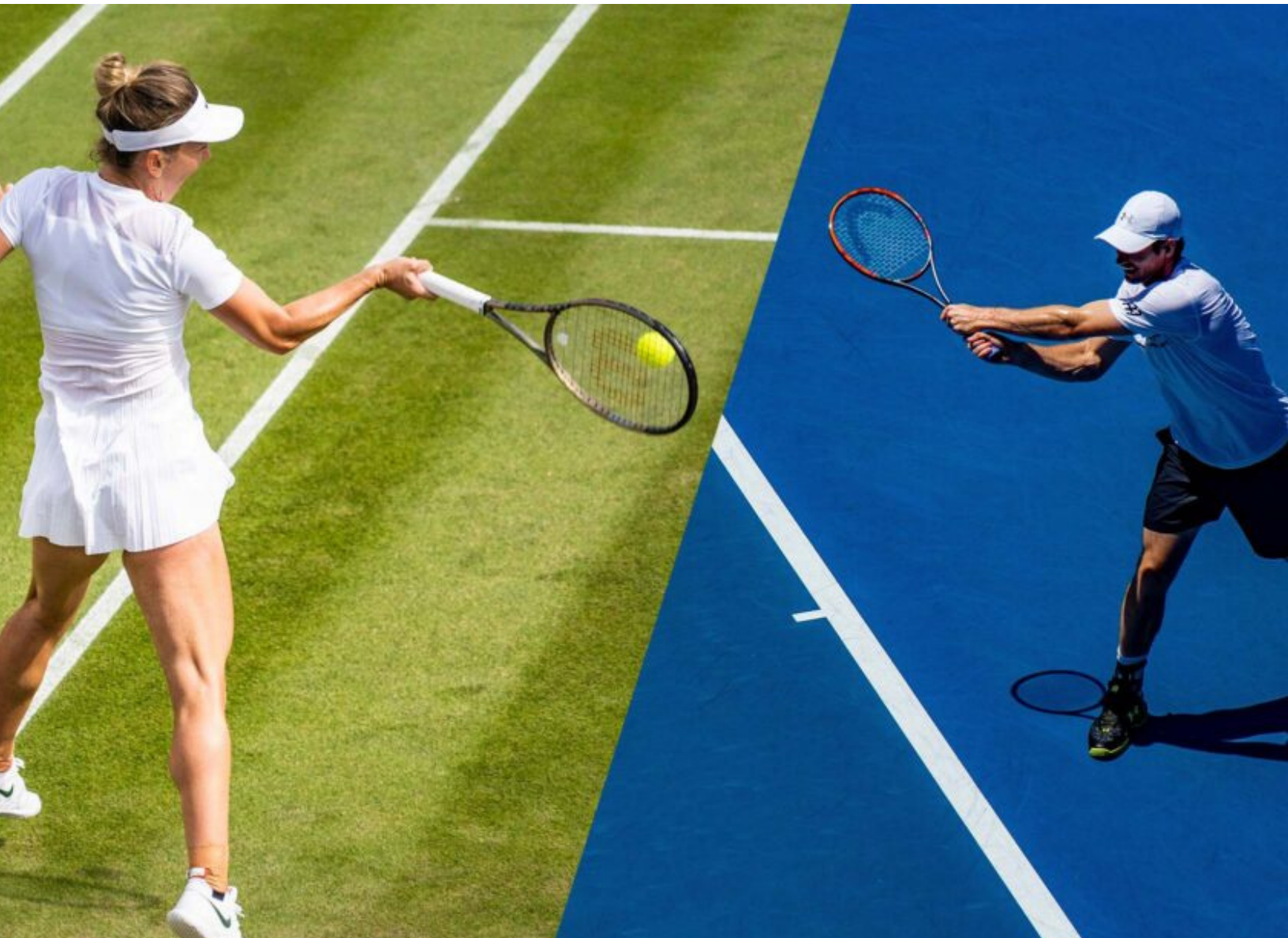
Rex played V.M. the next day, armed with this new information, and was astounded at the difference.

- V.M. had previously consistently won by a 6-2 score (he won 75% of the games)
- Armed with the new information, Rex won by a 6-2 score – so Rex moved from winning only 25% of the games to winning SEVENTY-FIVE PERCENT
- Rex NEVER lost to V.M. again, and he began noticing and remembering “the number” that each of his other opponents had, thus making him a more dangerous opponent

The same concept is true in business:

- **Every participant in a negotiation has a “number”**, whether it is the amount of time dedicated to negotiation or the number of meetings. At some point, that person will either walk away or make a deal for closure because their “number” is up.
- You don’t have to make amazing points to keep the conversation going. You just need to keep it going.

**If you’re a tennis player, what is YOUR number? And what is your BUSINESS NUMBER?**





## The Tiebreaker

**Chick-fil-A and Quik Trip** have spoiled me.

- When I receive my food at **Chick-fil-A** and say, “Thank you,” the employee’s response is **always**, “**My pleasure!**” said with a very happy smile.
- When I pay at the counter of **QT (Quik Trip)**, the employee’s response is always, “**See you next time!**” accompanied by a very happy smile. Those four words serve as an invitation and also an expectation that I will return.

That’s not what you’ll hear at other fast food or convenience stores, where you’ll hear (make your choice – I’ve heard them all):

- “No problem”
- “You bet”
- “Welcome”
- “Uhhhhhhhhh”

These two brands believe in and practice the **Ritz Carlton** philosophy of “**Leave the guest with a fond farewell**” – one of its legendary **Three Steps of Service**. That’s what I receive at Chick-fil-A and QT. Those responses make me feel appreciated and welcome.

What is your experience visiting fast food restaurants and convenience stores? And what do you and your team say that invites and welcomes customers/clients back?



### Bonus

And now for your entertainment pleasure, please click on this link to visit a HILARIOUS take on how guys who are basketball fanatics take the **March Madness office pool** way too seriously and how they tend to lose to a non-basketball fan. [This very brief story](#) is compliments of the brilliant writers at [BabylonBee.com](#).

The publication’s slogan: **Fake News You Can Trust!**

**Prepare to laugh whether or not you are a basketball fan.**

