

## March 2002 Business Tip

### Effective Decision-Making: Less is More

At Boot Camp we stress the value of critically inspecting your personal "decision-making model." The concept: every business person develops a habitual thinking pattern with an average effectiveness ranging anywhere from "very" to "not at all." Basically, a lifetime of effective decisions will make you happy, wealthy and wise and, of course, the opposite is also true.

#### *Examples:*

One of the numerous components of effective thinking includes the ability to reconcile paradox; a second is the habit of discriminating opinion from fact. Another, and the one I want to discuss here is focus and the counterintuitive consequence of focus, "less is more." One example of focus is the discipline to avoid splinter programs. Splinter programs are teeny, tiny profit centers with no hope of becoming a full blown program.

Example: I am confident Kids First could pluck an hour out of the week and conduct an adult gymnastics class of eight students and be nicely profitable for that hour/space. However, because adult gymnastics is not likely to have enough potential to progress into a full-blown program we opt to forgo that profit. (At Kids First "full blown program" means having enough oomph to justify its own department level manager, either P/T or F/T).

But Jeff, why on earth would you just let go of an obviously profitable hour? Because a business's resources are limited and splinter programs always consume a disproportionate share of resources just to maintain them (staffing, curriculum, risk management, etc.). In short, I have made a decision-making habit of devoting our finite resources toward the bigger returns. Less is more.

#### Clarifications:

- (1) Know that one club's splinter program may be another club's bread and butter;
- (2) We do engage in teeny, tiny profit centers known as pilot programs with the expectation they can develop into full blown programs. Over time, many pilot programs become splinter programs, which means it is time to cut.

The most dramatic example of focus is in fact our company's very essence-our core concept (and our name). In our five mile radius market area we have 130K people. With our company's 86,000 sq. ft. and \$4M of debt to service doesn't it seem the safest decision would have been to design a business capable of servicing every one of the 130K people? It may seem so however, obviously, we did not. Instead, we opted for a core concept and a name-Kids First-that blatantly EXCLUDED 80% of our population! We chose to focus on kids 3-8 yrs. of age and because of that decision we have a bang-up business with (just shy of, darn it!) 5000 students. I honestly believe, had we sought to be all things to all people we would have a lesser business and perhaps would have sunk, as do so many "sports complexes". Less can be more.

Think it through.

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