

# 2019 Confidence & Clarity Survey

Taking the Pulse of Today's Business in Southeast Michigan



Law Office of Andrew J. Goldberg





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# Introduction

Thank you to everyone who participated in our *2019 Confidence and Clarity Survey*. With a strong foundation set in 2018 with our inaugural *Confidence and Clarity Survey*, this year we had more respondents and a higher response rate. Even more impressive, over 90% of our respondents were involved in ownership or leadership positions in their businesses. This is significant because it gives credibility to the answers given, and how likely the actions described are to be carried out by the companies within the next year.

We modified our survey structure this year requiring respondents to give more definitive answers (and avoid the equivocation that is all too prevalent in many surveys). As well, based on feedback, we included a new section focusing exclusively on *Priorities* for 2019. Finally, this survey was not just a rehash of the same questions from 2018. We developed new questions based on current business trends, feedback from clients, issues covered in business publications, and what we heard from other business advisors. We hope the opportunity to see how others view business issues will help you:

- Identify trends in the region and marketplace;
- Gain competitive intelligence on what other businesses are doing, so you can fine-tune your own strategies and planning;
- Spark dialogue within your organization;
- Start conversations with external advisors on how to implement new initiatives, improve on strategies already in place, and take advantage of opportunities.

We hope the survey and our analysis give you issues to discuss with your leadership, employees, and advisors. It might even cause you to re-think the direction of your company. Finally, if you don't see a particular analysis or cross-tabulation you'd like, please call me and I'll prepare it for you.

I also want to hear your thoughts on this survey, so we can improve next year's version. Your feedback is welcome.



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\* As of April 1, 2019, Suite number is 110.

# Executive Summary

***“The rate at which organizations learn may soon become the only sustainable source of competitive advantage.”***

***—Peter Senge***

Like last year, survey respondents were dispersed over a broad range of employer sizes, with a slight majority being under 50 employees. There is also a broad dispersion among the annual revenue category. Most fell in the \$1 - \$10 million range, with the remainder evenly dispersed among organizations with less than \$1 million, \$10 - \$50 million, and more than \$50 million. As well, organizations tended to be spread over a broad variety of industries including professional services, marketing and communications, manufacturing, IT, health care, architecture and design, real estate, transportation, and entertainment. We believe this broad array of respondents makes this survey very representative of southeast Michigan businesses and makes it a reliable picture of our business landscape.

At the top of the organization, Ownership and Leadership respondents seem to be very content with the direction of their companies and their business practices in this politically turbulent era. But Knowledge Management and innovation are key priorities for 2019. It is impressive to see the focus on Knowledge Management and innovation, two key predictors of long-term success for a company. Ownership and Leadership respondents also plan to be personally involved in promoting their brands to customers.

When it comes to Business Operations and Planning, innovation is again a priority, along with improving business performance. Many companies also intend to use data analytics to improve operations. The use of data analytics ranks similarly in priority to the use of AI and automated workflows (discussed in the Information Technology section).

Finance and Accounting professionals are prioritizing net margin growth, cash management, and cash flow. No doubt these issues are critical because of rising interest rates and required investment in businesses to sustain market position. Somewhat surprisingly (at least if you believe news reports), managing tariffs is very low on the priority scale for Finance and Accounting professionals.

Although Human Resource professionals intend to increase full-time workforces, they are very concerned with attracting and retaining workers. To accomplish this goal, they are concentrating on employee engagement, job training, and skill development. It's no longer enough to simply look for workers; businesses need to keep the workers they have. Based on last year's and this year's responses, I don't foresee the employee availability issue going away anytime soon.

By a substantial margin, customer service experience is the highest priority for Sales and Marketing departments. This is consistent with the overall marketing trend to make the customer experience one-to-one instead of one-to-many. The more a business can focus on each individual consumer or customer, the better it will be. To create these unique relationships, businesses plan to focus on live interactions with their vendors and customers.

Cybersecurity and data information protection is, far and away, the most significant priority for IT Professionals heading into 2019. There is no question, even in speaking anecdotally with my clients, this tops everyone's mind. As well, businesses are interested in looking at managed service providers to outsource their IT management services. Finally, as alluded to earlier, AI and automated workflows are gaining traction as businesses look to be even more efficient and make better use of their data.

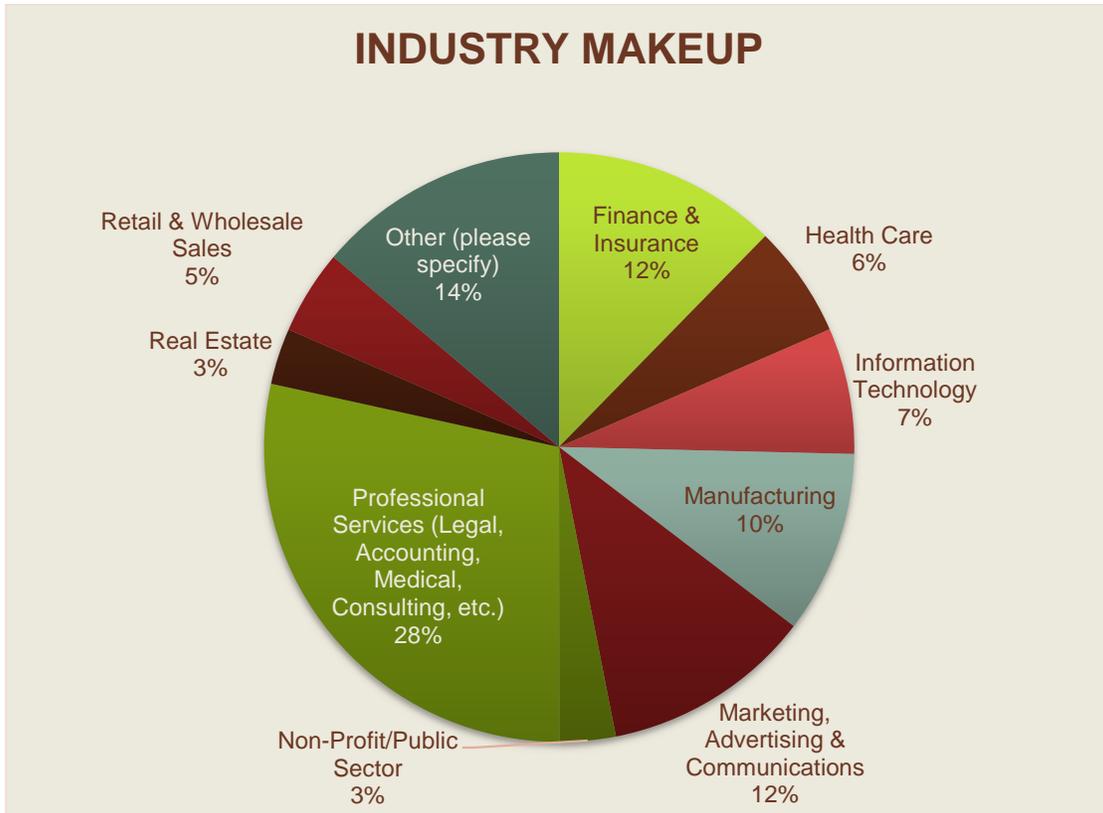
When it comes to the Business Outlook for 2019, most companies feel their revenue will increase, yet fewer feel their profits will also increase. Ironically, they feel their company will do better than their industry as a whole, and even the U.S. economy. Likely a product of optimism bias. They also feel the Global and U.S. economies will NOT be as good as in 2018.

Finally, throughout the document, I point out trends I observed when cross-tabulating the overall results against companies by size or headcount. You may see references to *small*, *medium*, or *large* companies. "Small companies" refer to those with less than 50 employees and less than \$10 million in revenue, "medium size companies" are those with 10-100 employees or \$1-50 million in revenue, and "large companies" describe those with more than 100 employees or greater than \$50 million in revenue.

