

Winners & Losers in the Current Market

Yesterday something hit me. I was in my conference room on a speaker phone with a 50 million gallon marketer plus his CFO. They were telling me all about their company's growth and how they had their best profit year ever. Call over; I headed back to my desk. Of course, check the email and ZAP, an announcement of a bankruptcy. The contrast was literally striking to me.

Only a few days earlier, media news had a story about a family shuttering their business. While my heart went out to that family, I personally know so many other families not only surviving, but thriving that it frustrated me even more. I literally felt compelled today to dig time out of my schedule to write this article. Why? I want to talk honestly with you about the differences between who is winning and who is losing -- how the strategic models of failing companies differ from those that are winning. And I'm going to be brutally direct with you, not politically polite. I'm using the table format below because the dichotomy between the winners and losers is so crystal clear to me.

Losers	Winners
Play the wall street game, use anyone's money but their own either (debt or outside equity), often believe more debt better because higher ROE. Actually brag about their funding.	Hugely conservative view of debt. Might even say they hate it. Brag about getting their working capital lines to zero.
Don't price to full advantage. May even use pricing formulas they apply to everyone. Often involved in barely profitable "bid" pricing.	Have keen understanding of both price and value knowing when they can charge more with their customers feeling good about paying extra!
Two extremes in technology. Either a) think technology will solve a poor customer service problem (it never does) or b) refuse to come into this century virtually no tech.	Understand that technology is key to efficiency, but the underlying foundation is still sound systems. Constantly work on improving both.
Constantly have cash flow problems no matter what the pricing or market. Always think tomorrow will solve the problem.	Aggressively tackle root causes of cash flow swings, insist on forecast models, very rarely surprised. Tweak and fix as needed.
Either a) Leadership strategy focused on short term gains (to pay off the equity or debt partners) or b) no leadership vision	Passionate leadership with equal focus on people and profits plus humble, honest assessment of strengths and weaknesses.
Either a) think they have all the answers from their Harvard MBAs or b) don't get out of their home town – no conventions, no education.	Are "super learners." CEO and staff education is high priority. Always looking to become better no matter how high recent profits.
Always in reaction mode to marketplace changes or heads stuck in the sand so don't know happening.	Masters of the "what-ifs" and multiple game plans that capitalize on current and future opportunities. Ask tons of questions.
Either a) ram change down into reluctant staff without much regard to their opinion or b) avoid change like the plague.	Seek customer and employee input for all change. Embrace change as continuous improvement that benefits all.

The other thing that is interesting to me when looking at winners and losers is that the age of the physical assets (trucks, stores, etc.) have no meaningful correlation to success or failure. I've seen

companies with old stores and old equipment still be progressive and profitable. I've also seen companies with brand spanking new sites and equipment go belly up.

If you know me, you know it's my heart's desire to help all family petro companies be the absolute best they can be. I also know it takes a winner mindset to be open to accepting that help.

I'll leave you today with one more story. One of my very first clients was a highly successful marketer. (Big profits and cash!) When he decided the time was strategically right to sell his company, he called me. For him, time was not an issue. He listed the company with the understanding that he was still happy and content in the business, but if the right strategic buyer came along this year or the next, he would be ready. About six months after listing with me, he called just to let me know he was bidding on a major's divestiture of 30++ sites while he waited for that perfect buyer. A few months later, he called to let me know he had gone after another small marketer in his service area that had a lubes contract he wanted and would be closing shortly.

Much later, in a very, very quiet transaction, we sold him to a stout family company that had never been in petroleum, but realized a petro company would be a great strategic fit and diversification for their import business. The moral to the story? This owner reinforced for me that winners, no matter what the circumstance or the economy or the market, have a winner mindset. They are always looking to be better, right to the very end. If that's you, and you've always wondered what my expertise might do for your company and team, I encourage you to check out my webinar-based coaching program where I "adopt" you and your team for a whole year for a very reasonable investment. I invite you to go to www.hiddenprofitscoaching.com for more details.