



VISTAGE

Private advisory groups for CEOs,
executives and business owners.

**Creating the Conditions for Success in
Life and Business**

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Our life evokes our character and you find out more about yourself
as you go on.

—*Joseph Campbell*

A talent can be cultivated in tranquility; a character only in the
rushing stream of life.

—*Goethe*

The line between failure and success is so fine that we scarcely
know when we pass it—so fine that we often are on the line and do
not know it.

—*Ralph Waldo Emerson*

Seek out that particular mental attribute which makes you feel most
deeply and vitally alive, along with which comes your inner voice
which says, “this is the real me,” and when you have found that
attitude, follow it...

—*Henry James*

First, Some Thoughts on Adversity

- Adversity is a part of every individual life; none of us are immune
- Everyone handles adversity differently and this is okay—but “know thyself”
- Adversity almost always provides opportunities for personal and professional growth
- Adversity can build or destroy character
- Character-building requires mental/emotional/physical fortitude and perseverance
- A life is defined by both its triumphs and its tragedies
- The journey is just as important as the destination
- It's better to work smart than hard; don't make it any harder than it has to be

“Survival” Means...

- Reactive rather than proactive action
- Living day-to-day; can't see the forest for the trees
- A considerable amount of time spent firefighting; constantly managing daily stresses
- Missed opportunities due to resource constraints; regular cash flow challenges
- “No” is your instinctual first reaction; risk-aversion predominates
- Problem identification, not solution creation, is the norm
- Rationalization becomes part of the regular discourse and dialogue; you feel boxed in by constraints
- Sticking to a potentially flawed or dated worldview
- Work is a necessary burden to be carried, rather than a vocation to be embraced
- Making life decisions based on someone else's view of success and happiness

SUCCESS IN LIFE

12 Keys to a Successful Life



1. Be yourself, but *be the best YOU that you can be*; leverage your strengths and manage your weaknesses
2. No one is ever successful alone; *share the credit* and create opportunities for contribution and growth for those around you
3. *Your success and happiness is directly attributable to the people you spend the most time with*; they can broaden or narrow your perspective; they can motivate or de-motivate you; they will set positive examples or they won't—it's that simple
4. Work-life balance is an illusion; just make sure that you *spend focused, quality time with your loved ones and close friends*

12 Keys to a Successful Life (Cont'd)



5. *Have a passion* and spend time cultivating that passion on a regular basis; by the way, your work CAN be that passion
6. *Act like the work you do matters* each and every day, because it does to someone (hopefully starting with you)
7. *Once you think you know it all, you are finished; find something else to do*; arrogance is never attractive and only ends up making you vulnerable to what you don't know in the long run
8. *Active listening* is equally if not more important than talking, especially if you are trying to win someone over to your point of view

12 Keys to a Successful Life (Cont'd)



9. In all your business and life dealings *take a Win-Win approach to the relationship*; it will create positive energy and cultivate a lifelong network of supporters and fans; the rewards of this investment will only compound over time
10. *Avoid the trap of unnecessary conflict* every chance you get; fighting battles not worth fighting is a waste of time and energy
11. The true test of any relationship is when one of the parties is facing adversity; *be there for the important people in your life when it truly matters*
12. *Have things in your life that keep you grounded*, whatever that means to you

SUCCESS IN BUSINESS

Determinants of New Venture Performance: The Entrepreneur

An entrepreneur affects a new venture in the following six ways:

- The survival and success of a new venture will be a function of the behaviors and decisions of the entrepreneur
- The entrepreneur's personality, skills, experience, and values affect the entrepreneur's behavior and decisions
- The resources assembled by a new venture are influenced by the skills and experience of the entrepreneur
- The industry which the venture enters, and hence industry structure, is influenced by the skills and experience of the entrepreneur
- The entrepreneur's skills, experience, personality, and values will affect the formulation of the venture's business strategy
- The entrepreneur's skills, experience, personality, and values will affect the configuration of the venture's organizational structure

Source : Chrisman, James J., Alan Bauerschmidt,, and Charles W. Hofer. 1998. "The Determinants of New Venture Performance : An Extended Model." *Entrepreneurship : Theory & Practice*. Vol. 23. No. 1.

