

GENERAL INSURANCE SERVICES

# RISK & BUSINESS

MAGAZINE

FALL 2019

## JOE POLISH

3 KEYS TO ATTRACTING YOUR  
IDEAL CUSTOMERS + CLIENTS



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## JOE POLISH

ATTRACTING YOUR IDEAL CUSTOMERS AND CLIENTS

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# Welcome!

## LETTER FROM THE PRESIDENT

It is my pleasure to welcome you to the fall 2019 edition of our *Risk & Business Magazine*. General Insurance Services is pleased to provide this magazine to you as a valuable resource for your company.

As I write this letter to you, I can't help but think about the year we have had at GIS. One theme resonates, and that is growth. We continue to move our business forward and have added many valuable members to our team that will help us carry out our mission of securing the future of the communities we serve.

When we set out to create this magazine, our goal was to provide another outlet to help inform and educate, not only our clients, but all of the businesses in Northwest Indiana. We continually look for ways to help organizations grow and thrive. As you flip through these pages, you'll find many great articles related to business insurance, cyber risk, employee benefits, risk management, and other topics. Our feature story is "3 Keys to Attracting Your Ideal Customers & Clients" by Joe Polish.

We appreciate you taking the time to read our current issue, and we look forward to any feedback you may have on future articles and topics. We know that business is built on relationships, so if there is any way we might be able to assist you and your team, we would love to hear from you.

Enjoy!

Craig Menne, President & CEO

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# New Employee Benefit Option Coming in 2020: **INDIVIDUAL COVERAGE HRAS**

BY: ERIC GIBSON, GROUP BENEFITS EXECUTIVE, GENERAL INSURANCE SERVICES

**O**n October 12, 2017, President Trump issued Executive Order 13813—“Promoting Healthcare Choice and Competition Across the United States”—which states in part that the “Administration will prioritize three areas for improvement in the near term: association health plans (AHPs), short-term, limited-duration insurance (STLDI), and health reimbursement arrangements (HRAs).”

The Executive Order further provides that expanding “the flexibility and use of HRAs would provide many Americans, including employees who work at small businesses, with more options for financing their healthcare.”



BY: ERIC GIBSON  
GROUP BENEFITS EXECUTIVE,  
GENERAL INSURANCE SERVICES

*Eric Gibson specializes in group benefits for organizations of all sizes, having been with GIS for nearly six years. Outside of the office, Eric enjoys spending time with his wife, Sidney, and daughter, Zoey.*

Beginning in 2020, employers of all sizes may implement a new HRA design—an individual coverage HRA (ICHRA)—to reimburse their eligible employees for insurance policies purchased in the individual market or Medicare premiums.

Final rules released by the Departments of Labor, Health and Human Services (HHS), and the Treasury permit employers to offer an ICHRA as an alternative to traditional group health plan coverage, subject to certain conditions:

- Employers cannot offer any employee a choice between an ICHRA and a traditional group health plan.
- Covered individuals must be enrolled in individual insurance coverage (or Medicare coverage).
- Employers must generally offer the ICHRA on the same terms to all employees within a class of employees.
- Employers must provide an annual notice to covered employees.

## **BACKGROUND**

An HRA is a type of account-based group health plan that is funded solely by employer contributions and reimburses eligible employees for medical care expenses, up to a maximum dollar amount for a coverage period.

HRAs are an attractive option for employers and employees due to their tax-favored status. Employers may take a federal income tax deduction for HRA contributions. Any reimbursements that employees receive from their HRAs for medical care are excludable from the

employees' income and wages for federal income and employment tax purposes.

On June 13, 2019, the Departments issued final rules that expand the usability of HRAs. Effective for plan years beginning on or after January 1, 2020, the final rules allow HRAs to be integrated with individual insurance policies (or Medicare) for purposes of satisfying the ACA's reforms.

This means that, effective for 2020, HRAs may be used to reimburse employees for the cost of individual health coverage (or Medicare coverage) on a tax-free basis, subject to certain conditions.

## **ELIGIBLE EXPENSES**

An employer may allow an ICHRA to reimburse all medical care expenses, may limit an ICHRA to allow reimbursements only for premiums, may limit an ICHRA to allow reimbursements only for nonpremium medical care expenses (such as cost-sharing), or may designate specific medical care expenses that will be reimbursable.

Although not required, it is expected that most employers will use ICHRAs to reimburse premiums for individual health insurance coverage or Medicare (including Medicare Part A, B, C, or D as well as premiums for Medigap policies).

## **Enrollment Requirements**

An employee who is covered by an ICHRA must be enrolled in individual health insurance coverage (or Medicare coverage) for each month that he or she is covered by the ICHRA. For example, individual insurance coverage includes:



- individual insurance coverage purchased on an ACA Exchange;
- individual insurance coverage purchased outside of an ACA Exchange (including coverage purchased through a private exchange model);
- student health insurance coverage; or
- catastrophic health insurance coverage.

One key restriction to keep in mind is if an employer offers an ICHRA to a class of employees, the employer cannot also offer a traditional group health plan to the same class of employees.

#### EMPLOYEE CLASSES

Employers with ICHRAs may make distinctions between different groups of employees, using the following employee classes:

- Full-time employees
- Part-time employees
- Employees who are paid on a salary basis

- Nonsalaried employees (i.e., hourly employees)
- Employees whose primary site of employment is in the same rating area
- Seasonal employees
- Employees who are covered by a collective bargaining agreement (CBA)
- Employees who have not satisfied a waiting period for coverage
- Nonresident aliens with no US-based income
- Temporary employees of staffing firms
- Any group of employees formed by combining two or more of these classes

#### MINIMUM CLASS SIZE

A minimum class size requirement applies if an employer offers a traditional group health plan to some employees and an ICHRA to other employees based on the following classes: full-time versus part-time status; salaried versus nonsalaried status; or geographic location, if the location is smaller than a state.

The minimum class size is determined prior to the start of the ICHRA plan year and depends on the employer's size, as follows:

- employers with fewer than 100 employees: at least 10 employees
- employers with 100–200 employees: at least 10 percent of the total number of employees
- employers with more than 200 employees: at least 20 employees

Whether a class of employees satisfies the minimum class-size requirement for a plan year is based on the number of employees in that class who are offered the ICHRA as of the first day of the plan year.

For more information about ICHRAs and how this new benefit could make an impact on your business, please give me a call 219.510.6207 or send me an email at [egibson@genins.com](mailto:egibson@genins.com). I'd be happy to provide additional information and resources. +

# Striving to make every day better for business.

For information about UnitedHealthcare group plans, and how we're working to lower costs and improve health outcomes, go to [uhc.com/employer](https://uhc.com/employer).



# THE BENEFIT OF CONFIDENCE

**S**ponsoring a retirement plan is an important benefit for you and for your employees. Upon retirement, most people rely heavily on their Social Security benefit to meet monthly income needs. And unless you still offer a traditional pension plan, the retirement savings plan you provide to your employees will likely be a significant source of income for those who wisely save for the day when their regular paycheck stops.

As a financial advisor, a large percentage of the conversations that I have with clients involve understanding where their regular monthly retirement income will come from and how much they can expect each month while planning for an average of 25 to 35 years in retirement. As you may expect, people who have saved and invested over time are usually more confident that their financial needs will be met during their golden years. Employer-sponsored savings plans such as a 401(k), a Simple IRA, and several other types of plans truly do make a great impact for those people who have had the ability and made the sacrifice to save regularly.

One intent of this article is to encourage you as an employer and benefit sponsor to help your employees even more. Not necessarily with more matching funds or adding an expense line item to your benefits spend, but by helping employees to know that their retirement savings are invested correctly.

Each one of us has limited resources, and ultimately, we must make a choice between how much we can save for retirement with each paycheck and how much to keep in our bank accounts for current household needs. So, if resources are limited, we should want to make sure those resources

are working for us as well as possible. Do most of your employees know if they are invested properly in your retirement plan? Does the financial advisor for your retirement plan offer to meet on-site with employees, and if so, are your employees taking advantage of that professional access?