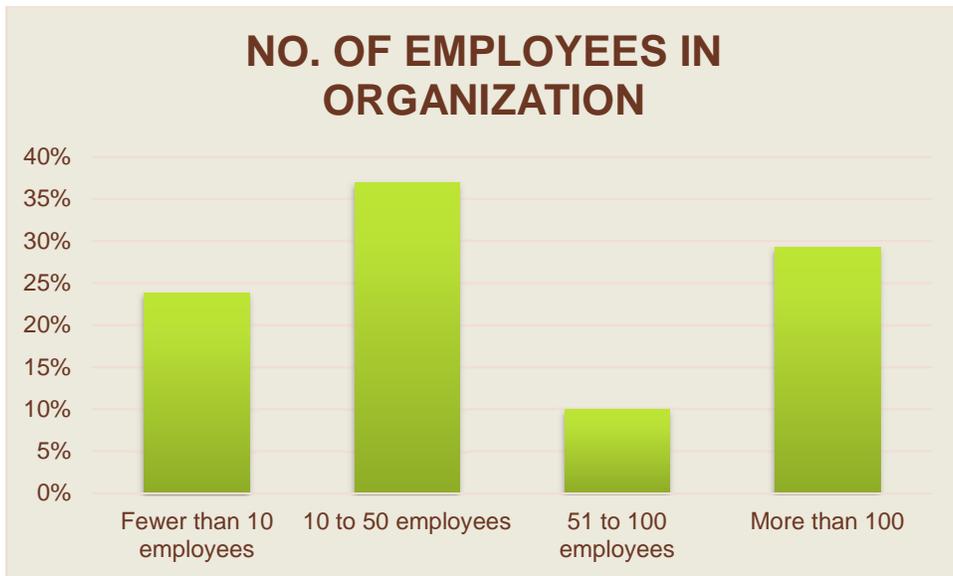
# Survey Results

## Survey Respondent Demographics

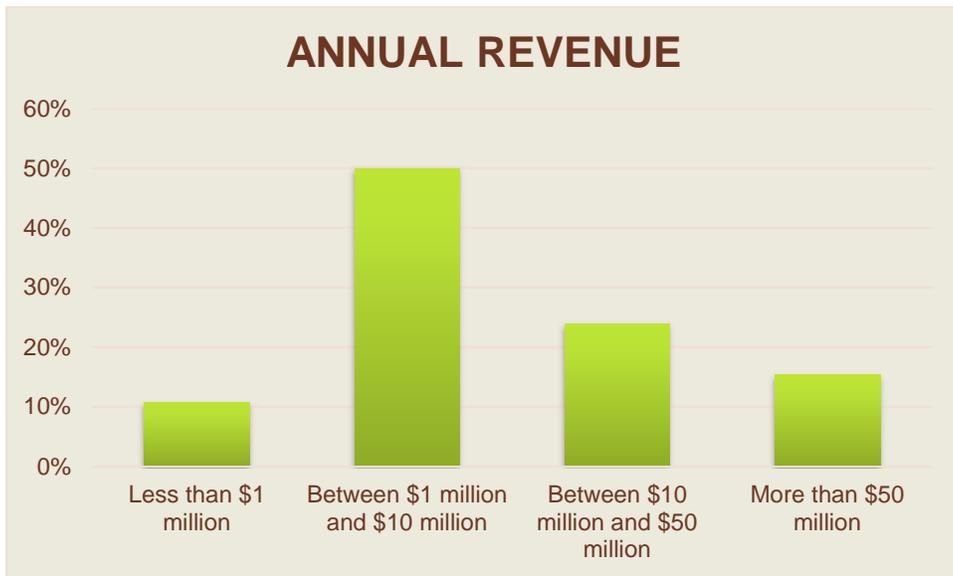
### Industry Makeup



## Size of Organization by Employee Headcount



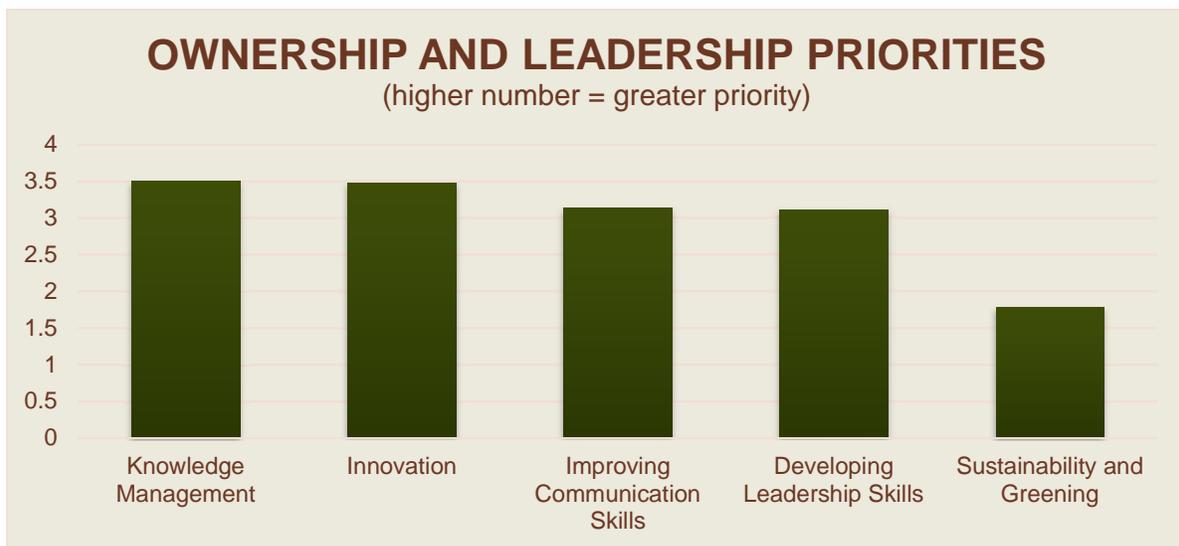
## Organization's Annual Revenue



## Ownership and Leadership Analysis

***“A leader is one who knows the way,  
goes the way, and shows the way.”  
— John C. Maxwell***

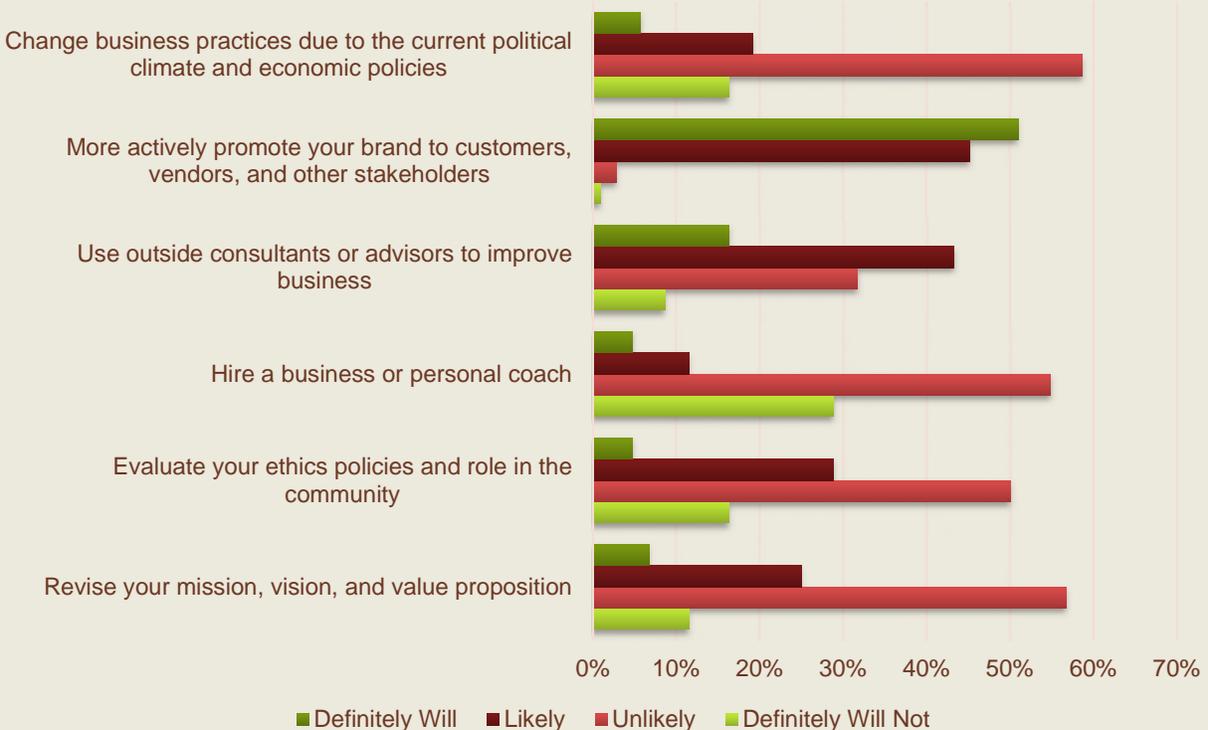
Like last year, over 90% of respondents are involved in Ownership and Leadership. Their priorities for 2019 include Knowledge Management and Innovation. They will also take more active roles in promoting their brands and businesses to customers, vendors, and other stakeholders. While leadership may often be in the best position to execute these priorities, it's important they still develop others in the organization to also execute these priorities so leadership can focus on bigger strategic goals.



