



Jim's Profit Accelerator 153 Which Truth Will You Challenge in Your Business?

Successful businesses, like people, develop shorthand approaches in order to speed desirable outcomes. Just as we don't stop to analyze how we put on our shoes, we apply our business "truths" without much review, because they seem to work. Often the efficiency or consistency justifies the lack of analysis. Sometimes we miss a better way.

Consider Starbucks, which is not about "better coffee." What does that mean, in a world of individual taste? Starbucks is an experience that includes food and beverages noticeably different from your grocery store experience. Their careful attention to that experience moved past the "third place" concept (not home, not work, but a private quiet place) to entirely new ways to prepare coffee. The "new" way (existing, but new to Starbucks) included a machine whose pleasing aroma powerfully changed the experience. Someone had to ask about changing the way they brewed their coffee—hardly a minor tweak.

SPEED BUMP: What makes your people question the basics of their company?

Save the bromides about encouraging innovation, space to create, and so forth. My experience is that most of the time the core "how we do it here" is sacrosanct until a competitor blows it up.

SPEED BUMP: Is your core at risk of a competitor attack?

Consider the lowly earthworm. The following data all are true, though conflicting*:

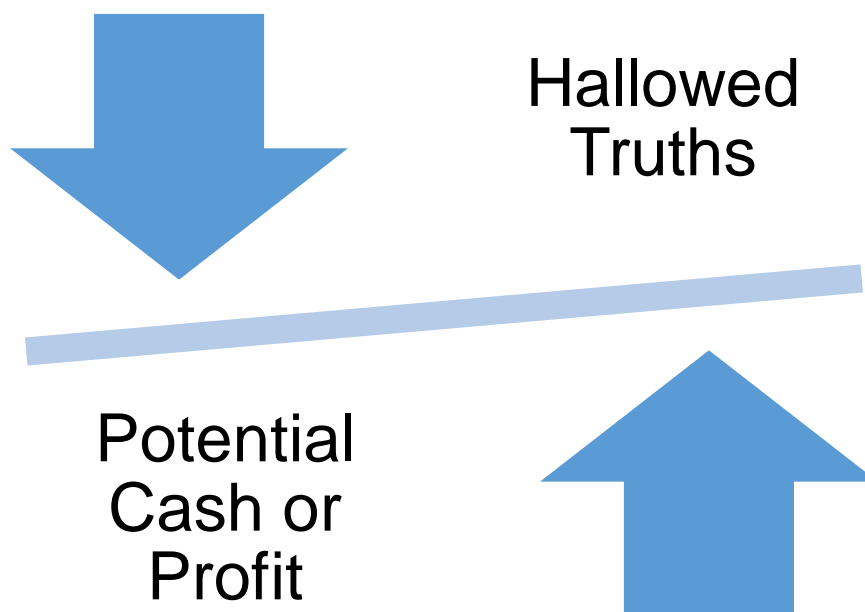
1. More earthworms improve most crop-farming efficiency, but lower crop yields.
2. Deep tilling boosts yields but sharply reduces worm populations.
3. More worms usually mean less fuel, chemicals, and labor are needed.
4. Reduced worm populations eventually rob farmland of much of its yield.

The question: To plow deep or shallow, or not to plow. Like most major business decisions, this question's answer is "it depends," and it requires looking at the latest data and current objectives. There is no right answer, so in practice farmers do some of each over the longer term.

What does this mean for you? Is it time to challenge your hallowed truths? Here are some examples:

1. These two benefits are what our customers value most.
2. Our target customers are....
3. We use product costing to learn marginal cost by product, and then push the most profitable ones.

4. Our five-year productivity plan has identified the next three machines for us, based upon their productivity gains.
5. Current inventory may be too big, but it enables us to fill nearly all orders and buffers us from the uncertainties of our supply chain.



ACCELERANT: Which hallowed truth have you challenged in this year's plan?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: "How can I use this today?" or "Who can use this?"

**Wall Street Journal, 7/4/17, A2*

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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