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Donald Cooper, MBA, Hof

Donald is respected by clients in over 40 industries throughout the world as a “thought leader” and passionate visionary in the key areas of management, marketing, and service excellence.

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An article by Donald Cooper, MBA...

Is your business model working for your bottom line...and your life?

As I work with clients around the world, I find that many of them are stuck with a business model that isn’t working any more...or never worked and they never noticed. If your basic business model is wrong, you can fine-tune it all you want...and it’s still wrong.

For example, I’m told by agricultural experts that to be a profitable business model, the average farm in the Province of Ontario, where I live, needs to be about 3000 acres. But, the average farm in Ontario is only 300 acres. Now, you can complain all you want that you can’t make money in agriculture, but if your business model is wrong by a factor of 10, it might not be your industry that’s the problem...but rather your approach to it.

Canada’s National Post newspaper has lost money every year for the 11 years that it’s been in business. Some years they lost over \$60 million and recently, they’ve gotten that down to a paltry \$13 million loss.

When will it occur to these folks that something is wrong here? The whole newspaper industry, worldwide, is losing business to the electronic transfer of information. For the same reason, every nation’s Post Office faces a similar challenge. For example, the U.S. Postal Service will lose \$7.1-billion (U.S.) in 2009 and has announced plans to cut 57,000 jobs and reduce mail delivery to five days a week from six.

Apparently the typical airline business model isn’t much better. Airlines, globally, will lose \$8-10B in 2009. In 2008 there were 90 airline failures and 7 mergers. So far this year there have been another 31 failures and 7 mergers. The prediction for 2010 is 30-40 more failures plus more mergers.

These are broken business models and “fine tuning” won’t solve the problem. At some point businesses need to fundamentally reinvent themselves...or die.

But it’s not all bad news. Here’s a lady who created a business model that makes money and works for her life commitments. Back in 1987 Cora Tsouflidou opened a snack bar in Montreal. As a single Mom with no support, she needed to make money but also wanted to be home with her three children every evening.



So, her business model was to serve breakfast and lunch only and to do those two meals very, very well. And how has that worked out? Pretty well, actually. There are now almost 150 Cora’s franchises across Canada.

Is your business right for the times and right for your life? If not, how must it change?