Smaller companies are most likely to focus on Innovation, likely because it's the best way to stay competitive with larger organizations. As well, smaller organizations are dedicated to Knowledge Management. This is great to see because when an employee leaves or institutional knowledge walks out the door in a small company, it can have a much greater impact than if it occurs in a larger company.

Evidenced by the infinite number of personal coaching blogs, and the discussions I've had with peers, one would think there is a strong sentiment among business owners to have a personal coach or belong to trusted advisor groups (i.e., Vistage, YEO, and YPO). However, this is not a 2019 focus, other than for companies with revenue of \$10-50 million. Too often it's "lonely at the top" for business owners and leaders. They don't have people with whom they can bounce ideas off or share their concerns in a non-judgmental environment. For this reason, and based on a personal belief that we don't recognize our own flaws or know the best ways to correct them, I often recommend leaders and owners at least evaluate, if not hire, outside coaches or advisors.

## OWNERSHIP AND LEADERSHIP STRATEGIES



Most leaders feel their Mission, Vision, and Value Proposition is well-positioned, as a strong majority will not revisit this issue. In my opinion, this perspective is inconsistent with Innovation being a 2019 priority. Innovation necessarily requires questioning the status quo. After almost eight years of economic expansion, an economic slowdown cannot be too far off. For this reason, I believe leadership must look at their own value proposition and business practices to innovate. Leaders who do not strategically look at how current economic policies and how a slowdown may affect their business, will be left behind.

*After almost eight years of economic expansion, an economic slowdown cannot be too far off. For this reason, leadership must look at their own value propositions and business practices to innovate. Leaders who do not strategically look at how current economic policies and a potential slowdown may affect their businesses will be left behind.*

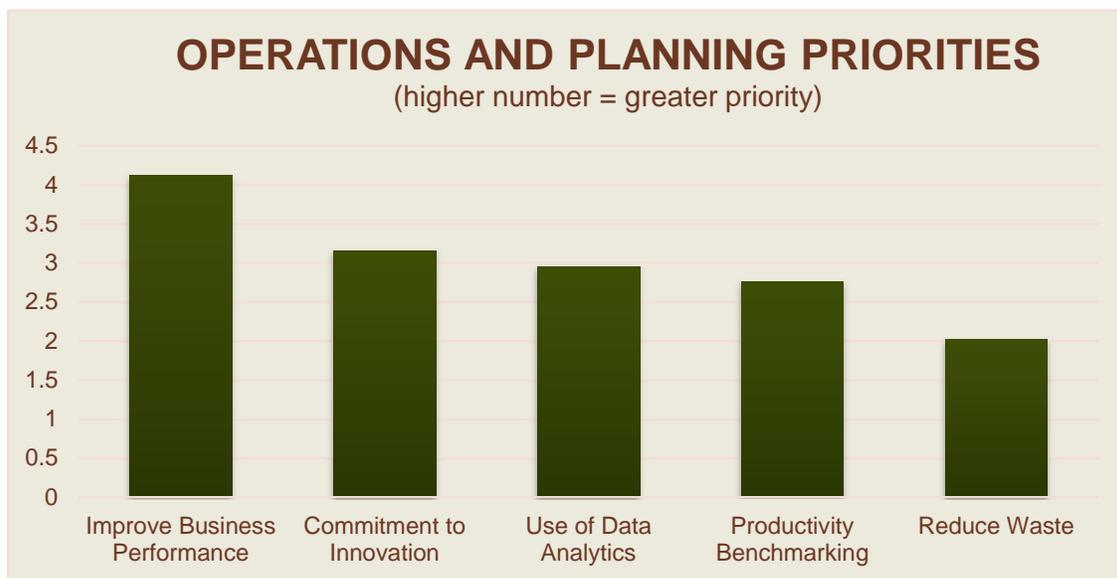
For more on innovation, check out these resources:

1. [Scott D. Anthony, \*Five Ways to Innovate Faster\*, HARVARD BUSINESS REVIEW \(July 30, 2013\).](#)
2. [Paul Sloane, \*21 Great Ways to Innovate\*, DESTINATION INNOVATION BLOG.](#)
3. TOM KELLEY AND DAVID KELLEY, CREATIVE CONFIDENCE: UNLEASHING THE CREATIVE POTENTIAL WITHIN US ALL (1st ed. 2013).

## Business Operations and Planning

***“Success consists of going from failure to failure without loss of enthusiasm.”***  
***—Winston Churchill***

Aside from Improving Business Performance, and to a lesser extent, focusing on Innovation, Business Operations respondents were not keen on any of the proposed priorities. Interestingly, Innovation as a priority in this section lagged behind Innovation as a priority for Leadership and Ownership. There may be a couple of reasons for this. First, Operations people are focused on maximizing performance with what they have; they are focused on the here and now. Secondly, it may simply be that Operations people are less entrepreneurial and creative than Leadership and Ownership. Regardless of the reason, this gap in perspective needs to be addressed so Leadership and Operations are on the same page and have the same priorities for 2019. And as a general rule, Leadership and Operations must continually communicate to ensure they are on the same page in all aspects of the business to ensure success.



When evaluating business performance, each department will have a unique perspective and dashboard. While it's impossible to list every possible measurement to improve business performance, here are a few to consider:

- Sales Revenue, Gross Margin, Net Margin, Cash Flow from Operations, Inventory Turn.
- Cost of Customer Acquisition, Qualified Leads per Month. Conversion Rate.
- Employee Retention, Employee Turnover, Applications per Open Position.
- Customer Satisfaction Level, Customer Retention, Product Rework, Error Rates.

It's not enough, though, to simply have these metrics. They must be easily measurable, reviewed daily, and drive behavior change if it's going in the wrong direction. Most importantly, leadership and line employees need to understand how and why these metrics can drive business success.

Businesses have some interest in Data Analytics, predominantly among companies with more than 100 employees and more than \$50 million in revenue, and, ironically, among the smallest companies. I am skeptical smaller companies can really take advantage of AI. Companies need AI and machine learning to compile the data into useful and actionable insights. This requires more money, technology infrastructure, and people to execute, which smaller organizations simply don't have.



***“Consistent alignment of capabilities and internal processes with the customer value proposition is the core of any strategy execution.”***

***— Robert S. Kaplan***

Business Operations respondents are definitely focused on the future as evidenced by the majority who are inclined to Re-Evaluate Their Competitive Position In The Marketplace and to Develop A New 3-5 Year Strategic Plan, with lower revenue companies most focused on these strategies. This conclusion is interesting because Leaders and

Owners are not putting a great focus on revising their Mission, Vision or Value propositions. Again, there may be a disconnect between Leadership and Business Operations people.

Throughout southeast Michigan, we continue to see an increased focus on the integration of technology into the manufacturing and service-delivery process, all in the name of productivity improvement and efficiency. This is found mostly in businesses with \$1-50 million in revenue and more than 51 employees. This focus is driven not only by competitive pressures but simply by the lack of qualified individuals to take on new responsibilities. The result: businesses must be more creative in delivering services or manufacturing, with fewer employees.

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**Warning:** Don't interpret productivity improvement to simply mean getting more work from your employees. It's more about (i) examining existing workflow; (ii) updating business processes; (iii) getting smarter and more technologically sophisticated tools or software; (iv) encouraging collaboration; and (v) reviewing common causes of waste which include breakdowns, setup/adjustments, small stops, reduced speed, startup rejects and production rejects. These are not just for manufacturers. I think a service business can leapfrog its competitors by using these ideas to improve the quality and efficiency of the services it delivers.

