

## Beyond Majority Thinking

At this point, Beth was up to twelve full time employees, and had logged almost \$5 million in annual sales the previous year. She enjoyed the work, and loved keeping her clients happy. That's what really counted. Their satisfaction with her service made her feel that it was worth the hard work and long hours.

What worried Beth was the gnawing feeling that she might not be managing the "business" side of her business the best that she could. She knew she was doing a great job for her clients, and was, to all outward appearances, successful. What she wasn't sure about was whether she was making best use of her profits — for herself or for her employees. She was at a point where cash flow wasn't much of a problem, and she could pay her bills each month with enough left over to enjoy herself. The real estate market was holding its own, and her building owners were keeping their spaces filled. Beth knew, however, that this was a tenuous situation, at best. Were they to start losing tenants, things like landscaping could be an early cost reduction item.

### **Diversification for survival**

Beth had learned the hard way not to put all her eggs in one basket. When she first got started, her first client kept adding one building, then another. It was easy to just let her business grow right along with this one client's needs, so she really didn't spend much time developing a broad client base. Then, about three years into her new venture, her first and best client hit some tough financial times. It wasn't the market this time; it was their own management that let debt get out of hand. When they began to lose a tenant or two, Beth started to worry, but she was so busy that she didn't get going on her business-broadening activity until it was too late. When they suddenly canceled her contract for several buildings, she should not have been

surprised, but she was, and her business suffered a major decline.

It took that misstep for Beth to really evaluate her own situation. She built a broader base of clients, with no one client representing more than 5% of her revenues. Although she is still sad when she loses a client today, she knows that it will never be as devastating as it was the first time. Her average client now represents less than 1% of her total revenues. In most cases, the reasons for losing a client have been economic decisions, never one based on poor customer service or product. Beth has always prided herself on that fact.

For most entrepreneurs, the majority of their life's work is tied up in their business, essentially putting all their eggs in one tenuous basket. If you have ever dropped a carton of eggs, you know that most of them break. If you are able to salvage even one or two, you're lucky. Beth learned the lesson about not counting on one client, but she hadn't given much thought to how that concept applied to her business and personal finances. Instead, she found it easier to focus upon less stressful — but justifiably important — matters, over which she felt she had some degree of control.

For some time, she had counted on the challenges she faced in her financial matters and her personal life to sort themselves out. She was discovering — much like an insect “discovers” a car's windshield — that some things won't simply go away if you ignore them and trust to fate. And the things that were beginning to matter more to her all the time, such as someone with whom she could share her victories and frustrations on a daily basis, were clamoring ever more loudly for her attention, and becoming impossible to ignore. Plus, even given the difficulty her sister must be having with her children, Beth found herself thinking more and more