Some employees may be invested too conservatively or may be taking more risk than necessary to achieve their current rate of return. Some employees may be invested appropriately but they may not know it or understand what their investments are doing. They may be in great shape and just need some validation! In just about any situation, though, a good financial advisor will be able to understand an employee's current financial state and help them evaluate some considerations to maximize future potential with investment performance, personal finance, and long-term risk management. Small improvements today can make a monumental impact over time.

It can be easy to ignore, but don't let your employees put retirement planning on the "back burner" and possibly wait too long before talking with your retirement plan financial advisor. I encourage you and your employees to take action today with a financial checkup. Don't be embarrassed, don't be ashamed, and don't fall into the trap of regret—thinking that it is too late or that you didn't do enough in your earlier working years. The job today is to look forward and position the resources that you have and will continue to save for retirement. There is always something we can do to improve your future financial outlook and help you gain knowledge of a strategy or investment philosophy that you may not know about today. Some of

these improvements can be worth many thousands of dollars over time without having to save extra money right now. Your employees deserve access to this confidence, and the financial advisor for your retirement plan should be helping you to engage current and eligible participants. If your retirement plan needs a checkup and you would like to see greater employee engagement, we are ready to help!

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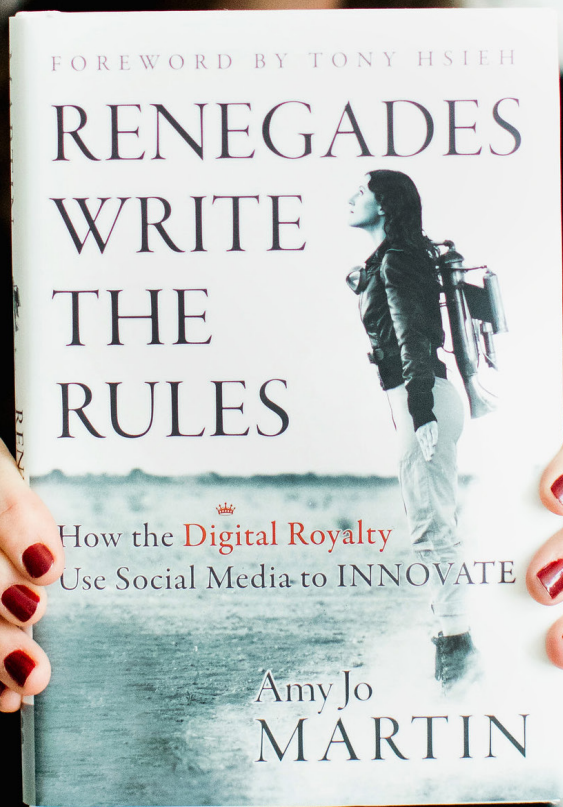
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# The New Economic Model: 2.0

## PROFIT + PURPOSE

BY: AMY JO MARTIN  
NEW YORK TIMES BESTSELLING AUTHOR, FOUNDER/CEO, KEYNOTE SPEAKER,  
ANGEL INVESTOR, PODCAST HOST AND INNOVATION ADVOCATE.



## THE BUSINESS MODEL OF THE FUTURE. WHAT'S NEXT FOR DO GOOD + DO WELL COMPANIES?

Double or even triple bottom line companies. Most people are familiar with the them thanks to the TOMS shoes phenomenon. The buy one, give one business model that does well (\$) and does social good at the same time. For each pair of shoes you buy, TOMS gives a pair to someone in need. The new BOGO – exchange get for give.

Secretly, I can't say I'm in absolute love with the actual shoe design, but I do love them and proudly buy the shoes because it makes me feel good to support the company. And let's be honest – it's a pride thing to flaunt your "giveback-ness" on our feet. Vibrant conversations with complete strangers have been sparked due to the charitable tokens on my toes. Then there are Warby Parker glasses. Even better, they're on your face versus your feet. They make for great first impressions – hello giving, caring bright eyes, nice to meet you. Wink.

So, what's next? How can we continue to innovate this "do good, do well" economic model in order to use business as a lever for changing the world? I spy an answer to this question.

Before you start your company or non-profit, please consider this option. (Or at least read the bullet points below. I won't be offended if you skim or skip to the magic bullets. I actually think in bullet points so more power to you.)

I've come across a few companies that have taken the "for profit, for purpose" one step further. They're integrating a solution to a social problem into the product. For example, ArtLifting helps the homeless and disabled sell their artwork so they can put a roof over their heads. Brilliant concept given the problem and solution are so tightly integrated into the company's sellable product. The challenge has become the core component of the company and solution.

Research has shown these homeless artists don't want to be a charity case, they don't want a handout. They just want an opportunity to change their life. Having a job restores their dignity.



So, why wouldn't someone just start a non-profit or charity? What's the difference?

With non-profits, there's a finite amount of resources. Think of a bucket that has a certain amount of money inside. Once you use that money, you're done. You have to go out and ask for more. Fundraise. Sometimes this means filling out 14-page grant applications for a \$5k grant that take a year to process. Slow moving. There are so many non-profits that are fighting for this money but it's incredibly limited.

## WITH A FOR PROFIT + FOR PURPOSE COMPANY, YOU'RE GROWING YOUR BUCKET OF MONEY AND SELF-SUSTAINING.

You have the potential to grow and scale your business with infinite potential resources because you're generating revenue while also giving back and making a social impact.

With ArtLifting, the homeless artist receives 55 percent of the profit, 44 percent goes to the company and one percent goes to shelters they work with. They license the art, print the art on tangible items and sell the original art as well as prints. ArtLifting is what's called a b-corp, a Benefit Corporation.

What's a b-corp? Just like an s-corp, it's a legal business structure that allows the government to classify your business type. The main difference is that with a b-corp, you have a legally-binding social mission so the company can protect both bottom lines – financial and social.

Meaning, if you're filing as a b-corp and you have investors, they can't push the company away from the social mission in order to maximize profit. The company can protect their social bottom line so it's not compromised for financial success. If investors want to shift direction or strategy in order to make more money but that will jeopardize the company's social impact, the company can legally push back and lean on the b-corp status. There are many companies out there that have a give-back component, but they don't file as a b-corp. You don't have to be a b-corp. As of now, there are no tax benefits to b-corps. (Not yet at least!)

### PROS TO FOR PROFIT + FOR PURPOSE BUSINESS MODEL:

- Your product and message IS your marketing. By simply existing, your customers are your sales people. It can become a movement. (TOMS shoes, example). Example: ArtLifting didn't spend a penny on marketing to get started.
- You know those millennials that everyone has an opinion about? They are conscious consumers – meaning they care where they spend their dollars, even if it means paying more, and this trend is transcending the millennial generation.
- Legal protection (b-corps explained above)
- You can make MORE impact as a for-profit company.
- This allows people to start for-profit companies that serve as wage-earning, full-time jobs vs. starting a charity that's a side hobby. Because this economic model is generating revenue, it can be a “day job” where you focus all of your time and energy.
- You're doing good and doing well. (Aka – have cake and eat it too. Yummy.)

### CONS:

- Skepticism – Anytime there's something new, people will develop innovation allergies. Some people have concerns about exploitation and companies using a social mission in order to get more profit. (When actually the impact has more potential as a for-profit entity.)
- Lack of education – The business model simply isn't well known yet. This fuels skepticism and many people are not aware they have this option when starting a company or business

To learn all there is to know about this business model, listen to Liz Powers

co-founder of ArtLifting, explain her journey and the details of getting started. She bootstrapped her company starting with \$4k and personally living very lean in her 20's. She quickly grew the business to six figures in revenue before receiving funding from investors like Blake Mycoski from TOMS shoes.

