



Cut Your Losses - KWINK

The most important quality for business success in the twenty-first century is flexibility. With the explosion in knowledge and technology, combined with the rapid growth of determined competition, both nationally and internationally, products, processes, services, markets, and customers are changing at a more rapid rate today than every before.

You have to be flexible in the face of this rapid and ceaseless change to maintain your mental health, much less survive and thrive.

Knowing What You Now Know (KWYNK or KWINK)

Perhaps the most important tool that you can use to remain flexible and adaptable in turbulent times, and to deal with the inevitable "crunch-times" that will befall you, is what is called "zero-based thinking."

Zero-Based Thinking

In zero-based thinking, you stop, stand back, and look at your business objectively, as though you were an outsider looking in. You ask this question: "Is there anything that I am doing today that, knowing what I now know, I wouldn't get into again if I was starting it up again today?"

Discipline yourself to ask and answer this question honestly on a regular basis. It takes tremendous courage to confront the reality of your current situation by asking the "Knowing what I now know ..." question about everything you are doing.

A Question to Ask About Everything

Is there any activity or business process that, knowing what you now know, you wouldn't start up again today?

Is there any expense, method, or procedure in the operations of your business that, knowing what you know now, you wouldn't start again today?

Are there people in your business whom you would not hire back again today, knowing what you now know?

If they walked in today to apply for their current job, would you hire them for that job?

Is there anyone in your business you would not promote, or assign or give a particular responsibility to, knowing what you now know?

Starting Again Across the Street

Another way to determine where you can cut your losses is to imagine that you arrive at work one morning only to find that your entire business had burned to the ground.

Fortunately, your staff was safe and standing around in the parking lot watching the building as it was consumed in flames. As it turns out, there are offices available across the street that you could move into immediately and restart your business, what would you do differently?

Don't Delay

If ever you would downsize, discontinue, or eliminate anything or anyone to save your business, you would do it immediately. Don't delay. Cut off all nonessential expenses and eliminate all nonessential activities.

Get back to basics. Focus on the 20 percent of your products, services, and people that account for 80+% of your results.

Action Exercise

Imagine that you could start your business or personal life over again today.

What would you get into and what would you get out of?

What would you start up and what would you let go?