



Five 'Bad' Business Practices that Work

By David A. Fields
June 10, 2010

How can you pinpoint the strategies and tactics that will make your business thrive when faced with the disorienting deluge of blogs, e-books, websites, online business advice, books, newspapers and magazines overflowing with input from gurus touting best practice? You can't. Instead, take a break from the quest to do things right and embrace your inner delinquent. Here are five "bad" business practices, which, surprisingly enough, will boost your bottom line:



1. Fire Your Customer! If you are like most companies, you actually work harder to keep troublemaking customers – the ones who present problems or cause extra work – than you do to maintain your happy clientele or recruit new customers. If a small population of your customer base is noted to cause repetitive, costly issues, then fire them. Drop them like hot potatoes and you will enjoy an immediate, sustainable lift in time, morale, and money.

2. Lose the Sale! Sales people are taught to pursue every sale until the lead becomes cold or the prospect feigns death just to avoid one more pitch. You'll recognize these two classics: "I don't take No for an answer" and "Objections are really a sign of interest." Not so! The truth is sales people who can recognize a dead end quickly and walk away early are actually more efficient, more effective and more successful.

3. Puff up Expenses! When times are tough, you should tighten the belt, right? Wrong! The most successful companies invest in marketing expenses counter-cyclically. Southwest Airlines, for instance, reigned in costs when the airline business was booming, then when the industry's fortunes changed they spent heavily on attracting customers. The economy is still in the doldrums and your competitors aren't spending, which makes this the perfect time to let that marketing budget get a little out of hand.

4. Raise Your Prices! Aren't we in an economic slump? Absolutely. Isn't reducing prices the right thing to do when customers don't have much money? Perhaps; however, you will win more customers and a richer bottom line with a price increase. Why? Because in recessions, more than any other time, customers are looking for value and when you raise your prices two things happen: customers perceive your offerings as higher value (people do believe they get what they pay for) and you give yourself room to leapfrog the competition with your higher features and benefits.

5. Build in More Waste! Experts in Lean methodology have made a fortune helping companies strip out all the waste from their operations, their sales processes and anything else within reach. The problem is, eliminating all the waste leaves you with a very brittle, breakable system. For instance, try eliminating every minute of "wasted" time from your calendar tomorrow and see how well that works. One unexpected call from a customer and the whole schedule is shot, especially if each task on your agenda depended on the one before it. Adding waste is a bit more nuanced and challenging to do well than other bad practices; however, if you keep the general rule in mind that a bit of wasted money, time and effort is a good thing, you will enjoy higher profitability and productivity.

You can keep on plodding along with the same "best practices" that got you where you are or you can break out of the pack by challenging those outdated ideas. If making too much profit is a crime you'd be happy to commit, cut loose and become a business delinquent. Counter-intuitive, "bad" practices trade the tried and used-to-be-true for fresh approaches that deliver a higher return on your hard-earned time and money.

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