



# Thinking Time

My students know that I am a firm believer in thinking time. I know how important it is to step back and think about ideas and questions which might not normally hit your radar screen in the day to day running of your business. We are beginning a series of thinking questions that I have found helpful during my thinking sessions. Sandi and I hope that you will take the time out to sit with each question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Leadership vs. Management

Leaders inspire....Management controls.

The key is clarity of communication on these 5 things:

1. Outcomes
2. Expectations
3. Metrics & Measurements
4. Corrections/Coaching (Train, Tolerate, Terminate)
5. Consequences

**What are you doing to inspire and lead your team?**

Now go schedule some time to think! You'll thank me later.

KJC

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# Thinking Time

We received an overwhelming response on the first thinking time question, so here is the next in the series. Sandi and I hope that you will take the time out to sit with each question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Finding The Problem That "IS"

When profits are low and cash flow is weak, we typically attempt to turbo-charge our sales by doing similar things, only louder. While putting your sales on steroids is always exciting, a wise business owner has many additional levers to amp profits and cash flow. Often, however, the problem requires a more radical approach: Questioning and overhauling the business model. We rarely revisit or consider business model issues when thinking about profitability issues, yet this is often the saboteur.

A business model simply asks these questions:

1. How many resources (time-effort-money) have to be invested?
2. Over what period of time?
3. To produce a certain volume of revenue?
4. Is that revenue adequate to cover the costs of servicing that revenue stream?
5. Is the investor provided with a superior return on the investment made?

In other words, the problem could be you don't have enough customers, or you have enough customers, but are charging too little for what you do or you are charging enough, but the costs of servicing and fulfillment are excessive... or the costs are in line for this delivery channel but there are more efficient channels available or the cost of production is excessive which is screwing up your economics??? There are many reasons the model might be broken which have nothing to do with getting bigger.

**Your job is to identify the REAL problem and design a machine to solve the problem that "IS".**

Get busy thinking... Time is wasting.

PS... Business as usual is NOT a solution!

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## Thinking Time

We are in Week 3 of our Thinking Time series. If you have not received the first two questions, please let us know and we will get those out to you. Sandi and I hope that you will take the time out to sit with each question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

### **Passive Doesn't Work**

Nothing in today's world will last very long without constant attention (and success breeds aristocracy and complacency).

Everything in your business will become obsolete with astonishing speed unless it is obsessively monitored and managed. The only constant in business is change.

#### **The question is:**

**What must be monitored, measured and changed to ensure the continuity of your product, success proposition, culture, brand?**

As Eastman Kodak, AOL and Yahoo can all attest, ignore this question at your own peril!

Now go schedule some time to think! You will thank me later.

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# Thinking Time

This is Week 4 of our Thinking Time series and we hope these questions are helping you think through situations that may not normally get your attention. Sandi and I hope that you will take the time out to sit with each question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Owner vs. Operator

In business, we all have three hats we can wear:

1. Operator
2. Owner
3. Investor

All are required to produce sustainable results. The problem is most businesses are started and managed by entrepreneurs and management teams who only have one hat: Operator.

An Operator is a great technician who adds value thru time and effort. The focus is on getting it done. Offense and optimism are the strategy, unfortunately these new ideas/opportunities can rarely be taken advantage of because there simply is no time.... Too much to do. The Operator is not running the business, the business is running you.

An Owner adds value thru leverage and measurement. Growth and control are balanced because the rules of delegation are being adhered to. An Owner is focused on making it and serves as a coach to her people. A good owner runs the business end of the business by doing the right thing at the right time. They know and use all the levers in the cockpit.

An Investor is all about risk. Whereas an Operator is doing it and an Owner is making it, an Investor is keeping it. An investor knows that championship teams always have a world class defense. The point of being in business is to sustain it, not just make it. Asset Allocation and Risk Analysis are primary tools for successful investing because an investor knows that avoiding the dumb tax is the key to sustainable wealth.

**Here is the question:**

**Which hat are you wearing today? Which hat should you be wearing? Do you even own all three hats and if not, what are you going to do about it?**

You didn't come here to take a back seat, play second fiddle or make it small. Get to Thinking!

