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Donald Cooper is respected by clients in over 40 industries as both a “thought leader” and a passionate visionary in the areas of marketing, service and business excellence.

Drawing from his real life experience as a world-class manufacturer, award-winning retailer and business speaker, he has helped thousands of businesses throughout the world to add more real value to their customers’ lives...and more dollars to their bottom lines.

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Does your business model need a reality check...before it's too late?

If your fundamental business model is defective, tired or no longer relevant, you're in big trouble. You could be doing lots of other things right, but if the basic premise and operating model for your business is wrong, the end is in sight...even if you, personally, can't see it.

On May 24th, 2007 Dell Computers announced that, starting immediately, they'll sell two of their computers through Wal-Mart. Dell was built on a "sell direct to the consumer" business model and that, well executed, made them the world's most profitable computer company...and made Michael Dell \$16 billion by the age of 40. But, that business model is no longer working for them ...so, they changed it.

The limo driver who took me to the Toronto Airport last week owned a successful upholstered furniture business up until two months ago. He sold high quality sofas and armchairs to Canadian and American furniture retailers but, first, he lost his Canadian customers to low-cost Asian imports and then, the final blow, he lost his American customers when the Canadian dollar hit 90 cents. His sofas were \$1,400 wholesale while sofas from China were \$700 to \$800 retail ...and now he's driving a cab.

Barrymore Furniture, on the other hand, remains in the upholstered furniture business in Toronto since 1919. They used to sell to retailers, but years ago saw that business model going nowhere and made the gutsy decision to sell directly to consumers. They created a showroom in their factory and promised to make your sofa just the way you want it. You deal with the owners...and you feel special. Then, in case you want proof of their commitment to quality, a discreet sign in the showroom informs you that Barrymore sofas and chairs have been selected for all Canadian Embassies and Consulates around the world. This is great marketing!

Their "direct to you" prices are very competitive, you get the style and fabric you want and you get to choose from soft and plush, firm and supportive, higher, shorter, deeper or shallower. You're in charge...and their business is thriving!

A third example of changing business models comes from a recent meeting with a client in the financial and investment advisory business. Traditionally, the revenue model for this industry has been to give free advice and then generate revenue from up-front and "secret" commissions from stock trades and sales of mutual funds or insurance.

My client and other forward-looking colleagues, on the other hand, have recently changed their business model to charging a fair fee for good financial advice and not charging commissions on transactions. This puts the focus on the client and eliminates any possible conflict of interest.

Lastly, American architect Peter Gluck, dissatisfied with the inefficiencies, mistakes and constant battles between himself and general contractors on every project, created a new business model in which his firm is both the architect and the contractor. This integrated concept creates better buildings, in less time and at a lower cost. Clients are delighted and are never stuck in between two warring parties.

So, should you be rethinking your business model? Is what you sell, how you sell it or how you do business the way of the future...or a relic of an irrelevant past?

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