Do good, do well. Do double bottom line. For profit + for purpose. For sure. +



*Amy Jo is the author of New York Times best-seller Renegades Write the Rules, and host of the Why Not Now? podcast. She founded Digital Royalty in 2009 to help corporations, celebrities and sports entities humanize their brands online through social communication channels.*

*In 2012 Tony Hsieh, CEO of Zappos.com, and Baron Davis, NBA player, invested in Amy Jo and her company. After a successful seven-year run as the Founder & CEO of Digital Royalty and growing the business globally into ten different countries, Amy Jo recently exited the company.*

*She is currently spending her time researching the relationship between technology and humanity. She is also investing in other female entrepreneurs so they can reach their full potential.*

*Amy Jo is also a contributor to news outlets including the Harvard Business Review and Sports Business Journal. She has been featured in top-tier media outlets including Vanity Fair, TIME, Forbes, The New York Times, Fast Company, ESPN SportsCenter, USA Today, MSNBC and Newsweek.*

*Client portfolio includes: Hilton Worldwide, Shaquille O'Neal, Motorola, FOX Sports, The X-Factor, Chicago White Sox, UFC and Dana White, Dwayne “The Rock” Johnson, Los Angeles Kings, Jabbawoockeez, Doubletree by Hilton, Tony Hsieh CEO of Zappos.com, Monte Carlo Resort & Casino, KC Royals and Hard Rock Hotel & Casino. AMYJOMARTIN.COM*

# WHY I **JUST STARTED** A PODCAST TO HELP YOU READ **MORE BOOKS**

BY: NEIL PASRICHA

I just started a new podcast called *3 Books*.

It's the world's only podcast by and for book lovers, writers, makers, sellers ... and librarians.

On each chapter of the show, I uncover and discuss the three most formative books of an inspiring individual. And I'm doing 333 chapters for a grand total of 1,000 formative books over the next 13 years.

The show makes no money! Takes a ton of time! And involves me flying all over the place talking about books of all things!

Am I crazy?

The answer is yes.

But there's a *Game of Thrones* quote I love that says:

**"THE MAN WHO READS  
LIVES A THOUSAND  
LIVES BEFORE HE DIES...  
THE MAN WHO NEVER  
READS LIVES ONLY ONE."**

I say we need to read books — *real books on real paper* — more than ever before. We're spending over four hours a day on our cellphones right now! We are addicted. And research shows we touch our cellphones over 2,500 times a day. When was the last time you went to the bathroom alone?

In a world of endless dings and pings we need a giant and great big *single task* that focuses our minds, challenges our assumptions, shapes our values and fuels our passions.

The Annual Review of Psychology published an incredible report in 2011. You know what they said? Books are medicine! They create empathy and intimacy and happiness. Why? Our brain's mirror neurons fire when we read about experiences we have not lived. Our minds think we're there.

When we're the boy in the boat, the man searching for meaning, or lying with Margaret talking to God ... we develop empathy, insight and contentment in our lives.

*Science* magazine published a formative study in 2013 which showed that reading literary fiction improved test results measuring social perception and empathy. Translation: You become a better parent, boss, student ... and human being.

So am I the preacher, then? No, I'm the parish, too.

Because for most of my adult life, I read maybe five books a year. I had plenty of excuses. Books are dry, boring, slow ... and heavy. College forced me to read too many textbooks so now my brain is full. Plus, no time! The classic one. Time, time, who's got the time?

But then I published an article that went viral on *Harvard Business Review* last year called "*8 Ways To Read (A Lot) More Books This Year*." I listed a series of small changes I was making to dramatically increase my reading intake. Cancelling cable. Installing a bookshelf at the front door. Making a public commitment. Quitting books with no guilt.

And you know what happened?

I read a hundred books last year. And I have never felt like a better husband, father, writer and speaker.

So read more? Not a surprise I'm saying that.

But then there's *another huge problem*. And you know what it is? There are way too many books!

Over 1,000 new books are published ... a day. Over 500,000 a year! You have no chance of finding the ones that will actually shape your values the way you know a book can ... so you grab whatever's in a big pile at the airport and chalk up your lack of interest in it to *you*.

But it's not you!

It's the book.

And that's why I started *3 Books*.

Because I want to uncover and read and talk about the 1,000 most formative books from 333 inspiring people.

So far I've interviewed Judy Blume, Seth Godin, Dave Barry, Gretchen Rubin, Frank Warren, and the world's greatest Uber driver with a 4.99 rating and over 5,000 rides!

I have no ads, no sponsors, no interruptions, and no profit.

But I want the world to read more.

Much more!

I want to help myself and others who itch to read more *actually find* those books that will truly inspire and lift us up and into our greatest possible selves ... and help us live our greatest possible lives.

Are you with me? ➤

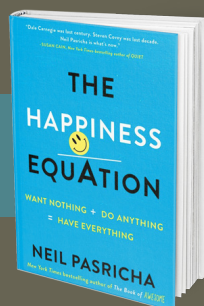
\* Originally written for the *Toronto Star*, Reprinted with Permission





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# How We Do Performance Reviews

BY: ARI MEISEL  
CO-FOUNDER OF LEVERAGE  
AUTHOR OF THE ART OF LESS DOING AND IDEA TO EXECUTION



**W**hen it comes to scaling a business, I believe that the most difficult part to scale is your people. You're faced with two problems, bringing in more people that complement and enhance the team as well as maintaining a team culture that doesn't break down when you hit critical mass.

We've been really fortunate at Leverage. We started in August of 2015 with two people in New York and now we are a force to be reckoned with, with over 100 people in 16 time-zones. We always have an eye on team culture—I wrote a **WHOLE** article on some of our hacks for that—and on our ability to give constructive feedback that effects change.

There are dozens of startups now that offer products and services to facilitate performance reviews, 360 reviews, peer to peer reviews, OKR meetings, etc... but in a world where organizations are getting flatter and continuing to grow (no one in our company has a title) it becomes more and more difficult to identify and recognize a job well done or provide guidance. I want to share our three-pronged approach to nurturing the members of our team through constant feedback.

### 1) PERFORMANCE REVIEWS

About nine months into the operations of the company we decided we should create some formal process for reviewing performance over the quarter and set goals for the next one. We came up with some questions and had each team member book a 10-minute video call with me, one on one. I would ask them about their goals for the quarter and things they could improve on, I'd take notes in Evernote, and then I would decide whether or not that person should get a raise and/or level up to the next rank. It was time intensive, overly subjective, unsalable, and completely incongruent with how we do everything else. So we changed it to a version that, from the outside seems less personal, but has our DNA written all over it.

Every quarter we have an automation through Zapier which posts messages to our team Slack channel asking them to fill out a Wufoo form for their quarterly review. Seems impersonal right? Autonomy is one of our core values and scalability is part of everything we do. Filling out the form is at

*Ari Meisel is a best-selling author, productivity expert, CEO, real estate developer, green building consultant, and a graduate of the University of Pennsylvania, Wharton School of Business. His proprietary process, the Less Doing System, is the foundation of his company Less Doing which offers individuals and enterprises road-tested methods to optimize, automate, and outsource everything. The goal is to learn how to work smarter, instead of harder.*  
**LESSDOING.COM**



the option of the teammate, if they don't fill it out then they can't get a raise or be promoted. When they do fill it out, they answer a specific set of questions, including their goal for how many hours they want to do over the next quarter. All of these entries go into a Trello board, in a list for the current quarter. Then at the end of the month, the managers can review all of the submissions, discuss for a few minutes, and make a decision. We then share that with each person individually and on if they want to, do we schedule a one on one video call. Last quarter three people requested a follow up conversation.

### 2) TASK REVIEWS

This started out as a way for me to quality control on tasks. We asked that once every two weeks each team member book a call with me to go over their current tasks, identify any issues, and answer questions. In order to keep this scalable we used Calendly to book the calls and they have a really cool option which is a Group Meeting. You can allow as many people as you want to book a single time slot. It will continue to show that slot as available until you hit the limit that you set. Sometimes the call would be with five people, but more often it was three or less. Recently these evolved from talking about tasks to a simple opportunity to connect on a nearly one on one basis with members of the team in a mini-mastermind. They could give feedback and get feedback and guidance.

### 3) BONUS PROCESS

From a behavioral economics view, this was one of our most interesting innovations. One of our key performance metrics as a team is the number of hours we do

in a given week and it's on the order of hundreds of hours. For every hundred hours we do as a team, a bonus is issued to a VA. So if we do 800 hours one week, eight VAs will get a bonus. That bonus, is 40 percent of whatever you made that week. This incentivizes more hours as well as overall improvement to earn a higher hourly rate. It's worked extremely well for us but recently we upped the game.