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# Thinking Time

Sandi and I are receiving great feedback from our Thinking Time series and we are excited to bring you this week's question. We hope that you will take the time out to sit with this question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Competition

How much of your product or service could you sell if you had no competition? ("A Ton!") How much could you charge? ("As much I as wanted.") Your answers tell me the primary determinant of your revenue is how successfully you give customers a reason to discriminate in your favor.

There are 3 basic types of competitive advantage:

1. Product Differentiation
2. Cost Leadership
3. Speed

Differentiation is important only if the difference is something the customer cares about.

**Ask yourself:**

**What are 5 differentiators that are the difference that makes the difference?**

Now go spend some time to THINK!

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Sandi and I are so impressed by the powerful responses we have received from the new Thinking Time series. It is a reminder that we have the privilege of studying with individuals that are playing at such a high level. We are now in Week 6 and we are excited to bring you this week's message. We hope that you will take the time out to sit with this question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Measurement

Measurement is fundamental to high performance, improvement and sustainable success. It is possibly the highest leverage activity available to you. The best in the world are measuring freaks because it gives them optics. They know that what gets measured is what gets done... What gets measured is what gets managed.

Measurement:

- Focuses attention on what's important.
- Monitors performance to ensure improvement and success.

**What do you need to start measuring? What optics do you need to drive the results you want?**

Now get to thinking!

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# Thinking Time

We are now in Week 7 of our Thinking Time series. If you have missed any of the questions, please let us know and we will get those out to you. We hope that you will take the time out to sit with each question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## KPIs vs. Critical Drivers

Measuring is the only way to create sustainable business success. Sadly, most business owners only measure the key performance indicators, or KPIs, such as Sales, Profits or Cash. There is no question that KPIs are powerful tools; however, KPIs are an autopsy... they tell you what has happened after the fact and are not predictive about what needs to change to create different results in the future.

If you want to step up your level of sophistication and permanently change your business game, you need to be measuring critical drivers.

Think of critical drivers as causes and KPIs as effects. Stepping on the bathroom scales is a KPI. Exercise and diet are critical drivers. Measure and manage the diet and exercise and there is no need to step on the scales. Let me say it this way: When the results are missing, so is the cause.

Measuring and monitoring your critical driver activities gives you the ability to understand what is happening in your business before seeing the books at the end of the month, quarter or year. It is an early warning system that tells you where you might be veering slightly off course and gives you enough information so you can do something about it before the situation becomes a problem.

**When I have a bad month financially, what are the three - five things that should have happened that didn't happen... Or what are the things that did happen that shouldn't have happened? These are your critical drivers. (And none of them will be that somebody left the light on in the janitor's closet one night!)**

Start thinking! You'll thank me later!

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# Thinking Time

We are now in Week 8 of our Thinking Time series and we are excited to bring you this week's question. If you have missed any of the previous questions, please let us know and we will be happy to get those out to you. We hope that you will take the time out to sit with this question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## The Right Question

When we get stuck, we erroneously think it is because we don't know the right answer. My experience is that we often get stuck and stay that way because we don't have the right question. Stop and think about it: The answer is always changing, yet we spend the majority of our time trying to find answers and rarely allocate the time to finding the question. Getting the question right is far more liberating and will produce far better solutions.

The right question always simplifies the problem and makes it solvable. A problem should never be a statement of fact... A problem is simply an unanswered question... So frame the problem as a question.

The right question will always cause you to think about numerous possibilities to solve the problem or improve the situation.

Here it is on a bumper sticker: The best way to have a great idea is to have a lot of ideas and then pick the best one.

**Where are you stuck? What is the question you need to develop to help you find a solution? Your Thinking Time this week should start out with: "How might I....?"**

Now, start thinking!

