

July 2012 Edition

Business Killer - Complacency

From the Wall Street Journal, Friday, May 18, 2012..."Jamie Dimon, J.P. Morgan Chase & Co. Chairman and CEO had just committed the most expensive blunder of his 30-year career, failing to detect the risk of trades that had begun to generate huge losses at the bank." Dimon was quoted as saying "The big lesson I learned: Don't get complacent despite a successful track record. No one or no unit can get a free pass."

Similar to J.P. Morgan, we worked with a family business in the food industry. Business had been good, even in the face of a tough economy, and the family was well taken care of. They convinced themselves that their client relationships were strong and without risk. However, they were too late to realize a competitor had knocked on the door one of their largest customers and they lost a major source of revenue.

These are only two examples: one a large multi-national out of touch with the internal business rules; and the other a private mid-market company not watching the external environment. No one is immune to the realities of business. Whether you have a thriving business experiencing double-digit growth, or if you're constantly struggling to make your budget, one thing is certain, you cannot be complacent. Complacency is a business killer that will overwhelm any organization.

I was watching the US Open recently and I was amazed at the level of play and the intensity of commitment to detail these players display. One reason for their success is that they understand they can never be complacent about their game. They understand that as good as they get, their competitors are relentless in their effort to beat them and the PGA keeps making the course harder. Unless these athletes continuously strive to be better, they won't stay on top very long. Be like one of the great athletes: never accept that your business is just fine and always strive to be better, stronger, faster—whatever it takes to move up to the next level of profitable growth.



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"One thing is certain for developed countries...we face long years of profound change. Entrepreneurial innovation will have to become the very heart and core of management."

Peter Drucker

Are you staying on top of your business? **Don't** ever wait and assume everything is all right. Markets, competitors, and customers do not stay the same. **Do** practice vigilance continuously. Business, as well as good strategy management is dynamic, not static. Expect and try to predict market changes, develop contingency plans for key competitors, and establish clear lines of communication with your employees to deal with internal issues quickly and effectively.

AlbuInfo

Albu consulting is a strategy consulting firm with a focus on establishing strategy management as an organizational competency. We work closely with goal driven, proactive owners/CEOs of middle market private companies that are passionate and open to new ideas about increasing the value of their businesses today and tomorrow. We engage and energize leadership teams to formulate robust business strategies and follow through on execution of strategic initiatives.

To learn more, call us for a free consultation. For more information about Albu Consulting, visit our website at <http://www.albuconsulting.com/>.

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