

Making 2007 your best year ever

Improving performance in a challenging environment

As a business leader, one is always challenged to perform ever better. Whether the challenge is self-induced or comes from your constituencies, the pressure for better performance is a constant. The start of a new year is a natural time to reflect on what opportunities exist for significant improvement in a business. With most economists and business observers expecting a challenging environment in 2007, it is particularly important to focus on changes needed to make this coming year a great one.

To understand both the challenge and the potential opportunities, *Smart Business* interviewed Lawrence Steinberg, a corporate attorney at Berger Singerman recognized for his insights into the business market.

What do you see as the business environment for 2007?

In a word, challenging. As we enter 2007, there are clear signs of a consumer-centric slowdown. Housing prices have softened, nationally and locally. Consumer credit delinquencies are on the rise. Some sectors of retail are experiencing declines in same store sales from the previous year. Add in the impact of the post-election political uncertainty as the positioning begins for the next presidential election. And coupling all that with the great uncertainties hanging over the Middle East means that businesses face a most challenging environment for 2007.

Sounds like you are pretty pessimistic about general business prospects for 2007?

The fact that I see challenges does not mean I am pessimistic. The United States economy is still the strongest in the world and, as such, we will continue to attract capital from around the world. Additionally, our country continues to demonstrate success at repositioning our companies so as to be able to compete successfully in the world economy.

Here in South Florida, we have seen real progress in 2006 in positioning the region as a center for life science research. Such



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research benefits from a continuing urgent need, irrespective of the vagaries of the economy or the political environment.

Even more importantly, I am a big believer that even in a stagnate economy agile companies can, and will, find ways to prosper. My best clients are diligently adjusting their business plans and processes so that they can prosper in 2007.

What do you see as the key to prospering in 2007?

Early in my career, a very wise client executive explained to me that 'the definition of insanity is expecting changed results without changed behaviors.' Over the years, I have come to see that my best-performing clients are those that are prepared to make changes to improve results. In a rapidly changing world, one's past success can breed one's future failure. With the changed environment for 2007, every business will inevitably have to make changes in how it operates.

How does a business executive know what changes to make?

What I often see is that successful execu-

tives are challenging everybody in their organization, as well as key outside constituencies, to adjust to the changing circumstances.

Let me give a very concrete example near and dear to my heart. I respect clients who demand that the services of the company's lawyers be reviewed to identify opportunities for improved effectiveness and efficiency. Legal services, like every service provided to a company, must be reviewed. And these reviews must take into account the environment expected in 2007; not just be a historical review. Law firms, like every other important vendor, must be challenged as to how they will create more value in 2007.

Ultimately, CEOs must have the wisdom to make those tough calls as to what to change and what can continue to be the same. Few companies can afford to make no changes and still have a realistic expectation of improved results.

What final words of advice on this subject would you give to business executives?

Typically, some businesses will adjust to changed circumstances and prosper. Others will be locked in the ways of the past and will likely experience distress, if not outright failure.

This year, more than any other year in recent history, is a time for savvy executives to quickly assess the changes that can provide the company with a competitive advantage.

I am always so energized by those who understand that changed business results inevitably require changed business and legal processes in order to prosper in a changed business environment.

LAWRENCE STEINBERG is a corporate attorney who focuses on transactions and other business matters. Read more about how he and his colleagues at Berger Singerman are helping business owners adjust for changing economic conditions online at www.bergersingerman.com.

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