

Let my People do What?

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By Michael DiLauro, CMA

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What do you think about a business whose overriding objective isn't to make a profit? As an accounting professional you'd probably conclude that such a company would die a quick, ugly death - and leave nothing but angry creditors in its wake. Or if it did somehow continue as a going concern, it would likely do so by clawing and gnawing at survival, while invoking the evil financial twins of poor cash-flow and a weak balance sheet. To most of us, the consensus would be to chalk up this accident-in-waiting as another example of the bare-cupboard school of management.

Let's face it, in our world, success is determined by the bottom line, the strong balance sheet, the impressive cash-flows, and, for public companies, the authoritative stock price. In fact, Jim Collins, in his book *Good to Great*, makes a case for evaluating a great company and separating it from the also-rans - the under-achievers, the bottom-feeders - by nothing but its stock price.

So to many of us, the concept of managing a business with an eye towards anything other than the bottom line borders on, if not the blasphemous, then certainly, the reckless. OK, maybe allowances could be made for start-ups, especially in IT, whose modus operandi is one of an aggressive - and profitable - exit strategy. For the most part though, like a long-suffering parent to a well-meaning, but hopelessly optimistic child who blew all their allowance on a failed roadside lemonade stand, we'd explain to errant clients in gentle yet obvious tones that, in the business world, cash-flow, earnings and net-worth are the hens that rule the roost.

Sure I understand all that. I do, you know, have my accounting designation and I can read a balance sheet just as well as the next bean-counter.

And yet, here I am visiting different cities to run small-business seminars that, to executively summarize, suggest there's more to a successful business than the bottom line. One of my seminar concepts, based on James P Carse's brilliant book, *Finite and Infinite Games*, discusses the notion of *business as an infinite game*. The whole discussion makes for, what a kind friend of mine calls, some "green-dot moments".

While, I'm happy to say, many people get it, there are those who challenge me to take the discussion out of the program room and into the real world. Show me, they demand, just one example of a successful company that's not focused on money.

I love it when they say that.

Let my people go surfing is a book about, and by, a reluctant, rebellious, irreverent, rule-breaking business owner by the name of Yvon Chouinard. You probably never heard of Yvon Chouinard, but you may have heard of his company.

Patagonia is a purveyor of high-end and technically functional clothing targeted at the mountain-climber, the surfer, the skier - the adventurer.

For me as an accounting professional, what's significant about Patagonia is not its product line, but rather the philosophy that drives Yvon Chouinard's management style. He freely admits that his goal was not to be a businessman. In fact, Chouinard was, and still is, what he calls a "dirt-bagger" who loves to spend as much time as possible away from the office. He sums it up this way, "I had always avoided thinking of myself as a businessman. I was a climber, a surfer, a kayaker, a skier and a blacksmith. We simply enjoyed making good tools and functional clothes that we, and our friends, wanted. One day it dawned on me that I was a businessman and would probably be one for a long time.... I also knew that I would never be happy playing by the normal rules of business. I wanted to distance myself from those pasty-faced corpses I saw in airline magazine ads..... If I had to be a businessman, I was going to do it on my own terms."

As for the bottom line, Chouinard says, “Our mission statement says nothing about making a profit. In fact (we) consider our bottom line to be the amount of good that the business has accomplished over the years.” In Zen-like fashion, he summarizes the discussion by saying, “profit happens when you do every thing else right.”

The book makes for a fascinating – and inspiring – read, hilarious too. His self-confessed MBA management style (management by absence), his appointment of an inexperienced outdoor-loving, free spirit to the rank of CEO all make for a humorous, head-shaking, rule-shattering corporate romp - and leave you smiling at how this man created and grew his business.

The leading-edge corporate policies that Patagonia created and still espouses, from its *let my people go surfing* flex-time program, to its pro-active contributions on environmental issues, to its donation of 1% of revenues as an “earth tax” all serve as examples of pioneering stewardship, and should be an inspiration to both budding entrepreneurs and CEOs of contemporary, established corporations.

As for we accounting types, this book fully illustrates that there’s more to business than the dollars and cents. It emphasizes and reinforces that business, like life, is a multi-faceted quantum game that rewards, in many ways, those that aren’t afraid to, not only think outside the box, but actually step outside it too. It also illustrates how we, as accounting professionals, should – at least occasionally – take a break from focusing on the numbers and assess a company’s role, its responsibilities and its performance with a revised and inventive set of metrics. To paraphrase James P. Carse, if business really is one big game, then Yvon Chouinard – with Patagonia – is clearly playing an infinite game.

Michael DiLauro, WEL-Systems® Master Facilitator, Quantum TLC™ Facilitator, Certified Management Accountant, specializes in helping businesses and not for profit organizations consider a whole new view of what money and financial management is all about for them. Mike brings a creative, thought provoking and playful perspective to a topic that many find serious, tedious or unnerving. Mike enjoys his role as a financial writer and educator. He has developed a definitive Quick Books® training guide which is currently used in community college courses and his authored many articles. For more information about Mike's workshops and services visit www.dilauro.ca.

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