

2026 Adaptation Labs Session

Station: HR & People

Facilitator: Sarah Miller, SBAM

The Core Challenge: Navigating shifting workforce dynamics, creative retention, remote engagement, attracting talent, and combating team burnout.

Key Takeaways & Trends

- **The Paradigm Shift in Compensation:** Members highlighted that competing solely on salary is no longer enough. Attracting and retaining talent requires a holistic look at culture, quality of life, and recognizing what truly matters to employees beyond a paycheck.
- **Remote & Hybrid Alignment:** A major recurring question was how to accurately measure engagement and maintain organizational culture without regular face-to-face interaction.
- **Preventing Burnout:** Teams across various industries are facing high stress levels, forcing leadership to find active, structural ways to support mental health and workload management.
- **The Technical vs. Leadership Gap:** A common organizational pain point is promoting high-performing technical employees into management roles before they have the actual leadership skills required to succeed.

Shared Solutions & Member Strategies

Mindset & Communication Frameworks

- **The CTFAR Model:** Members discussed utilizing the CTFAR framework (*Circumstance → Thought → Feelings → Action/Inaction → Results*) to unpack

workplace challenges. As leaders, it is our intrinsic responsibility to lean into uncomfortable conversations to find root-cause solutions.

- **The Power of a Simple Question:** Open communication lines by directly asking employees: *"What specific supports do you need right now to do your job well?"*

Total Compensation & Talent Attraction

- **The 6 Dimensions of Compensation:** Move beyond standard salary discussions by building out and clearly explaining a "Total Benefits Package" that details culture, flexibility, and quality of life. Know your company's true identity to attract people aligned with your core values.
- **"Grow Your Own" (Rural Talent Strategies):** To overcome the challenge of attracting talent to rural areas, focus heavily on hiring for baseline capability and investing deeply in internal training and structured career pathing. Show a clear roadmap for how a new hire can grow within the company.
- **Understand Demographic Desires:** Be creative in your recruitment outreach by explicitly tailoring benefits and workplace perks to what different age demographics value most.

Performance, Accountability, & Remote Management

- **Equal Success Standards:** Evaluate remote and in-person employees using identical KPIs and performance review standards. Measure the output, not the desk-time.
- **Intentional Remote Connections:** Maintain a strong remote culture by blending highly structured check-ins with spontaneous, impromptu virtual "coffee chats" to mimic casual office interactions.
- **Addressing Low Morale / High Productivity:** When an employee produces good work but has a toxic attitude, address it directly. Have the hard conversation first, but if morale does not improve, know when it is time to let them go for the sake of the team culture.

Combating Burnout & Upskilling Leaders

- **Structural Vacation Recovery:** Don't just encourage time off—*enforce* real vacation time. To allow employees to truly unplug and return refreshed, ensure every team member has a designated, trained back-up who fully handles their responsibilities while they are away.

- **Active Leadership Interventions:** When a team is burning out, leaders need to step into the trenches, acknowledge the strain, transparently communicate, and actively remove barriers to success. Ensure priorities are sharply aligned so the team knows exactly what to focus on (and what can wait).
- **Rethinking the Management Path:** Managing people isn't for everyone. Create alternative, highly respected promotional paths for technical experts to advance without forcing them into traditional supervisory roles. If someone is struggling in a leadership role, consider coaching or gracefully scaling back their supervisory duties until they have the proper training to succeed.

Station: Finance & Capital

Facilitator: Michael Brown, SBAM

The Core Challenge: Accessing alternative funding sources, managing seasonal revenue fluctuations, optimizing cash flow, and proactively scaling operations sustainably.

Key Takeaways & Trends

- **Diversifying Capital Access:** Members explored a variety of funding mechanisms beyond traditional commercial bank loans, focusing heavily on upfront client funding and localized development programs.
- **Navigating the Off-Season:** A major theme was the necessity of predicting and mitigating the "lows" of business seasonality, using both strategic budgeting and operational flexibility to stabilize cash flow.
- **Proactive Financial Health:** Facilitators noted a strong emphasis on running data-driven operations—evaluating whether current business volume is genuinely profitable and adjusting pricing and expenses *before* a crunch occurs.

