



We simplify field work.

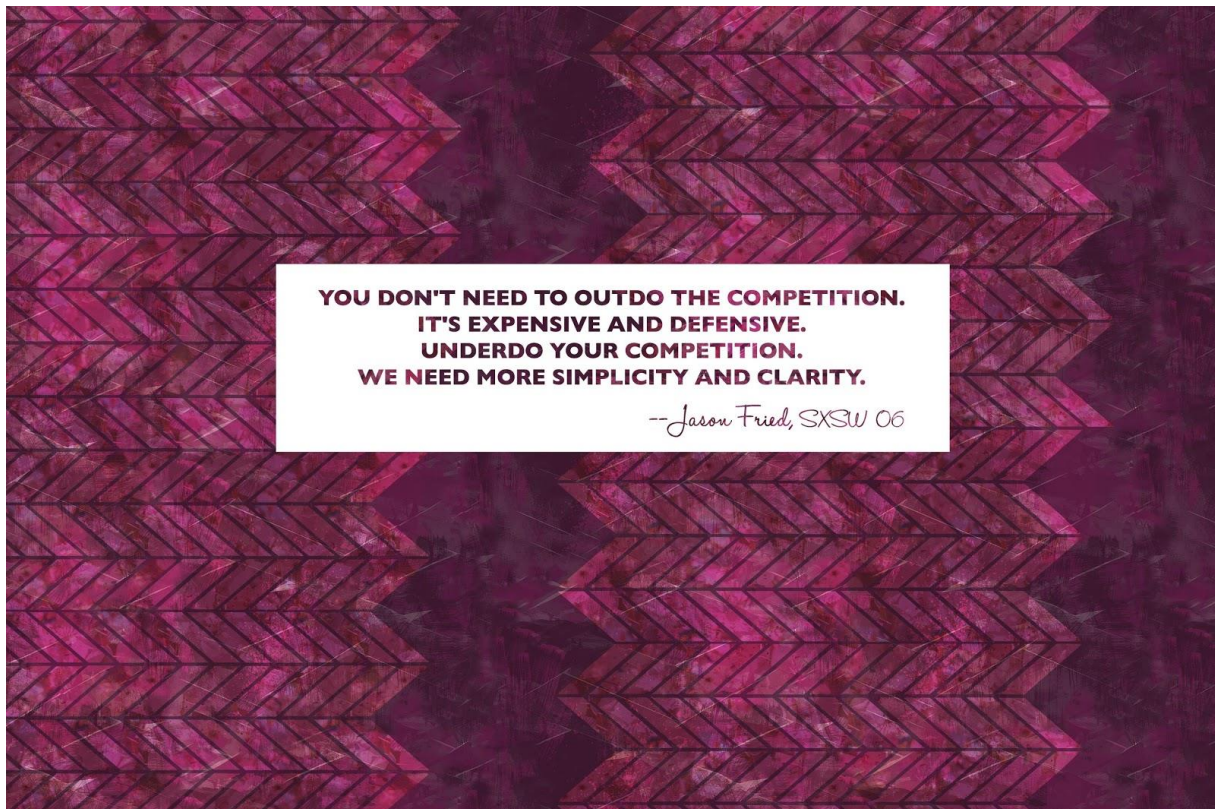
# Growing Your Business with Simplicity



# Understanding Simplicity in a Business Setting

Business owners often find themselves at an impasse - Choose A or B, hire or fire, choose this path or that path - regardless of size, industry, and profitability, the decision making does not get any easier. These are challenging yet crucial choices. One strategy you should always keep in mind when making these critical decisions is simplicity.

Business leaders like Sir Jonathan Ive (Apple) and Jason Fried (Basecamp) have adopted an ideology of simplicity to their business practices. The result is more lean, focused, and organized operations.



Source: [ohmyhandmade.com](http://ohmyhandmade.com)

# Business as a Brain

To concretely understand how businesses can grow by simplifying operations, think of your office as a brain. Each section of the brain has a specific function and responsibility, much like your employees. [Studies](#) show that when a part of the brain is forced to focus on numerous, complicated processes, it performs poorly. Like the brain, when conscious effort is exerted on too many functions, an organization can suffer.

It is human nature to want to multitask, which translates to the way we structure our organizations. Humans and organizations [want](#) to fulfill both emotional and habitual needs through multitasking because it gives us the illusion that more tasks are being accomplished. On the contrary, split attention among many tasks can counteract productivity.