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# Thinking Time

We are now in Week 9 of our Thinking Time series and we are excited to bring you this week's question. If you have missed any of the previous questions, please let us know and we will get those out to you. We hope that you will take the time out to sit with this question. It is only 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## **A Crisis Is A Terrible Thing To Waste**

We hate making mistakes... We hate admitting them, too. I love what Buckminster Fuller said, "A mistake is not a sin unless it is not admitted." Unfortunately, we will make mistakes, but instead of sweeping them under the rug or blaming someone else, why not learn the lesson.

My tool belt is full of valuable business skills and tools that I have gained during times of crisis. These disasters and the lessons I have learned have provided me with an opportunity to have 40 years worth of experience instead of one year of experience 40 times.

Never waste a good crisis! This is a great opportunity to learn the lesson, make some fundamental changes or even reinvent your business. You have to avoid the "hunker down and wait out the storm" mentality. There is no such thing as a rich victim. Start your "Log of Lessons Learned" book today.

### **What have been some of my mistakes or crisis' and what lessons did I learn?**

Ready? Start thinking!

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Keys to the Vault Presents



## Thinking Time

Thinking Time again! Take 30 minutes out of your schedule to think... I promise it will have a profound impact on the level of success you are able to achieve in your business and life.

### The Guy Across the Street

I learned this one from one of the members of my Board of Directors. A great tool for you and your business would be to picture a company that is identical to yours. It is located directly across the street from your building. It has an identical office, with identical chairs, identical strategy, identical target market, identical products, people and resources. Every day you compete with them.

**Your competitive advantage is based on who is hustling the most...Who's getting it done...Who is hitting deadlines...Who is delighting customers...Who is executing, kicking the can and putting rubber on the road on the most consistent basis. Are you winning this competition against your neighbor?**

Now: Go Think about what needs to change! You will thank me later.

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# Thinking Time

We hope that you will take some time out to Think again this week. It is only 30 minutes and I promise it will have a profound impact on the level of success you are able to achieve in your business and life.

## Assumptions

My experience is that the key to getting rich is to avoid doing stupid things (I call it the Dumb Tax). Here's the proof: How much money would you have if I gave you the ability to unwind any three financial decisions you have ever made? Case closed.

All stupid mistakes are a result of faulty assumptions. I promise you those three financial decisions you would like to unwind were all based on bad, ill-conceived, unexamined assumptions. One of my favorite sayings is: All my problems started out as a good idea! I tell people I have a worst enemy, who screws me up more than anyone else could ever imagine... his name is Keith. He has a lot of "good" ideas.

An assumption is a mental short cut to help us avoid thinking or questioning. It is something we take for granted or accept as true without proof. Often we rely on our own experience or a "story" to make what turns out to be deadly assumptions. Someone hurts our feelings and we assume they had bad intentions. We cross the street and assume the oncoming driver can see us. We see the stock market or real estate go up and up and up and assume it will keep going up... Or we see it go down and assume it must bounce back up. Our sales start declining and we assume we need to increase our marketing efforts. People assumed that computers would do away with paper (yet we use more paper today than ever). Kodak assumed digital would never catch on (they invented digital photography) and the Swiss thought battery powered watches would never make it. Making a bad assumption can cost a lot of time and money! To a great extent, most of our lives are guided by assumptions, yet we never give this critical process a passing thought.

The human mind HATES complexity and uncertainty, so we make assumptions (or create a narrative) about our situation and solutions to our problems. Sadly, we then have a tendency to be overly optimistic about our ability to execute the solutions we come up with.

Unfortunately, most people tend to trust their prior experience and "story" more than the facts or other people's expertise. Nothing wrong with making assumptions, but step back and question them occasionally.

**What assumptions am I making, that I'm not aware I'm making, that gives me what I see? What if what I am thinking is wrong... then what might be true? Remember to ask yourself, "What DON'T I see?"** (It's the What Don't I See's that will kill you!)

Now go THINK! You will thank me later.

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# Thinking Time

How is your Thinking Time going? Let us hear from you! These questions coupled with serious Thinking Time (30 minutes) will have a profound impact on the level of success you are able to achieve in your business and life.