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***“Plans are nothing, planning is everything.”***  
***—Gen. Dwight D. Eisenhower***

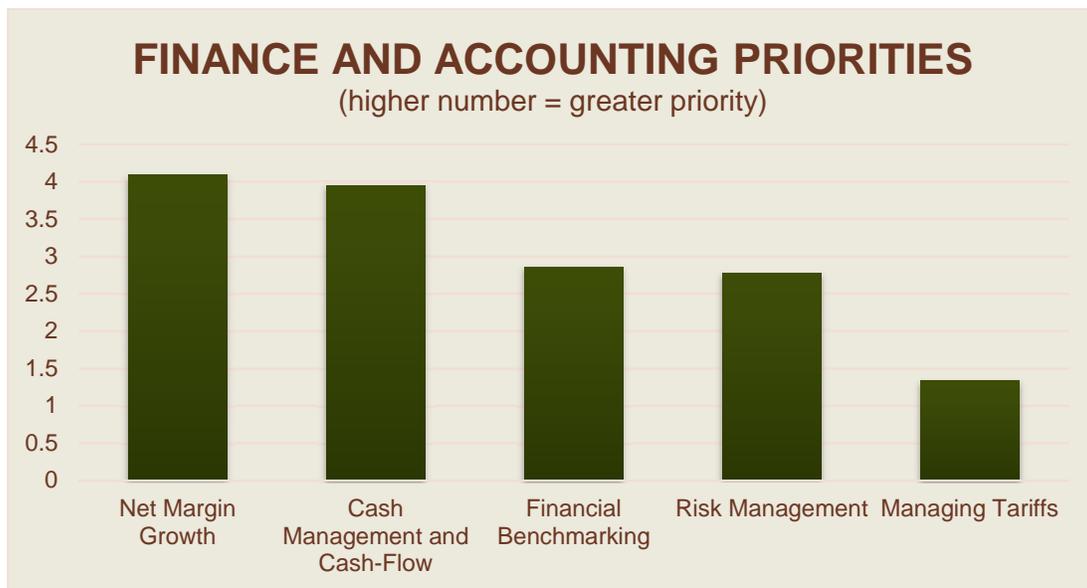
To my surprise, there is low sentiment in Re-evaluating Supply Chain, even though it's one way businesses can use to counteract the costs and effects of tariffs. Importantly, though, we should not look at SCM as merely reducing price and making internal processes more efficient. Business should look at SCM and determine whether they can make it a strategic advantage by making it more effective and beneficial for customers.

## Finance and Accounting

In ranking 2019 priorities, Net Margin Growth, Cash Management and Cash Flow, are hot issues for all businesses, especially smaller companies. For businesses with lower revenue, cash is absolutely king, and they always need to manage it. Cash-flow is so important, even Warren Buffett uses his own modified version of the formula to calculate the value of a company.

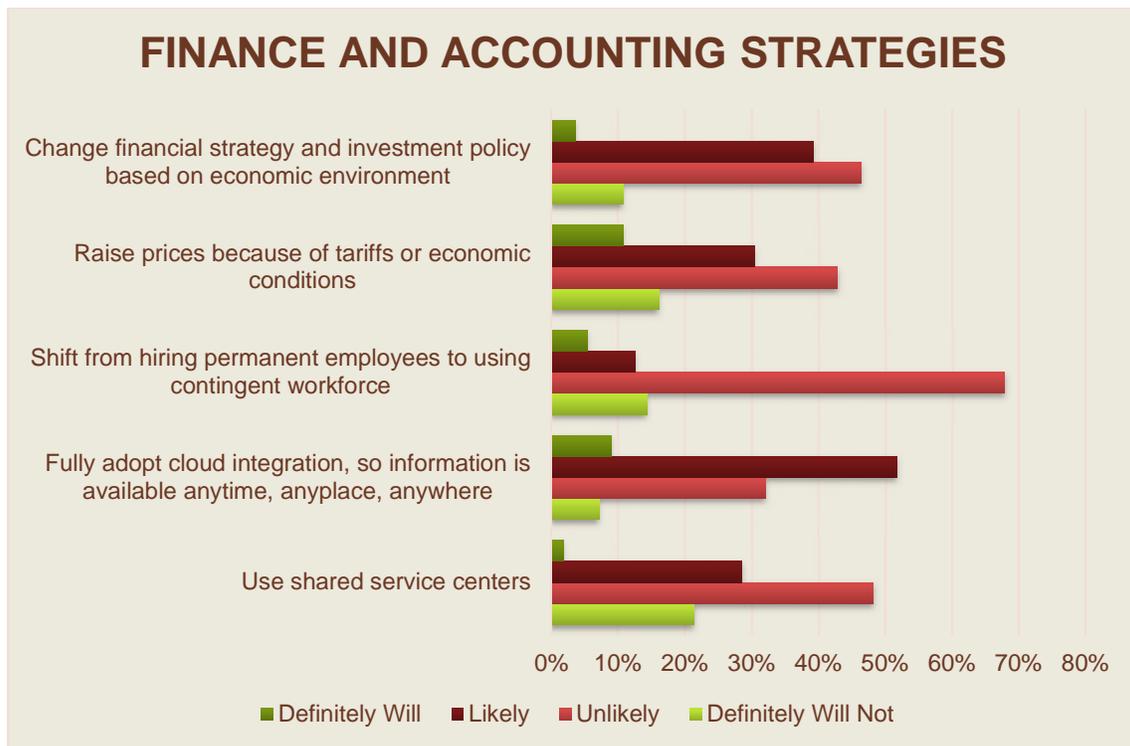
### Recommended:

- [Dave Ahern, Owner Earnings: Warren Buffett's Favorite Formula, GuruFocus Blog \(May 10, 2017\).](#)
- [Buffett's Books by the Investor's Podcast, Lesson 34: Buffett's Owner's Earnings Calculation, Buffett's Books \(July 20, 2012\).](#)



Companies with more than 50 employees are also focused on Risk Management, unlike smaller companies. If companies continue to have problems passing along higher costs to consumers and business customers, I anticipate risk management will continue to grow in importance. The reason is simple: if top-line revenue growth is stagnating, the only way to grow the bottom line is to make sure there are no unanticipated expenses.

To help improve your Risk Management, here is a list of the [70 Greatest Insurance Questions to Ask Your Agent](#).



Respondents will use more technology in manufacturing and service delivery to improve business performance and to be more efficient, with companies from \$10-50 million of revenue and more than 51 employees leading the way. The interest in Cloud Integration will help in this pursuit, but its complexity should not be underestimated. Every business will require advice from an IT Specialist in this area to help with the integration. And, it never hurts to do a little research on your own. Here is [an independent site](#) you can refer to for introductory information on this process.<sup>†</sup>

Interestingly, almost 40% of Finance and Accounting respondents said they *Likely or Definitely Will* Raise Prices Due to Tariffs or Economic Policies, yet it was given the lowest priority for 2019. The reason for this discrepancy is unclear. Like other strategies discussed, this answer also contradicts Leadership and Ownership who indicated they are not changing any business practices because of political climate or economic policies.

Even more interesting, with the shortage of workers, businesses are still strongly averse to Using A Contingent Workforce; only the very smallest and very largest companies had any interest in this strategy. This is great news for workers seeking permanent full-time employment, but businesses may have to shift their thinking. Gen-Z and Millennials are becoming more and more interested in being part of the “gig” workforce, which may force businesses to change how they hire. Almost 60 million workers are gig workers, and some economists forecast that by 2020, 43% of the entire workforce will be made up of [gig workers](#). [This article](#) is also a great source of information, statistics, and backlinks to other articles on the gig economy.

<sup>†</sup> What Is Cloud Integration? Definition from WhatIs.com, <https://searchcloudcomputing.techtarget.com/definition/cloud-integration> (last visited Feb. 2, 2019).

## Human Resources

Priorities for HR professionals in 2019 are, far and away, Job Training and Skill Development, and Employee Engagement.



Job Training and Skill Development are great objectives, but are they effectively executed? Here are a few ideas to consider for effective implementation: (i) the business has clearly identified the skills it needs not only for today but for where it will be in the future; (ii) there is adequate organizational and leadership support for the training; (iii) there are specific goals and metrics to be attained through the training; (iv) there is constant reinforcement of the training; (v) there is not a single type of training (i.e., online, lecture, mentoring) that will work for each skill, as each skill may require a unique training method.

