



Donald's "Quote of the Month"

"If your fundamental business model is defective, tired or worn out, not much else matters."

"Greetings". This month's Newsletter comes to you from Red Deer, Alberta where they had five inches of snow this week...so much for global warming.

We have more timely and thought-provoking articles for you this month, so read on. The whole thing will take about 8 minutes to read.

1. Does your business model need a reality check...before it's too late?

(time to read this article is about 90 seconds)

If your fundamental business model is defective, tired or no longer relevant, you're in big trouble. You could be doing lots of other things right, but if the basic premise and operating model for your business is wrong, the end is in sight...even if you, personally, can't see it.

On May 24th, 2007 Dell Computers announced that, starting immediately, they'll sell two of their computers through Wal-Mart. Dell was built on a "sell direct to the consumer" business model and that, well executed, made them the world's most profitable computer company...and made Michael Dell \$16 billion by the age of 40. But, that business model is no longer working for them ...so, they changed it.

The limo driver who took me to the Toronto Airport last week owned a successful upholstered furniture business up until two months ago. He sold high quality sofas and armchairs to Canadian and American furniture retailers but, first, he lost his Canadian customers to low-cost Asian imports and then, the final blow, he lost his American customers when the Canadian dollar hit 90 cents. His sofas were \$1,400 wholesale while sofas from China were \$700 to \$800 retail ...and now he's driving a cab.

Barrymore Furniture, on the other hand, remains in the upholstered furniture business in Toronto since 1919. They used to sell to retailers, but years ago saw that business model going nowhere and made the gutsy decision to sell directly to consumers. They created a showroom in their factory and promised to make your sofa just the way you want it. You deal with the owners...and you feel special. Then, in case you want proof of their commitment to quality, a discreet sign in the showroom informs you that Barrymore sofas and chairs have been selected for all Canadian Embassies and Consulates around the world. This is great marketing!

Their "direct to you" prices are very competitive, you get the style and fabric you want and you get to choose from soft and plush, firm and supportive, higher, shorter, deeper or shallower. You're in charge...and their business is thriving!

A third example of changing business models comes from a recent meeting with a client in the financial and investment advisory business. Traditionally, the revenue model for this industry has been to give free advice and then generate revenue from up-front and "secret" commissions from stock trades and sales of mutual funds or insurance.

My client and other forward-looking colleagues, on the other hand, have recently changed their business model to charging a fair fee for good financial advice and not charging commissions on transactions. This puts the focus on the client and eliminates any possible conflict of interest.

Lastly, American architect Peter Gluck, dissatisfied with the inefficiencies, mistakes and constant battles between himself and general contractors on every project, created a new business model in which his firm is both the architect and the contractor. This integrated concept creates better buildings, in less time and at a lower cost. Clients are delighted and are never stuck in between two warring parties.

So, should you be rethinking your business model? Is what you sell, how you sell it or how you do business the way of the future...or a relic of an irrelevant past?

2. Are you using your database to deliver and create customer ownership?

(time to read this article is about 40 seconds)

A few weeks ago I received an "Urgent Frost Bulletin" from my garden centre hero, Perry Grobe of Grobe's Garden Centre in Kitchener, Ontario. Perry, who's both a horticulturist and landscape architect, sends out an excellent monthly gardening E-newsletter to customers...but whenever there's a "gardening emergency" such as forecasted frost or some devastating garden pest showing up in the area, Perry sends out a special and urgent bulletin telling customers exactly what to do.

This brilliant and proactive marketing requires 3 things to make it happen...

- First, you need to be a true expert. You have to know stuff that will be helpful.
- Then, you need to be passionately committed to proactively serving and coaching your customers.
- Third, you need a complete and accurate database and a bit of software to easily and quickly communicate with your customers. Sending regular newsletters and "special bulletins" is a powerful combo.

So, how will you use your knowledge, your caring, and your database to deliver more customer value, build relationships and create customer ownership?

3. A brief note of interest to our clients and fans in Asia, Australia and New Zealand:

(time to read this section is about 20 seconds)

I've just been booked to speak at conferences in **Malaysia in early August** and in **Australia in mid-October**. Both are repeat engagements for extraordinary clients.