## Success Proposition

My experience is that when our sales are stagnant or our growth is lumpy, there is often a disconnect between what we believe our customers think is important and what our customers actually think is important. Our customers are the exclusive decision makers on the definition of "success". They do not care what you want to give them. They want to receive what they want. Ignore them at your peril.

Want to avoid wasting a tremendous amount of time and money? Figure out:

1. Who wants your product or service and
2. How they define "success"
3. Then remove any doubt that this outcome will be delivered.

It's called a Success Proposition: What has to happen for the customer to have certainty of success? When prospects don't buy, it is not because they don't want the outcome, it's because they are uncertain you will deliver it.

They have the money. You want it. End of discussion.

**How do your customers, clients and target market define success... specifically? Where is the mismatch between what you currently offer and what they really want? What must you change to give the customer certainty that if they buy it, they will get the desired result?**

Now: Stop reading this email and start thinking.... You will thank me later.

KJC

PS... No one said that this Thinking Time would be easy.

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# Thinking Time

Take 30 minutes out of your schedule to actually THINK this week! Think....I promise it will have a profound impact on the level of success you are able to achieve in your business and life.

## Mastery

The best in the world at anything from swimming, golf, ballet, piano or business all have two things in common:

1. They studied and apprenticed under someone who was a Master to learn the critical skills and tools. Masters allow you to do the right things right the first time and simultaneously avoid making the most basic and stupid mistakes. It's the mistakes and setbacks that keep most business owners poor and struggling. Just about the time they are starting to climb out of the last hole they dug, they promptly start digging a new one.
2. They never stop practicing to improve and learning new distinctions. The best in the world know that they must practice to get better and learn something new on a daily basis if they are to retain their greatness.

There is simply not a way to get to the top, become successful and sustain that success without having an experienced mentor, guide or coach at your shoulder. Tiger Woods is a great example of someone who is achieving greatness and the common denominator he has with every other person who is at the top of their game is he surrounds himself with coaches who watch him swing. Tiger has the exact same problem you and I do.... He can't see himself swing.... He doesn't know what he doesn't know so he surrounds himself with people who watch... people who coach... People who will tell him the truth.

**What are you practicing? Are you improving? Do your customers or employees have some coaching for you? Are you asking them what they think? Are you listening? How can you get this coaching faster?**

Now go THINK! You will thank me later.

KJC

**P.S.** If you are looking to buy a business or exit the one you already have, don't miss my **How to Buy or Exit a Business** course... I only offer it one time a year. Click on my video below to hear a personal message from me discussing the course.

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# Thinking Time

Thinking time! Turn off your phone, shut down your computer, close the door and get ready to think. Here is your next topic. Sandi and I hope that you will take the time out to sit with this question. It is only 30 minutes and I promise it will have a profound impact on the level of success you are able to achieve in your business and life.

## Strategy

Strategy defines an organization's unique approach to creating Value. To describe strategy is to describe how an organization creates VALUE! How will what we're doing benefit or "add value" to our customers, employees or investors? When it comes down to it, all strategies are ultimately designed to improve the bottom line... Great Strategies get a few big things right... and this involves TRADEOFFS... The key to strategic thinking is deciding what NOT to do! You cannot have a great strategy and be all things to all people. Companies that try to be everything to everyone usually wind up being nothing to anyone. They homogenize and dilute their success proposition in an effort to grow... BIG MISTAKE! Southwest Airlines is a great example of a business that is very clear on who they are, why customers buy from them and their success proposition. Southwest could serve meals and assign seats, but they don't because these things would undermine their unique approach to creating value.

Strategy is about selecting the activities that will cause an organization to:

1. Excel at creating a sustainable difference in the marketplace (NICHE), by:
2. Creating value for selected customers (Success Proposition: What has to happen for a customer to have certainty of success?).

To determine the best Strategy for your business, you must ask:

**"Who is our ideal target customer? How do they define success? What success can I give them that differentiates us from the competition and can be delivered profitably? What internal processes must we excel at to deliver this success proposition? Who do we need on our team to deliver on this proposition?"**

General Motors never thought about this stuff... which is why they went broke!

Now go THINK! You will thank me later.

