



Profit is Not the Objective

Profit is NOT the objective. As shocking as that statement is, profit should not be the objective for those of us in the financial services business. We have discovered over the years, working with high-end producers and consulting with various companies, that when an organization is run primarily by financial people with MBAs, many decisions are made purely from an objective of unit cost and profitability. What never fails to happen is a lack of appreciation for the value of relationships. *It is almost impossible to do business where relationships are involved when things are done under the objective of increasing profit.*

In shortsighted decisions, people forget to invest in the future. One of the first investments to go is placing value on outstanding customer service. Interestingly enough, I have never been to an organization that consistently delivers superior customer service and doesn't have a profitability objective that exceeds most companies' expectations.

In the profit objective decision-making process, often times our decisions seem to be made in favor of the company rather than the employees, and this hurts their morale. It's very difficult for employees with low morale to deliver outstanding service.

I would like you to understand that *profit is a natural by-product of a job well done.* If outstanding customer service, integrity, and offering tremendous value in addition to a great product are seen as objectives of the company, the profit will come naturally.

Recently we had a consulting firm evaluate our company. The consultant claimed he had never met employees that were so willing to go the extra mile and were so loyal to our company. It is very simple. At our organization, we see profit as the natural by-product of training our people well and expecting a lot out of them. Interestingly enough, while profit is not the most important objective, our profitability as a percentage of revenue is the highest of any subsidiary or department of our publicly traded parent company.

When you allow profitability to take a back seat to quality customer service and integrity, clients will be impressed. Profitability will flow naturally as a result of your sincere intentions and honest business dealings. Don't let profitability be an obsessive goal that drives your business.

Andrew S. Martin, CLU, ChFC
P O Box 2606

Birmingham, AL 35202
800-876-3950
andymartin@firstprotective.com
www.top-producers.net

Copyright © Andrew S. Martin 2004. All rights reserved. Cannot be reproduced without prior written consent.