

The S Curve

On my trip to Canada for the [EO Conference](#), [Peter Thomas](#), who I introduced in the last blog, (founded Century 21 in Canada and took it to 9 billion in sales) spoke to us about the [S Curve](#).

I spent many years in the investment world and back in the early nineties I went through the [Chartered Financial Analyst](#) (CFA) program. We discussed the [S curve](#) in depth, which depicts the life cycle of a business. With the S tilted forward a little, you can see how a growing company starts out flat for a bit, then takes a strong spurt upward and then levels off and starts to decline. This is the life cycle of most businesses, usually lasting 5 to 7 years. Hang on for a second if you think this may not be relevant to you.

Peter demonstrated that if you add the S curves on top of each other (as shown below) and draw a line between them, it shows the steep declining cycle that happens over and over again in companies with a long history. What do these companies do to keep from going out of business during these declines? They have to make changes and inject something different, something new, something innovative, to start the cycle over again. If not...what happens?



Peter talked about how we can use this analogy in life as well. This really got me thinking, and I have spent the past week pondering how many areas of our life this theory applies to. Think about relationships and marriage. How many do you see that are short lived, that only make one S curve cycle. How many go through multiple S curve cycles?

Do the longer ones add something different, something new or innovative into them?

Think about the S curve as it applies to our other interests in life...our workouts, our diet, our favorite sport or team and even our friends. I can only imagine how many more excited fans we'll see this year for the [TN Volunteers](#) football program with the new, young, energetic coach [Lane Kiffin](#) at the helm. What is it in our workouts, our diet, or our relationships that we can add to keep them on an upward growth curve?

If you are a business, what are you doing if you are starting to round out the top of the S? Are you looking at new markets, new products, a strategic partner, a new leader, technological innovation, or going to the web? We all know that change happens around us and we also need to change with the times!