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## Excellence

In my 40+ years in business I have found that the majority of my mistakes (losses) were a result of bad assumptions and inadequate tools to execute consistently. Trial and error is a foolish way to approach success and an even worse way to create excellence... yet we all succumb to the illusion that we are different... that we can beat the odds with our sheer determination and extraordinary passion for the brilliance of our products. Dumb!

***Here it is on a bumper sticker:*** Enthusiasm is a poor substitute for a tool belt. In fact, few things are more deadly than running the wrong direction enthusiastically.

Success is about getting there... It requires excellence to stay there. Excellence relies on knowing what you're doing (skills, tools and strategies) which builds confidence and creates sustainability.

**What skills would I need to acquire.... What resources would I need to double my sales? What are the major constraints preventing me from achieving this goal?**

Strive for **Excellence** and the **Success** will take care of itself!

Now... Go THINK! You will thank me later.

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# Thinking Time

It's that time of the week again... time to THINK! We hope that you are enjoying our Thinking Time series. If you will take the time out to sit with this question, I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## The "Pimp Factor"

Business owners fall prey to something I call the "pimp factor." It happens when they pimp their business like rock stars pimp their ride. They get the pimped-out laptop instead of the basic one that does the job. They choose the art-deco, ergonomically correct, custom made designer chairs for their waiting room instead of shopping at IKEA. They need a vehicle to make deliveries, but instead of buying the used van for \$10,000, they spend \$45,000 on a new one with tricked-out wheels, leather seats, and a state-of-the-art sound system.

The instant you make this mistake, you're setting yourself up for failure. You cannot successfully create a sustainable business or optimize your financial performance by over-spending on your assets.

The reason to have assets is to produce revenue. Overspending on assets weakens a business's health and sustainability. So measuring how effectively you are converting assets into revenue is a keystone to business optics.

Given a choice between creating a business which requires \$1 million of assets to produce \$2,000,000 of revenue and \$400,000/year of profits and starting a business which requires \$10 of assets to produce \$2,000,000 of revenue and \$400,000/year of profits, which one would you rather start? You're not stupid.... We would all like to minimize our investments and maximize our returns, so why don't we run our businesses that way?

The answer is simple: We are stupid in small things, believing they don't really matter. We think about how good we would feel with a pimped out computer or chair or desk. My point is: Business success is not about how cool your stuff is.... It's about how effectively that stuff is converted into revenue and profits. While it's fine to have nice things, you have to be careful that your ego doesn't get overly invested in what you buy and how good you look. The problem with ego-driven expenditures is that they reduce flexibility. Think of every dollar you spend as money you're investing in your business.

**Here it is on a bumper sticker:** Too much money makes you stupid.

**The question is: Where are you spending money that doesn't produce a return? Is that \$1,000 ergonomic chair going to produce more sales? Does it help you reduce your costs or drive earnings? Is it going to produce a higher return on investment than a folding chair and a card table? How you run your business during the good times is a perfect correlation to how well you will survive during the bad times.**

Now go think... You will thank me later.

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## Ideal Target Customer

If you are not clear on your ideal target customer, you are playing pin the tail on the donkey and have a serious problem. Just because you have some new idea or are selling a product or service that's faster, cheaper, lighter, longer-lasting, or tastier doesn't mean that everyone who's currently using the competition's product will automatically switch to yours. In fact, getting people to switch is one of the toughest things to do in business.

Knowing who your target customer is requires clarity on exactly who you are trying to attract and exactly what problem they are trying to solve. Just because someone is hungry doesn't mean they want your food or want to come to your restaurant.

McDonald's serves food... so does your favorite restaurant but they do not compete with each other. The reason is because they have different target markets. One costs a couple of bucks, the other will set you back a couple of hundred. What determines their respective pricing, positioning, advertising channels, strategy, compensation structure, training and hiring programs, competition and a host of other decisions? Their ideal target customer.

You can have the coolest idea and the best management on the planet, but if you are unclear who your ideal customer is or what pain/problem they are trying to solve, you will waste a tremendous amount of time and money.

