

TARKENTON

IDEAS AT WORK

The Power of No: Why Business Leaders Should Say "No" More Often

Takeaways

- Saying "no" to lesser opportunities frees you to say "yes" to great opportunities
- Before you say "yes," make sure the opportunity aligns with your values and goals
- Learn how to say "no" in ways that preserve the relationship

I love starting businesses. Over all my years in business, I've built more than 20 companies, and it's been one of the great joys (and challenges) of my life. But even with all those businesses, there are still more ideas I've had to say, "No" to. Even a serial entrepreneur can't pursue every opportunity!

The same rule is true within a single business, too. It's not possible to make every partnership. You can't do every project. You can't create every product. You have to learn how to choose the right opportunity at the right time.

It's such an important skill for a business leader, and this article gives you great advice for figuring out what the right opportunities are and how to respond. Don't miss this!

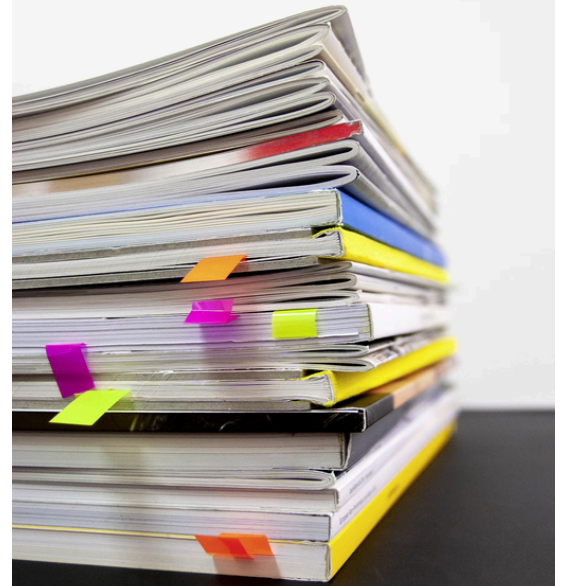


Jon Tarkenton

The Power of No: Why business leaders should say "no" more often

The hallmark of most successful business leaders is the ability to see a problem and turn it into an opportunity. When others say it can't be done, we refuse to say "no" – we overcome the obstacles, find a way to make things work, and build a successful business. But are you in danger of saying "yes" too often? If you have so many things on your plate you no longer feel like you are operating at your highest and best use, it's time to rediscover "the power of no."

As Warren Buffett famously said, "The difference between successful people and really successful people is that really successful people say 'no' to almost everything."



At Tarkenton, we love new ideas and creative solutions. We never want to limit our growth by being tied to rigid limits on what we can do. But we also know we can't say yes to everything – in fact, we can't say "yes" to most things. To operate with excellence, we have to embrace the power of no.

We've learned that the more we say "no" to opportunities that don't fit, the more available we are to take on projects that do.

The Leader's Challenge

Embracing the power of no is easier said than done. Sure, there are projects and partnerships that are clearly a bad fit, because they are too far afield from your core competencies or the costs are too high or you simply don't have the necessary resources. Those are the easy no's. What about all those things you could do – all those initiatives and alliances that are, in fact, possible? How do you turn down a good opportunity, knowing it might turn into the next big thing?

Here is the rubric we use at Tarkenton. Before we say "yes" to a new opportunity, we ask ourselves:

1. Is this true to our mission, values, and purpose?
2. Does this align with our goals and objectives?
3. Do we have the capacity to take this on right now?

To proceed, we need to unequivocally answer "yes" to both questions 1 and 2. On question 3, the issue is one of timing; even if the opportunity is a great fit, we may still say "no" for now, while leaving the door open for a "yes" in the future.

Stay True to Your Mission and Goal

These questions might seem tough to answer, especially in advance. The key is ensuring you are crystal clear on your company's mission, purpose, values, goals, and objectives before you begin any decision-making. The organization's mission and purpose define what you do and why you do it, key guideposts for every decision you make. Similarly, your values are the principles that determine how you conduct yourself and treat others. Your goals and objectives quantify the achievements your company is aiming for and the specific benchmarks you will use to measure success. Without clarity on these five pillars, you have no confidence in saying "no," and are likely to arbitrarily say "yes" to things that wind up slowing you down or distracting you from the main thing.

Even when the urge to seize an opportunity seems irresistible, business leaders who understand and stay true to who they are and what they do best are able to resist the temptation to say "yes" too often. The reality is that you may not know what you don't know about an opportunity if it's too far outside your swim lane. You may not have the full context of what you're saying "yes" to when it's not aligned with your mission, values, goals, and purpose. That can be dangerous for the organization.

Surprisingly few decisions warrant a "yes" when you put them through their paces by asking the questions above and by staying committed to your company's true goals.



How to Say "No"

Once you decide to decline an opportunity, how you convey the "no" is important, in order to preserve both the business relationship and the motivation of your team.

Framing the "no" as a you problem, not a them problem, is a good way to reduce any defensiveness or hard feelings. Take responsibility for not being able to give them a "yes." For example, you might say, "This is a great opportunity but we have concluded that we just aren't the best fit for this work."

