

ENTREPRENEUR

Learn secrets of biz success

What if you had the exact recipe to create a successful business? What would you do? Would you use it every day to turn your dreams into reality or would you put it in your pocket and hide it?

In recent research by Executive Balance and Action International, several small business owners at different levels were asked to quantify the top factors of small business success.

There were two groups chosen for this research. Network Professionals Inc. is a networking group popular among small businesses and comprised of relatively small businesses and startups in their first three to five years of operation.

The second group is the chief executive officer brain trust, consisting of successful small-business owners who have been in business for more than five years.

The two groups listed the comparison of the knowledge necessary for entrepreneurial success:

- CEO brain trust: people management/leadership, 18 percent; learning ability, 14 percent; owner belief/passion, 10 percent; goals/vision/planning, 7 percent; finance and market knowledge, both 6 percent; innovation, 5 percent; networking, product management and product knowledge, each 4 percent; and others, 22 percent.

- NPI: market knowledge, 19 percent; people management and product knowledge, both 16 percent; finance and organization knowledge, both 8 percent; business ownership, ethics, owner belief/passion and leadership, all 5 percent; and others 13 percent.

The NPI group had a broad range of knowledge they believed is critical to success. While people management, product knowledge and market knowledge share 51 percent of the responses, the other seven knowledge types only contributed to 49 percent of success.

One of the most fascinating results is the comparison of the top three between the two groups. Product and market knowledge seem to be very important (32 percent) to startup entrepreneurs. In comparison, market knowledge was listed by only 9 percent of the responses in

the CEO brain trust group, while the ability to learn becomes one of two most important aspects.

Chris Argyri's theories on the lack of learning ability for many successful people in organizations could be a plausible explanation for the high failure rate.

Argyris, an education and organizational behavior professor at Harvard University, said many successful people have a poor ability to learn. Since they have had a certain level of success and have gained the required knowledge for their respective professions, the experience of failure is minimal. Thus, when faced with failure, the fear of failure from their lack of experience in failure pushes them away from learning the lesson.



COACHING

TED SUN

This perspective views market and product knowledge as frozen. The concept of knowledge may have some finite purpose. Once an individual obtains that knowledge, it becomes frozen. Without learning and changing behaviors, many start-ups fail. In contrast, the CEO brain trust group indicated that learning is critical, and there is a fluidity of knowledge. The ability to learn from the past and others is repeatedly stated in the responses. Although most members have not had much formal education in building learning organizations, their improvisational learning does make an impact on their short- and long-term success.

This study confirms the lack of understanding in what is required for small business success. What have you learned from the past year and what are you doing differently? Knowledge is the foundation to skills and action, which leads to success. So what are you going to do with this information? Here is your recipe for success. Use it.

Ted Sun, University of Phoenix, will present his work on successful entrepreneurship in July at the Global conference on Business & Economics to be held in Amsterdam, Netherlands.

Get the Secrets to Your Success Today

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