

Welcome to Tuesday, **September 31st**. OK, purists may officially call today October 1, but there's a great reason for the delay. **Please read below and be astounded!**

Last month, my "Disruption Issue" focused on my friend **Jason McCann**, who disrupted the conventional office space and work-from-home categories with **Vari's** elevating desks and **VariSpace**, the entire office complexes featuring Vari products inside each office.

Another one of the great disruptors is **Jesse Cole, Founder/Owner of the Savannah Bananas** exhibition baseball team. If you're unfamiliar with them, imagine the Harlem Globetrotters playing baseball – including a pitcher throwing to home plate while he wears STILTS!

I attended their final home game of the season on Sunday and you'll read a fun story below. And, next month's edition will include insights we can all learn about business from how Jesse and his team approach their business – which is, by the way, **ENTERTAINMENT**. They just choose to entertain through baseball.

Here are the latest disruptions in business. Some will shock you and for others, you may ask, "Why did it take so long?"

We are enjoying the cooler autumn temperatures in the 60s at night and in the 80s in the daytime. We can look forward to a fun outdoor festival with **Southlake Oktoberfest** just 10 days away.



Not-So-Smart Move: The Man Who Swooshed Nike

Imagine being a basketball player on the court in the championship game with no time left on the clock. Your team is trailing by one point and you have **two** free throws. You will be either a HERO or a ZERO.

Now, imagine how deflated the crowd is when your first shot clangs off the rim. You still have the chance to tie the game with your final free throw, which is... an AIR BALL.

Not an Air Jordan. An Air BALL!

Now how would you like to be known as the person whose leadership brought a legendary company to its knees... or at least **untied** its sneakers?

Every student of retail understands the genius behind **Nike founder Phil Knight**, who created a legendary brand by attaching his shoes to prominent athletes and influencers.

According to Bloomberg Businessweek and Marketingweek.com, you might not want to be standing in **John Donahoe's** sneakers.

Marketingweek.com reports that he took the helm of Nike four years ago and everything appeared to be going well – on the surface level, at least.

NOTE: I would normally insert a link but some of the language in this article is quite vulgar. I appreciate the insights, but not how the author delivered his opinions. I am referencing the author's perspective in a G-rated version.

So, how do you bring an iconic brand to its knees? Here are four insights:

Error #1: Product Matters: Nike cut back on its legacy of creating radical new products and focused attention instead on what had been successful in the past. As Nike's chief designer observed, "If you drive a car just by looking in the rearview mirror, that's not a good thing. The bigger opportunity is the windshield."

Error #2: Nike's strategy moved away from "brand enhancing" to "sales activation". More simply stated, Nike moved from creating an aura around its products and tried to sell more sneakers today. I always admired my late car dealer client, **Allen Samuels**, who said, "I will invest in some marketing that won't pay off for five years as long as I balance it with some marketing to sell a car today."

The branding advertising such as clever billboards that promoted the Nike lifestyle were replaced by price-based messages that did nothing for the brand.

Error #3: The focus on DTC (Direct-to-Consumer) marketing is a stage, not an end state. Nike lost sight of the fact that retail customers want to squeeze and feel their sneakers before buying a new model. The customer wants to see and experience the product before shelling out \$715 for the Air Jordan 3 Retro NRG Dunk model or the other models that cost well over \$1,000.