If you can refer them to alternative partners, so much the better.

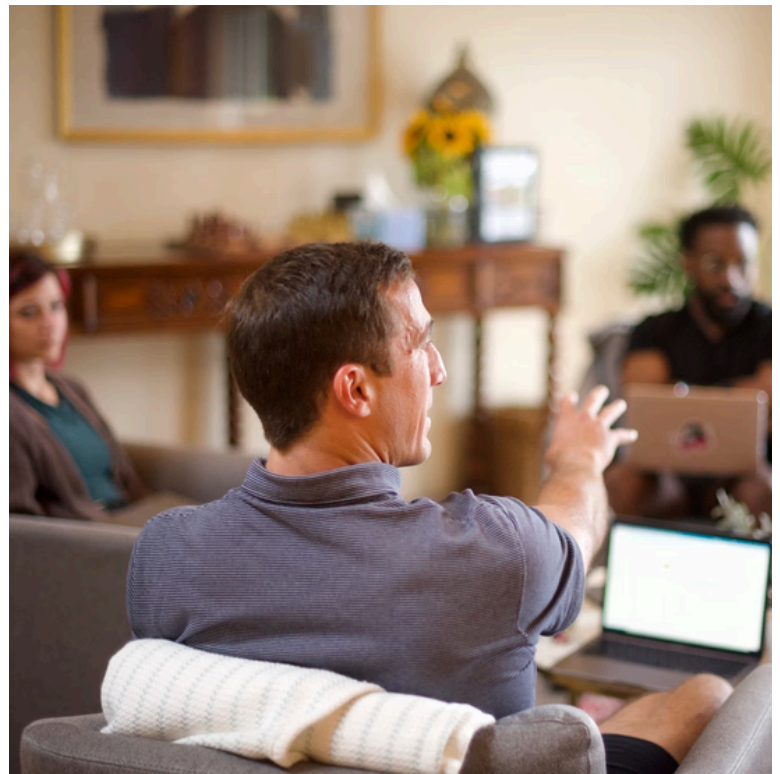
You may also want to leave the door open for the future. As your company evolves, this opportunity, or a similar one, might make sense down the road. The tricky part here is to be clear that your current answer really is "no," and that you are not just stringing them along. One strategy we've used is to give a clear "no" and to succinctly explain why we've answered that way, but then to add, "If you'd like to keep us updated on the progress of this idea/project/initiative, please feel free to send me a monthly or quarterly update." That keeps the door open for a future partnership if and when they can achieve the targets you've set for them or after they've addressed whatever it is that is currently holding you back.

When saying “no,” don't indulge in a long-winded explanation. The more reasons you give, the more chances you give them to try to overcome specific objections. There's no need for a lengthy, drawn-out conversation. Instead, try something like, “We're grateful for the chance to be considered for this [engagement], but after evaluating it based on our priorities and resources, we have decided to pass.” Then thank them for their time and wish them good luck. Close the door firmly, so you don't have to spend time convincing them you really mean “no.”

The Timing of “No”

Saying “no” as soon as possible saves everybody's time. As soon as you're clear that the correct answer is “no,” there is no reason to delay communicating that. Waiting only takes up your brain space, and it prevents the other party from finding a “yes” somewhere else.

Once a decision has been made, remember to share it with your team. That includes any team members who were involved in finding or bringing in the opportunity in the first place, as well as those who spent time meeting with the partner, reviewing the proposal, or researching the idea. It might even include anyone who heard about the idea and was excited (or worried) about what this new venture might mean for them. They all need to understand why the project wasn't a good fit, at least at this time. Explaining that will confirm their trust in you, and will reinforce the importance of your mission, values, and goals. It can also help them improve their own assessment skills, equipping them with the power of no for the future.



No Regrets

Will there be times you wish you'd said “yes?” Absolutely. Your assessment could be wrong. None of us has a crystal ball, and there will surely be opportunities you pass up that develop into huge success ... for someone else. But don't waste time playing the “what if” game. Celebrate their success, knowing your decision was still the right one for you at that time. Focus on making the most of the (very carefully selected) projects and initiatives you've said yes to. That's the best use of your resources, and the best way to keep your team engaged and motivated.

Steve Jobs expressed it well when he said, “People think focus means saying ‘yes’ to the thing you've got to focus on. But that's not what it means at all. It means saying ‘no’ to the hundred other good ideas that there are. You have to pick carefully. I’m actually as proud of the things we haven’t done as the things I have done.”

At Tarkenton, we can help you think through the best opportunities for your company. Contact us when you’re ready to focus on forming and developing the right relationships at the right time.



By: Will Adams

President, Tarkenton

Will Adams is an experienced business executive who excels at forging strong alliances with partners, cultivating talent, devising strategic growth initiatives, and driving innovation and operational excellence. Beyond his role at Tarkenton, Will serves on the board of directors of Billfold and is a Principal of Tarkenton Private Capital. In these capacities, he's dedicated to identifying and nurturing promising new business leaders and innovation, shepherding them towards sustainable growth.