

LESSONS LEARNED | BY GERSON ROSENBLIOM

# Flexibility Yields Success

My family's business started in 1954 with a \$2,000 loan from my great-grandmother. One of the great things about starting so small was that we didn't have enough capital to make particularly big mistakes. With one accordion, a couple of ukuleles, a few band instruments, one drum set and plenty of accessories, we never worried much about new market trends. When accordions fell out of vogue, we didn't have much dead inventory. We sold the one in stock at a loss and spent the extra money supplementing our inventory to support the up-and-coming ukulele trend.



**'The products you carry shouldn't define your business.'**

As time went on, each trend grew bigger based on our growing revenues and profits. This means that each transition got a bit tougher. The day after the Beatles appeared on The Ed Sullivan Show, customers would buy just about anything as long as it had six strings.

In the late 1960s and early '70s, keyboards started to encroach on a combo market that had been dominated by guitars as a result of the British Invasion. Farfisa and Vox organs, Rhodes and Wurlitzer pianos, ARP and Moog synthesizers all started to become "a thing." Around this time, I became actively involved in the family business, and since I'm a keyboard player myself, this emerging

trend became something of a passion for me. (Implied warning: Passion can have a distorting impact on reality.)

We managed to stay on the bleeding edge of the latest technologies and continued to grow our business exponentially. We dominated not only our local market, but became a destination due to our expert (and rapidly expanding) staff, our vast selection of inventory, and our commitment to educating our customers. Our technology business grew to a point where it represented nearly 75 percent of our company's business. And we mistakenly plowed ahead like it would never end.

**ELIMINATE PRODUCT TUNNEL VISION**

Then, at the very tail end of the '80s, "unplugged" happened and keyboards took a nosedive. Talk about a lesson learned! We were so hyper-focused on technology products that we lost sight of the fact that market trends shift. Moreover, our expertise

in that one product area defined who we were as a company. The products you carry should never define your business.

We hadn't abandoned other product segments, but the myopia caused by huge technology department sales blinded us and kept us from nurturing other product areas within our business. As technology sales softened, we had to hustle to reinvent ourselves. We realigned our marketing, changed the physical departmental layout within the store, and radically altered our product mix and employee focus. It was painful, hard work and required quick action, but our flexibility resulted in a reinvigorated business.

The '90s and early 2000s represented the biggest growth spurt in our company's history. Our flexibility, even if we were somewhat forced into it, allowed for our greatest success. We learned that every product category deserved to be treated as an integral part of the whole. In this way, each category maximized its potential and was able to respond individually to the ebb and flow of the marketplace. And each product group became a contributing profit center to the overall good of the organization ... each one able to stand on its own and support the overall company goals. **MI**

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