

Scarcity or Hope of Plenty?

In 1776, we wrote that all people were endowed by their Creator with some inalienable rights including the “pursuit of happiness”. That is not a right to happiness, just the pursuit of happiness. This statement is a philosophy of plenty - affirming the hope of the future. Others operated on a philosophy of scarcity. In the same way, some companies operate with a philosophy of scarcity and some companies offer the hope of plenty.

What does it mean to operate with a philosophy of scarcity? When we believe in scarcity, then we operate in fear. In business, it leads to fear of employees doing something wrong and causing more costs. We spend a lot of energy trying to prevent costs as every penny spent means one less for us. There are those businesses that scratch and claw for every dime, undercutting their competition, competing on price only, and basically, having a rough time.

A company that operates in the philosophy of scarcity often finds itself in the “corporate death spiral”. They focus so much on the money that they lose focus on what they offer the customer. Often, there is an effort to squeeze suppliers or to find other cheaper suppliers. Trusted and competent employees are let go when costs must be cut. The result is a loss of quality. That tends to lose customers.

There are some businesses where that is a very valid obsession as they operate on a fixed income and only make a profit when they manage their costs. However,

any business that has any hope of increasing their sales does better with a philosophy of plenty.

A philosophy hoping for plenty assumes that the future will be brighter than today. It assumes that most changes are not destructive to society. A philosophy hoping for plenty believes that new people joining in the market will bring more customers instead of splitting the existing market into smaller pieces. All new ventures are living in some sort of belief that there is more plenty out there.

A philosophy hoping for plenty also values employees and tries to help them grow. We are more tolerant of mistakes hoping that the employee will learn from those mistakes. We

work with suppliers to find new ways to reach new markets so that both us and them will prosper.

As we continue to grow, we realize that our people are the most important asset we have. We share our successes with them and they reward that loyalty with their better efforts. By sharing our hope of plenty, we are far more likely to achieve that plenty.

When hoping for plenty, we are much better able to say no to the things that distract us from our true goals. We rarely fall for the scams and con men who promise much and take from us. We don't need their fantasies when we see a clearer road to sustainable plenty.

Believing for better days ahead gives us the hope to cope with the struggles and set backs of today. We look for the better ways and thus, are much more likely to find them.

Seeking Plenty May Lead To Better Growth

Winning and Losing

All coaches lose sometime. To be a “winning coach” is to win the important games. A coach can win more games than lose but still wind up being a “losing coach” because he lost the important games. In business, we often lose more than we win. However, do we win at the important times or do we lose at those times? Which score card are we using?

In business, there are certain “games” that pay more than others. There are also many different score cards out there. We win when we gain more than it cost us on the score cards we value. We lose when we let the costs get out of control. We lose when we don't know which score cards count and we focus on the wrong ones (just like a coach focusing on the player statistics and not on the final score).

I had a case where I had to stop a project because the costs kept rising and the return wasn't changing. The client thought that I was making a lot of money on the project and wondered why I stopped it. It took a lot of explaining to show that my costs were about to overrun the return.

In today's world, pure money profit rarely is sufficient. Consumers care how we make money and how we manage our costs. Do you want to buy a shirt made from slave labor? Many consumers buy coffee and other items presented through “fair trade” where the farmer who produced the goods is paid a fair amount. There can be a different score card than just the amount of money.

The CEO of Fidelity decided that there was a different score card than just money when she fired a top manager when there were allegations of impropriety.

What score card are you using?

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Risky World

How did that virus get in? “An exercise bicycle at the gym?” With all the devices out there automatically connecting, network security has become a nightmare. It is reported that the Target breach came through the AC system that was connected to a network. Right now, it is possible for an exercise equipment to connect to a phone of the user and through that phone connect into a VPN of a network.

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