**If I could devote 100% of my time to just one type of customer, who (specifically) would it be? What do they "look" like? What are the 5 biggest problems/pains/issues of my ideal customers? Where are they frustrated? What can I do for customers that no one else is doing?**

Now... Go THINK! You will thank me later.

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## The Language of Business

Business is a sport and like all sports there are rules, scoreboards, competition and a language. In fact, all activities have a language. Cooks understand mincing and dicing, and quarts and teaspoons. Astrophysicists understand quarks, black holes, and neutrons. Concert pianists understand the bass and treble clef, and sharps and flats (and a little Italian for good measure). Cricket enthusiasts understand out for a duck, deep square leg and rubbing the seam. The world's most successful people are fluent in the language of their respective fields. Business also has a language. If you haven't already guessed it, the language of business is accounting. If you can't speak the language, you can't play the game.

But, here's a warning: If the key to getting rich was only learning how to speak the language, then all accountants would be rich. And they're not. So it isn't.

The trick is to learn how to translate that language into something that's usable. It's an accountant's job to convert activities into numbers, and then put those numbers on the three financial "report cards"...the balance sheet, the income statement, and the statement of cash flow.

Trouble ensues because business owners don't speak the language, so they don't know how to reverse-engineer the numbers they are given.

Warren Buffett said it, "If you can't read the scoreboard, you don't know the score. If you don't know the score, you can't tell the winners from the losers."

### **Thinking Time:**

**Are you receiving your report cards from your accountants and bookkeepers?**

**Are you looking at them?**

**Do you know what they are telling you?**

**Do you know which numbers are important?**

**Can you make your business and financial decisions by looking at your report cards or are you flying by the seat of your pants?**

**Which levers should you pull to improve your results?**

**If you don't know, you need to seriously think about attending my upcoming 4 Day MBA. I can teach you this stuff in 4 days.**

Now... Go THINK! You will thank me later.

KJC

**KEYSTO-THE VAULT.**

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# Thinking Time

It is that time of the week again... time to THINK! We hope that you will set aside just 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Anything Worth Doing Is Worth Doing...

We seem to have an addiction for finding the "right" answers. We have all heard the adage, "Anything worth doing is worth doing well." This is an incredibly stupid and debilitating piece of advice.

We think about a new idea or possibility, but then realize we can't execute on this new idea "well" because we have never done it before, so we look for another idea. The original idea might be a good one, but since we have never done it before, we resist the idea because it isn't comfortable. Instead of making progress, we look for an easier answer. Instead of growing, we stay stuck in our comfort zone.

I think progress is made by adopting a new mantra: Anything worth doing is worth doing poorly... at the beginning. Not forever, only when you begin. It's how you learned to ride a bike, swim and drink out of a cup... you did it poorly at the beginning.

**Here it is on a bumper sticker:** Everything you want lies outside your comfort zone.

### Thinking Time:

- **Where are you letting perfect get in the way of possible?**
- **What are the strategies you need to explore or the skills you need to learn that are outside your comfort zone?**
- **What do you need to try that will be done poorly (at the beginning) but which is critical for your success?**

Now....Go THINK! You will thank me later.

KJC

**PS....** If one of the critical business skills that is outside your comfort zone is mastering your numbers and getting financial optics, you need to attend my upcoming **4-Day MBA** on **September 28-October 1** in Austin, Texas. I will change the way you do business!

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# Thinking Time

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## Kicking The Can

Here is what I know about human nature: All other things being equal, we would rather have what we want sooner rather than later, easier rather than harder and more rather than less. In other words, we tend to be impatient, lazy and greedy. Why do we always search for answers that will get us from where we are to the desired outcome in one fell swoop with the least amount of effort? Because we have a tendency to settle for average.

My experience is that a solution which is designed to be fully realized by working 15 minutes per week, sitting in your bathrobe at the kitchen table is indicative of either a small problem or too much "Kool-Aid." If you look at anyone at the top of their game.... the ones winning gold medals, or making a ton of money year in and year out, or winning ping-pong tournaments... you will find a common denominator: They did not achieve this success overnight. Instead they "Kicked the Can."

