

***In business, the competition will bite you if you keep running;  
if you stand still they will swallow you.***

William Knutsen, Jr. (1925 - )  
Chairman, Ford Motor Company

### **In the Beginning . . .**

It was a normal beginning to a normal day, Tom thought. He and Ellen arrived at their shop at 9:15 a.m. on a bright spring morning. Tom unlocked the door and automatically turned the “Closed” sign over to “Open.” He long ago stopped noticing that the posted hours of operation were 9 a.m. to 6 p.m.

Tom felt a bit uneasy this morning, but didn’t know why. It was a familiar feeling — it had caused many restless nights — but he didn’t understand what was wrong. Tom felt guilty about his recent lack of enthusiasm for the store, and wondered if that was why he so often had this empty feeling in the pit of his stomach. Trying to hide his feelings from Ellen, he smothered his deep sigh and walked into the shop to begin the day’s work.

Ellen and Tom had built their natural food store from scratch. They’d met in college in the ‘60s and shared similar beliefs about the earth, environment and health. Their dreams of somehow making a difference were realized when they opened *The Market, Naturally* after years of scrimping and saving.

The old building they bought was perfect for a meeting place of people eager to learn more about taking care of their health and the environment. Tom smiled when he remembered his and Ellen’s delight when the sign went on the building announcing the new health food store in town.

As the years passed, Tom and Ellen built a loyal customer base. They had good products, fairly priced, knew their business and were always willing to spend time with people who wanted to know more about using natural products.

### **Change is in the Wind**

Things just seemed different now, somehow. And it used to seem so easy. People came to the store, talked with Ellen and Tom, learned from them, bought what they needed and returned regularly.

“What did all that talk at Rotary this week about finding the right business niche really mean,” Tom wondered. Maybe he should listen a little more carefully the next time their accountant talked about “market shares” and “inventory turns” — what were some of the other terms she used last week?

Ellen’s thoughts were elsewhere. Leaning against the door frame, she gazed through the window at the newly remodeled supermarket across the street.

“Why do they have so many cars at this time of day?” she wondered out loud. “No one shops *here* this early. In fact, fewer people shop *here anytime* since the supermarket remodeled and started offering more products. What’s going on?”

Tom looked up from his dusting and stocking chores and joined Ellen by the front door. They glanced at each other and then across the street at the supermarket. Mrs. Johnson was coming out the front door, saw them watching and waved — a bit guiltily they thought.

Things had changed. The changes didn’t come swiftly or with a lot of fanfare. They didn’t appear mysteriously overnight. Yet change had been riding on the wind, and they had failed to heed it.

### Today's Reality

The fact is that change is on the horizons of the Toms and Ellens all across the country. For many, it is already on their doorsteps. If, like most small business owners, this scenario sounds a familiar tune, you are with many other retailers at a competitive crossroads.

Join Tom and Ellen as they embark on an exciting journey that will put the spark back into their retail lives. They will confront their fears and find the courage to face them down. And you will, too.

You'll learn with Tom and Ellen how to turn that gnawing fear of uncertainty into powerful energy. With *The Guidebook: Compete with Confidence*, you'll learn that there are no secrets or magic to running a profitable business.

You'll learn the concepts that drive your larger competitors, such as supermarket chains, natural product/food store chains, retail supplement chains and any other form competition takes. You'll learn how to apply these concepts to your business.

Knowledge is powerful. Taking action is even more powerful. You built your business with your knowledge. Today's reality requires all business owners to continue educating themselves about current business strategies.

Join us as we begin our journey and learn to *Compete with Confidence* together.

### The First Step: Backward, Then Forward

Our journey begins by first proclaiming, "**Victory!**"

It isn't often that you can claim victory before the competition has begun. The contest started quite some time ago. And the game's not over yet. Why proclaim victory in the face of all this competition? Competitors who are attracting our customers? The very customers our industry spent years educating and nurturing. What have we done?

The industry should be honored by having such worthy competition, because it is a vindication of our vision for a healthier world. The mass market's entry onto the playing field is bringing health and environmental issues more fully into mainstream consciousness. You can benefit from what you've already done. As we continue, you'll see how.

First, though, "**Congratulations!**" You did it.

The mass marketers have taken notice of the emerging trends in retailing. They have seen the steady growth of health food stores and the evolution of the natural products stores. They've read about the concerns of consumers and the overall shift by people toward healthy lifestyles and the need for natural products. What entices them further are the operating profit margins of the natural products industry.

So, how did we get here? What does the future hold? More importantly, what can you do about it?

Competition is healthy. It is part of our free enterprise systems. Competition has been around as long as the human race. Competition is nothing more than playing a game.

Sound simple?

It is when you know how.

### Playing the Game

People disagree about the importance of winning the game:

*If winning isn't important,  
why do they keep score?*

Adolph Rupp (1901 - 1977)  
American Basketball Coach

*It doesn't matter whether you win or lose,  
it's how you play the game.*

On the tombstone of  
Babe Didrickson  
American Golf Legend

*Whoever said, "It's not whether  
you win or lose that counts,"  
probably lost.*

Martina Navratilova (1956 - )  
American Tennis Champion

Your personal philosophy will determine your view. What we are going to do is teach you – in detail – how to play the game.

### Getting Ready to "Play"

Tom and Ellen found a "coach" because they wanted to play the game better than they had been playing it. They wanted to get off the sidelines and back into the game. We're going to help you do the same thing.

How you play the game determines if you win or lose. As long as you keep trying, keep working on sharpening your skills, and execute your game plan better than your competitor, you get to stay in the game. The retail game is never really over. It gets played everyday.

The rewards come in different ways, and your customers determine your score. The game is not about competing against a super store or chain. The game is played by focusing on your retail execution and creating satisfied customers. Playing the game this way keeps you on the winning side of the score sheet with your customers.

To play the game at the highest level, requires a "guidebook." Our guidebook gives you the fundamentals from which you can begin to play. It has all the elements that your larger competitors use in their daily operations. It contains fundamentals such as:

- Mission Statement
- Purpose of Business
- Defining Your Market
- Pricing
- Promotional Planning

### The Power Comes in the Application

It won't happen overnight. In athletic contests, there are days spent on the practice field. The great teams spend countless hours on fundamentals. History shows us that successful teams are the ones that have executed the fundamentals better than their competition.

It is the same in retailing. In the retail game, practice occurs every day. The goal is one of continual improvement.

Tom and Ellen are at a crossroads of their business. They have a decision to make on how to play the game. The rules haven't changed. As you'll learn, you make your own rules. You just have to learn how to play the game differently. And playing the game is lots of fun.

Since Tom and Ellen began their journey in the '60s, this quote that was popular then will help us all prepare for the future:

*Those who cannot remember the past  
are condemned to repeat it.*

George Santayana (1863 - 1952)  
American Poet and Philosopher