Shared Solutions & Member Strategies

Creative Capital & Alternative Funding

- **Leverage Upfront Revenue:** Improve immediate liquidity by implementing retainers, requiring payments upfront, utilizing client prepayments, or launching pre-order models.
- **Maintain Pricing Integrity:** Avoid the temptation to offer steep discounts, which can rapidly erode profit margins and devalue your core offering.
- **Explore Specialized Programs:** Tap into non-traditional lending and development resources, such as:
 - Community Development Financial Institutions (CDFIs)
 - The Michigan Certified Development Corporation (MCDC)
 - SBA access loans
 - Securing private investors

Managing Seasonal Cash Flow & Scaling Risks

- **Track and Identify Highs & Lows:** Map out your financial calendar to pinpoint exactly when your off-season begins and ends. Use historical cash flow data to develop, refine, and strictly adhere to budgets that carry you through lean months.
- **Build an Off-Season Safe Haven:** Intentionally establish cash reserves during peak months so you can self-fund operations and avoid having to rely on bank lines of credit during the off-season.
- **Diversify Product Offerings:** Implement complementary product lines or services that thrive during your primary business's traditional off-season lows.
- **Optimize Human Resources:** Cross-train existing staff so they can be deployed into different internal functions when core seasonal work slows down. Additionally, utilize temporary staffing models to scale up until you are completely confident that new revenue can sustainably support full-time hires.

Financial Strategy, Pricing, & Efficiency

- **Run Financials Against KPIs:** Regularly measure your balance sheets and income statements against clearly defined Key Performance Indicators to catch negative trends early.
- **Evaluate Volume vs. Capacity:** Analyze your book of business critically. Members noted that it is sometimes necessary to "fire a client" or walk away from volume that costs more in operational capacity than the actual cash flow it brings in.
- **Reduce Overhead via Sustainability:** Look into energy efficiency upgrades for your facilities to lower fixed utility costs, allowing you to redeploy that saved capital directly into people, space, or revenue-generating equipment.
- **Be Proactive with Pricing:** Do not wait until your business is safely in the red to adjust your rates. Raise prices proactively to outpace inflation and rising operational costs.

Station: Sales & Marketing

Facilitator: Winston Larson, SBAM

Round 1: Maximizing Revenue Generation via Social Media

- **The Challenge:** Translating social media engagement into tangible business results and predictable revenue streams.
- **Member Strategies:**
 - Define Target Audiences and Objectives: Success begins with hyper-specific audience targeting and a crystal-clear definition of the desired conversion or business outcome.
 - Pivot Away from Purely Organic Frameworks: Acknowledge that organic reach alone is no longer viable for driving direct revenue. To achieve measurable business results, organizations must transition toward dedicated, strategic paid campaigns and deliberate conversion funnels.

Round 2: Operationalizing Short-Form Video & Managing Sales Disruptions

- **The Challenge:** Producing authentic short-form video content consistently without disrupting daily operations.
- **Member Strategies:**
 - Adopt a Repurposing Model: Scale content production sustainably by breaking down existing long-form content into bite-sized, high-impact short-form pieces.
 - Commit to Consistency and Scale: Clearly define the objective of each piece of content and maintain a steady output. Recognize that content marketing requires achieving a "critical mass" before significant audience traction and ROI begin to materialize.
- **The Challenge:** Navigating a sudden downturn or performance drop in a primary sales channel.
 - **Member Strategies:**
 - Practice Strategic Patience: Avoid the temptation to implement knee-jerk, reactionary changes. Allow the problem sufficient breathing room to diagnose the root cause accurately.

- **Avoid Fragmented Pivots:** Resist the urge to frantically hop from one new channel to another in a shortsighted attempt to "fix" the issue, which often dilutes resources and worsens the disruption.

Round 3: Navigating Pricing Pressures & Competitor Undercutting

- **The Challenge:** Remaining competitive and retaining price-sensitive customers without engaging in a race to the bottom that erodes profit margins.
 - **Member Strategies:**
 - **Shift from Discounting to Value Bundling:** Avoid the trap of trying to be the lowest-priced provider. Instead, protect core pricing integrity by bundling complementary services into high-value packages. Accepting a nominal, temporary hit to gross margins can cultivate deep, long-term customer trust.
 - **Execute Thoughtful, Communicative Price Increases:** When raising prices for existing clients, implement changes gradually and prioritize transparent communication. For a small, high-touch customer base, handle these conversations via direct outreach; for larger databases, deploy highly targeted, professional email communications.

Station: Operations & Growth

Facilitator: Julie Molenda, SBAM

The Core Challenge: Navigating the massive operational shift from analog to digital, implementing AI responsibly, avoiding tool duplication, and maintaining a "human-in-the-loop" framework.

