



HOW DO YOU KNOW THE TIPPING POINT IN BUSINESS

How do you identify the point where business is turning from successful into struggling?

“Every business owner will experience difficulties at times. Whether it’s driven by adverse market conditions, new competition, loss of a key employee or supplier, or even the owner who has become burned out with the constant grind of managing a business.

Any one of these things can become the “tipping point” that turns a successful business into one that is struggling, or perhaps even failing. Nearly ninety percent of the time, we can trace it back to the owner/manager when things begin to go bad. How is that, you ask? Well, many of the things listed above, with proper management, could have been addressed before they grew to the point of being problematic for the business. Take the adverse market conditions for example. A business owner who sees the market beginning to shift will begin to make

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adjustments before the roof caves in.

Maybe you need to change your product mix, or reduce staff, or increase advertising, all of which a good manager monitors on a continuing basis. The same can be said for the loss of a key employee. A good manager will have given some thought to that situation, and developed a succession plan should that situation occur.

But what about the last one, owner burn-out? That’s a tough one because once the owner begins to lose interest, then none of the other things seem to matter. However, a really good manager will anticipate that occurrence and make plans to transition the business to new ownership. The difference between good and bad management is the key component to success.



Jack Newcomb
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