



292 Fifth Avenue • New York, NY 10001 • 212.714.3536 • www.smcddata.com



Making the “Major Decisions” in Spite of the Fear

Many people are afraid to face reality and make the “major decision” they should. Not being able to face reality often results in keeping the “old” business model or staying in a career they are unhappy with. “The fear of change” is a factor we have learned to live with, often resulting in not being able to make the more important “major decision.”

Making the “major decision” is only half of the battle. Often after the decision has been made, the doubts settle in and we wonder if we made the right decision.

Making the “Major Decision” too late

20 years ago I had a client who was the president of a 30 million dollar company in the textile industry. He did not want to face the new reality that the Japanese textile industry had taken over the cotton market making his business model obsolete. Not being able to face this reality resulted in the bankruptcy court having to decide if his company should be reorganized or liquidated.

Fearing that he was losing his business, my client came to my office and asked me to generate computer information for him that he needed for the bankruptcy court. Listening to his request, I asked him how he planned to pay for these reports since he already owed \$15,000 and the additional work would cost another \$10,000. Fearing I would refuse his request, my client broke into tears and said: “you must help me; I have been your clients for the past 10 years and paid you over \$500,000 for your services. In order to keep my company afloat, I used my wife’s 1 million dollar inheritance despite my controller’s advice to ‘cut my losses and let go.’ At this point I can’t face my wife or family after losing her money, and now I face the possibility of losing my company. The only option I have left is waiting to see if the court will reorganize my company and settle with my creditors, or shut it down. The computer information is my last hope. If you don’t do it for me I will lose my company.”

Looking at the six foot tall man in his mid-sixties crying in my office, I asked my associate to drop what he was doing and work on the computer information the court needed. Being a self-made man who had gone through difficult times in the past, I felt that helping my client after having a 10-year relationship was the “cost of doing business.” His creditors and the court did not share my views about long-term relationships and his company was closed. Not wanting to bother with the tedious paper work for the bankruptcy court that would pay me 10 cents on the dollar, I chose to “write off” his debt as the cost of “doing business.”

Two years later I attended the IBM Business Partner Conference in Orlando. Taking the bus at night to visit the major parks with my wife, I met this client with his wife and grandchildren. Seeing me, my client was



292 Fifth Avenue • New York, NY 10001 • 212.714.3536 • www.smcddata.com



very uncomfortable, not knowing what I would say. When he realized I was happy to meet him, he relaxed, smiled and shook my hand. When I asked him how he was doing, he said: “I can’t thank you enough for helping me despite the fact you knew your chances of getting paid were slim. With hindsight, it’s the best thing that happened to me. If my creditors and court had not closed my company, I would have “held on” to my dreams and used the balance of our personal funds to keep my company going despite the fact it had no chance of surviving against the Japanese textile industry. What I was doing was fighting the “Don Quixote battle” against the windmills, refusing to face the new reality. Today I am a very fortunate man having my wife and family who understood and forgave me. We are all in good health and my wife and I are enjoying our retirement.” Hearing my client’s words I was glad I had helped him, remembering “where I came from.”

Facing my new reality and having to make the major decision.

18 years later I followed my textile client’s “footsteps,” not being able to face the reality that my 25 year old business model no longer worked. My wife, who supported me in subsidizing my business for 25 years, got alarmed seeing the savings level going down and made me promise that I would stop subsidizing the company, fearing the unknown future. When our savings went below the “comfort zone” she got upset and said: “we agreed you would stop subsidizing the business. Now our savings are below the ‘red zone’ and I am getting worried. When is it going to stop?” Going to a photography workshop in Alaska on a 50 foot boat and speaking with the Boat Captain who 20 years earlier walked out of his tenured position as the head of the biology department in a major university on the west coast, and my Photography Teacher who was a psychologist in her “other life,” gave me the courage to face my reality and change it. A week after returning from my trip to Alaska, I changed my old business model to the current business model, a move that proved to be the best decision I ever made in my life.

After I made my decision, the fear of the unknown seized my heart, making me wonder if I had made a mistake giving up my 25 year-old business model before knowing how the new business model would work. Fearing the unknown, I decided to sell US treasury bonds and put the money into our checking account. Not being happy with my decision, our money manager asked my wife why I sold bonds that were tax free and could be converted into cash in 48 hours and deposited in our checking account without any interest.

Fear has no logic. Having a difficult past I developed the need to have money instantly available “under my fingers.” Being afraid of the unknown future I told my wife that if my new business model did not work, we would sell our apartment in Greenwich Village, move to our weekend home in Vermont which is paid off, and I would retire. Speaking with a good friend who is a real estate agent about the apartment’s value, she said: “I am not going to tell you what its worth. If you sell the apartment, you will never be able to find another one like it. I think you are panicking. If you really have to sell the apartment, we will talk about it later.” My wife agreed with her and reminded me that in the past we had gone through more difficult times and always came out “ahead of the game.”



292 Fifth Avenue • New York, NY 10001 • 212.714.3536 • www.smcddata.com



Trying to improve my self image to reflect the new business model, I bought custom tailored suits, sport jackets and shirts. Looking in the mirror in the morning, the image reflected back at me was of a successful person despite the fact I did not feel successful. Wondering if we would be able to stay in New York, I often wondered what I would do with my custom made suits if we had to move to Vermont. The only force of energy that kept me going through the turbulent times was my wife's encouraging words reminding me of difficult times we had in the past and had survived.

Not giving into my fear of the unknown resulted in my current business model exceeding all expectation, and in my becoming an industry expert and a trusted advisor. The fear of the unknown is a major factor we live with, often causing us to make the wrong decisions. Despite the fact that we realize we have to change, often we choose not to since it's easier to live with the "devil known" than the "devil unknown." While writing this article, I remembered my client who could not face his new business reality, which resulted in the devastating events he experienced.

About the author:

Since 1980, Dani Kaplan has worked with Manufacturers, Distributors and Retailers as the trusted advisor helping them lower their Operating Costs, Streamline the Operation and Control the Inventory.