EMERGENT PARTNERS

CONDUCTING MEANINGFUL BUSINESS (NOT JUST MAKING MONEY): AN OVERVIEW

Part of the Emergent Partners Business Roundtable Series

INTRODUCTION

Business is about more than just making money. The most successful and enduring businesses focus on much more than how much money is in their bank accounts or how profitable their financial statements look. Money should be the byproduct of conducting good (meaningful) business. So what does this mean to business owners and leadership?

What Does "Meaningful Business" Mean?

There is no singular answer to the question of what "meaningful business" is. It differs from company to company. "Meaningful business" is defined by the core values of the organization and the goals that it strives to achieve. It has to do with the "why's" behind what an organization does and what makes that organization unique in its market; or in other words, the greater purpose of the organization. "Meaningful business" means different things to different people. Every business owner and leader should ask themselves the question "Why does this business exist, why do we do things a certain way, and why is that important?"

Examples of Putting Money at the Top of the Decision-Making Process

Focusing solely on price as opposed to service or customer experience.
This goes both ways. When a company inflates prices just to charge more, it can have a negative, long-term effect on its standing in the market, which includes its brand and reputation. The same negative effects can be seen when a company focuses only on providing the cheapest prices instead of service and customer experience. This can do just as much, if not more damage to branding and reputation.

Focusing on volume of sales as opposed to quality of sales.
Increasing sales volume to bring in more revenue can actually lead to the opposite. Especially in businesses and industries that do not fit well into a high-volume business model.

Doing business with the wrong customers or trying to attract the wrong customers simply based on the perception of creating more revenue.
Businesses that do nothing but chase dollars create ambiguity on who they are and why they are unique in the market. It is very difficult for a business to convince the market that it is one thing, when most of that business that it conducts represents another. More business does not always translate into better business, especially when the additional business is outside of desired branding, market placement, or delivery capabilities.

Diluting products or services and harming brand recognition under the perception that more options automatically translate into more money.
There are plenty of stories of companies with forgettable product launches because those new products were well outside the scope of what the market felt the company was good at providing. Being everything to everyone to bring more money into the business usually creates more problems related to branding and administration than it solves with increased revenue.

Emergent Partners
2800 Post Oak Boulevard, Suite 4100
Houston, TX 77056
(346) 444-6134
www.emergent-partners.com

EMERGENT PARTNERS

CONDUCTING MEANINGFUL BUSINESS (NOT JUST MAKING MONEY): AN OVERVIEW (CONTINUED)

Part of the Emergent Partners Business Roundtable Series

When making decisions in the business, owners and leadership should focus more on goals outside of just making more money. Understanding the "why's and how's" behind achieving those goals leads to better decision making. "Why is this goal important for the business and how does it align with the greater purpose of the business?" Every business decision should involve this logic.

A Better Decision-Making Model – The Four M's

As a result of several roundtable discussions, the overwhelming consensus among participants was that decisions should be made using a model described as the Four M's:

- Morals (values, branding, greater purpose, desired effect on people)
- Management (overhead, supply chain, logistics, delivery, structure, administration, desired effect on people)
- Margins (cost of delivery, what is needed for sustainability of the decision)
- Money (pricing, revenue, return on investment)

This thought process can apply to significant decisions such as adding product or service lines and smaller decisions such as providing a discount to a single customer.

Emergent Partners
2800 Post Oak Boulevard, Suite 4100
Houston, TX 77056
(346) 444-6134
www.emergent-partners.com