If you're in that part of the world and would like to chat about how I can be helpful to your company or industry association with Keynote presentations, Seminars or Workshops while I'm in the neighbourhood, just contact the wonderful Sharen lady at sharen@donaldcooper.com.

We've also just signed a contract to do **Management Seminars in China**, although we haven't specific dates yet.

4. Here's a shocker...gasoline is actually cheap!

(time to read this section is about 40 seconds)

This interesting price comparison between gasoline and other products that we consume on a regular basis, without complaining about the price, came to me from an American client, so the frame of reference is "dollars per gallon"...but for you readers from other parts of the world, the relative comparison will be pretty obvious.

While there's great concern about the rising cost of gasoline, the following list puts it all into perspective. Currently gasoline in North America is somewhere between \$3 and \$4 a gallon, but...

1. Lipton Ice Tea is \$9.50 per gallon.
2. Both Gatorade and Ocean Spray cranberry cocktail are \$10 per gallon.
3. Evian water is \$21 per gallon.
4. Whiteout is \$25 per gallon.
5. Brake Fluid is \$33.60 per gallon.
6. Scope mouthwash is \$84 per gallon.
7. Vick's Nyquil is \$178 per gallon...and here's the REAL KICKER.....
8. Printer cartridge ink for your desktop printer is \$5,200 a gallon.

5. Bits & Pieces:

(time to read these bits of wisdom is about 90 seconds)

Item #1: You could save money on air fares: In the "good old days" round trip air fares were always less than 2 one-way tickets...but not necessarily any more. When trying to save money on a trip, always check to see if perhaps two one-way tickets might be less. It does happen.

Item #2: Apparently God is now reading emails. The non-denominational Flamingo Road Church in Cooper City, Florida recently launched an on-line confessional website that allows folks to type away their sins with an anonymous confession. So far they've had over 1000 "hits". The website has the unlikely name of, "ivescrewedup.com". Don't take my word for it...check it out.

So, the business question for you is, *"How can you add more value to, and drive more traffic to your website...even if they are sinners?"*

Item #3: And, in the "You can't win!" department, Lester Brown, president of the Earth Policy Institute and long-time advocate of alternative fuels, now fears that the large number of bio-diesel and ethanol plants currently being built could result in food shortages that will threaten the survival of 2 billion poor people, worldwide.

Item #4: The Russians are coming...the Russians are coming! On April 7th Russia announced plans to build a 65-mile-long tunnel under the Bering Sea to Alaska as part of a 3700-mile transportation corridor between Russia and North America. The tunnel will contain a highway, high-speed railway, power and fiber optics cable and pipelines.

The \$65 billion project will be funded 50% by investors and 25% by each of the Russian and USA governments.

Item #5: Life is free research. When getting a prescription filled at some Shoppers Drug Mart Stores, the Pharmacy Assistant gives you a small buzzer to put in your pocket.

Now, rather than standing around impatiently waiting, you can wander through the store buying lots of other things and then be "buzzed" when it's time to return to the Pharmacy Department to pick up your medication.

Simple, brilliant...but not original. Busy restaurants have used these same buzzers for years to silently advise waiting guests that their table is ready.

So, you don't have to invent new stuff all the time. You just need to be paying attention everywhere you go and be open to possibilities. Then, you can "borrow" good ideas and adapt them to your business. *Life is free research!*

6. The human side of business leadership!

(time to read this article is about 60 seconds)

In a recent issue of Forbes Magazine, columnist Rich Karlgaard delivered an excellent example of the human side of business leadership that is so often missing today. It was told to him by Nancy Ortberg, an emergency room nurse, who was finishing up work one night before heading home. Here's Nancy's story:

"I was finishing up my paperwork one evening while the doctor with whom I was working debriefed the young doctor with whom he had performed several surgeries that day. The senior surgeon was telling his intern what he'd done well and what he could have done differently.

Then, he put his hand on the young doctor's shoulder and said, 'When you finished each surgery, did you notice the young man from housekeeping who came in to clean the room?' There was a completely blank look on the young doctor's face.

The older doctor said, 'His name is Carlos. He's been here for three years. He does a fabulous job. When he comes in he gets the room turned around so fast that you and I can get our next patients in quickly. His wife's name is Maria. They have four children.' Then he named each of the four children and gave each child's age.

