

In an era of low prices, your revenue and expenses take center stage. In this issue, we offer two perspectives on the concept of profit. Lance looks at profitable relationships in the family business, while Bill uses the Bible to illuminate a deeper understanding of profitability. As you continue to evaluate your 2019 numbers and plan for 2020, we hope you take this opportunity to think a little differently about the bottom line.

Family Business Profit

By Lance Woodbury

Profit, defined as the revenue remaining after subtracting expenses, is one of the most widely-used measures of business success. Without profit, there is no long-term business. A continued lack of profit eats away at your assets and reduces your net worth. Lack of profit will eventually drive you out of business. The “bottom line” is most important to continued viability as a family business.

But the idea of profitability can also be useful in thinking beyond the fiscal results of a family-owned enterprise. A family business requires investments beyond dollars to operate successfully; the return on these investments provides the sustenance and incentive to continue the business.

Consider relationships, for example. Being family connotes a degree of trust, an ethic of care, perhaps even an extension of grace for the principals in the organization. And while one is born into a family, maintaining good family relationships takes an effort above and beyond the genetic connection. Investing in regular communication, having difficult discussions, respecting relational boundaries, planning for the future, spending time socializing, offering apologies when you’ve wronged others – and forgiveness when others have wronged you – are just a few of the non-financial investments you might make in your family business.

The return on those family relationship efforts can be numerous. Strong family ties provide the momentum for long-lasting involvement by future generations. Familial bonds provide emotional and financial support, as well as flexibility when going through difficult life circumstances or business challenges. Family members are uniquely positioned to provide the feedback and ideas to help you improve as a person. And your family relationships provide the commitment and loyalty needed to make big changes in the business.

Maintaining family relationships in the midst of a stressful business environment, with people you see every day, and who occasionally drive you up a wall, is costly. It can drain your emotional reservoir or stress your marriage. So why make the investment? Why is it worth it? For many, it’s connected to the goal of continuing a legacy, or pursuing the call to work with land and livestock. For others, it’s the satisfaction of improving a community and supporting workers’ families, or building an organization or maintaining a particular way of life. These are the *real* family business profits, the returns above the cost of your investment.



A Biblical Glimpse Into Profit

By Dr. Bill Long

“What does it profit a person to gain the whole world and forfeit the soul?” (Mark 8:36)

Jesus had just completed one of the signal successes of his ministry. A crowd of 4,000 gathered, with no food, and Jesus miraculously multiplied loaves of bread and fish given him by the disciples so that the hungry crowd was satisfied. While everyone was awed by that event, Jesus walked into a nearby town, Bethsaida, and restored the sight of a blind man. If the disciples and others were betting people, they could do no better than to put their money on Jesus.

But then, while everyone was basking in the reflected glow of Jesus' success, he turned the tables on them. Rather than just saying, 'Let me teach you how to multiply loaves' or 'Here is how you touch a person to cure them,' Jesus offered a teachable moment about what was truly valuable in life. He told them that he was going to suffer and die. Peter, ever the impetuous one, took Jesus aside to straighten him out, but Jesus would have none of it. “Get behind me, Satan,” is what the verse says (Mark 8:33).

This created the opportunity for one of Jesus' most memorable sayings. In the moment of highest “profit,” (i.e., healing, multiplication of loaves), Jesus asked the disciples “What does it profit a person to gain the whole world and forfeit the soul?” Perhaps Jesus knew that “profits,” a very good thing in business and life in general, had the ability to turn people's heads that they/we lose perspective on what is most important in life. We who seek profit generally want to have more profit the next day, and more the next day after that. We even sometimes imagine ourselves gaining the whole world.

Jesus' word to the disciples hits us hard in this context. Might we be losing our self, our center, our very soul in the process? It is a question that still reverberates through the corridors of time. On another occasion he said something similar, “Where your treasure is, there will your heart be also.” Pursue profits, no question, but be aware of the potential “cost” of the profits you pursue. That is Jesus' gentle warning.