***The definition of “employee engagement” is not always clear. Many writers on this subject prefer to focus on what it is NOT.***

Unfortunately, the definition of Employee Engagement is not always clear. Many writers on this subject prefer to focus on what Employee Engagement is NOT. For instance, Employee Engagement does NOT mean: (i) employees are satisfied with their work (i.e., content with pay and work environment); (ii) they actively participate in meetings or work functions; (iii) they are happy and motivated; and (iv) they feel empowered.

So, then, what is Employee Engagement? Kevin Kruse, creator of [Leading for Employee Engagement](#), defines it as follows: **Employee engagement is the emotional commitment the employee has to the organization and its goals.** They don't work just for a paycheck, or just for the next promotion, but on behalf of the organization's goals. When employees care—when they are *engaged*—they use discretionary effort. And according to Kenexa research, engaged companies have five times higher shareholder returns over five years. Engaged Employees lead to (i) higher service, quality, and productivity, which leads to . . . (ii) higher customer satisfaction, which leads to... (iii) increased sales (repeat business and referrals), which leads to... (iv) higher levels of profit, which leads to... (v) higher shareholder returns (i.e., stock price).



For every strategy except Changing Hiring Criteria and Implementing Employee Wellness Programs, more than 50% of respondents declared they are *Likely* or *Definitely Will* implement the strategy, with 80% increasing their full-time workforce. Companies with 10-50 and more than 100 employees, or revenue of \$1-50 million, lead the way.

HR respondents are also aware of the lack of qualified candidates, and their priorities for 2019 reflect this. With the increase in full-time workforce on the horizon, almost 60% of respondents indicated they are *Likely* or *Definitely Will* Modify or Change Culture to Attract Millennials (though more predominant in larger employers) and *Likely* or *Definitely Will* Implement Alternative Working Arrangements. It's interesting that the smallest companies are less likely to allow Alternative Working Arrangements. This is one employee benefit that doesn't cost any money and can usually be easily implemented. The smallest companies are also the least likely to change their cultures to attract Millennials.

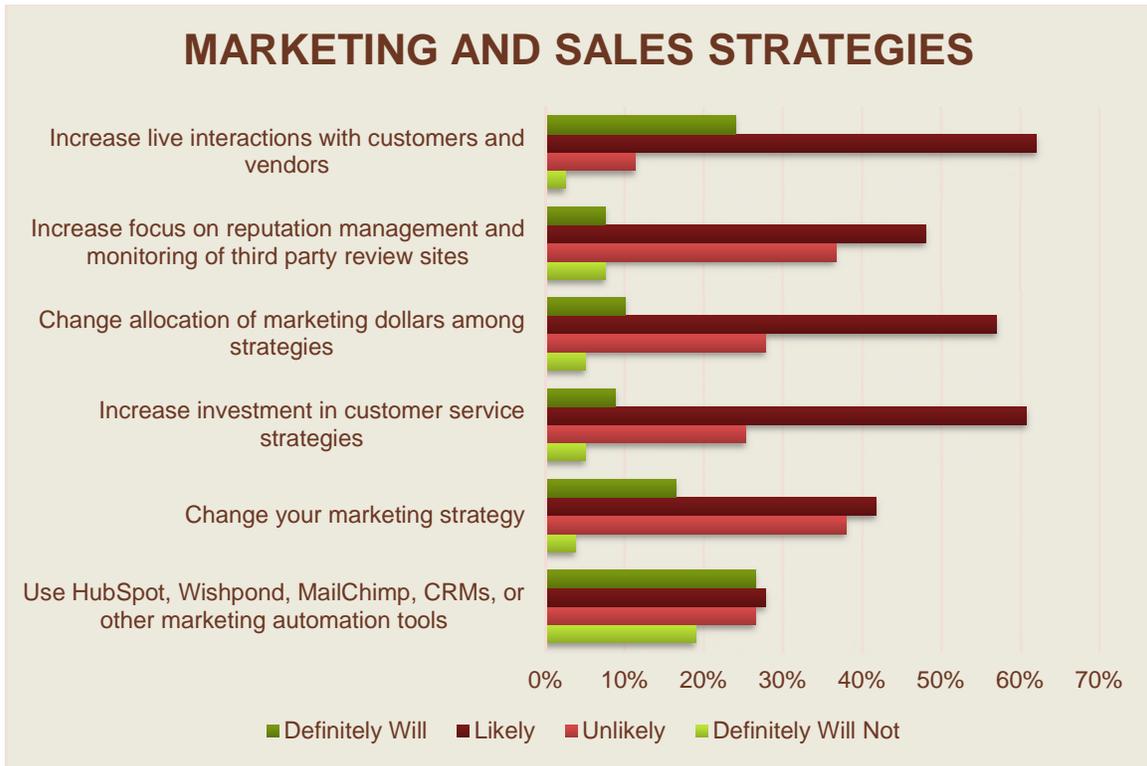
And, as in the Finance and Accounting function, over 60% of HR respondents are unlikely to Change Their Hiring Criteria (consistent with the low priority given to using freelancers and gig workers). As stated in Finance and Accounting, Gen-Z and Millennials will have something to say about this.

## Sales and Marketing

Current marketing trends are about giving each client or customer a great unique experience. Whether you are a service provider, a retailer, or manufacturer, how your customer goes through the purchasing process can distinguish you from your competitors. These trends and priorities are borne out in the responses to this section. While the Customer Service Experience is often a hands-on event, businesses are just as focused on Digital Advertising for 2019. I'm not sure if this dichotomy can be explained, other than possibly that digital is about marketing while the customer service experience is about sales.



***“Your most unhappy customers  
are your greatest source of learning.”  
– Bill Gates***



Increasing Live Interactions and Investment In Customer Service are the major strategies for 2019. This emphasis is consistent with the priorities discussed above. Also, as companies focus on live interactions, it's no wonder Marketing Automation ranks near the bottom of 2019 strategies. However, one could just as easily have presumed Marketing Automation would be a focus for 2019 because Digital Advertising is a priority.

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**Word of caution:** Don't completely dismiss marketing automation; use it to create customer interest in your product or service (lead gen) which you can then develop into the live interaction. If others are unlikely to use automation, be the contrarian and use it to exploit the vacuum.

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Interestingly, while businesses are likely to change their allocation of marketing dollars, and even change their marketing strategies, ROI Measurement is only a modest priority for 2019 (with highest to lowest priority ranking going from lowest to highest revenue). Low revenue companies are obviously most cost-conscious (and need to be so) when spending ad dollars. Fundamentally, marketing strategy and ROI are inextricably linked: you can't know what strategy to implement or change, without knowing what your ROI is from your current strategy.

**Here are three articles about how to measure your marketing ROI:**

1. [25 Ways to Measure ROI on Your Marketing Spend, WORKSPACE DIGITAL.](#)
2. [Jon Miller, How to Measure the ROI of Marketing Programs, CMO NATION BLOG.](#)
3. [Amy Gallo, A Refresher on Marketing ROI, HARVARD BUSINESS REVIEW \(July 25, 2017\).](#)

