

How Entrepreneurs Win

As an independent business consultant, I have had the privilege to work for numerous self-made business people who have been in business for between 10 and 30 years, as well as for family businesses in the second, third and fourth generation. I am left with an enduring respect for their achievements.

Here are my perspectives on the key attributes (and issues) of successful entrepreneurs:

1. A 'vision' for adding value

The successful entrepreneurs that I have worked with have a deep understanding (or 'vision') of how to add value to customers. By this I mean how a problem that *needs* to be solved *can* be solved in a way that others will be willing to pay for. This doesn't necessarily make them great managers - in fact a number have readily admitted to me to being rather average managers and quite difficult to work for - but it is their vision that sets them apart.

2. An appetite for risk

They are happy to take balanced risks, often based more on intuition rather than on detailed business cases. Those with poor intuition tend to fall away through natural selection, leaving those with good instincts surviving and thriving, as they find flexible new ways to deliver in niches where their slower-moving larger peers cannot.

3. A focus on action over governance

They aren't constrained to follow lots of 'rules', because they don't have many. Those that they do have are simple and easy for everyone to understand.

Entrepreneurs usually like *doing* things far better than *talking* about them, or reading and writing reports. They are willing to have a go, even if they don't understand everything. This means they make quite a few mistakes, but they keep picking themselves up and trying again until it works.

4. A focus on delivery

They know that delivery is key, that you can't rely on the corporate brand or massive corporate resources to pull you through. When you start out in business you learn that everything depends on you. There is

nowhere to hide, no-one else to blame, and no room for politics.

5. A personal identity wrapped up in the business

They have a special, personal identity stored up in the business and in what stands for, in a way that salaried corporate managers rarely, if ever, can have. This is something that corporate managers coming in to family businesses often fail to understand. The business is more than just a business to the owners, it is *part of them, part of their very id*. Entrepreneurs care passionately about the business, its identity, its values, and the employees. As a result, they often extend (and receive in return) extraordinary loyalty to their employees.

6. A problem finding succession

Succession planning is usually an issue for owner-managed businesses. Let's be frank, when you have grown a business since it was formed, it is understandably difficult to let go, to let others take the reins. The process of retiring becomes difficult, where handing your business on feels a bit like putting your baby up for adoption. Can you trust the new management – be they salaried or family - to do it right? Should you sell? Will the next people really *understand* what is special about your business?

The problem with succession is this:

- Next generation owner managers do not necessarily have the same business ability as the founders, or interest in running the business.
- Internal management succession candidates are usually not there, especially in smaller businesses.
- Buyers of the business typically only care about the money, and may change, restructure, or rebrand what is there, including firing the people that have 'done so much'.
- External management candidates won't have the history or may not share the same understanding of the business, so they may also change things that seem important.

Starting your own business is challenging, as is growing and developing it. Those who are successful usually benefit from more money than they know what to do with (a high-class problem). But the challenges don't stop there.

The final challenge for a successful entrepreneur is this: What happens to what you have created after *you*?

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