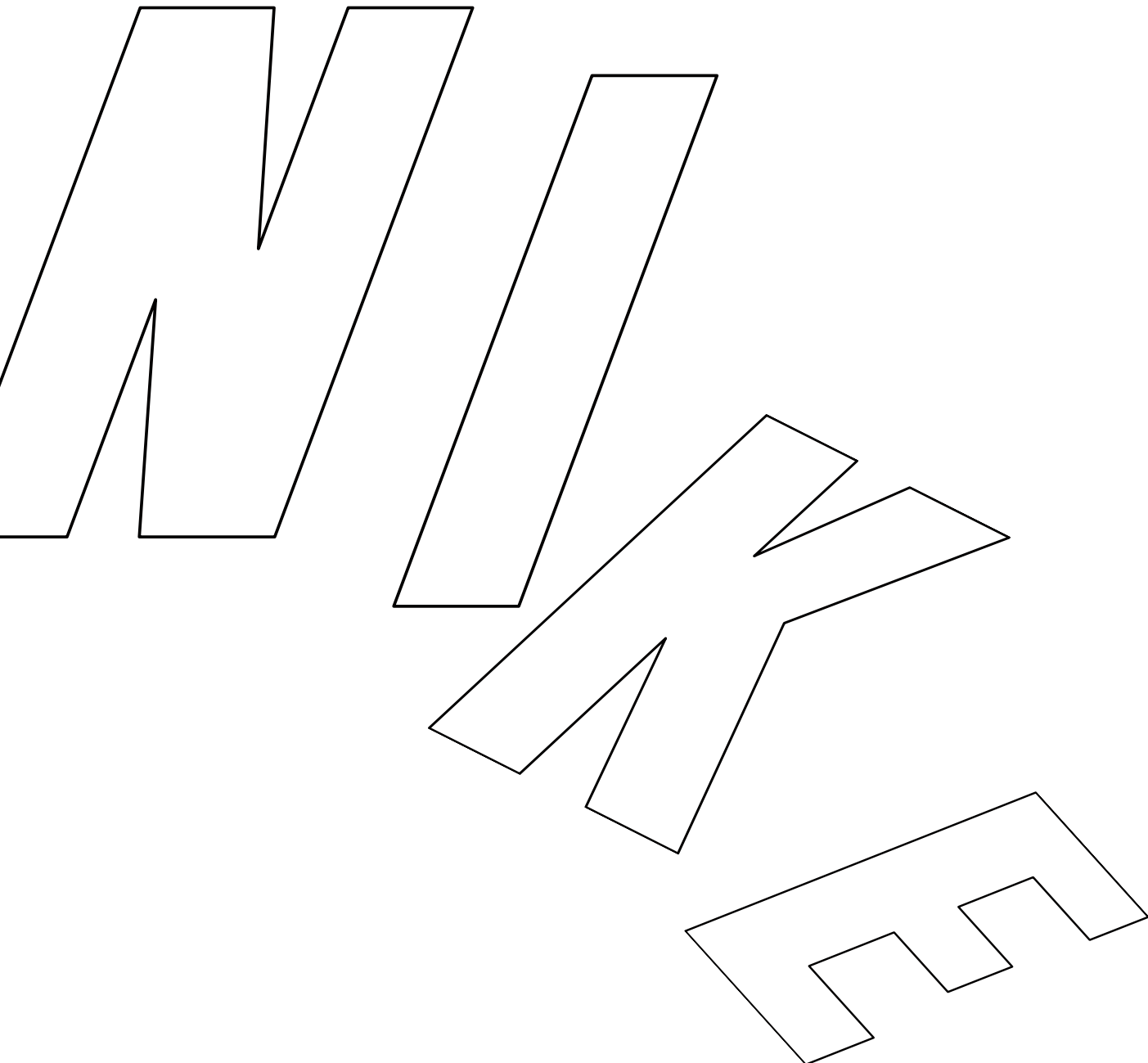
Donohoe admitted to CNBC earlier this year that its shift toward digital, direct sales "over-rotated" away from wholesale "a little more" than it should have.

"Over-rotated"! I always love how failing executives can create word salad to make themselves appear to be smarter.

Error #4: The CEO presumed that Covid was going to change everything in what we buy and how we buy it. He never understood that the pandemic was a bubble and not the start of a new era.

The take-aways we should learn from Nike are:

1. The essence of the brand is the what customers relate to – it's what they fall in love with and out-of-love with
2. Understand your brand well enough to realize whether customers demand to touch and feel it or if they will buy it sight unseen
3. Closely consider shifts in economic circumstances and review the data points to determine whether to jump totally into a new direction
4. Listen to your team and give them credit for having earned their seats at the table rather than considering yourself to be the smartest person in the room



Smart Strategy: Customer Experiential Audits

That's a fancy term but you may not be entirely sure what it means. Simply put, **an Experiential Audit** helps you understand **WHAT** makes your clients/customers:

- **LEAVE** you
- **LOVE** you
- **REFER** you

Ask yourself these questions to determine if you could benefit from a **Customer Experiential Audit**:

• What do clients tell us about **why they love our company?** If you don't hear clients praising something about your creativity, ability to meet deadlines, reliability, value or referral relationships, etc., you have a major problem brewing.