*“Simple can be harder than complex: You have to work hard...to make it simple.”*  
- Steve Jobs

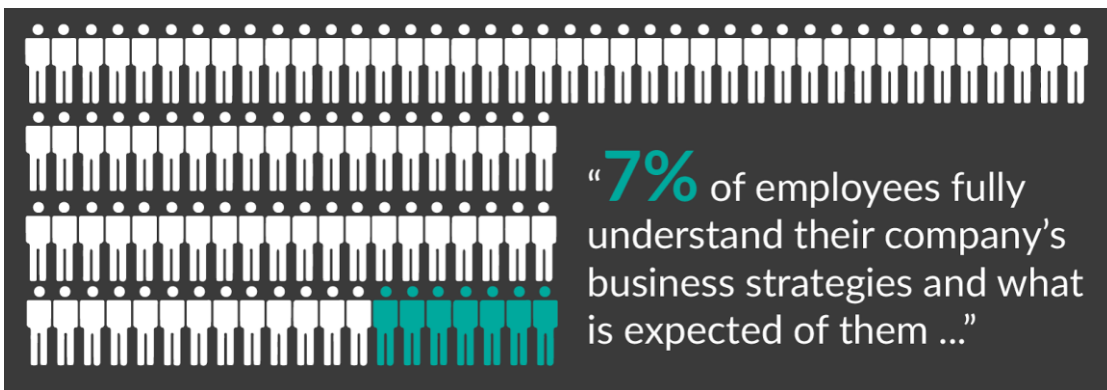


# Where Businesses Should Simplify

When you begin to think of your team as one big brain, with each component having its own specialty, you can see the effects of inefficient and redundant operations. The steps to simplifying mentioned above say, "Identify what's most important to you. Eliminate everything else." However, it's not always as easy for businesses to do this as it is for individuals. The philosophical concept of simplicity has its place, but businesses need concrete evidence and directions to put that concept into practice. See below the cores areas of business, why they need to be simple, and how to implement that simplicity.

## A. Objectives - Why

According to a [study](#) published by the Harvard Business School Press, only 7% of employees truly understand their company's objectives and what they must do as an employee to achieve them. That leaves quite a bit of room for improvement. Creating a focused and enjoyable work atmosphere for employees is of value to many business owners and managers, but simplifying your objectives can also help your bottom line.



In a separate [study](#) done by Workforce Intelligence Institute, 40 corporations of varying sizes were surveyed on their goal alignment. The results found a strong correlation between financially healthy businesses and their goal-setting processes. In other words, businesses who had clear and focused objectives enjoyed a higher level of financial success.

If you run a small or medium size business, simplifying objectives could mean limiting a product line in order to perfect your best seller. But big businesses should also consider simplifying goals by reaching out to company staff members.

## B. Objectives - How

Whether you're just starting out or are a large business with complex operations, you need to ask yourself these three questions:

- a. **What makes the most revenue?**
- b. **Who makes up your customer base?**
- c. **What is the business passionate about?**

The focus on profits is an important one, but to truly achieve long-term success, it is also vital to evaluate your customer base and business passions.

For example, take Basecamp, a software company who completely changed their image at the height of revenue. Originally called [37Signals](#), the company was founded in 1999 as a web design provider. In 2004, they introduced the project management site called Basecamp.

When Basecamp revenues surpassed the revenues of all combined web design projects in 2005, co-founder Jason Fried and his partners had to re-evaluate their mission. Making a small, yet significant change, 37Signals went from a web design to a software company.

With that decision came success, as 37Signals introduced 10 new products and wrote four books in the span of nine years. In 2014, during the company's peak revenue, two



very important announcements were made. The first was that they would be dropping all products except Basecamp. The second was their change of name that reflected their new mission.

Jason Fried and his partners answered the three questions above. [Basecamp](#) accounted for 87% of the company's revenue, 90% of revenue growth and took up 90% of the company's web traffic. The name change came from evaluating their customer base. While the name "37Signals" was known by tech industry partners, it was foreign to the people using Basecamp. By changing their name, and therefore their brand image, Basecamp became a highly recognized name: from tech industry workers right down to the customers using the site.

The entire overhaul came on the heels of evaluating the third point: the company's passions. Fried has continuously pushed the value of small, remote-working teams. In the beginning of 2014, they felt their resources were being stretched thin and thought that to carry on successfully, they would have to hire more people. This wasn't something they were willing to do, as it would have strayed from the business core values.

Businesses with a vertical product line like Basecamp often have an easier time of simplifying objectives. It doesn't always make sense for businesses to radically simplify down to one product like Basecamp did. By having less staff and less products than businesses with horizontal product lines, Basecamp was able to quickly make the changes they did. The three questions are not so easy for businesses with numerous products, locations, and staff. As CEO of Siegel and Bale Howard Belk [said](#):

*"[Big businesses] know they have to simplify, but as big as they are, with as many resources as they have at their disposal, they freely admit they don't know where to start."*

While the identification of high revenues, customer base, and passions is a good beginning place for simplifying business operations, big businesses often have so many functions and staff that even finding these answers can be challenging. One way to combat that challenge is by simply reaching out to all of your workers and allowing them to answer the questions for you. As a 2012 [study](#) found, GDP growth is directly correlated with employee engagement.