Key Takeaways & Trends

- **The AI Tipping Point:** Members universally agreed that we are at a historical tipping point. AI is best understood not as a standalone product or a standard software tool, but as an interactive *thought partner* and an interface (API) that helps software and data talk to one another.
- **The "Blank Page" Problem:** A collective hurdle for small businesses is knowing where to start. Many organizations buy too many duplicative AI tools or try to implement solutions before clearly defining the specific operational problem they are trying to solve.
- **The Threat of Automated AI:** Attendees discussed the unseen risks of AI, noting that there are now more automated bots on the internet than people. Left to "drive without direction," autonomous AI agents can act without explicit permission, presenting operational and legal risks.
- **Work Needs a Human Touch:** It is highly obvious when a final output is purely AI-generated. The consensus was that AI should be used as a target or a first draft, but humans must do the heavy lifting to inject authenticity and domain expertise.

Shared Solutions & Member Strategies

Developing "AI Fluency" (How to Build the Skill)

- **Commit to Daily Play:** Small business owners don't need to be tech geniuses, but they must build daily comfort with the technology. Try multiple models (e.g., ChatGPT, Claude, Gemini) to understand their different "personalities."
- **Teach the Model Your Voice:** Recognize that it takes time for AI to learn your specific tone and vocabulary. Take the time to actively correct it and teach it.
- **Master "Reverse Prompting":** * Ask the model to write a prompt for you, and then ask it how to make that prompt even better.
 - Prompt the AI to interview *you* by asking: "*What blind spots or questions am I missing here?*"

- Ask the AI to "roast" your current business copy or ideas to find gaps in your logic.
- *Note: It is completely fine to be firm with the AI—tell it exactly when it is wrong or when it missed the mark.*
- **Practice with Simple Comparative Research:** Build your prompting skills by giving the AI a simple, real-world task—such as researching and comparing Home Depot vs. Lowe's for a specific business need—and keep drilling down with follow-up questions.

Strategic Implementation & Consultant Management

- **Dissect the True Business Need:** Before buying any software or hiring help, map out your operations. Focus AI implementation strictly on two areas:
 1. The specific operational problem you are desperately trying to solve.
 2. The tedious tasks your team hates doing or spends a disproportionate amount of time on.
- **Form an Internal AI Committee:** To prevent buying redundant software, consider establishing an internal "AI Council" to filter, vet, and approve technology options before they are rolled out across the organization.
- **Manage the Change:** Technology shifts fail without strong change management. Formally assign an internal team member to champion AI literacy, or hire a specialized consultant. When working with a consultant, hand them your pre-identified "problem list" rather than letting them dictate your needs.
- **Draft an Official AI Policy:** Protect your business by implementing a clear company policy that explicitly requires a "human-in-the-loop" for all public or client-facing deliverables.
- **Remember the Legal Realities:** Keep in mind that AI chat histories, search logs, and generated outcomes are entirely sub-poenable in legal matters. Treat data privacy with high priority.

Recommended Reading & Listening

Members highly recommended the following resources to help leaders get up to speed:

- **Books:**
 - *The AI Driven Leader* by Geoff Woods

- *AI Snake Oil* by Arvind Narayanan
- **Podcasts:**
 - *The AI Driven Leader* (hosted by Geoff Woods)
 - *Using AI at Work* (hosted by Chris Daigle)

Station: External Environment & Risk

Facilitator: Jacob Manning, SBAM

Round 1: Economic Pressures & Agility

- **Navigating Hard Times:** Success comes down to two things: **staying fiercely relevant to your customer** and **diversifying your revenue**.
- **Budgeting for Compliance:** Expect the unexpected. You need a dedicated **contingency plan**, a healthy "**war chest**" (cash reserves), or a solid **line of credit** ready to deploy.
- **The Planning Horizon:** Long-term planning is essentially a thing of the past.
 - Most business owners are looking **3 years out max**, and even that feels like a stretch.
 - *The Exception:* High-capital, large-scale businesses (like Mission Point) still have to map out long-term infrastructure and project timelines.

Round 2: Reputation & Workforce Shifts

- **Handling Negative Reviews: Never make excuses.** Be proactive, keep your public response strictly professional, and immediately invite the critic to **take the conversation offline**.
- **Competitors Raising Wages:** When a nearby employer spikes their pay scale, don't panic or just match the numbers—**double down on your internal culture** and focus heavily on **cross-training** your current team to maximize agility.

Round 3: Taking a Stance & Employee Advocacy

- **Corporate Viewpoints:** When pushed to take a political or social stance, consistency is your shield. Establish and **maintain a single, unwavering standard**.
- **Managing Workplace Advocates:** Don't wait for a crisis to hit. **Get out in front of it by building a clear policy** early, and always lead the internal conversation with **respect**.
- **The Risk of Silence:** Business owners are starting to realize that staying quiet can carry more risk than speaking up.

"If you don't say what you believe, you lose who you are."

