

The Headless Horseman

It's October already, where did the year go? It seems like just last week I was finishing my budget for the year, setting up focus points that I would need to concentrate on and preparing for the next step in our business growth. How did it get to October already? The month of all hallows eve, spooks and goblins, witches and black cats. It makes me think of the scariest story ever written. It was a tale that kept me awake many a night as my imagination ran away with me. Shadows danced on my bedroom wall and the sounds of the open countryside crept through the open windows along with the cool autumn air. I would pull the covers up close to my chin, so not to expose my neck. My fear was accentuated by my older siblings telling and retelling of the story of Ichabod Crane.

In Washington Irving's short story "The Legend of Sleepy Hollow" he tells of a dark and shadowy figure the "headless horseman". The headless horseman is a Hessian soldier whose head was removed by a stray cannonball in nameless battle while trying to suppress the American Revolutionary War. He was buried in the cemetery beside an old Dutch Church called "Sleepy Hollow". His ghostly apparition rises each night, mounts his trusty steed, places his severed head on the pommel of his horse and rides to the scene of the battle that he lost his head. Unsuspecting passersby and young children asleep in their beds are subject to the same fate, or so I am told.

In real life many businesses fall victim or have their heads cleaved off by a mysterious soul. This person using outdated knowledge or poor business tactics may bring the business to its knees. Who is this dark shadowy figure that rides the night in search of its prey? (Insert scary music here) It's you!!!! The owner or the manager, yes I am going to tackle the scariest thing any consultant or topical writer can ever tackle, the owner. As owners and managers we all know, we are right 100% of the time, we don't make mistakes and when something goes wrong the finger of shame is never pointed in our direction. Right?!?!?!? Wrong!!!

Businesses succeed and fail every day and a lot of the blame rests solely on the owner or the manager. I'm going to ease the tension a little. It is not necessarily because of poor ethics, or bad product, or certainly not because of a lack of commitment or work. We all know that you give everything you have each day to make your business succeed. Perhaps instead it is a lack of focus. As managers and owners we sometimes have so many hats that we forget to steer the boat in the right direction, which is our primary goal. For centuries, sailors have used the North Star to guide them across the ocean. No matter where you're located on a clear night, the North Star reliably and accurately provides location and direction. So what do we use to steer our business in the right direction. We need a fixed point of reference.

What is a fixed point of reference? A fixed point of reference for business owners is always something that is found outside themselves. It has to be something to which we can always come back. If we try to haul our point of reference around with us, we have lost it because it has been moved and we can never refer back to it.

It is separate from you. It does not move. A fixed point of reference must be sure and true to be of value. A fixed point of reference is constant. It never changes. A fixed point of reference must be clear. If it cannot be seen and understood, movement towards it becomes impossible.

What are some fixed points of reference in a business.

1. Mission statements
2. Budgets.
3. Goal Statements
4. Key Focus Points

What are some things that should not be used as fixed points of reference?

1. Gross margin percentages are useful but no longer serve as a valid reference point
2. Pre-tax profit percentages are useful but unreliable reference points
3. Measuring actual spending to budget is no longer a relevant reference point
4. Short term goals.
5. Task lists

What are the consequences of not having a fixed point of reference to guide your business?

- They frequently get lost.
- They waste time.
- They waste resources.
- They make bad decisions.
- They experience chaos.
- They have no hope.
- They experience stress.
- They drift aimlessly.
- They chance shipwreck daily.

Not having a clear or fixed point of reference can cause a leader to steer their business the wrong direction and if the reference point continues to change it will lead you to the wrong place.

Imagine if you will spending every day of your business career climbing the ladder of success, only to find that the ladder was leaning up against the wrong tower.

By the time that you have read this article it will be time to start planning for 2009. Have you already set up your business goals with a fixed point of reference for 2009? Have you ever had a budget? Do you have a mission statement that you and your employees can work by? If not, perhaps it is time to consider one.

Every business has the ability to succeed and grow. It takes more than a strong back to achieve those goals. You must have a vision of where you want to go. Look out into the future, find that fixed point of reference and steer your ship in that direction. My goal for 2009 is to avoid being the headless horseman of our business. I want to find my North Star and steer towards it. Oh, I also want to be able to sleep without a night light. (Insert scary music here)

Be well talk soon,

Douglas Stallbaumer