The new bonus structure is still based on the number of hours we do each week but now there's a twist. Now each week the VAs who feel they've earned a bonus have to fill out a Wufoo form, checking off the boxes of the core values they feel they exemplified and then explain why. This pushes them to bring their achievements to my attention, I can give specific praise and in the case they don't get the bonus, feedback. Now in order to prevent them from submitting a request every week, we scale their bonus based on how often they apply and actually get it. So now the top-level bonus will be a full match, 100 percent whatever they made that week but if they submit for the bonus four times and only get it twice, then they will get 50 percent of the bonus. +

**THESE THREE METHODS MAKE OUR ABILITY TO SHINE A LIGHT ON OUR TEAMMATES, PROVIDE FEEDBACK, GUIDANCE, AND OF COURSE PRAISE, COMPLETELY SCALABLE AND QUANTIFIABLE.**

# 3 KEYS TO ATTRACTING YOUR MOST IDEAL CUSTOMERS + CLIENTS

BY: JOE POLISH  
FOUNDER, GENIUS NETWORK AND PIRANHA MARKETING,  
CO-FOUNDER OF 1OXTALK AND I LOVE MARKETING





# "PEOPLE DON'T BUY FROM YOU BECAUSE THEY UNDERSTAND WHAT YOU DO. PEOPLE BUY FROM YOU BECAUSE THEY FEEL UNDERSTOOD..."

**W**hen most people think of marketing, they copy what everyone else is doing because they think that's what works.

Far too many people narrowly focus on their own industry, imitate their competitors, and hope for the best without realizing that most of their competitors don't know any more about marketing than they do. The problem is that most businesses waste their time and energy trying to reach everyone rather than targeting the best possible prospects for their business.

Peter Drucker, one of the most highly influential authors and management consultants of the last century, said,

*"Because the purpose of business is to create a customer, the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results—all the rest are costs. Marketing is the distinguishing, unique function of the business."*

If you accept Peter Drucker's definition of business, you would think there would be a huge emphasis on marketing and innovation.

Unfortunately, too many people confuse sales with **marketing**.

- Selling is what you do when you're on the phone or in front of a prospect.
- Marketing is what you do get someone on the phone or face-to-face with you, properly positioned, so that by the time you talk to them, they're pre-interested, pre-motivated, pre-qualified, and pre-disposed to do business with you.

Note: neither sales nor marketing has any relationship to the actual quality of your product or service.

You want to invest your time and effort attracting and selling to the best prospects.

You could be the greatest salesperson in the world, but you're not going to make much money selling lifeboats to people in a desert. Yet, even if you're the worst salesperson in the world, you could easily sell lifeboats to people on a sinking ocean liner—because these prospects would be pre-interested, pre-motivated, pre-qualified, and pre-disposed to buy your product.

Your marketing efforts should be devoted to finding these types of ideal prospects.

However, you don't want to spend your own time looking for these people. You want to structure your marketing so these people come to you.

How?

## 1. UNIQUE SELLING POINT (USP)

Your USP is a precise statement of why your company is special.

This should answer a prospect's question, "Why should I do business with you instead of any of your competitors or not do anything at all?"

Think of every successful company that offers a clearly defined USP, such as Federal Express's "When it absolutely, positively, has to be there overnight." Apple's USP for its first iPod was "1,000 songs in your pocket." The USP gives a clear, distinct description of what that company has to offer. And when customers need what a company's USP offers, they think of doing business with no one else.

Without a clear, distinct USP, most businesses simply say, "Because I have a great price," or "Because I've been in business for 20 years." The reason you can't make any of these claims is because that's exactly what everyone else is saying.

## 2. FOCUSING ON CLEAR BENEFITS

This is the secret to a powerful USP.

First, it's important to understand the difference between features and benefits. A feature is what the product is or what

it does. A benefit is what that product actually does for the person who's using it.

Imagine that the world's supply of toilet paper suddenly evaporated and you're the only person left with a closet full of toilet paper. Even if you're not a smart marketer or a great salesperson, you could easily sell all the toilet paper you own, for hundreds of dollars a roll if you wanted. All you'd have to do is scribble on a cardboard sign "I have toilet paper for sale!" Or put a post on Facebook or upload a video on YouTube, and you would sell out of your supply quickly and easily.

That's the advantage of having supply and demand on your side.

If you happen to be in a business where there's so much demand for what you offer, you don't have to rely on any marketing techniques. However, most people are in competitive businesses, so they need to structure their marketing so that it drives business to them by creating demand.

*To do that, you need to talk about the benefits customers will get by doing business with you.*

Once you start focusing on what your customers can receive, prospects can clearly understand why they should do business with you. Your competitors might offer the exact same features that you do, but if they don't describe the benefits of those features, nobody will know about them.

Shift the focus of your marketing from your business to your customer, and you'll appeal to a lot more people—and increase the effectiveness of your marketing as a result.

### 3. MATCHING YOUR MESSAGE TO YOUR MARKET

The best message in the world is useless if it falls on deaf ears.

My friend Gary Halbert used to ask his audience, "If you were to open a restaurant and you could choose just one advantage to improve your restaurant's chance of success, what would you pick? A great location? A great staff? The best quality food? A wonderfully designed building?"

While all of these advantages would be nice, the most important advantage to

guarantee success for your restaurant would be a starving crowd.

You want to market your products and services to people who desperately want what you have to sell. If you determine who your market or starving crowd is, you've just made your marketing 10 times easier. Most people focus on developing a great product and then worry afterward about who might want to buy it. If you can find your market first, you can zero in on your target audience much easier than wasting time trying to attract as many people as possible.

*The message in market matching is not only what you communicate but also to whom you're communicating to.*

Remember: don't sell the product or service. Sell the benefits that it will create.

People don't buy from you because they understand what you do. People buy from you because they feel understood...

### 1. GROW YOUR BUSINESS 10X

If you listen to the podcast Joe does with his dear friend Dan Sullivan, founder of Strategic Coach, you can discover untapped potential in your business, multiply your opportunities, and grow 10x visit [10xtalk.com](http://10xtalk.com).

### 2. I LOVE MARKETING: GET OVER 300+ HOURS OF THE BEST MARKETING EDUCATION ON THE PLANET

Check out this podcast with Joe and his co-host, Dean Jackson, where they talk about new marketing ideas, direct mail ideas, lead generation, lead conversion, getting referrals, stick strategies, email marketing, psychology, books, people, productivity, and a lot more visit [ilovemarketing.com](http://ilovemarketing.com). +



*Joe Polish is one of the most sought after marketers alive today. Known for his ability to connect with almost anyone on the planet, he leverages his networking prowess through his highly renowned Genius Network, and GeniusX masterminds with household guests like Peter Diamandis, Tony Robbins, Sir Richard Branson, Steve Forbes, and John Mackay coming in to share their wisdom with the groups. With these events, as well as his work as a consultant, Joe has helped to build thousands of businesses, generated hundreds of millions of dollars for his clients, and changed the lives of many others through his charitable causes including: [JoeVolunteer.com](http://JoeVolunteer.com), [ArtistsForAddicts.com](http://ArtistsForAddicts.com), [GeniusRecovery.com](http://GeniusRecovery.com), and Sir Richard Branson's Foundation, Virgin Unite. Joe continues to be a prominent figure in the world of business and entrepreneurship, reaching people not only through his business endeavors, but through various forms of media as well. He's the co-founder of two popular podcasts, 10XTalk and iLoveMarketing. [JoePolish.com](http://JoePolish.com)*

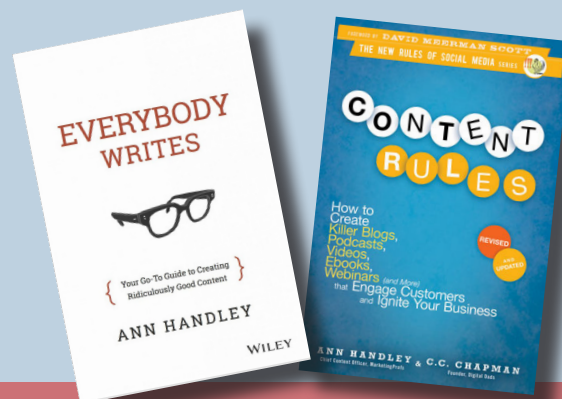






# HOW DO YOU BALANCE YOUR PERSONAL + PROFESSIONAL SOCIAL MEDIA PRESENCE?

BY: ANN HANDLEY



I started on Twitter in 2007 as @MarketingProfs, sharing headlines from the site and representing the brand there. Then five years later I resuscitated @AnnHandley on Twitter as a personal ID—a handle I’d been squatting on for years but never used.

