

Cardinal Rules of Business

Throughout our careers and life we learn from our mentors, our bosses, our colleagues, family and friends and hopefully we learn from our mistakes. I have been fortunate to continue to learn from all of these sources and in doing so, I have been exposed to a number of basic or rather Cardinal Rules of Business. In many of my presentations I always try to close with several of these rules that I personally try to follow.

1. **Product is KING. Never compromise quality for costs or price.** Too often we lose sight of this in trying to achieve certain price points. If the quality is there, consumers will pay for quality.
2. **Beware the Paradox of Choice! Concentrate on consumer needs or wants and not on "what you can manufacture or produce":** There have been studies written that show when a consumer is offered too many choices their propensity to buy decreases. The example I give in my presentations when discussing merchandise planning is as follows. Think about going into a diner and they hand you a 25 page menu. Do you read every item? Probably not and you end up settling for something basic e.g. a burger or salad. Take that same scenario in a restaurant where they offer you a one page dinner menu with descriptions. You ultimately select what you like without much regard to price as you know you are getting a quality offering. The same is true for product offerings in our respective businesses.
3. **"Almost right" now is better than "exactly right" later:** Particularly in the retail and direct businesses we often find ourselves getting caught in "analysis paralysis" with offers happening monthly, if not more frequently. We can easily find ourselves waiting for concrete results and analysis before making necessary changes to positively impact our business. If you take a reading and several of the metrics point to the same direction, use your history and experience to guide the decision.
4. **Do first things first and second things never:** We all get caught up with ToDo lists, both at work and personally. Determine what your priorities are and how your ToDo list will impact that priority e.g. sales, profit, health, etc. Then tackle the most important thing on the list. By the time you complete that task, something else has inevitably risen to the highest priority.
5. **Always tell the bad news first - never last:** Although we never want to be the bearer of bad news we certainly don't ever want to receive the bad news. However, by being aware of the issues sooner than later, you are more apt to be in a position to act proactively. How many times have we heard a supplier provide a delivery date only to tell us the date of shipment that they need an extended delivery date due to problems. Most likely those problems, e.g. raw materials delays or production issues, were known weeks earlier. Although you would be disappointed, having the bad news opens up avenues to proactively solve the problem. For example, perhaps the quantity needed can now be reduced, or knowing 6-8 weeks in



advance, would potentially allow catalog and website changes for a promotion at minimal or no incremental cost.

6. **Agree upon the objectives and strategy before "fixing" the plan.** In any business, something is bound to go amiss from our original plans from time to time, a sales short fall, a printing deadline missed, etc. We need to take a breath, look at our original plan and objectives and quickly determine steps to move forward. Determining the strategic steps versus a "stab in the dark" to repair the issue is necessary to get all the appropriate players on board (who will do what and by when) and avoid further "finger pointing" and compounded problems down the road.
7. **A bad decision is better than no decision at all:** I can tell you from personal experience I have been with companies when trying to get a decision is like that old cliché – "harder than pulling teeth." Sometimes it comes down to someone not wanting to take responsibility in case something goes wrong. My approach has always been "whatever happens, I am responsible and it's my fault. Now that we know where to lay the blame, let's make a decision and move forward." And surprisingly decisions get made. Of course no matter how good we are in any position we are bound to make mistakes. We learn from them and hopefully our respective track records show we make a much higher percentage of correct decisions than incorrect decisions.
8. **Try to surround yourself with people who are smarter than you are:** The most successful entrepreneurs and business people recognize they can't have all the answers all the time. By having highly qualified experts in various areas as associates, mentors, consultants, etc. they are significantly more likely to succeed. By doing so and not worrying about who might get the credit, they consistently draw on the best advice and ultimately leads them to better decisions.
9. **Work smarter and harder not necessarily longer.** Hopefully by following the steps above, we will be able to focus on the things that are important, be proactive in our decisions and not spend hours toiling over and sweating the small stuff.
10. **Have fun doing what you're doing or find something else to do:** Now this is self-explanatory! As most workers, we spend more hours at our job and with co-workers than we do with our own families. It is a sad but true statement of fact. So this last rule may be the most important of all. If we enjoy what we do, we become more passionate about our work, and that passion spreads to everyone we encounter, i.e. associates, clients, suppliers, etc.

Even if you embrace and follow a few of these Cardinal Rules of Business, you are guaranteed to achieve a higher level of rewards and successes.

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