

## **Secret 7, a little luck**

Today, we'll wrap up our discussion of the seven secrets of small business success, a little luck and the capacity to take advantage of luck when good luck arrives.

**On to our final secret of small business success.**

***If you played golf, you've heard the saying "I'd rather be lucky than good."***

Being lucky or unlucky will certainly have an impact on any business. However, being prepared and persistent will mitigate bad luck, and help you maximize the benefits of good luck

**Greed might or might not be good, but luck matters.**

In business, good luck is most often the outcome of preparation meeting opportunities. For this reason, having good luck is not enough, a successful person also needs to be *always* positioned to first recognize, then capitalize, on good luck.

Smart businesses prepare for the worst and the best. Having a solid economic foundation will allow you to seize opportunities during positive economic conditions. It will also allow you to weather the storm during negative economic times.

Warren Buffet once observed that people only lament uncertain times during recessions. Taking an objective view, Buffet warns, times are *always* uncertain.

Times were terribly uncertain in August of 2001, in December of 2007 and in the Spring of 2019, we just didn't know it yet.

The other side of that kind of insight can be seen in the pandemic. While seen as a terribly unlucky time, businesses in the home and garden sectors, home exercise equipment, online content streaming and hobbies felt very, very lucky. The end of pandemic restrictions was the bad luck these firms needed to watch out for.

There's been enough turmoil in the economy in the last twenty years that you can be sure that whatever is on the horizon, it's not going to be what you expect. The best

## Secret 7, a little luck

businesses (and personal budgets) plan for a wide range of possibilities, luck or no luck.

### Seven factors that impact what we call luck

**Economic factors.** When and/or if the economic markets are, or are not ready for your product or service. Home grocery companies went broke by the truckload in the dot com bust, 20 years later curbside pickup and home delivery are our fastest growing grocery sectors.

**Competitive factors.** Knowing when others might be entering your market is hard to predict, but it's certainly predictable.

**Supply Chain factors.** Whether it's the petroleum industry, the U.S./China situation or the recent disruptions in pork, avocados and eggs, the supply chain is full of surprises.

**Technological factors.** Understanding when and/or if the technology is there to offer your product or service effectively and efficiently — or obliterate it entirely. Software as a service, like Microsoft Office 365, was envisioned in 1995 but only possible recently because of improvements in connectivity. Unfortunately, that same connectivity eliminated record stores and video rentals.

**Political factors.** When and if the political climate is friendly toward your industry. Think payday loans, vape stores and tanning salons, all once successful sectors that were obliterated by politics.

**Social factors.** Even more unpredictable than politics, cancel-culture should put every entrepreneur on notice. Like it or not, we're all under a microscope and the internet never forgets. Accusations of racism, cultural appropriation or 'being on the wrong side' stick like glue and can often be fatal.

**Personal factors.** Regardless of how perfectly aligned the other six factors are, you have to be in the right place personally to start your business. We've discussed this several times on Business Bits. Without your personal factors being aligned with your business needs, you won't have the energy, the focus, or the support to make it through the rollercoaster of growing a business.

## **Secret 7, a little luck**

Let's use the local housing market as an example. 2019 — 2022 seemed unlucky for buyers and lucky for sellers, with cheap mortgages and skyrocketing prices. Conversely, the current market is hard for sellers but buyers have lower prices and more selection — but only if they have their financial house in order and can pass muster for a pricey mortgage.

***If luck is when preparation meets opportunity, the opportunity to improve luck comes with improved preparation.***

Next week, we'll cover getting money to start your business. We'll start by dispelling some of the many misconceptions people have about business financing. This was often my first task with clients and it's a great place for us to start, too. I'll also share the one source of startup money you should never, ever use! It's a jungle out there, and I don't want you to waste your time on false promises or misunderstandings.

Business Bits will be on hiatus the following Thursday as our KONP family prepares for the triumphant return of the 38th Annual KONP Home Show.

We'll be back on March 23rd to tell you how you can get money to start, or how to start with the money you have.