

Newsletter # 17: “To Thine Own Self Be True” May 6, 2009

A client asks if you have the capability of doing a project in an area with which you not familiar. A prospect wants you to lower your price on an item or service. **Do you find yourself saying, “Of course!” even though you have no idea if you can – or should?**

If you are struggling in this economy, it is tempting to agree to all demands and challenges for fear of losing the business. But before you do, take a moment to ponder the consequences – both good and bad.

Ask yourself this question: ***“If the economy were better, if I had more business than I needed, would I still agree to do this?”*** if your answer is “I’m not sure,” it is time to revisit what you want for your business.

As elementary as this may sound, I find that it actually helps to reread your most recent business plan. Focus especially on your positioning statement and your goals and objectives.

- Does your contemplated action fit within these guidelines?
- Is it consistent with your company’s positioning, reputation and image?
- Will it have a positive impact on the bottom line (look at both short-term and long-term)?
- Will it affect your relationship with your other customers? In what way?
- Can you envision new opportunities arising from this new direction?
- Finally, does your gut feel good about it?

If, after going through this analysis, the action makes sense, fine.

If, however, most of your answers are “No”, then something’s not right, and the drawbacks may outnumber that short-term revenue.

There are many pitfalls in making decisions based on perceived necessity rather than proactive planning. **Here are just five of them:**

1. **Setting precedence**. For example, if you roll back your prices/ give a discount, etc. now, it will likely be expected in the future. Congratulations – you’ve just eroded your profit margin.
2. **Not doing a good job in unfamiliar territory**. In the scramble to get the business, you may neglect to acquire the resources and skills you need to complete the project. If the deliverable is less than stellar, your reputation will suffer, and the unhappy client does not trust you anymore.

3. **Being seen as, or at least feeling like, a wimp.** Not very good for either self-esteem or reputation!
4. **Diverting resources away from core competencies and more profitable activities.**
5. **Blurring your business' positioning.** In other words, creating a discrepancy between how people have viewed your business in the past (and how you would like them to view it) and how they will view it as a consequence of your latest action.

So resist the temptation to let customers push you into actions that are not aligned with your values and the essence of your business. You may find that those short-term revenues will undermine your profitability later on.

But if unexpected opportunities arise that will open new doors and allow you to “stretch” and grow, take advantage of them if you can. Business plans are not written to be set in stone, but to serve as guidelines for growth. Changing course during the year is fine, as long as it is deliberate and in line with your positioning, values and goals. Just be careful to do your homework and your planning first. That way, you will be laying the groundwork for success in this new direction.

The moral, as Shakespeare would say, is: “*To thine own self be true.*”