Why the second account? I guess the easiest answer is that it seemed... I don’t know, time? Because Twitter itself had shifted.

In 2007, when I started on Twitter, things felt a bit quieter. A bit under the radar. I started and assumed the Profs Twitter account first on a lark (let’s see what this is all about, shall we?) and then as it grew... I just kept at it.

Why? Simply: I enjoyed it. (There’s nothing quite like it.) And it’s worked for us. And now, I’m pretty sure MarketingProfs is one of very few major business-to-business brands whose Twitter account is run solely by a shareholder. (Do you know of another? Let me know.)

## A SUBTLE BUT IMPORTANT SHIFT

As Twitter grew in influence as both a social platform and a communication channel for companies, and as the MarketingProfs account has climbed to almost 500K followers, I’ve realized I had recalibrated the way I interact with people there, almost by accident.

It’s been a subtle shift, but an important one.

This idea was on my mind when a question came up at a business event where I spoke recently:

## How do you balance the professional-you with the personal-you on social media networks?

In the moment, I advocated for a blending of the two. At its heart, that’s the real opportunity of social media, isn’t it? People do business with people—not faceless, soulless edifices. Don’t you want your prospects and customers online to have an opportunity to get to know you, just as your friends, colleagues and contacts in real life do?

However, since that event, I’ve given the subtleties of the matter and my own behavior a little more thought.

So, how do you balance these two sides of your online identity? Is it one over the other for you? Or are they one and the same?

## Here’s how I approach it:

### COMMUNITY TRUMPS CURATION.

At both of my Twitter accounts, this is the approach that guides my effort: Connecting with others in a kind of loose community and finding the interesting and relevant amidst the abundance. (The “curation.”)

But at the @MarketingProfs account, I tend to emphasize community over curation even more—because I feel a responsibility to represent and respond both to complaints and to kudos on behalf of the larger organization.

### BUSINESS CASUAL VERSUS BAR CASUAL.

In both of my accounts, I am who I am: My “bigger story” on both accounts is that I’m waging a war on content mediocrity, and I truly want to find the interesting and relevant. It’s in both my bios. But I do that with more brand-centric perspective @marketingprofs; on @annhandley, I tend to have a broader view.

And I’m a bit looser at the account with my name on it, too, sharing my Instagram photos and personal perspectives that I might not share from MarketingProfs. It’s not that what I do on @annhandley wouldn’t be appropriate on @marketingprofs—just using that word makes me feel like an old-school librarian shushing rowdy patrons. Eww.

It would, of course. It’s just that it seems more—I don’t know... fitting?—sharing them with a smaller group of contacts.

What about you? You might be the owner of a cupcake truck. But your bigger story could be that you are passionate about



locally sourced food or community-centered activism. Or perhaps you're just an advocate of embracing the simple joys in life. It could be anything. What matters is that it's simply true.

(I almost wrote "What matters is that it's authentic." But "authentic" has become one of those social buzzwords that has had all the color and life drained out of it, leaving an empty husk of meaning behind. So, I didn't.)

### PERSONALIZED, NOT PERSONAL.

Social platforms do present an opportunity to show more of the people behind a company. But there's a fine line between sharing yourself and sharing a little too much of yourself. Actually, I walk this line on both of my accounts.

Think of personalizing your brand, not getting personal.

The former means showing that you're a real human being, with actual blood flowing through actual veins. You have a point of view, real character, a personality.

The latter is sharing details that are intimate or too specific to you to have relevance for the larger community you are trying to build.

Exactly where that line is varies according to your own brand and that of your company. But to give a broad example: It's one thing to mention feeling under the weather—that's personalized. It's another to say you have an irritating rash in a sensitive spot.

### ALLERGIC TO TOO MUCH AUTOMATION.

Obviously, there are many tools that can help manage and scale your social presence. IFTTT (If This Then That) automates tasks such as auto-saving Instagram photos to Dropbox. Buffer, dlvr. it and others can help you manage multiple accounts and multiple users, as well as see the analytics behind your efforts. For growing companies, these tools can be handy time savers.

But I don't rely on automation tools as social shortcuts. And more generally, that day on stage, I suggested that people use them to extend and ease their efforts... not supplant them.

I'd like to say that everyone understands this already. But if I had a nickel for every time I got a robo-sent automated direct messages to greet me as a new Twitter follower... well, I'd never fly coach again.

(I get a lot every day, on both accounts. Do you do it? OMG. Stop.)

## IN SOCIAL MEDIA (AND IN LIFE, I SUPPOSE), TRUE ENGAGEMENT TRUMPS TECHNOLOGY.

And by the way, I realize that I'm talking mostly about Twitter here. Probably because Twitter seems less constrained, less boxed-in than most other social networks, at least to me.

Despite its longevity, Twitter persists as a bit of the Wild West (thank god)—with fewer implied rules and a broader mix of people hanging out there, from teens and Walking Dead to March Madness fans to news outlets.

So that's how I approach it. I suppose some people do all this from one account; I just happen to do it from two.

But what about you? I'd love to know how you work it out. +

*Ann Handley is a Wall Street Journal best-selling author who speaks worldwide about how businesses can escape marketing mediocrity to ignite tangible results. IBM named her one of the seven people shaping modern marketing.*

*Ann is a digital marketing pioneer and the Chief Content Officer of MarketingProfs, the leading marketing training company with more than 600,000 subscribers.*

*She is the Wall Street Journal best-selling author of Everybody Writes: Your Go-To Guide to Creating Ridiculously Good Content, and co-author of Content Rules: How to Create Killer Blogs, Podcasts, Videos, Ebooks, Webinars (and More) That Engage Customers and Ignite Your Business. Her books have been translated into 19 languages, including Turkish, Korean, Italian, Chinese, and Japanese.*

*A LinkedIn Influencer, she has more than 420,000 followers on Twitter and is consistently named one of the more influential marketers on social media.*

*She has contributed commentary and bylines to Entrepreneur magazine, IBM's Think Marketing, Inc. magazine, Mashable, Huffington Post, American Express, NPR, and the Wall Street Journal. Ann lives in Boston, where she is Mom to creatures two- and four-legged. She is an E.B. White Superfan, a Cavalier King Charles Spaniel enthusiast, and a novice tap dancer. She escapes it all by retreating to her tiny-house office, which houses her vintage typewriter collection. [annhandley.com](http://annhandley.com)*

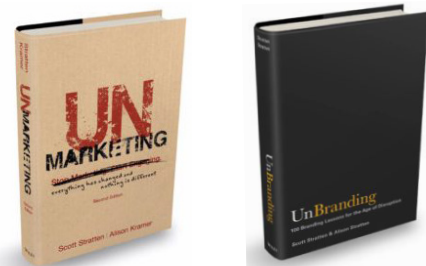






**UN**  
MARKETING

*Scott and Alison Stratten are co-authors of four best-selling business books, co-owners of UnMarketing Inc and co-hosts of not only The UnPodcast, but five children, two dogs and two cats. This site, the show and the books all represent their thoughts on the changing world of business through their experiences of entrepreneurship, two degrees (Alison), not lasting long as an employee (both) and screaming at audiences around the world (Scott, Alison is more polite). They were put on this earth to remind the world that not all Canadians are passively polite. Businesses like PepsiCo, Saks Fifth Avenue, IBM, Cirque du Soleil, Microsoft and others have been brave enough to want their advice, to the point that Scott has been named one of the Top 5 Social Media Influencers in the world by Forbes.com. They now spend their time keynoting around the world and realize they rank 10th and 11th in order of importance in their home. Oh, and they met on Twitter. How's that for ROI?  
UNMARKETING.COM*



# BRAND ENDEARMENT: RETURN THE HIGH-FIVE

BY: SCOTT STRATTEN



live on the road, in hotels and airports. While some people keep suitcases at the back of their closets, I live out of mine.

So when I read about the Genius Pack on USAToday.com I was excited to try it out! I trusted the site, and the suitcase was exactly what I'd been looking for. I ordered one that day.

The case arrived quickly and had all the compartments and fancy add-ons I had hoped for (better pockets, phone charger built in, dirty laundry compartment). I was a happy customer and decided to tweet about it.



