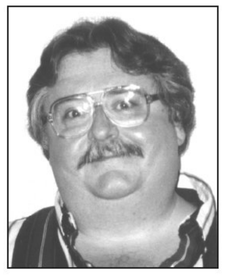
Plain talk
Business is business

COLUMN BY ROB BUKSAR



Recently, I had a long-time customer and friend stop by to pick up parts. Of course, we took some time to chat and the *Exchange* came up in the conversation. It was my friend Doug's contention that the newspaper offered little regarding how to attain or develop new business. Doug said he would welcome all the help or info he could get.

Well Doug, for whatever it's worth, this one's for you. My opinion isn't worth any more or less than anyone else's but it might be at least worth considering.

There's a comedy call "Other People's Money" starring Danny DeVito. It's a satire revolving around a Wall Street brokerage firm run by DeVito who gets nicknamed "Larry the Liquidator." I'm not here today to do a movie review but this much is worth mentioning. The movie presents two distinctly different schools of economic thought, one very traditional and a contemporary one. Our industry resembles the older, more traditional approach like New England Wire and Cable in the movie. By the way, they were slowly going broke. You will have to rent the film to get the details, but for the sake of this article, at the end of the film DeVito gives a speech to the stockholders of New England Cable. One of the many noteworthy statements he made during this presentation haunts me on a regular basis. It goes something like this: Any company that continues to invest in gaining a larger portion of a declining market is headed toward the grave.

So, my first thought in trying to develop new business is, does the business I'm pursuing make sense or is it really worth having? I hope that you are aware that all business is not worth having.

For one reason or another, when all of our sales volume drops off, most of us panic. Our immediate concern is restoring the lost volume, but far too often at too high a cost. Sadly, we end up over-discounting, crediting tons of obsolete merchandise, covering someone else's warranty, etc. The bottom line is we gave away most of what little margin we had just to continue doing the same thing at the same level. Did this move make sense? Has your bottom line improved? Did you put any more money in your pocket? My guess is you found some way to rationalize what you did, maybe even on moral grounds, but you certainly did not make more money. Once the dust settled, you may have only broken even at best, which means you lost money.

My second thought is to work with your warm market. That's the folks you are already doing business with. You do not have to establish relationships or build bridges. They are already there but in most cases, under-utilized. Go out and talk to them. Find out where you can be of greater service. Just because we've become a Wal-Mart type of economy with an eBay backbone does not mean people do not like personal contact and service.

Our problem is most of us have been doing what we do for so long, we can't even see generating additional income doing anything different. I mean no disrespect, but I even know some who think it is sinful to make money any other way than replacing broken parts in starters and alternators. I absolutely disagree. Business is business. If it is legal and can be done profitably then I'm for it. If my customers are willing to buy batteries, cables and fuel treatment from me rather than the parts store or Walmart, what's the problem? This might even be better than trying to sell a PMGR starter at parts store prices and thinking you are making money.

The conclusion of the matter is simply this. Do what makes financial sense—do what works. That's what being an entrepreneur is all about. Who knows, maybe even a merger or joint venture is in order.

The U.S. is a real big place with lots of geographical differences. We have heavy and light industry, agriculture, shipping, fishing, mining, military, recreation, racing, etc. All of these areas and many others require all sorts of goods and service and competent people to service them. Presently, if you no longer can service something to your customers profitably then you no longer can afford to do it. Being profitable is an absolute when it comes to staying in business. You can't change a loser with more volume.

So let's sum it up:

- Does it make sense?
- Work with your present active customer base.
- Shake off the love affair with what no longer makes economic sense.
- Change is in order.

Whether it be drive shafts, fuel injectors, brain boxes or soft serve ice cream, it makes no difference. If it makes sense and you can appreciate a fair margin, it's the right thing to do. Just because it's different, don't let that scare you. Business is business and that is one man's opinion.

God bless America.

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