BBC recently reached out to employees by challenging them to come up with “60 fixes in 6 months.” In January 2013, BBC’s Director-General Lord (Tony) Hall began a “simplicity week” which ended with the announcement of the 60 fixes at their base in Salford, England. Employees were invited via phone hotlines to give their suggestions about how to create simpler business operations across the company. The point was to create a simpler working environment for of all BBC’s [2,200](#) employees. As [reported](#) in The Guardian, suggestions included making multiple buildings accessible with one pass, rather than a different pass for each building.

BBC is at the forefront of big business simplification. By giving key staff members the responsibility of overseeing the company’s “simplicity agenda, ([The Guardian 2013](#)),” BBC makes simplicity a priority. By beginning with a company-wide survey on how to simplify, businesses with horizontal product lines and numerous staff members can begin to identify makes them the most revenue, who their most dedicated customers are, and how to simplify objectives across the board to reach them.

No matter whether you’re a business with one product like Basecamp or a business with thousands of employees like BBC, answering those three important questions, and answering them with complete honesty will lead you on a track to the establishment, or reestablishment, of your business’ most core objectives.





## C. Marketing - Why

We are constantly bombarded with advertisements: posters on the train, promotions on the radio, billboards by the roads, etc. Accounting for all of them seems impossible, and leads to what marketing researchers call “overload.”

Marketers are in a never-ending battle for consumer engagement, but a recent [study](#) by researchers from [Corporate Executive Board](#) (CEB) found that this is not what consumers want or are attracted to. Traditionally, marketing efforts have been created to serve a method of shopping which these researchers say does not exist anymore.

This method was described in three steps. First a consumer would become aware of a product, research it, and then decide on an action. According to the aforementioned study, 60% of consumers no longer behave this way. 30% are on an “open-ended purchase path,” constantly dropping and picking up brands in the never-ending search of alternatives.

The other 30% have dropped the “awareness” stage, going straight for a brand they are familiar with. The study called the likelihood of a consumer purchasing, repurchasing, and recommending a product “stickiness.” They found the biggest motivator of “stickiness” was something called “decision simplicity.” In other words, the easier your marketing makes it on a customer to make a decision, the more likely they will buy your product repeatedly and recommend it to others.

Your goal in marketing, then, should not be to simply get the consumer’s attention. Since their attention is being sought after by so many sources, it is nearly impossible for your engagement to stand out. Rather, you should work to make the consumer’s purchase decision as easy as possible.

*“Our goal is to try to bring a calm and simplicity to what are incredibly complex problems so that you're not aware really of the solution, you're not aware of how hard the problem was that was eventually solved.” – Sir Jonathan Ive*





## D. Marketing - How

The above study by researchers of CEB, gave brands “decision-simplicity” scores based on three areas: **navigation, trust, and how readily the consumer can weigh options**. High scoring brands were significantly more likely to be purchased, repurchased, and recommended. Focusing in on how your marketing is catering to these three areas will help you simplify the consumer’s experience.

Brands that Simplify Customer Decision Making are:



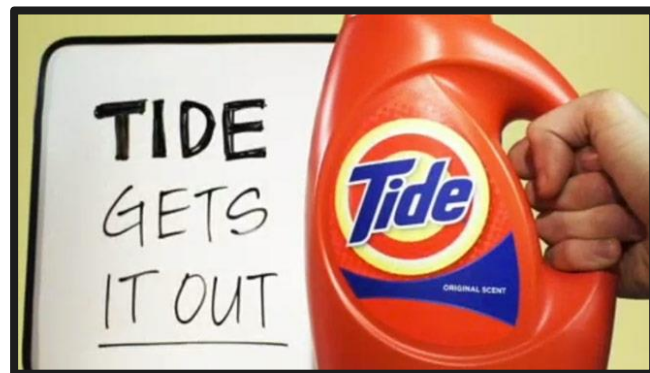
86% More likely to be purchased  
115% More likely to be recommended

In his book *The Paradox of Choice*, Barry Schwartz [says](#) that giving customers too many options “lowers purchase satisfaction.” He goes on to warn that an abundance of options leads to the “fear of missing out, which causes anxiety, analysis paralysis and regret.”

On the other hand, many marketers say they are only listening to customers when they say they want more choices. They believe that in this tech-infused world, consumers will be able to process information faster and more efficiently than ever before. The CEB study says this is not the case.

It found that while consumers are spending more time researching products, 70% of them do not make a decision until the point of purchase. Additionally, 40% of consumers said they experienced post-purchase anxiety over their choice of product. CEB researchers conclude that these are not behaviors of consumers who quickly and easily process information, but rather those of confused and overwhelmed consumers trying to sift through large amounts of data.