Determinants of New Venture Performance: Entrepreneurial Variables

Personality Characteristics

- Autonomy
- Confidence
- Locus of control
- Need for achievement
- Need for affiliation
- Need for power
- Personality type
- Risk-taking propensity
- Self-reliance
- Tolerance for ambiguity

Values & Beliefs

- Contribution to society
- Power
- Security
- Status
- Wealth

Skills

- Communication skills
- Financial skills
- Interpersonal skills
- Managerial skills
- Manufacturing skills
- Marketing skills
- Organizational skills
- Personnel skills
- Technical skills

Experience & Education

- Age
- Entrepreneurial parents
- Experience in founding companies
- Experience in large firm
- Experience in similar positions
- Formal education
- General management experience
- Industry experience
- Pre-startup training
- Shared experience of founders
- Start-up experience

Behaviors & Decisions

- Ability to focus on essentials
- Decision-making process
- Flexibility
- Goal direction
- Length of work day
- Management style
- Organizing
- Planning
- Problem analysis
- Risk-reducing behavior

Source : Chrisman, James J., Alan Bauerschmidt,, and Charles W. Hofer. 1998. "The Determinants of New Venture Performance : An Extended Model." *Entrepreneurship : Theory & Practice*. Vol. 23. No. 1.

Six Things Every Small Business Should Accomplish

(Please give a Letter Grade (A-F including +/-)

- Generate business from new customers
- Maximize revenues from existing customers
- Manage operations efficiently to maximize bottom line
- Meet and/or exceed customer product/service expectations
- Recruit and retain good employees
- Create an environment of Innovation and Continuous Improvement

10 Things Entrepreneurs Should Never Say to Themselves

- “I deserve a reward for all my sacrifice.”
- “I just need a great idea...”
- “We don’t have enough money.”
- “Our customers are incredibly loyal.”
- “I can trust them...”
- “My employees are one big happy family.”
- “If we just make a few more cuts we’ll be fine...”
- “I’m just like any other member of our team.”
- “Word of mouth will eventually pay off.”
- “I shouldn’t step in.”

Source: Jeff Haden, June 21, 2011

Successful Organizations are FOCUSED

- F = FINANCIALLY SMART
- O = OPERATIONALLY EFFECTIVE
- C = CUSTOMER/CLIENT DRIVEN
- U = UNIFIED IN FOCUS AND DIRECTION
- S = SALES CULTURE
- E = EXECUTION MINDSET
- D = DECISIVE