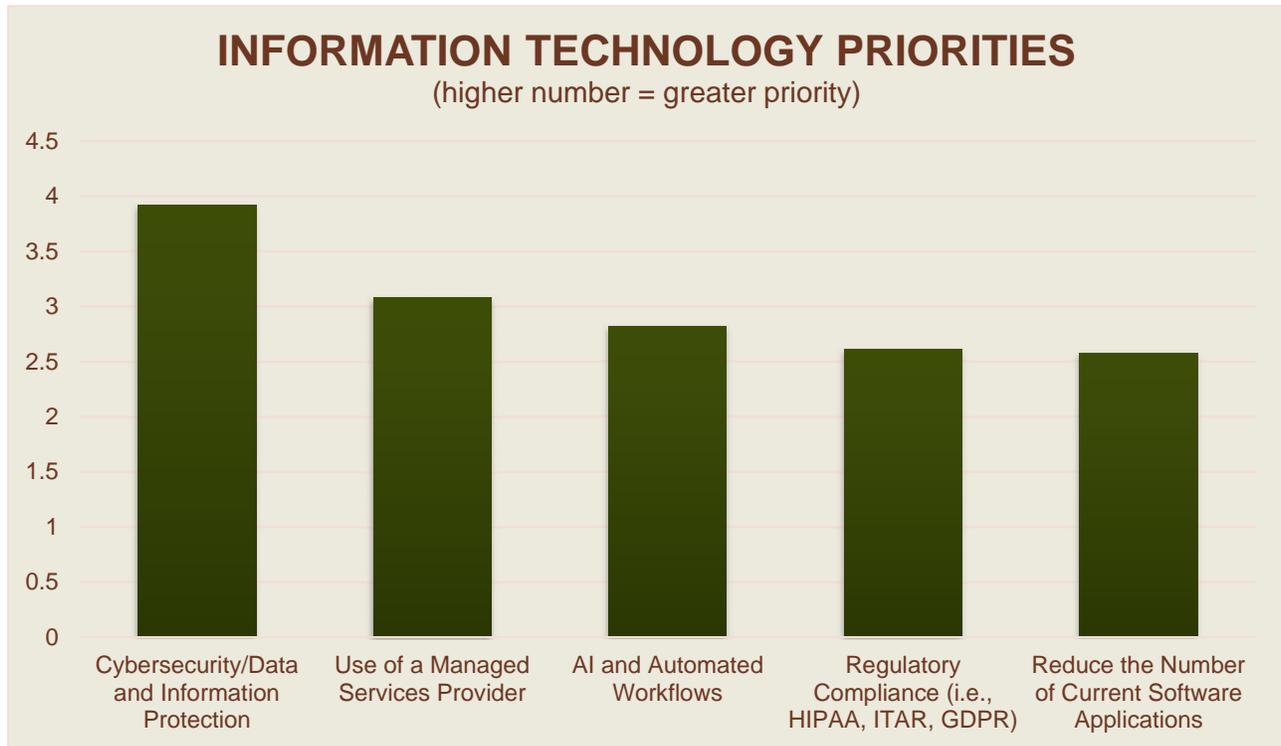
One item I found particularly interesting was the strong interest in Reputation Management, particularly among the smallest businesses. Reputation Management isn't just about making sure there are no fraudulent reviews on Facebook, Google, Yelp or other sites. It also addresses how current and former employees review your company on salary and employer review sites, how the media profiles your company, and more. There are many strategies you can implement to combat negative reviews, including:

- 1) Even if you are not sure if the review is legitimate, you must consider responding. In the online world, too often silence is an admission.
- 2) Reach out to the reviewer privately before responding online. There are often details missing from the review that will help you respond.
- 3) Address their concerns (even if illegitimate) respectfully and kindly. Related, don't hit "send" until a colleague has reviewed your response. And even then, wait 24-hours to make sure you don't want to modify the reply.
- 4) Finally, if the customer is eventually satisfied, ask for an updated review.

However, this is often not enough. It takes a coordinated approach involving PR pros, your marketing and SEO teams, training your staff how to respond to on-line barbs, and more. Finally, remember that even with all these ideas and tools, it's very difficult to actually control what people say about you. Once the genie is out of the bottle, you can't put it back in. So, the best reputation management tool to avoid bad reviews might simply be to create an amazing experience for customers and vendors, and work environment for your employees.

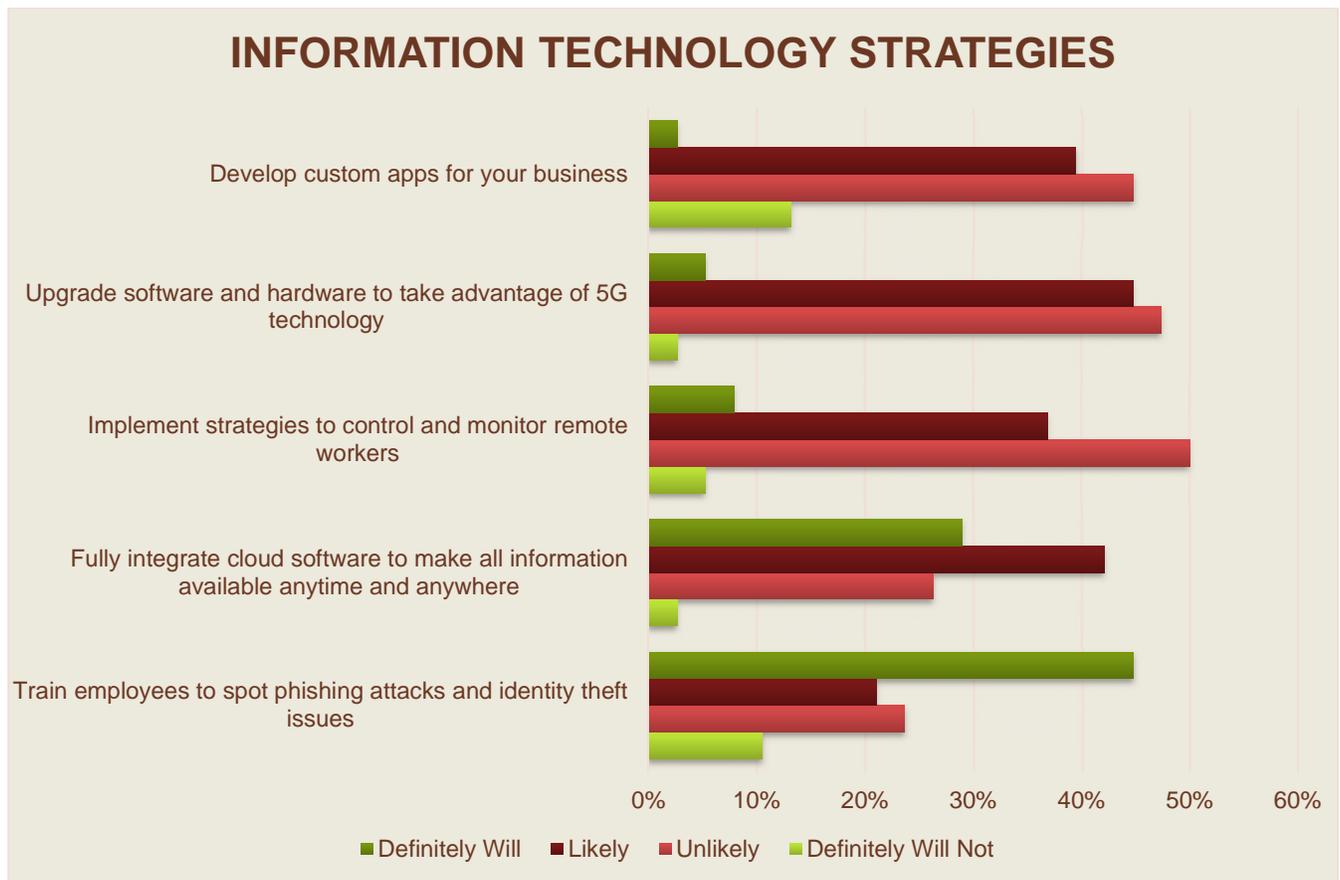
## Information Technology

For IT staff, Cybersecurity and Data Information Protection is a huge priority in 2019. IT will also strongly focus on training employees to spot phishing attacks and identity theft issues. Businesses also want to integrate cloud software and make information available anytime and anywhere but do so using a managed service provider. Businesses want technological capability but are uncomfortable doing it in-house.



