

Grow with NO



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“And just like that, 60% of our clients were gone.”

That quote is from Troy Hazard in his book *Future Proofing Your Business*. In it, he describes the day he sent an email to 60% of his clients telling them “our business model has changed, and we can no longer do business with you.” He was determined to replace the insufferable, slow-paying, time-wasting, complaint-making clients he didn't like with clients who paid on time, appreciated his services, would be loyal and, importantly, whom he liked and enjoyed working with. He had learned to say no to the wrong kind of people.

ARE YOU DOING THE WRONG WORK?

Sometimes it is not people who drag us down. Sometimes good people offer us the wrong kind of work. Work that doesn't fit our business model or that we don't fully understand or simply don't enjoy doing. I first heard the phrase “grow with no” from a Canadian client. He manufactures cabinets using an efficient system that moves projects from sales, to design, through production and finishing, to final installation. Highly specialized, custom millwork projects do not fit that flow. Although he is capable of doing the work, it disrupts his operations and his ability to serve his target market. He has learned to say no to the wrong kind of work.

After they learned to say no, Hazard says the morale in his company increased by “1,000 percent” (his sales too). My Canadian client improved his margins from 25% to nearly 50%. Oftentimes, less really is more.

Can you identify with Hazard's and my client's sentiments? The well-known **80/20 rule** tells us that 80% of our problems come from 20% of our customers. Have you considered saying no to at least the 20% ? If not, why not?

I am convinced the reason we say "yes" to the wrong people and work is that we are terrified at the thought of losing a sale. We overlook the fact that sales are NOT the purpose of business. The **purpose of business** is to earn profits that quickly convert to cash.

DIFFICULT CUSTOMERS DAMAGE YOUR BUSINESS

Difficult customers and the wrong kind of work damage us for two main reasons:

First, they consume our time. The time we spend placating difficult customers or working outside our normal processes is not available for planning for the future, or growing our businesses, or better-serving our profitable customers, or becoming more efficient, or building our marketing, brands and reputations. They keep us from getting better at the things we enjoy and do best and that provide the highest return on our investments.

Second, they tie up our limited resources. The wrong customers and work tie up the capacity of our facilities, our skilled employees, and our cash. They add stress to our workload that sucks both the fun and the return on investment out of our businesses.

Both Hazard and my client reached a sophisticated level of understanding (or maybe frustration) at which point they decided to act. They decided to operate from a position of intent rather than fear, and both of them can tell you the date and time of the transformation.

How about you? Are you there yet? When you get "that" phone call today, the call from the annoying customer who still owes you for the last one-off job he threatened you into delivering on his schedule, try it. Tell him NO. Tell him "our business model has changed and we can no longer do business with you." Spend the time and resources you save on delighting your best customers, your team, and yourself by doing what you do best.

A weight will lift from your shoulders, you will make more money , and you will grow with no.

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com



Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over \$52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.