To ease **navigation**, CEB researchers say “smart brands reduce the effort of making choices without reducing the appearance of choice (Harvard Business Review 2012).” For example, they suggest cutting back on less popular items, which can actually make the consumer think they have more choices. In addition, over the years companies have simplified their advertisements. For example, take these two ads from Tide. Each gives the consumer the notion that Tide detergent makes your clothes clean. Yet the second example gets straight to the point, simplifying the purchase path.



Most consumers are inherently skeptical of advertisements. Many claim to be the “best” or the “most affordable” or the “best bargain.” So who do you get consumers to trust you? Don’t let them take your word - let them see the words of others.

Take, for example, Canon Inc., the highest ranking digital camera company in the 2014 Harris Poll EquiTrend [Rankings](#). If you go to their [site](#) and explore their camera options, you’ll see something very important. When looking at a product, you immediately see

the price, customer star rating, and a link to product reviews. This thoughtful addition to all of Canon's products allows their consumers to see real reviews, whether they are positive or negative and instills **trust** that the company wants those reviews to be seen.

The last goal, giving consumers a chance to **readily and easily weigh options**, is not as easy as the other two. For a consumer to make a decision, they must have some understanding of options. For some industries, like technology, this presents a challenge.

What if you are trying to sell cameras and your consumer doesn't know what a i5-42000 processor is? Canon solves this issue by providing a two-way explanation. For those tech savvy customers who want to know the numbers and design specifications, there is a "features" option which offers them all in a bulleted list. For others who may not understand the jargon, Canon offers options like a "product overview" and "sample images" for them to easily compare information which already makes sense.

## E. Technology - Why

A number of companies could be functioning at a much higher level if they made a change in technology. This could mean making the switch from paper to digital forms, changing software, or implementing different hardware. Simplifying your current technological choices empowers employees to focus on core responsibilities.

A simplification of technology often limits the amount of data that employees have to handle. A recent [survey](#) by the management firm Mindjet found that two-thirds of employees feel the amount of data they handle has a negative effect on their work performance.

To empower employees, offer them technology that simplifies their work processes and gives them easy access to the rest of the company. This is especially important in industries where employees work remotely. Simplifying technology will streamline your business and make it more appealing to customers and employees alike.



## F. Technology - How

There are a number of ways businesses can simplify their technology. Again, as with simplifying objectives, this could amount to small alterations or major changes. Look into every aspect of your business that is run by technology. Ask yourself: What isn't adding value? When you've answered that question, you will be on the road towards simpler technology.

Small changes include consolidation. Keeping track of different data in the same place can cut out unnecessary steps. For example, instead of clocking in on a computer system in an office, employees can use mobile phones to keep track of their work time. This could save the employee time coming into the office if they work remotely. It can also offer them extra time to focus on more important things like customer relationships or product design.

Some technological changes are more extensive and will need an adaption period, like the switch from paper to digital forms. Though there may be some employee resistance in the beginning, the benefits of the switch will soon overcome those worries. According to a [survey](#) by TechnoMetrica, 50% of business owners said they had more time to focus on revenues after making the switch to digital forms. Those same owners also said there were 11 hours of employee time saved each week just from getting rid of paper.

A hardware change is another way to simplify business processes. Instead of spending an increasing amount of money to purchase hardware (like smartphones), taking the time to train employees on it, and updating it, allow them to use their own. In fact, a Fortinet [study](#) shows that 51% of 3,200 respondents said they would find a way around businesses' personal technology bans. Rather than fight the issue, integrate the [trending](#) BYOD (bring-your-own-device) policy of allowing employees to use their own devices, which will save time, money, and worry.



# Key Takeaways

Depending on what industry and climate your business is in, the idea of simplicity may mean something different than it does to another company. Simplifying does not necessarily mean limiting or shrinking. Rather, it means focusing and creating efficiency so that a business may grow in a healthy and supported way. That could mean eliminating products to focus on one or reevaluating your goals to expand your product offerings. It could mean creating a more dynamic marketing strategy to reach your target consumer.

Through simplifying yourself, you dismiss clutter and create a path of clear decisions. When you simplify a business, you do the same thing. Businesses should be limiting, perfecting, and focusing to make the way for building, adding, and expanding.

The establishment of centered objectives allows an entire business, from the owner to the janitor, to consistently and knowingly work towards success. Though product design and disbursement can often be complex, don't let your consumer know that. Creating an easy purchase experience will give consumers a feeling of trust and dependability. Looking into the complexities of the business itself and cutting out unnecessary materials and processes will allow you to provide the most consistent, enhanced, and reliable product possible. By following the steps outlined in this marketing brief, your business can enter a new period of focused and sustainable growth.



