

The Bongo Board Theory of Management

Some people may remember the Bongo Board. It is a board similar in size to a large skateboard (without wheels) with a large wooden cylinder. The trick is to balance the Bongo Board on the cylinder without falling off (it can be done, and with practice, you can become proficient!). The key to staying balanced on a Bongo Board is to make continuous small adjustments. If you try to stay still you will fall off, and, if your movements are too large you fall off. So, what does this have to do with management? In the 1980s and 1990s, Dr. David Birch, Cognetics, Inc., conducted extensive research regarding small business start-ups, job creation, and business survival rates (you can find many of his articles archived in Inc. magazine, <http://www.inc.com/topic/cognetics-inc>). One of the most interesting pieces of research he conducted was to look at the survival rates of businesses as compared to their sales stability (he looked at millions of small businesses from 1990 – 1992). The results were surprising. Listed below is a summary of his findings:

- 6 percent of businesses who had a big gain in sales went out of business
- 8 percent of businesses who had a big drop in sales went out of business
- 5 percent of businesses who had a small gain in sales went out of business
- 5 percent of businesses who had a small drop in sales went out of business
- 17 percent of businesses who had no change in sales went out of business

This research suggests that businesses that don't make changes are at greater risk of going out of business. The lesson here is similar to staying upright on a Bongo Board. To succeed, make continuous small adjustments.

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