

**Openings:** While spring officially starts in March, it is not until the change to Daylight Saving time occurs in April that the season starts to build momentum. That extra hour of evening light just gets one thinking that summer is not too far off.

**Spotlight:** A small business is always a financially risky proposition. Statistically, they are more likely to fail than succeed and still, every year, thousands of people bet against the odds and take the plunge into business. Such is the strength of the human heart to dare do something that, by rational measures, seems impossible. Following that one large decision are many small decisions that determine the fate of each business. Sustaining a profitable business takes hard work and good decisions.

Deciding the vendors from whom the business purchases its supplies and raw materials is a critical aspect of determining profitability. Paying too much is definitely the route towards bankruptcy but paying too little might also be problematic. A business's purchasing policies are an expression of the philosophy that drives the entire enterprise and they are therefore, a good indicator of the business's values.

What does it say about a business when that small business makes the decision to purchase its office supplies from a multi-national rather than the locally owned and operated supplier? Price, convenience, selection, or a combination of these and other factors can drive the decision. The message implicit in this decision is not only communicated to office supply vendors, but to all vendors and customers. The decision process guiding the purchase of pens and paper informs the purchasing decision that customers make when considering this business.

If price is the driving factor in your purchasing, expect customers to press you on price. If you want same-day delivery from your vendors, be certain to have the items you want to sell on your shelves. Unless a business is schizophrenic, there is no way to separate one function of the enterprise from any other. This is especially true of small business where the purchaser, salesperson, and bookkeeper are often the same person.

While financial concerns are the primary issue for all businesses, they are simple balance sheet considerations. The enterprise exists in a broader context than can be represented on even the most progressive accounting reports. A wide range of good financial decisions is available. The challenge is ensuring that financially sound decisions are also decisions aligned with the enterprises values. Avoiding the disconnect that is easy to make between the actions in one aspect of the business and the consequences in another is important. The causal relationship may be subtle and it does exist. An apparent advantage achieved in one aspect is easily lost in another when the actions taken are not congruent with the character of the enterprise.

Price always is important. In a market driven economy, it is the factor that levels the playing field putting all competitors on the same footing. Still, it is only one factor in the decision making process and it is often not even the most important factor.

**Facts & Figures:** About C\$1.2-trillion in small-business assets will change hands between now and 2010 as a massive wave of aging entrepreneurs retires. About 500,000 or 20 percent of Canada's small-business owners are planning to retire within the next five years, with 30 per cent more planning to do so by 2020.

**Just For Fun:** The makers of the popular Kit Kat candy bar are struggling to cope with a surge in demand for the product in Japan. Kit Kat, an expression invented in Britain in the 1930s, is close in sound to "kitto katsu" a Japanese exam-season mantra that literally means, "I'll do my best to make sure I succeed." Tens of thousands of students' lunch boxes contain the bar during exam time, put there by either ambitious parents or nervous students.

**Musings:** One of my favourite television memories is the comedy series *SCTV Network 90*. Of the many great sketches, the advertisements for *Tex and Edna Boil's Prairie Warehouse and Curio Emporium*, where you received "a free budgie with every organ", always touched my funny bone. As with all great humour, the essence of truth in these parodies is what made them memorable.

Edna always stated that they would not be undersold. Through all the calamities that unfold over the evolution of the skits—including Tex leaving Edna—the one constant is the adherence to being the lowest price on what ever they were selling. This continues even into bankruptcy where, like Joan of Arc, Edna is hearing voices, and the voices are saying everything must go!

I still smile when I remember Andrea Martin's voice delivering Edna's words. Fact always is funnier than fiction especially when it comes from a lady with a beehive hairdo.