A bunch of my followers jumped in and replied, some of who were also looking for suitcases. Travel, and anything to make it more comfortable, is a popular topic on Twitter, and the tweet led to a great conversation.

You know who didn't join in though? Genius Pack. The company remained quiet.

When would-be or happy current customers mention your product or service, they are putting up their hands for a high five. It's not to say when we compliment a brand we must get a reply, but when we make an effort to include the Twitter name, it shows we are including you in the conversation. (I still remember my first reply from the brand, Cirque du Soleil. Love them.) This is an opportunity for engagement that is all too often ignored. As businesses we are quick to reply to angry customers, but often leave happy ones hanging.

Genius Pack wasn't listening. Or, if they were, they weren't interested in talking with me, or the other would-be customers putting up their hands.

At the time, I didn't think too much about them not replying. I gave them an opportunity, and shared my excitement about their product, but I wasn't sitting around waiting for a response. I took my

new suitcase-of-awesomeness, packed it up for the trip and away we went.

However, by the time I'd reached security at my first airport, I was already frustrated with my new suitcase.

It tipped over. Many times.

It tipped over in line. It tipped over when I let go of it for a moment to take off my jacket. By the time I had finished my trip, the front pocket zipper had broken (It wasn't over-packed by far). I couldn't wait to throw the thing out and use my old suitcase again. The case had been expensive and instead of making my travel more comfortable, it was more difficult.

Because I hadn't built a connection to the company, I had no problem voicing my issue publicly.



People replied that they were also looking at this particular suitcase and were glad I saved them the hassle after seeing my original tweet.

When we are endeared to a brand we seek out private and personal channels to manage resolution. With a brand I know, like and trust, I will email or contact them privately first, rather than publicly, when I'm unhappy. Since @GeniusPack hasn't followed me, I couldn't send them a private message even if I wanted to.

Unlike the non-reaction to my first tweet, Genius Pack did reply to my second very quickly.



We went on to email and their CEO was apologetic and very efficient at processing the refund for my purchase – but not before the issue was shared publicly online. I was very impressed with how great they were after the problem, which confused me as to why they had no response before the problem. There weren't hundreds of mentions of the product, actually none other than mine that day.

If you only pay attention to your customers when they are angry, you are only going to have angry customers publicly. You will miss the chance to engage with the happy ones and create brand evangelists.

Here are the four steps to create Brand Endearment.

**LISTEN.** You need to be paying attention to what people are saying about your brand and industry online. There are some great tools out there to help you keep up. It can be as simple as setting up a Google Alert or using keyword search on Twitter. Use a listening tool such as Expion, Radian6, Vocus or Trackur. Paying attention is the first step.

**OWN THE GOOD YOU DO.** Value the positive voice. It's too easy only to focus on the negative. You need to make time to thank customers who love what you do. Be proud and say thank you. (and by "thank-you I don't mean only RT'ing positive compliments about yourself. Avoid the humble brag). I try to do this with people who tweet compliments about my books.

Don't leave all those high-fives hanging. Take time away from fighting fires, and seeking out new customers, to thank the ones you have. This is where the opportunity for brand endearment begins. Don't value your customers based only on purchases already made. A happy customer is your best marketer. Grow those relationships.

**ENGAGE.** Social media is just a fancy term for talking to other people. When you listen and value your customers you can create content and products that give value back to them. Be a part of the conversation; find out what they like to chat about. Care about what they are looking for. And then be there, to have a conversation that matters to them.

When you do these three things, your customers will become endeared to you.

As customers we feel like we know an engaged brand, because we do. Brands who connect with their customers online earn a face, a personality, and a reputation for listening. +

# PERSONALITY TESTS

## Are Scams In Selection ... And Here Are Two Great Solutions, Free.

BY: BRAD SMART



**QUESTION:** Brad, I've taken personality tests and my spouse says they are quite accurate. Why shouldn't I use them in selection?

**ANSWER:** Because a) you KNOW from experience your hiring has not improved using them and I know, from properly validating them that if your test has a cutoff score that eliminates candidates who score below it, that test eliminates as many A Players as C Players.

Is this you? Do more than half the people you hire turn out to disappoint you? You are sure some mis-hires have conned you, am I right? So, you try to find a screening tool – something to cut down the number

of resumes to a few candidates you can interview. And what do you find? Many managers screen candidates using personality tests, a \$4 billion industry, including the money they have taken from you. Too bad – you got conned by the personality testing companies. To clarify:

**THERE ARE A LOT OF GOOD ABILITY AND KNOWLEDGE TESTS. BUT EVERY PERSONALITY TEST I'VE PROPERLY VALIDATED HAS FLUNKED.**

*Dr. Brad Smart is an internationally renowned management psychologist and is generally regarded as the world's leading expert on hiring best practices. He has written five books on hiring including the New York Times/Wall Street Journal best seller Topgrading: third Edition. Topgrading methods have enabled hundreds of small companies and leading companies such as General Electric, American Heart Association, and Barclays to more than triple their success hiring high performers.*

TOPGRADING.COM

**SOLUTION 1:** Test the test: This is what I did with 10,000 candidates for jobs in one of the big box retailers. It took two years and cost \$100k, but you can do it easily at your company. Administer the personality test to all candidates (BEFORE they are hired, so a lot will fake their answers), don't score the test, put away the tests for six months, score them, and make a simple chart: on the vertical axis show Performance Rating and on the horizontal axis put the test score with the cutoff score. If the dots are straight as a pencil from lower left to upper right, Brad Smart is full of BS – the test is valid in a USEFUL way! But you'll see the dots in a perfect circle, showing it has zero practical validity. Look at who would have been eliminated by the cutoff score: I'll bet you'll see as many As as Cs would have been eliminated. Thankfully you did NOT use that test and eliminate candidates for six months!

**SOLUTION 2, FREE:** Without the personality tests, here is a time-tested suggestion for screening candidates, and it's 1,000 times more valuable than personality tests and ... it's free: email candidates a "truth serum" saying, Thank you for your interest in the (sales rep) job at ACME. We'd like to continue the hiring process but want to be sure you're okay with our policy: a final step in hiring is for candidates (that's you) to arrange reference calls with managers. If you're okay with this, Reply and we'll be in touch. Low performers, who are the BSers, drop out so you now have mostly the sharp, honest candidates to interview. Hundreds of companies have used it. The most famous is General Electric under Jack Welch in the 1990s ... and GE became the most valuable company in the world and the most respected.

Wow – this solution solves two big hiring problems: candidate dishonesty and lack of verification. The truth serum and your talking with the managers when your finalists arrange the calls will be the best verification of what candidates said. +



# What To Do After A Hit-and-Run

**B**eing involved in any type of vehicle collision can spur some pretty basic human instincts. For some that feel they may have done something wrong, their first instinct may be to flee the scene.

When you're involved in a vehicle collision and the other driver takes off without exchanging insurance information, this is commonly referred to as a hit-and-run. These incidents can leave you feeling frustrated and wondering what to do next. It's incredibly important to know what information to collect and whom to contact following an accident.

Here are three things you should do in the event of a hit-and-run:

## 1. RECORD ALL PERTINENT INFORMATION

Write down as much of the other vehicle's information as possible, including its license plate number, make and model, and color.

Note the time and location of the hit-and-run. Be sure to record the direction the car was headed post-incident.

It's also important to take photos of the scene and any damage to your vehicle. If there were any eyewitnesses, gather their names and contact information.

## 2. CALL THE POLICE

Once all important information has been gathered, call the police immediately to file an accident report. When the police arrive, provide them with a description of the vehicle and the incident as well as the names of any eyewitnesses.

## 3. CONTACT YOUR INSURANCE COMPANY

Once you contact your insurance company, the claims process will begin. If covered under your policy, your insurance company can assist you in getting a tow for your vehicle as well as finding a rental car.

In the event of a hit-and-run, never try to follow or apprehend the fleeing driver. What's more, leaving the scene could cause you to miss eyewitness accounts and may leave law officials questioning who's really at fault.