Last year Sandi and I were in Fiji teaching with Tony Robbins. One morning we went for a walk. A Coke can was on our path and much to Sandi's dismay, I kicked it. It squirted a couple of feet and I kicked it again. It rattled over the asphalt for a yard or two and I kicked it again. I kept kicking it for our entire two mile walk. In other words, I kicked the can two miles. What is the likelihood I could have seen this can at the beginning of our walk, got a running start and kicked this can as hard as I could and it travel two miles with one mighty kick? Zero.

I happen to think the outcomes we want are a result of Kicking the Can on a regular basis. Don't believe me? Pick anything you are currently good at and ask this question: Did I achieve mastery at this as a result of something huge I did last Tuesday or was it a result of consistent effort over a period of time?

***Here it is on a bumper sticker:*** Ordinary things consistently done produce extraordinary results.

### **Thinking Time!**

**Where are you avoiding paying the price of hard work or learning and practicing new skills?**

**Where are you searching for shortcuts where none exist?**

**What are the ordinary things that need to be done on a consistent basis which will produce the desired outcomes?**

Now... Go THINK! You will thank me later.

KJC

**PS....** Sandi no longer allows me to kick cans on our walks.

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# Thinking Time

It is that time of the week again... time to THINK! We hope that you will set aside just 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Survival of the Fittest

The key to growth is rarely found in finding the "right" answer. Answers change because the environment changes. Charles Darwin is renowned for his theory of Survival of the Fittest. What is interesting is his definition of "fittest." It is not the biggest, fastest, strongest or smartest.... It is the most adaptable. It turns out that the species that survive are the ones who are flexible. The key to growth is changing strategies as the competition, consumer preferences and interest rates change. (Obviously this list is not intended to be all inclusive). Flexibility requires that you know where you are and what is or isn't working... which is why I am such a fanatic about the business optics that financial statements provide.

My experience is that the only constant in business is change. Therefore, a good idea 5 years ago could be a horrible idea today. And a great idea today could be a horrible idea tomorrow. Look no further than how you could have made millions between 1996 and 2000 by waking up every morning and buying every "dotcom" listed on the stock market. Like all ideas, that was a great idea until it wasn't. What caused it to go from a great idea to a horrible idea was a change in the environment.

Albert Einstein (a very smart guy) gave his students at Princeton the exact same final exam questions every semester for 20 years. After a couple of years, his students figured this out and so did his fellow professors. One of his peers asked him why he kept giving the exact same questions to his students? Albert's reply: "Because the answers are always changing."

### Thinking time!

- **Where are you hanging on to answers which were great answers in a different environment?**
- **Which part of your organization needs to adapt to the realities of today's environment?**
- **What employees or advisors were wonderful 5-10 years ago, but are simply not up to the job today?**
- **Which strategies got you here but are no longer the difference that makes the difference?**
- **Where are you obsolete or irrelevant?**
- **What question do you need to ask to rekindle the growth and profitability of your business?**

**Here it is on a bumper sticker:** What got you here won't get you there.... if it could get you there, you would already be there and it hasn't, so it won't.

Now... Go THINK! You will thank me later.

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# Thinking Time

We hope that you are enjoying our Thinking Time series... Let us hear from you! If you are taking the time out to sit with each question there is no doubt that you are seeing measurable results. So spend just 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## "OP"... Other People

Every large business started out as a small business. In fact, the average Fortune 500 company got started on less than \$25,000 of initial capital. Businesses require leverage to grow past a certain point. The leverage of "OP"... Other People...is critical because without OP the founder will have to do it all and there is a limit to how much anyone can do.

When a business is small, the owner is compensated for their time and effort. The more time and the greater the effort, the greater the return... up to a point. When you run out of time, returns stagnate, growth falters, as does quality of service, quality of life and pleasure of ownership.

I know of no single more important factor to sustainably grow a successful business than to have the best people on your team and creating a culture in which they can thrive.