***“For a list of all the ways technology has failed to improve the quality of life, please press three.”***

***—Alice Kahn***



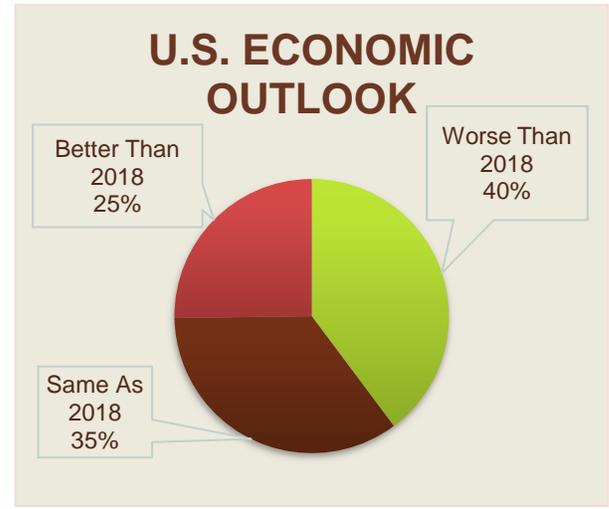
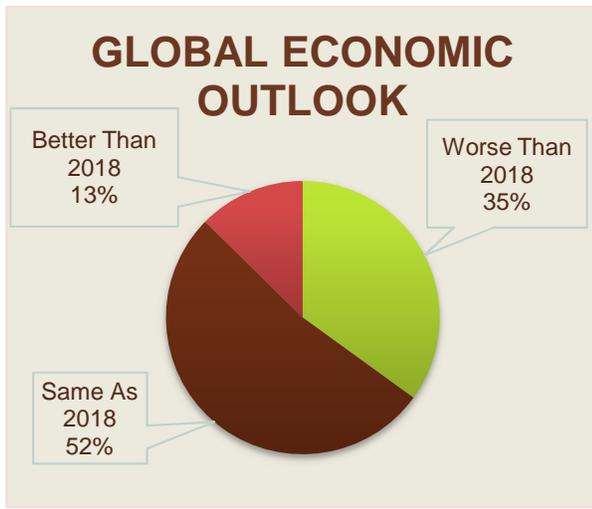
Interestingly, over 50% want to upgrade software and hardware to take advantage of 5G technology. However, the benefit of 5G is dependent on the infrastructure, and how you will use 5G technology. In my discussions with IT professionals, businesses might be better off waiting a year or two until the technology kinks are worked out and the price comes down. Sometimes first-to-adopters really end up spending too much money and don't know yet how to take advantage of the technology.

There is also interest in using AI and Automated Workflows; however, like 5G, the key is knowing how to best take advantage of the technology and whether you can implement these strategies effectively. This interest is consistent with Business Operations' respondents who overwhelmingly want to integrate technology in the manufacturing and service-delivery areas. The most frequently used areas for business automation are:

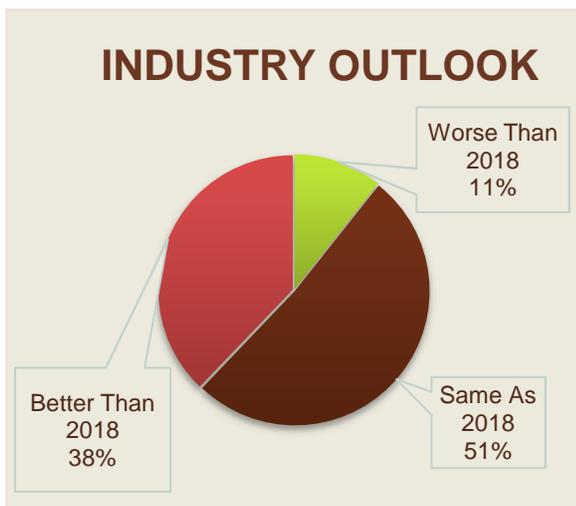
1. Sales
2. Employee On-Boarding
3. HR Compliance
4. Customer On-Boarding
5. Project Management
6. Social Media Marketing
7. Team Communication
8. File / Document Management

# Business Outlook Analysis

For all questions, respondents believe 2019 will be at least the same as or better than 2018, except for the interest rate environment. Respondents all feel the Global and U.S. Economies will be better in 2019 than in 2018 but were not as optimistic when comparing 2018 to 2017. Expectations can be strong predictors of what may happen. In other words, our opinion is a leading indicator of what actually happens. It becomes a self-fulfilling prophecy.



Companies believe their industry will do well, but believe their company will do even better than their industry. This may simply be due to our predisposition to believe we are better than our peers. The problem, though, this ignores what we don't know about our competitors. I believe a company may be more poised for success if it believes it's running behind its competitors. Front-runners can get complacent and lose their competitive advantage to those who are chasing them.



# Final Thoughts

Business owners and business advisors are optimistic about 2019 and forecast growth in the overall economy and in their businesses.

Technology will play an important factor, as both a blessing and a curse for everyone at the same time. Its advancements allow us to rapidly innovate, accelerate all business activity, and measure it in minute detail. At the same time, it forces us to monitor ever-increasing amounts of data, and distinguish between the important and unimportant in order to advance key business objectives. Importantly, as technology continues to advance, marketing strategies and tools will also advance. Discerning what works, what doesn't, and why, must continue to be at the forefront of a company's marketing plan.

While businesses are generally optimistic about 2019, I continue to believe that finding and keeping quality employees will be the biggest barrier to growth. We have not yet seen the full effects of announced tariffs so even though businesses currently do not seem concerned about their impact, I believe this story is yet to unfold fully.

Here are some items to review and discuss with your business advisors and executive team as you move through 2019:

- Do we have adequate knowledge management tools in place in case key employees leave for greener pastures?
- As interest rates rise and with a possible economic slowdown on the horizon, have you stress-tested the company to ensure adequate cash-flow and gross margin?
- Are key employees receiving adequate leadership training and skill development to poise them for advancement in your business?
- Is the company in a position to seize the opportunities that lie ahead and can it withstand potential pitfalls as it grows, as well as inevitable competitors?
- Is your organization placing its best foot forward with regards to recruitment? If not, then what are the areas that need to be improved?
- Finally, how are you going to strive for excellence each day?

# About Andrew J. Goldberg

Andrew J. Goldberg is a business and tax attorney who helps business owners develop strategies to grow their organizations. His clients come to him for one thing: they want *Confidence and Clarity* in the decisions they make and the directions they are heading.

He will challenge your finances, marketing, production and manufacturing issues, HR matters, and more. It's quite simple for Andy: he loves working with entrepreneurs and learning everything about their companies so he can help guide their thinking from new and different perspectives. And he'll do it with Passion. With Energy. With Knowledge. And with Experience.

As both a lawyer and a Certified Public Accountant, Andy is frequently involved in matters where legal, accounting, and business operations intersect, acting as an outside general counsel and trusted advisor for his clients. He regularly counsels clients on business formations and corporate transactions, business continuity planning, the accumulation and preservation of wealth for business owners, tax planning, human resources issues, and general contract matters.

Andy graduated from the University of Michigan Law School, and also received his B.S. in Accounting from Indiana University, Bloomington, Indiana.

He regularly writes on business and productivity topics for executives and entrepreneurs on his blog that can be found on his website, [www.ajglaw.com](http://www.ajglaw.com).

# Appendix I: Suggested Reading

Here is the list of books and articles that were referenced throughout the survey and that I highly recommend as great reads:

