



by Jay Goltz

Goltz On Business

Bowling in the Dark

There are many actions we take in life that have a clear-cut, definable, and quantitative conclusion. If you paint a room in your house, you can just sit back and look at what you've done. You can fix a broken wheel on a closet door and marvel at your handyman competence. You can bake a great batch of cookies, weed out your garden, or design and implement the perfect frame. You can then draw a conclusion that your actions resulted in a good job.

While there are parts of the custom framing business that you can see as a job well done, there are other parts that you can't see. There are numerous decisions that you make as a business manager that require a lot of thought, judgment, and guessing in order to take care of customers. The worst part is that after you are done guessing, you can't tell if you made the right decision because the results are unclear. It's like you're bowling in the dark. You heard a crash, it sounded like a lot of pins went down, but you really can't be sure. I'm not even questioning whether the right decision was made. In many cases, it probably was.

Sometimes it is very dangerous to draw conclusions on incomplete facts. Incomplete facts may be all you have and you need to add human nature into your equation. Let me illustrate.

"I don't take American Express because the rate is too high. My customers don't care. They always

have a Visa or MasterCard they can use." I'm sure that the rates are higher and your customers will have a Visa or MasterCard. Those are solid facts. The question is are they going someplace else next time because they want to use their American Express for whatever reason? There *is* a reason why they pulled it out first.

Enter the human factor. I can't tell you whether you should take it or not, but I can tell you what one of the variables should be. The question isn't whether they have another card; the question is how many customers are trying to use their American Express card? And how many customers do you have to lose to offset the savings? Is it enough to justify the extra percentage? I can't guarantee it.

"The appearance of the store or my staff is professional enough." Again, in many cases, I'm sure that's true. How many customers do you think are going to tell you: "You look like you are dressed to cut my lawn, not take my expensive artwork"? I can tell you: zero. Take a cue from the way your customers dress. If they all come in wearing flips flops and halter tops, you can draw a different conclusion than if they come in wearing business attire. Once again, it's just a guess.

"My customers don't know the difference between the better mouldings and the cheap imitations." Probably true in many cases. Probably not true

in all cases. Who's going to notice? The better customers. The ones who spend more money. The ones who frame more pictures. Again, who is going to tell you that they want to see better mouldings? See above: the zero club.

I would say here's a great rule of thumb. Never say, "My customers." Say, "Some of my customers, most of my customers, many of my customers." No one has a homogeneous customer base. This is especially true in picture framing. In this case, if only five percent of your customers want better framing, you might be giving away half of the potential profitability of your store. In this case 95% right is very wrong.

"My new advertising campaign didn't work." If you did a coupon mailing and no coupons came in, that is true. However, if you did an upscale ad promoting the benefits of your frame shop, it is very difficult to determine the benefits. When was the last time that you walked into a store and said, "I'm here because I saw your ad in the paper"? Or, "I'm buying this six pack because I saw your ad during the Super Bowl"? "I came to your restaurant for dinner tonight because I was reminded from your ad in *Around Town* magazine"?

Silly isn't it? But it's exactly what people do in the picture frame business. They put an ad in and expect to see customers right away. In this category, the most

concrete conclusion you can draw, is that I *think* it didn't work.

So here's the thought of the day, or even the month. Make it a habit to regularly reconsider all the conclusions. There are numerous beliefs that I have held for years that I have rethought and then drawn a different conclusion. Change is good. Being close-minded is not. ■

Jay Goltz, Business Editor, started Artists' Frame Service in 1978 fresh out of college. AFS employs over 80 people at its main location in Chicago, IL. Goltz is also the founder of FramerSelect. He has received numerous business honors and is best known for his straight talk on how to succeed in business. He has taught at the National Conference.