If you have any questions regarding your auto insurance coverage or would like to review your policies, feel free to reach out. I can be reached at 219.510.6205 or [sdomazet@genins.com](mailto:sdomazet@genins.com). +



**BY: STEPHANIE DOMAZET, VICE PRESIDENT—PERSONAL LINES, GENERAL INSURANCE SERVICES**

*Stephanie Domazet has worked in the insurance industry since 2004, joining GIS in 2005. She is a member of the Valparaiso Chamber of Commerce, serving on the Board of Directors and Ambassador Committee. In her free time, she enjoys outdoor activities such as boating, skiing, and camping.*

# Would Your Business Survive A Catastrophic Loss?

**C**ontinuity is critical in business, and there are few things more important than continuous revenue and cash flow, particularly for small- to medium-sized organizations. In fact, just one brief business interruption can be incredibly costly for an organization, often leading to serious reputational damages or long-term closures.

If you think about it, there are several local examples of businesses that faced unfortunate circumstances. Nearly two years ago, Colonial Cleaners faced a structural fire that affected many of the businesses in Thornapple Plaza on US 30 in Valparaiso. More recently, Allure on the Lake in Chesterton faced a devastating fire that left many couples without a wedding venue.

It's easy to talk about insurance in the abstract, thinking "That won't happen to me." However, incidents like these—ones that happen close to home—are a reminder that anything can happen unexpectedly.

That's where business interruption insurance can help. This form of coverage provides protection against a variety of common interruptions, including natural disasters, equipment damage, and vandalism.

## CLAIMS SCENARIO: YOU'RE FIRED

**The company:** A small, family-owned bagel shop.

**The challenge:** Following a recent fire, a bagel shop experienced major property damage. Not only were substantial repairs needed, but the company lost crucial baking equipment.

Repairs for the damaged property and equipment were expected to take three months to complete—a significant amount of lost time and revenue.

**Business interruption insurance in action:** Following a covered disruption, business interruption insurance can help businesses of all sizes stay afloat and recover quickly. This is because business interruption insurance can reimburse income that

organizations would have received had they been able to operate.

This was particularly important for the bagel shop, as paying for costly repairs and not having a steady flow of income could have bankrupted the business. With the right policy, organizations can take the necessary steps to get back up and running, all without sacrificing day-to-day income.

## CLAIMS SCENARIO: RELOCATION, RELOCATION, RELOCATION

**The company:** A mid-sized auto dealership.

**The challenge:** After a night of severe flooding, a number of area businesses experienced substantial water damage. Of these businesses, an auto dealership was hit the hardest, losing the majority of its inventory.

In addition, because the lot was flooded, the dealership had to move its operations to a new location. This, in turn, meant the dealership had to sign a new lease and cover steep moving expenses.

## Business interruption insurance in action:

In the face of a disaster or other disruptions, organizations may be forced to move to temporary locations in order to remain open. Without the proper policy, organizations would have to pay for these costs out of pocket.

Thankfully, business interruption insurance can reimburse organizations for all of the costs associated with a move.

## BENEFITS OF BUSINESS INTERRUPTION INSURANCE

- **REVENUE**—In the event of a disruption, business interruption insurance provides coverage for income your business would have earned during a closure period if it had been operating normally.
- **RENT OR LEASE PAYMENTS**—Even if your premises are unusable following a disaster or other event, many leases still require that you make payments. Business interruption insurance allows you to continue making rent or lease payments, even while your business is not operating.

- **RELOCATION**—In the event that your primary location is unusable following a disaster or other event, you will likely have to relocate in order to remain open and continue generating revenue. Business interruption insurance can cover the expenses of moving your business to a temporary location and may include both moving and rent costs.
- **EMPLOYEE WAGES**—If you are unable to operate, it is likely you will not be able to continue paying employees. Business interruption insurance can help you avoid losing staff while you're closed by ensuring that you make payroll.
- **LOAN PAYMENTS**—If you have an outstanding loan, you will need to continue to make payments even if your business isn't fully operational. Business interruption insurance will ensure you never miss a payment until you are fully operational again.

Business interruption insurance is designed to give businesses access to the assets they need when they need them most. However, these policies can be complex, and it's important to work with your insurance broker closely when seeking coverage. +



BY: ALISON WILLIAMS  
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*Born and raised in Chesterton, Alison Williams joined the GIS team in 2016 where she specializes in commercial insurance. She is a volunteer with Porter County Court-Appointed Special Advocates, and in her spare time, she enjoys spending time with friends and family, beach days, and musical performances.*



# Cyber-Attacks On Main Street Businesses

**W**e live in a fast-paced, technology-driven world where everything is a swipe or a click away. The technological advances made in the past five years are nothing short of miraculous. Our entire business and personal lives are no farther away than an application on our phone, which for most of us is probably within a two-foot radius. While technology makes our lives convenient, it is also convenient for hackers to steal sensitive information.

Contrary to popular belief, hackers predominantly target small- to medium-sized businesses. According to research done by Travelers Insurance, 60 percent of all attempted cyber-attacks are on small- and medium-sized businesses. Many large firms have extensive web security and spend a considerable amount of resources to ensure their data is protected. Unfortunately, this is not the case for many Main Street business owners which is why there is an increase of attacks on smaller local businesses.

Business owners need to take a hard look at their network security and determine if their business could withstand a cyber breach. Cyber Risk Insurance is a cost-effective way to make certain a business can continue to function if a cyber-attack occurs. Insurance carriers are offering extensive training and loss prevention. It is important for small businesses to take advantage of these resources and become as educated as possible on all aspects of a cyber-attack. +

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BY: KYLE ROSENBAUM  
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*Kyle Rosenbaum was born and raised in La Porte. He attended Manchester University where he received a B.A. in Accounting. Upon joining GIS in 2013, he became the second generation of the Rosenbaum family to be involved in the agency. In his spare time, Kyle enjoys golfing, hunting, and fishing.*

OPEN

# The Top 10 THREATS To Small Businesses

**O**ptimism is the fuel that drives the entrepreneurial spirit, so it isn't surprising that most small business owners consider themselves optimists.

Too much optimism, however, can get a small business owner into trouble. A business plan built solely on the "best-case scenario" is like a house of cards: one gust of wind—or fire or wrongful termination lawsuit—and the entire business can come crashing down. That's why smart business owners temper their innate optimism with a healthy dose of reality. In other words, they learn to manage risk.

The first step in implementing a comprehensive risk management plan is identifying potential risks. To help you get started, we have provided a list of the top 10 threats facing small business owners. As you read through the list, consider the unique risks facing your business and ask yourself whether those risks are being managed effectively:

## 1. PROTECTING YOUR PROPERTY

Property holdings are often a small business owner's largest asset. Therefore, for the long-term security of your small business, it is vital that you evaluate potential threats to your property and develop a plan to manage those threats. Begin by taking a complete inventory of all your assets to determine how a loss might affect your business and how much coverage you need. Property coverage can come in many forms to suit your specific needs, but a typical policy will provide the replacement cost value for your building and the actual cash value for your business property.

You have a lot weighing on your budget already, but don't make the mistake of planning for the "best-case scenario" when it comes to your property coverage. Leaving your small business underinsured is a risk too great to take.

## 2. BUSINESS INTERRUPTION

The US Department of Labor estimates that more than 40 percent of businesses never reopen following a disaster such as a fire or flood. Is your business prepared to weather the storm if disaster strikes? If a fire causes your facility to be temporarily

unusable, what would you do? Ideally, you would move to a temporary location while your permanent place of business is being repaired, but traditional Property Insurance does not cover this move or the loss of income while the permanent business location is being repaired. Ill-prepared businesses are often forced to completely shut down operations during repair, which can do irreparable damage to their brand and leave employees without work for extended periods of time.

To mitigate this risk, consider adding Business Interruption coverage to your Property Insurance policy. This invaluable, though often overlooked, coverage safeguards your business by covering operating expenses and lost income while your permanent business location is being repaired. This will allow you to maintain payroll and, if needed, reallocate current employees to help with the cleanup effort.

## 3. LIABILITY LOSSES

No matter how well you plan, running a small business can be fraught with unexpected surprises. The only way to completely avoid liability is to shutter your business. Smart business owners do the next best thing: protect their assets by carrying adequate Commercial General Liability (CGL) Insurance coverage. CGL policies provide coverage for claims of bodily injury or other physical injury, personal injury (libel or slander), advertising injury, and property damage as a result of your products, premises, or operations. A CGL policy with adequate coverage limits enables you to continue normal operations while dealing with real or fraudulent claims of negligence or wrongdoing, and also provides coverage for the cost of defending and settling claims.