1. [25 Ways to Measure ROI on Your Marketing Spend](http://www.workspace.digital/30-ways-to-measure-roi-on-your-marketing-spend/), WORKSPACE DIGITAL, <http://www.workspace.digital/30-ways-to-measure-roi-on-your-marketing-spend/>.
2. [Buffett's Books by the Investor's Podcast, Lesson 34: Buffett's Owner's Earnings Calculation](https://www.buffettsbooks.com/how-to-invest-in-stocks/advanced-course/lesson-34/), Buffett's Books (July 20, 2012), <https://www.buffettsbooks.com/how-to-invest-in-stocks/advanced-course/lesson-34/>.
3. [Data on the Gig Economy and How it is Transforming the Workforce](https://www.wonolo.com/blog/data-gig-economy-transforming-workforce/), Wonolo Blog (Jan. 14, 2019), <https://www.wonolo.com/blog/data-gig-economy-transforming-workforce/>.
4. [What Is Cloud Integration? Definition from WhatIs.com](https://searchcloudcomputing.techtarget.com/definition/cloud-integration), <https://searchcloudcomputing.techtarget.com/definition/cloud-integration> (last visited Feb. 2, 2019).
5. [Dave Ahern, Owner Earnings: Warren Buffett's Favorite Formula](https://www.gurufocus.com/news/518295/owner-earnings-warren-buffetts-favorite-formula), GuruFocus Blog (May 10, 2017), <https://www.gurufocus.com/news/518295/owner-earnings-warren-buffetts-favorite-formula>.
6. [Due.com, The Gig Economy: 2020 Freelance Workforce Predicted To Rise To 43%](https://www.nasdaq.com/article/the-gig-economy-2020-freelance-workforce-predicted-to-rise-to-43-cm803297), NASDAQ (June 14, 2017 10:49:38 AM EDT), <https://www.nasdaq.com/article/the-gig-economy-2020-freelance-workforce-predicted-to-rise-to-43-cm803297>.
7. [Scott D. Anthony, Five Ways to Innovate Faster](https://hbr.org/2013/07/how-to-innovate-faster), HARVARD BUSINESS REVIEW (July 30, 2013), <https://hbr.org/2013/07/how-to-innovate-faster>.
8. [Amy Gallo, A Refresher on Marketing ROI](https://hbr.org/2017/07/a-refresher-on-marketing-roi), HARVARD BUSINESS REVIEW (July 25, 2017), <https://hbr.org/2017/07/a-refresher-on-marketing-roi>.
9. [Andrew J. Goldberg, 5 Ways Companies Can Improve Their Knowledge Management](https://ajglaw.com/blog-posts/5-ways-companies-can-improve-their-knowledge-management/), CONFIDENCE & CLARITY BLOG (Nov. 16, 2018), <https://ajglaw.com/blog-posts/5-ways-companies-can-improve-their-knowledge-management/>.
10. [Andrew J. Goldberg, 11 Benefits of Knowledge Sharing in the Workplace](https://ajglaw.com/blog-posts/11-benefits-of-knowledge-sharing-in-the-workplace/), CONFIDENCE & CLARITY BLOG (Nov. 13, 2018), <https://ajglaw.com/blog-posts/11-benefits-of-knowledge-sharing-in-the-workplace/>.
11. [Andrew J. Goldberg, The 70 Greatest Business Insurance Questions to Ask Your Agent](https://ajglaw.com/wp-content/uploads/2018/11/Insurance-Question-Checklist3FINAL.pdf), CONFIDENCE & CLARITY BLOG (Nov. 1, 2018), Confidence <https://ajglaw.com/wp-content/uploads/2018/11/Insurance-Question-Checklist3FINAL.pdf>.
12. [Andrew J. Goldberg, How to Create a System to Encourage Information Sharing in Business](https://ajglaw.com/blog-posts/how-to-create-a-system-to-encourage-information-sharing-in-businesses/), CONFIDENCE & CLARITY BLOG (Nov. 16, 2018), <https://ajglaw.com/blog-posts/how-to-create-a-system-to-encourage-information-sharing-in-businesses/>.
13. TOM KELLEY AND DAVID KELLEY, CREATIVE CONFIDENCE: UNLEASHING THE CREATIVE POTENTIAL WITHIN US ALL (1st ed. 2013).
14. KEVIN KRUSE, EMPLOYEE ENGAGEMENT 2.0: HOW TO MOTIVATE YOUR TEAM FOR HIGH PERFORMANCE, (2d. Ed. 2016).
15. [Jon Miller, How to Measure the ROI of Marketing Programs](https://blog.marketo.com/2013/03/how-to-measure-the-roi-of-your-marketing-programs.html), CMO NATION BLOG, <https://blog.marketo.com/2013/03/how-to-measure-the-roi-of-your-marketing-programs.html>.
16. [Paul Sloane, 21 Great Ways to Innovate](https://www.destination-innovation.com/21-great-ways-to-innovate/), DESTINATION INNOVATION BLOG, <https://www.destination-innovation.com/21-great-ways-to-innovate/>.

# Appendix II: List of All 2019 Confidence & Clarity Survey Questions

**1. How many employees are in your organization?**

- Fewer than 10 employees
- 10 to 15 employees
- 51 to 100 employees
- More than 100 employees

**2. What is your organization's annual revenue?**

- Less than \$1 million
- Between \$1 million and \$10 million
- Between \$10 million and \$50 million
- More than \$50 million

**3. What is your industry?**

- Professional Services (Legal, Accounting, Medical, Consulting, etc.)
- Non-Profit/Public Sector
- Information Technology
- Manufacturing
- Finance & Insurance
- Marketing, Advertising & Communications
- Health Care
- Real Estate
- Retail & Wholesale Sales
- Other (please specify)

**4. Are you involved in the OWNERSHIP OR LEADERSHIP of your organization?**

Yes    No

**5. Please rank your OWNERSHIP/LEADERSHIP priorities from 1 to 5, with 1 being your greatest priority.**

- Improving Communication Skills
- Innovation
- Developing Leadership Skills
- Knowledge Management
- Sustainability and Greening

**6. In 2019, how likely are you to do the following?**

- a. Change business practices due to the current political climate and economic policies
- b. More actively promote your brand to customers, vendors, and other stakeholders
- c. Use outside consultants or advisors to improve business
- d. Hire a business or personal coach
- e. Evaluate your ethics policies and role in the community
- f. Revise your mission, vision, and value proposition

**7. Are you involved in OPERATIONS/BUSINESS PLANNING within your organization?**

Yes    No

**8. Please rank your OPERATIONS/BUSINESS PLANNING priorities from 1 to 5, with 1 being your greatest priority.**

- Reduce Waste
- Improve Business Performance
- Commitment to Innovation
- Use of Data Analytics
- Productivity Benchmarking

**9. In 2019, how likely are you to do the following?**

- a. Increase integration of technology with manufacturing process or delivery of services
- b. Re-evaluate supply chain strategies, or companies in your supply chain
- c. Develop a new 3-5-year strategic plan
- d. Re-evaluate the organization's competitive position in the marketplace
- e. Increase participation in the "sharing economy"

**10. Are you involved in FINANCE/ACCOUNTING within your organization?**

Yes    No

**11. Please rank your FINANCE/ACCOUNTING priorities from 1 to 5, with 1 being your greatest priority.**

- Net Margin Growth
- Risk Management
- Financial Benchmarking
- Cash Management and Cash-Flow
- Managing Tariffs

**12. In 2019, how likely are you to do the following?**

- a. Change financial strategy and investment policy based on economic strategy
- b. Raise prices because of tariffs or economic conditions
- c. Shift from hiring permanent employees to using contingent workforce
- d. Fully adopt cloud integration, so information is available anytime, anyplace, anywhere
- e. Use shared service centers

**13. Are you involved in HUMAN RESOURCES/TALENT MANAGEMENT within your organization?**

Yes No

**14. Please rank your HUMAN RESOURCES/TALENT MANAGEMENT priorities from 1 to 5, with 1 being your greatest priority.**

- Job Training and Skill Development
- Use of Freelancers, Independent Contractors, and Gig Economy Workers
- Employee Engagement
- People Analytics
- Recruiting Technology

**15. In 2019, how likely are you to do the following?**

- a. Implement employee mentorship and apprenticeship programs
- b. Modify culture and organization to attract and retain millennials
- c. Change your hiring criteria (i.e., culture fit vs. talent, college degree no longer required)
- d. Implement employee wellness programs
- e. Increase full-time workforce
- f. Use alternative working arrangements (i.e., work at home, job sharing, co-workspaces)

**16. Are you involved in SALES/MARKETING within your organization?**

Yes No

**17. Please rank your SALES/MARKETING priorities from 1 to 5, with 1 being your greatest priority.**

- e-Commerce Tools
- Experiential Marketing
- Customer Service Experience
- ROI Measurement of Marketing Spend
- Digital Advertising

**18. In 2019, how likely are you to do the following?**

- a. Increase live interactions with customers and vendors
- b. Increase focus on reputation management and monitoring of third-party review sites
- c. Change allocation of marketing dollars among strategies
- d. Increase investment in customer service strategies
- e. Change your marketing strategy
- f. Use HubSpot, Wishpond, MailChimp, CRMs, or other marketing automation tools

**19. Are you involved with INFORMATION TECHNOLOGY in your organization?**

Yes No

**20. Please rank your INFORMATION TECHNOLOGY priorities from 1 to 5, with 1 being your greatest priority.**

- Cybersecurity/Data and Information Protection
- Regulatory Compliance (i.e., HIPAA, ITAR, GDPR)
- Reduce the Number of Current Software Applications
- AI and Automated Workflows
- Use of a Managed Provider

**21. In 2019, how likely are you to do the following?**

- a. Develop custom apps for your business
- b. Upgrade software and hardware to take advantage of 5G technology
- c. Implement strategies to control and monitor remote workers
- d. Fully integrate cloud software to make all information available anytime and anywhere
- e. Train employees to spot phishing attacks and identify theft issues

**22. How do you think the following indicators will perform in 2019?**

- a. Global Economy
- b. U.S. Economy
- c. Your Industry
- d. Your Company Revenue
- e. Your Company Profit
- f. Your Interest Rate Environment
- g. Access to Credit or Investor Funds

**23. What is one question you wish we would have asked?**

**24. Please confirm your email address so we can send you our survey analysis (your email address will not be associated with your survey answers).**





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