

HOW TO SUCCEED IN YOUR OWN BUSINESS BY REALLY TRYING

(Some Things You Should Know)

Here are some tips for succeeding in your own business. The points are geared towards start-ups, but also would apply to purchasing a business.

1. Know yourself. Some people are not cut out for the personal sacrifice it takes to run a business. Owning and operating a business can be like raising a child. When it cries you need to “be there.”
2. Know your limitations. If you have weak lungs you are probably not cut out to be a marathon runner. If you don’t have, or can’t develop, special skills or perseverance; if you expect, and need, things to be easy, then you may not be ready to own and operate a business.
3. Know your situation. Do you have conflicting obligations, like young children or caring for aging parents? Starting a new business is a more than a full-time job. Having an insoluble conflict can be “Hell on earth.”
4. Know the times. Shakespeare said “There is a tide in the affairs of men which taken at the flood leads on to fortune;”¹ That is, being in the right place at the right time. As a young man I was lucky enough to own taverns when the baby boomers were in their 20’s – lots of people to drink and seek companionship. Perhaps, if you look you can find a similar situation today. However, given the present pace of change, finding a market is a little like hunting: (I’m told) you target where the prey is going, where it will be, not where it is.
5. Know what you are getting into. A common misconception is that owning your own business allows you to control your schedule and work when you want. This is only partially true. While you may be able to select your hours after you have achieved some success, when starting out the hours are pretty much 24/7. And, even with success, planning, work and problem solving must always be done. Sometimes owning your own business is like “being in jail and having the keys.” You can let yourself in and out, but the reality is you must be there, or be available, most of the time.
6. Know the industry. Working in the trade or field before investing one’s own money is usually good idea. (The SBA likes it.) Alternatively, observe or read everything you can find about the industry and talk to those “in the know,” if possible. That being said draw your own conclusions.
7. Know the business. Want to run a nightclub? Many patrons visualize the prestige and social advantages of club ownership, but have no idea about, or real interest in, what it takes to succeed. They just want to be a “bigshot.” Success requires due diligence to investigate and learn about the business, industry, market, etc.
8. Know it’s OK not to know everything. When I taught business law at ASU, students would sometimes ask me what it takes to succeed in business. My answer was “ignorance.” I was joking of course, but my point was and I went on to explain that we can’t know everything when we start; we can’t know what we will learn later. There are always “known

¹ Julius Caesar Act 4, scene 3, 218–224.

unknowns,” as Donald Rumsfeld² would say. How do we become a good business person? Probably by first being a bad one. There is a learning curve in any vocation or occupation. The goal is to not be too bad starting out and make that “learning curve” as steep as possible.

9. Know a niche, a “secret sauce.” In virtually all fields the market is dominated by major players, like Amazon or Walmart. But you can make a pretty good living by carving out a segment of the industry and market left open by the major players. For example, online fashion advisors and tailors will select and conform clothes according to your tastes and specifications and ship them to you; thus, providing professional expertise and advice, saving you the time and trouble of shopping multiple stores, and of waiting for clothes to be tailored. For major players your niche market may not be worth their time and investment, at least not until you “prove the concept” and establish a market. But, by that time you can have a head start.
10. Know branding. Be “Firstest with the Mostest.” Start-ups and owner-operated businesses do not survive on the basis of a patent or unique idea alone (or at all) but by having the company and its product(s)’ *brand* “out there” on the web. People buy what they know, whether it’s McDonalds or Tiffany’s. Other superior or lower-cost vendors may be available, but we don’t know the brand, so we don’t buy them. Usually, we buy what we know. For example, with appliances and electronics we may buy Samsung, or Apple or LG because we recognize the brand and know something about it. For you, in practice, this means having the best website and search engine optimization (aka SEO) you can afford with money for same as part of your budgeted start-up costs. Upfront SEO is not an expense; it is part of your initial “capital investment,” like furniture, fixtures and equipment.³
11. Know (and have) what it takes to succeed. I sold a business once to a woman who visualized herself as a business owner drinking tea with her friends (really). The one piece of advice my father gave me – or at least that I listened to – was “You have to have what it takes.” This is a combination of the points above. You need to find a good match between the business opportunity(ies) available, what commitment the business requires (like the child), and what you are really ready, willing and able to do.
12. Know when to move on. One of my earliest biggest failings as a business owner was “falling in love with the business.” It takes a tremendous investment of time, money, effort and emotion to succeed in business. This creates love and loyalty which makes it difficult to let the business go. But, a key difference between the major players and the typical successful business person is the ability to move on.

² Secretary of Defense under Gerald Ford and George W. Bush. A favorite quote of Rumsfeld is: “Reports that say that something hasn’t happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know.”

³ On this note one of the saddest things I see is the person(s) who has planned and saved to own and operate a business, the day comes to open and nobody is there. No body cares. The fallacy is that because we care others will too. They won’t unless you tell them why they should. That is branding and marketing.

13. Know when to quit. The characteristics of determination and perseverance that help us succeed in life, and business, can become a significant disadvantage when it comes time to drop an idea. The tendency is to continue to dump time and money into the venture. Accountants call this the problem of “sunk costs,” i.e. money already spent on a project. One reason developers or business owners continue with failing projects is that they do not want to walk away from the, say, \$100,000, they already have invested in the project. But, the accountant, and logic, will tell you that the decision whether to commit the *next* dollar is independent of how you spent, and what happened to, the *last* dollar expended. The same is true for time. I had a store in a well-known and busy mall which store concept was successful in other malls but in this case was failing due to a less than optimal location within the mall. (This was a case of my failing to do thorough due diligence, including a “hands on” inspection of traffic at different times of the day.) It was obvious from the beginning that this store would never be prosperous and was not worth the “input.” But I spent two years of time and effort (and away from other successful stores) as well as about \$150,000 (probably about \$500,000 in today’s dollars) trying to make the store succeed. This was a mistake. There were better uses for my time and money but I was slow in knowing when to quit. The very character traits that help us succeed can also aggravate and exacerbate failure.
14. Know that you can’t succeed if you never try. The saying is that “The path to success begins with the first step.” It is also said that “Life happens to us while we are planning other things.” You may have wanted the child next year, not this year. You may not feel ready but the business opportunity is now. As said above, there is a tide in our affairs. Sometimes, ready or not, we must get in the boat and ride the tide. The time for that step may be right now. !⁴
15. And, finally, when you are successful, know that it is not “all about you.” Although you may have paid a great, if not tremendous, price in perseverance and sacrifice, you still did not succeed by yourself. No one is successful in a vacuum. Yes, “[we] must be the captain of [our] souls and the masters of our fate.”⁵ Our lives are our responsibility. But, to paraphrase Shakespeare “we are but players on the stage;”⁶ that stage is not all of our creation. We work, live and succeed in the time, place and community in which we live. Many of the points above relate to that context.

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⁴ I read many books when I was starting out. (I have five degrees – ironically not in business - so was kind of a bookworm.) But, perhaps the best and most memorable book I read about self-development was “Think and Grow Rich” by Napoleon Hill. One thing he said was “What the mind can conceive and believe, it can achieve.” Know that at some level, to some extent, this is true. It can change your life.

⁵ “Invictus” by English poet William Ernest Henley (1849-1903).

⁶ Shakespeare. Macbeth, Act 5, Scene 5.