
Top-10 B2B Truisms

Most of us become quite reflective at the end of each year. What went well and what, not so well, in the past year and past years? What can we learn from that? What will we do differently in the future than in the past? So in that spirit I am sharing my Top-10 B2B market Truisms based upon close to four decades of emersion and exposure to a wide range of company types, sizes, and degrees of successful and unsuccessful outcomes.

1. **Business Models that defy business fundamentals are rarely, if ever, sustainable**, just as with scientific fundamentals like gravity.
2. **Hold your key customers close and your key suppliers closer.**
3. **Steady manageable and sustainable growth is far preferable to either alternative** – one can lead to high speed implosion, and the other can lead to an endless death spiral of cost cutting.
4. **Be cautious when overcome with the urge to merge** - Big for bigness sake alone is worse than being small and cohesive.
5. **It is far easier to enter and grow in growing segments than in mature or declining segments, no matter how large they may be.**
6. **Seek to move up the value chain to command more of the product or service complexity and value-added** – downward integration is generally a move toward the commodity end of the spectrum and horizontal integration is generally just “more of the same”.
7. **It’s as easy to fall in love with a price insensitive market segment as a price sensitive one - given a choice, choose insensitive.**
8. **“Don’t fight market momentum”**. Find a way to win while going with the flow, not fighting against it.
9. **Be wary of the sustainability of an inordinately high ROI, it is an invitation to new competitors.**
10. **A short and highly reliable supply chain at a reasonable total cost is far preferable to a long supply chain with the lowest unit cost** – no one cares how low a subcomponent’s unit cost is when it fails to arrive reliably, thus preventing completion and shipment to valued customers of much higher value finished goods, which in turn allow them to complete even more highly valued finished goods on down the customer chain to the ultimate end customers.

What do you think of the list Love them? Hate them? Do you have thoughts to share regarding them? And most of all, what would you add from your own experiences? I welcome your comments!

Jon T. Gabrielsen is President & CEO of J.T. Gabrielsen Consulting, LLC. <http://www.jtgabrielsenconsulting.com/> The main focus of the firm is on the market economics of durable good B2B markets and supply chains and the economics of the use of energy for durable goods manufacturing and for transport providers.