

# From the Handbook of Business, the Bible

## # 35: Your two goals: wisdom and common sense

Here's a quick history of book industry in Australia: until the mid-1990's most books were sold in newsagents and independent book shops. Then came the chain stores such as Borders, causing the demise of most independent operators, who simply could not compete.

Amazon then emerged with an online sales model; Borders struggled and eventually went broke.

To show the lack of wisdom & common-sense Borders displayed, one of the marketing tactics they ran before shutting the doors, "*Borders online price guarantee - cheaper than Amazon, guaranteed*"

And by focusing so much on price and their opposition, Borders lost sight of their own unique business model which included music & movies as well as books...and a Gloria Jeans instore cafe.

### What Bible verse can we apply to this situation?

**Proverbs 3:21** - "*Have two goals: wisdom, that is, knowing and doing right, and common sense. Don't let them slip away*" TLB

Business wisdom tends to come from experience, over time; but common sense in the way you manage & grow your operation needs to be sought after and learned.

If either goal is missing your opportunity to build a great business, as Solomon warns, will slip away simply because you will make too many wrong and too few right decisions.

**To avoid ending up like Borders, the wisdom and common sense you need means having:**

...Some knowledge of your opposition, but not an obsessing about them

...A deep understanding of your own model, the vision, purpose, mission, competitive advantage.

### What wise and common sense tactics could business owners take, literally today?

Your WISDOM will be enhanced by thoroughly investigating these **TWO issues**:

**First**, instead of trying to be all things to all people, picture a niche with you as number 1 supplier

**Second**, know the contribution each customer (or group) and product makes to sales & profit

Your COMMON SENSE will be elevated if you do this **ONE thing**:

**For RETAILERS:** Drill down into your sales mix - that is, sales by product, dept, market & customer to find out where you're making the best & worst profit margins

**For CONTRACTORS:** Drill down into your sales invoices - how many labour hours were sold last month, quarter & year...then compare to the hours available for sale to give the productivity ratio.

**Having done this one thing, you will be in possession of information I suggest is, GOLD:**

For example, it will allow you to exercise some serious common sense regarding your business future; such as, what products/services could you let go & what could you create that niche with?

***Hopefully, the Borders example and these tactics will help you achieve two crucial business goals: wisdom & common sense...and once gained, Solomon warns, don't let them slip away!***