The older doctor went on to say, 'He lives in a rented house about three blocks from here, in Santa Ana. They've been up from Mexico for about five years. His name is Carlos,' he repeated. 'And next week I would like you to tell me something about Carlos that I don't already know. Okay? Now, let's go check on the rest of the patients.'

Nurse Ortberg recalls: "I stood there writing my nursing notes - stunned - and thinking, I have just witnessed breathtaking leadership."

Is this the quality of human leadership that you show and teach in your organization? I was blessed to be raised by a father who constantly lived and practiced that and, even though his management style sometimes drove his team nuts, his absolutely genuine and human leadership style made him the most beloved "boss" that they ever worked with. Sadly, this genuine caring for others seems to be a bit out of fashion these days as a leadership style...and we're the worse off for it!

7. Looking for a brilliant new business concept? Here are three examples to get you thinking!

(time to read this article is about 90 seconds)

The old expression that "*There's nothing new under the sun.*" is simply not true. Here are 3 very clever and very different new businesses that could inspire you to get going to create your new business reality. Two are product-related and one is service-related. Two are internet-based and one sells in the more traditional way.

Business #1: Alex Probyn, a British master tea taster, quit his job with a big tea company to create his own business called "**blends for friends**".

He custom-blends tea according to each customer's personality and preferences, then packages it beautifully and ships it all over the world. He also creates "signature blends" for corporations to serve their guests and staff.

The internet allows Alex to instantly have a global business in a very specific niche market, in which he is a respected expert. Website is blendsforfriends.com.

Business #2: Seahorse Power, an American company, has created the Big Belly solar powered self-compacting on-street trash container. Being solar powered, it can be placed anywhere. And, because it automatically compacts the trash put in it, it holds five times more garbage, resulting in 1/5th as many trash pick-ups. This results in huge savings in trucking, labor and fuel costs. And, for those parts of the country that need it, the bins can be made bear-proof.

So far the containers have been purchased by New York, Boston and Baltimore. Website is seahorsepower.com.

Business #3: Online shipping service Uship helps businesses and private individuals ship merchandise or personal possessions at savings of up to 80%. Their categories include...

- general merchandise,
- household moves,
- boats,
- pets & livestock,
- plants & agriculture,
- special care (pianos, etc).

Potential customers put the details of what they want shipped and from where to where and trucking companies bid on the business in order to fill their trucks to capacity and to eliminate returning from a long-distance delivery with an empty truck.

So, the truth is that there are lots of new ideas "under the sun". It's a matter of figuring out what folks need or want and how you can bring it to them more conveniently, more effectively or less expensively.

8. Our Quiz of the Month:

(time to read this section is about 40 seconds)

Thanks to all of you who answered our April Quiz question, which was...**"What country is the world's largest exporter?"**

The answer: Well, I got myself into trouble on this Quiz question. Countries export both "goods" and "services" and I failed to be specific, so we had a number of different answers to the question. Germany is the world's largest exporter of "goods". But, if you add "goods and services" together, the USA is the largest exporter.

Congratulations to Brett McManigal of Dakota Craft, this month's winner of one of our DVD Seminars.

This month's Quiz:

It has been a while since we had a specifically Canadian Quiz Question...so here's one. **Halifax, Nova Scotia is the birthplace of two of Canada's oldest banks. Clearly, one of them is The Bank of Nova Scotia, now called Scotiabank. But what is the other one?**

Send your guess to Sharen Skene, our wonderful Director of Marketing, at sharen@donaldcooper.com. Each correct answer received within 10 days will go into the 'pot' and one winner will be randomly selected. The winner will receive their choice of any of our excellent DVD Video Seminars worth \$60 to \$80.

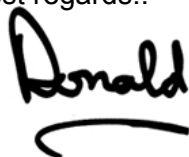
9. That's all for this month!

"Thanks" for all of your great feedback and suggestions! We especially love to hear of your successes using our insights.

Don't forget to visit our Free Articles section on our website for lots more valuable info on how to sell more, manage smarter and make more money in your business.

Finally, if you know of others, anywhere in the world, who will find value in this E-Newsletter, we'll appreciate your sending this along to them and inviting them to sign up at www.donaldcooper.com.

Kindest regards!!



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