### **Thinking Time:**

**What should be getting done that is not getting done because I am doing the minor and not the major things?**

**What should I be doing which would add more value?**

**What am I currently doing that could be done by someone else?**

**What can I (and only I) do?**

**If I only had someone on my team who could \_\_\_\_\_, I double the size of my business.**

**If my future success is 100% dependent on the support of others, whose support do I need?**

Now... go THINK! You will thank me later.

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# Thinking Time

It is that time of the year again... time to THINK! Sandi and I are happy to be bringing back our Thinking Time series for 2014. We are impressed by the number of students who are using the time to ask critical questions and we appreciate all of the responses! It is the beginning of a new year and I know many of you are busy setting goals and changing strategies, but make sure you are taking the time to make smart business and financial decisions. We hope that you will set aside just 30 minutes and I promise it will have a profound effect on the level of success you are able to achieve in your business and life.

## Big vs. Rich

Tragically, too many business owners have subscribed to the bathrobe theory of business (one size fits all) which says that whenever there is a problem, "Grow!" The conventional wisdom seems to be that growth is the answer, regardless of the question. The "Kool-Aid" for superior financial performance seems to be tweaking the website, changing the advertising copy, twittering, flittering and blogging more often, hiring a new graphic artist to redo the logo and brochure, rejiggering the sales commission structure, adding two new salespeople, and growing their sales at all costs. Having only a throttle in your business cockpit and assuming that doubling the amount of horsepower in your engine will cause your business to go twice as fast is seductive, but delusional.

Attempting to create business success by solely relying on the growth lever is a little like trying to become Mr. Universe by entering a hot-dog-eating contest. You may get bigger, but it's highly unlikely you're going to win the title you want!

As fun, exciting, and important as sales and marketing are, gorging yourself on growth rarely solves financial problems. I see a lot of businesses struggle and fail, not because they aren't adding new customers, but because the owners are lousy at keeping the ones they've got. A maniacal obsession with adding new customers to grow sales and revenue does not treat the primary cause of business fatality, the insanely high mortality rates, or the long-term health and longevity of the business.

The goal is not to just get big. The goal is to create sustainable success. And you can become really, really successful being really, really small. And you can go really, really broke becoming really, really big.

### Thinking Time:

- **How big would my business be if I still had every customer who had ever tried me?**
- **What can I do to keep the customers I currently have?**

Now... Go THINK! You will thank me later.

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# Thinking Time

## Value-Success Proposition

The core of any business strategy is the Customer Value or Success Proposition, which describes the unique mix of products and services, customer experiences and corporate brand (aka: reputation) the business offers. The Value-Success Proposition defines how the company will differentiate itself (from the CUSTOMER'S perspective) from the competition by attracting, retaining and deepening the relationship with its target customers. The Value-Success Proposition designed is crucial because it dictates the internal priorities and differentiators required to deliver a particular Value-Success Proposition.

There are three primary Value-Success Proposition differentiators:

1. Operational Excellence (Home Depot, Wal-Mart, McDonalds)... focus on pricing, product quality, quantity of selection. (Here is a hint: It is hard to be the low cost provider if you are not the low cost producer!)
2. Customer Intimacy (IBM, Saks 5th Avenue, Nordstrom's)... focus on quality of relationship with the customer, exceptional service, completeness of services offered.
3. Product Leadership (Intel, Apple)... focus on innovation, functionality, features, overall performance of the product.

These differentiators dictate the internal processes management should prioritize and excel at to deliver the maximum value (external) to the business' target market. Most successful companies try to excel at one of these while maintaining a minimum standard in the other two. It is hard to find a business that excels at two, much less all three. You can make money with any of them, but you must choose one and then organize the business to deliver on that particular Value-Success Proposition.

### Thinking Time:

- **Who is your target market?**
- **What do they think is important?**
- **If you deliver it to them, will they buy?**
- **How is this different from your competitors?**
- **What internal processes must you excel at to deliver on this Value-Success Proposition?**
- **Are your outcomes and compensation structure aligned with producing these processes so that you can deliver those outcomes?**

Nobody said this was easy.

Now... go THINK! You will thank me later.

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