## 4. KEY PERSON LOSSES

Many small businesses are built around the talents and expertise of a few individuals. If an employee crucial to the functioning of your business departs unexpectedly due to death or injury, would day-to-day operations continue as usual or would disorder and uncertainty ensue? Would you be able to maintain your current level of performance and revenue stream? How would you cover for the financial loss of the employee or pay for a temporary



replacement during his or her recovery? Key Person Insurance can help you answer these questions with confidence. This coverage is designed to provide financial stability in a time of stress and uncertainty, allowing you to keep your business moving forward without missing a beat.

## 5. INJURIES TO EMPLOYEES

Small business owners, especially those with fewer than 10 employees, often struggle with understanding their employee health and safety obligations. Just like their larger counterparts, small businesses have the same responsibility to indemnify workers who are injured or become ill during the course of their employment. Many businesses do not realize the full effect workplace accidents have on their organization. Beyond initial treatment costs and lost production time, on-the-job injuries have an impact on insurance premiums, which can increase your costs for years to come.

Thankfully, by managing exposures and promoting safety, it is possible to control workers' compensation premiums. Having the proper pre- and post-accident procedures in place can drastically reduce the severity of a workers' compensation claim, and implementing a comprehensive safety program can reduce the accident rate. Together, these two steps can produce tremendous long-term savings.

## 6. MANAGING ELECTRONIC DATA AND COMPUTER RESOURCES

Small businesses often lack a formal IT department or even rudimentary internet security measures, which leaves them vulnerable to unscrupulous cybercriminals searching for an easy target. With an estimated liability of more than \$200 per compromised record—multiplied by hundreds or thousands of customer records—the cost of a single data breach incident can be devastating for a small business. If your business stores customer records electronically, it is crucial that you have robust security measures in place. In addition to taking preventative measures to reduce internet-based exposures, specialized technology coverage, such as Cyber Liability Insurance, can help protect your business against damage from cyberattacks, data breaches, and other internet-based exposures.

## 7. ENVIRONMENTAL EXPOSURES

Think of a business with significant environmental exposures. What comes to mind? Most people think of a large manufacturing, mining, or petroleum operation. But these are not the only industries at risk for environmental liability losses. It is important to perform a comprehensive risk analysis to determine your own level of exposure. Keep in mind that because most commercial insurance policies contain pollution exclusions, unless you carry Environmental Insurance, you may be uninsured against significant environmental loss exposures.

## 8. EMPLOYMENT PRACTICES

From the moment you begin the pre-hiring process until the final goodbyes at the exit interview, you are at risk for a lawsuit. In fact, three out of five employers will be sued by a prospective, current, or former employee while they are in business. Although many lawsuits are groundless, defending against them is costly and time-consuming. Your business should take a hard look at whether it can afford to defend itself against accusations of wrongful employment practices. If not, there is an insurance solution called Employment Practices Liability that will protect your company against wrongful termination, discrimination (e.g., age, sex, race, disability), or sexual harassment lawsuits.

## 9. CONTRACTS

When first starting out, many new business owners simply don't have the time or expertise to adequately evaluate each clause in everything they're signing. This oversight, however, can create major problems down the road. In many cases, small businesses become saddled with large additional risks, accepted via risk transfer from savvy suppliers or customers. While it's tempting to shave costs by skimping on legal fees, making sure your business isn't accepting additional and unnecessary risk can save you a lot of money over the long haul, both in legal costs and in insurance coverages.

## 10. MANAGE YOUR SUPPLY CHAIN

Do you rely on one or more third-party suppliers to produce certain components used in your products? If you do, a

disaster that interrupts your supplier's regular business operations could have a crippling effect on your production abilities. Although you should always try to minimize potential liability through contingency planning and other risk management techniques, as supply chains grow across the globe, sometimes there is little you can do about the exposures faced by your suppliers. In a perfect world you could simply avoid doing business with companies that present numerous risks or that are unwilling to conform to your standards, but pricing constraints and niche markets limit the number of potential suppliers to choose from.

Supply chain insurance is meant to cover losses you incur as a result of an interruption to your supply chain. Such coverage allows you to work confidently with suppliers who face exposures beyond your control.

Insurance is a key component of any comprehensive risk management plan, but successful risk management also involves prevention, training, and contingency planning. Contact us to learn more about the tools and resources we can offer to help you manage risks, control workers' compensation costs, advance safety, and boost employee morale. +



**BY: ELIZABETH JOHNSON**  
COMMERCIAL ACCOUNT EXECUTIVE,  
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*Elizabeth Johnson is an enthusiastic professional with extensive experience in building customer relationships. A native to La Porte, she has worked for the nonprofit community, manufacturing industry, and boating industry throughout her career. She received her Bachelor of Science in Business at Purdue University Northwest. Elizabeth enjoys spending time with her family, kayaking, hiking, biking, and snowboarding.*

# BUCHERTECH

## COMPUTER SECURITY

### "TOTO, I HAVE A FEELING WE ARE NOT IN KANSAS ANYMORE"

**W**hen Dorothy uttered those famous words in the 1939 movie, *The Wizard of Oz*, little did she know that she would be quoted so many times in the years since then, but it certainly rings true regarding the securing of your computers 80 years later!

Consider the following timeline of computer security:

**1980** - Security was making a periodic backup of your data, often stored on multiple floppy disks!

**1990** - With the advent of the internet, antivirus software now became necessary.

**2000** - Email spam became a real problem, and the spam blocker was created. Also, we started utilizing passwords.

**2010** - Multiple security solutions started arriving on the scene, including more powerful firewalls and applying Windows updates became an ongoing process.

**TODAY** - Many more tools have arrived on the scene to help protect you, including Malware protection, monitoring tools to notify you when there is an issue, employee training and testing tools, password managers, and multi-factor authentication. Data backups have evolved to be an ongoing process, happening as often as every 15 minutes.

It isn't a coincidence that the number of tools has increased in recent years. With the attacks firms of all sizes have been victims of, securing your devices has become more and more of a challenge. For the sake of space, here is just one of the more recent solutions that businesses should consider.

**Password Management:** When it comes to managing your passwords, I have identified four types of users:

1. Users that have the same password for everything. This is a recipe for disaster as sooner or later one of their websites will get hacked and then the whole world has access to all of your information.
2. Users that have unique passwords for each site, and write them in a log that is in their top left or right drawer. This is better in that only the people that have access to the top drawers can access all of their confidential info stored in the internet. Unfortunately, this can be a lot of people.
3. Users that memorize a variety of catch phrases with a variety of schemes to login to websites. This is better in that they are unique and safe, but this becomes quite challenging to manage and segregate all of those passwords in your head.
4. Users that utilize a password manager to manage all of their unique passwords.

Of the four methods listed above, the password manager is clearly the best solution. Since you access many sites that need to be secured, why not utilize a tool that can keep track of all of them. If you consider that you have automated many tasks that you used to do manually, why not use a tool to manage passwords? This will allow you to utilize your brainpower to be creative in solving business problems and creating new solutions instead of memorizing letters, numbers and special characters!

Please note, we do not recommend using your computer browser to be your password manager. All it takes is someone to hack or steal your PC and they have all of your passwords. Instead, there are many online password managers available. You just memorize one long and secure

password and the password manager takes it from there!

Why take all of these security measures? Internet criminals are hard at work. If you are not proactive, you are at risk to be their next victim because Toto, we are not in Kansas anymore! ➕



BY: TIM BUCHER

*Born in Valparaiso, Tim attended Morgan Township High School and in 1979 graduated from Purdue with B.S. in General Management. He worked for four years at Midwest Steel as Financial planner and programmer. In 1983 he became the first full time employee of Chester Technologies. In 1996 he was elected to the East Porter County School board which included stints as Vice President and President. In 2001 he started Buchertech, focusing on small business solutions. Buchertech moved their offices in 2015 to downtown Valparaiso at 6 Michigan Ave., historic McMahan Center. Currently Buchertech employees total 21, providing managed services and many different security solutions to organizations throughout the region.*



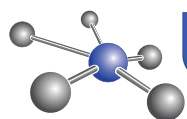
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