What do clients **complain about that you are unable or unwilling to correct?**

- The **#1 complaint is automated phone trees**, particularly those that are so automated that clients finally give up
- Next are your **departure of employees** because you discover your client was more loyal to that employee than to you
- **You miss deadlines**
- Your and/or your employees **don't seem to listen when a client complains**
- **Pricing**: They hear you are offering better deals to new clients rather than to them, who are legacy clients

These are a mere few of the issues that companies face. An in-depth review of your procedures will reveal SWOT (Strengths, Weaknesses, Opportunities, and Threats) that you had never previously considered.

There IS good news: A COMPLAINT IS A GIFT!

When a client takes the time to complain, that client is saying, "I like and respect you enough that I'm giving you an opportunity to correct this pinch point."

This provides you with the opportunity to be a hero and save the relationship.

Relationships are **EVERYTHING** in business – a far more valuable asset than you could ever imagine.

Clients will forgive you when then see you diligently trying to resolve an issue and they will compliment you on the progress you are making.



Smart Strategy: Savannah Bananas Focus on Entertainment

While the **Harlem Globetrotters** have fun playing basketball, the **Savannah Bananas** use their baseball and non-baseball skills to entertain their over 3 million fans.

My son Drew and I attended the team's final home game of this season on Sunday afternoon at their legendary Grayson Field in Savannah, Georgia.



Savannah Bananas Pearls of Wisdom

The #2 of the 5 cultural rules is to **Entertain Always**. The entire experience goes far beyond the baseball game, from the pre-game pep rally to the frenzy of the players entering the stadium in a gauntlet of fans.

I challenge you to ask: **“What can my team do to make our clients/customers enjoy the experience and become our FANS?”**

Smart Strategy: Savannah Bananas Focus on Entertainment

A very special “thank you” to the lovely Rebecca, who bought the game seats and could not attend. My son Drew and I sat on the FRONT ROW behind home plate for the game!!

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The pre-game and game were an adventure in extreme customer engagement, with a particular focus on families. While I will write more at length in the next edition of Monthly Musings, here are a few observations that astounded me:

1. **This is nonstop entertainment from the moment you arrive** with continuous music, dancing athletes, umpires, AND cheerleaders you would never imagine (“The Banana Nanas” – all grandmothers, and the “Banana Man-nanas” – full-figured dad cheerleaders), and clips from your favorite songs.

2. **The experience is about extreme entertainment rather than straight-up baseball.** On a fly ball to shallow left field, the left fielder closed his glove and bounced the ball back into the air so the third baseman could make the catch. But the third baseman ALSO bounced the ball into the air, and the shortstop caught the ball... **behind his back**... for the out!

3. The mission is **family entertainment and engagement**. One of the most hilarious moments occurred with the **Mom & Dad Pie in the Face Contest**. A three-year-old girl was placed 50 feet away from her parents and had to choose one over the other. The chosen parent lovingly placed a pie pan of whipped cream pie on the face of the other. In this case, Dad won and kindly shared the pie with Mom.

4. The Bananas have created a partnership you would never imagine because it gives, gives, and gives without any apparent benefit to the enterprise: **Bananas Foster**. In addition to selling banana split ice cream, the team has created a foster parent program and, on Sunday, recognized a family that has fostered **MORE THAN 50 CHILDREN**.



The Tiebreaker: Costco's New Technology Pays Off

Fox News reports that **Costco** is already reaping the benefits of recently **introducing membership card scanners at the front** of its U.S. warehouse stores.

The early benefits are:

- Managers can **adjust front-end lines** based on the fluctuation of business
- **Fresh food managers** can better manage their department based on accurate traffic counts
- **Customers are notified if their membership renewals are due before** they reach the front of the store
- The scanners have **expedited the checkout process**

What has Costco taught you that can help you elevate your customer experience?

Costco says its new member ID scanners at entrances are good for business – and shoppers too