

Seven Secrets of Small Business Success - Secret one, your vision of success

This week, we'll start a seven part series called the Seven Secrets of Small Business Success, where I'll share important information for those wanting to start a business; or for those who care about someone planning on starting a business.

These secrets are important to the listener whether you personally, a family member or friend wants to start a very small, or a very big business.

We'll start with the last term, success. What do I mean by success?

Success is something you define, success has to be an idea that you create for yourself before you start your business

"If you don't know where you're going you'll never get there," so before you have any other plans or ideas you want to define what success means for you

There are people all over the Internet and before the internet (I'm really old so I know this) there were people all over old media - TV, radio, books and magazines and newspapers who wanted to tell you what success should be - all to sell you something

There's only one person who can define success for you and that's you, so before you begin your business journey I would like you to spend some time to define what success means to you

Does it mean self-determination, does it mean a certain level of income, does it mean a certain degree of public recognition, does it mean security for your family, does it mean multi-generational wealth?

When I first meet with a client, my first question is always:

What's your vision of success?

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I ask this because that vision, if the client has it, will set the tenor of our work together. This is part of our business advisor training, because our charge is to help you get from where you are to where you want to be. We need to know where you want to be in order to get you there.

Over my quarter century of small business work, I've found that only one client in 10 can answer that first question about a vision of success.

The other nine have reactions that go from a blank stare all the way up to bursting into tears. The tears come from the realization that they've invested their life savings and years of their time without knowing why they were doing what they were doing. That's a tough moment.

Your vision of success will be a critical part of your moving forward in business because I won't be the last person to ask that question.

A business conversation with an investor, family funder, commercial loan officer or leasing agent will often include the question "Why are you doing this?" Ready answers move you forward, hesitation kills.

The question of why is important, because the answer tells us so much about how to plan a path forward. Here are some examples.

"I want to build a business that leverages my capabilities to drive revenue that is not dependent on me, so I can stop just trading time for money."

Sounds like it was ripped from the pages of Entrepreneur magazine! Music to my ears!

"I fell in love with this town and really wanted to move here but I couldn't find any work. I bought this business so I could live here."

Not Entrepreneur Magazine material, but also music to my ears, because it's focused, clear and founded on reality.

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"Good, cheap and fast - pick two. I think if I make my espresso fast enough and good enough, people will be willing to pay a little extra for it. And I want to have three stands running within five years."

Specific, measurable and potentially achievable. I can work with that.

So now let's look at my top tips for building your own vision of success.

1. Free your mind of outside definitions of "success"

As I mentioned earlier, we are bombarded with messages trying to tell us what success should be. Step one is to clean out those messages so you can start your vision with a clean slate and start building a vision of success especially for you.

2. Understand your personal framework

Next, you need to make an honest assessment of your personality, where you are on the arc of your life and your beliefs and ideas about quality of life, risk and control.

- Personality - are you an introvert or extrovert?
- Wall flower or show pony?
- Adventurer or process person?
- Are you a people person or do you prefer the company of inanimate objects?
- Do you want to knock on doors and bang the phones or do you want to sit in a quiet room and package goods for shipping?
- What does work-life balance mean to you? Are you interested in working 80 hours a week to reach your goals or are you only interested in passive income?

Understanding 'who you are' is critical to forming an actionable vision of success. The ideal business outcome is to discover an opportunity that will be in

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congruence with who you are as a person. There is always a possibility that you might discover a pain, need or gap that requires you to go against your innate traits and that's fine, *as long as you know that going in.*

Where are you on the arc of your life?

Just out of school? Just married? Young family? Mid-career? Retired? You will be able to marshal entirely different sets of personal resources depending on your stage of life. Again, you will find it easier to pursue opportunities in congruence with your life stage.

- If you're just out of school you might be able to easily couch surf your way to opportunity
- If you're starting a family, you could be looking for a low-involvement opportunity
- When you're mid-career, you might be best served by an opportunity in congruence with your large professional network and mature command of resources
- If you're retired, you might not be interested in a business with a long on-ramp

What's your appetite for risk and your locus of control?

In business school, we are taught that in a capitalistic market model, you are only compensated for bearing risk. If your appetite for risk is low, that will be in congruence with lower return activities with less variance. The higher your appetite for risk, the more variance and the greater potential reward.

Locus of control refers to the degree to which an individual, as opposed to external forces, have control over the outcome of their business. Are you comfortable giving others significant sway over your business operations or do you want to be the master of your own destiny?

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Low locus of control business opportunities include gig work like Uber and Door-Dash, multi-level marketing and affiliate programs, social media channels like YouTube, Instagram and TikTok and a myriad of other similar offerings. These offerings are often attractive because they offer low barriers to entry and bring at least some form of brand recognition to the market for you. Low locus of control businesses are also low risk, so these are more appealing to the risk adverse.

Unfortunately, while low locus of control businesses have less operational risk, these businesses also suffer from a high risk of arbitrariness. Uber and DoorDash decide your customer flow and income opportunity, MLM and affiliate programs can pull the plug on a whim (or an FTC investigation), and social media channels can deplatform you without recourse.

A high locus of control business is something that you create, own and control, and that is as free of external influence as anything can be in an organized society. The risk is greater and the barriers to entry are higher but that business is *your* business, end to end, for better or worse.

Choose wisely, or you will be working against yourself from the very beginning.

Wrapping up

Every decision and choice made as you work toward starting your business will have consequences. With a clear vision of success, those decisions, choices and their consequences will move you closer too, rather than distract you from reaching your goals.

You might be surprised to learn that easily one third of my clients summed up the reason for their first visit by saying things like, “I’ve been running this business for two years now and I feel like I’m just running in circles!” or “It seems like I’ve been trying to start this business for forever - when will I get there?” or “My boyfriend wants to start a business and I think he has a good idea. He just seems totally stuck - how can I help him?”

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The power of a vision permits us to see beyond our present condition. Through vision we can dream, create, and manifest what does not yet exist. A powerful vision of success will create a conviction so strong that you will survive the many setbacks that are sure to come.