

## Play to Win: Control Your Profits in an Uncontrollable Market

By Nathan Jamail

Housing is in the dumps. The price of gas is too high and going higher. Small and large businesses are failing everyday. Blah, blah, blah. Why not just put a headline on the front page of any city newspaper: ***"THE SKY IS FALLING, THE SKY IS FALLING!"***

With our positively glowing outlook on the economy today, it can become very difficult for a team to stay focused on achieving their goals; as a matter of fact, the headlines are a perfect excuse for why a person would say, "I *can't* hit my targets." As a business leader or manager, your job is to lead, grow and develop your team during all economic times. Great coaching and stellar leadership is vital in the uncontrollable market of today.

In sports, winning a game depends on a team's willingness to play offense and "play to win." The same is true in business. However, when the competition gets tough or the marketplace becomes uncontrollable, we see companies play defense by making "safe" decisions such as cutting costs. Business owners on the defense also shift their focus from growing the organization to protecting the organization. Compare it to a hockey game. If a team only played defense, they wouldn't score any points. The best this team could hope to achieve is a tie, with a score of 0 to 0. In business there are no ties, just successful teams and struggling teams; and "playing not to lose" most likely guarantees failure.

Let's compare the "playing not to lose" management style with the "playing to win" model (defense versus offense) in two common business situations.

### Part I:

**Playing not to lose - defense:** This mentality usually tolerates bad performance due to a hiring freeze, and believes that a bad body is better than no body. This is even more common when organizations look to lower costs and increase profit rather than increasing revenue. A leader knows that by removing a low-producing salesperson, he will have an open territory that cannot be back filled. This causes additional work, stress and a possible decrease in sales for the manager. In theory, 50 percent is better than 0 percent, however, the truth is this process always costs the organization - and top performing salespeople - because it sends a message that low performance is acceptable during the hiring freeze. Some of the top performers eventually lower their performance, or the ones who refuse to lower their performance move to an organization that appreciates and requires their high performance. This management style also causes more work for the leader because he or she has to constantly follow up and baby-sit the staff.

**Playing to win - offense:** This mentality usually doesn't tolerate bad performance and believes that no body is always better than a bad body. A leader must never lower his or her standards or expectations based on the financial restrictions of the organization. Salespeople are not overhead; they are revenue-generating expenses. With that said, a leader will actually lower the cost per salesperson by removing any bad bodies.



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In turn, the finance department (or powers who be) will be pleased with the increased profitability and the strong performers, and the leader's skills will go toward increasing sales. Now, the leader will be able to justify hiring a new quality person to increase profits beyond the current rate, or worse case scenario, maintain profits until the "control" of market returns. Either way, it is a win-win. To control profits, a leader must control the team's environment.

### Part II

**Playing not to lose - defense:** This mentality usually accepts that because a team has been successful in the past, they do not need to practice or focus on the core selling skills. This is very common in **many** organizations. If the team assumes they do everything right, then they start to seek outside solutions to keep sales up and control profits. The leaders begin asking for additional promotions and discounts, which ultimately cut into profits. The competition starts to lower their prices, then the company lowers, and the battle continues until one company is no longer willing (or able) to lower their prices. The next proposed solution is to develop a new product or service that the competition does not have, hoping this will bring profits back to the level they were at prior to this uncontrollable market. When a leader does not believe the profit can be controlled internally by changing the team or strategy, the only option is to rely on outside circumstances causing profits to lower.

**Playing to win - offense:** If a leader cannot control the competition, the economy or the marketplace, what can be controlled? The answer is the team and its activities. The need, and want, for most products and services exists in an uncontrollable market, but the reason for the purchase has changed; a leader's job is to help his team recognize these circumstances, and lead them to grow. A leader is similar to a coach in sports. His job is to coach the team, not manage the team. A professional football player has been throwing, running, blocking, and catching his entire life - yet he practices five days a week, because to get better is to practice. The game changes, the rules change, the opponents change, and plays change, so he can never stop learning, adapting and growing. Business is no different. A salesperson who has qualified his customers' needs and closed sales for 10 years needs to practice just as often in order to continue winning the game. To control profits in an uncontrollable market is to improve the things you can control in order to outperform the things you can't.

Controlling profit in an uncontrollable market is simple, but not necessarily easy. Becoming a great leader and controlling the profits of your team requires hard work and proactive play-to-win decisions. It's not knowledge that makes a leader great; it is the discipline and willingness to use that knowledge.

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