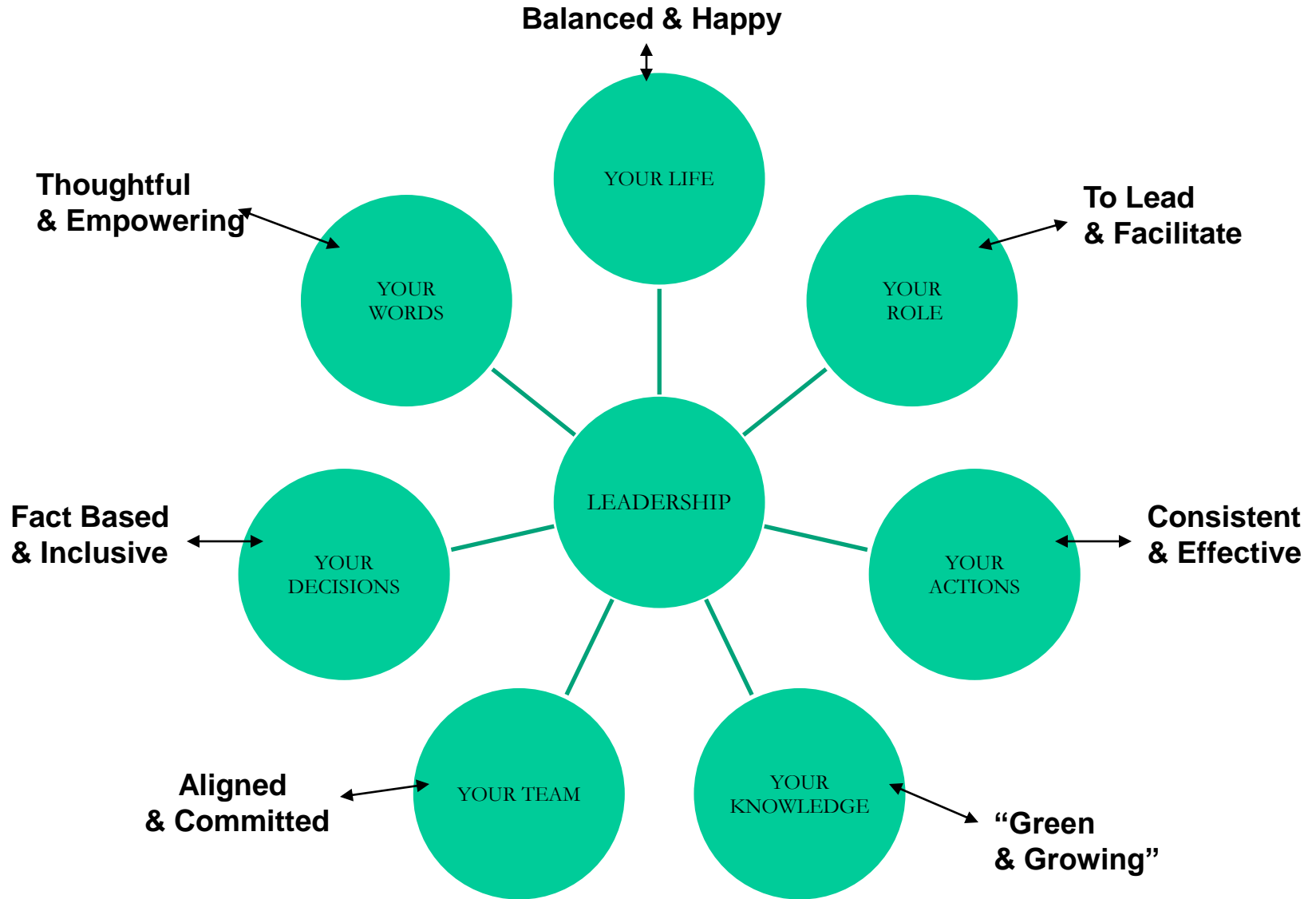
- **Financially Smart:** Understands profit model requirements and working capital/cash needs and plans accordingly
- **Operationally Effective:** Easy to do business with; workflow is smooth and well-managed
- **Customer Driven:** Strives to know what their customers/clients value and proactively gives it to them
- **Unified in terms of focus and direction:** Everyone is on the same page with priorities
- **Active Sales Culture:** Everyone understands and owns the importance of sales/new business development
- **Execution Mindset:** Priorities are clear; there is shared commitment to focused execution
- **Decisive:** Makes thoughtful and timely decisions; clarity not certainty

- **Financially Challenged:** Spends profits before they earn them; always on the verge of a financial crunch
- **Operationally Ineffective:** Crisis management is the norm; chronically understaffed/stressed
- **Customer Ignorant:** Takes a we-know-best, “push” approach to meeting customer/client needs; minimal market research
- **Lack of clear focus and direction:** People make it up as they go along
- **Passive Sales Culture:** Passively builds clients relationships; waits for business to walk in the door; build/provide it and they will come
- **Idea Factory:** Easily distracted by new and/or different opportunities; everyone has a different opinion on what’s best for the company
- **Indecisive:** Difficulty making big decisions; procrastinates; analysis paralysis

Some Standard Measures of Success

- Sales/Revenue Growth
- Recurring Revenue %
- Gross Profit/Sales
- Net Profit/EBIT
- Overhead/Sales
- Operational Efficiency, e.g., Labor cost as a % of sales
- Sales per Sq. Ft./Cost per Sq. Ft.
- Work Backlog
- Cash Flow, e.g., Days of Cash On Hand
- Inventory Turns
- Total Cost per Employee
- Average Days AR/AP
- Employee Satisfaction
- Sales per Employee
- Sales Pipeline
- Average Sales Transaction
- Market Share %
- Repeat Customer Business
- Customer Retention
- Foot Traffic
- Website Traffic
- Customer Satisfaction
- Net Promoter Score
- Other?

THE LEADERSHIP WHEEL



All men (and women) seek one goal: success or happiness. The only way to achieve true success is to express yourself completely in service to society. First, have a definite, clear, practical ideal—a goal, an objective. Second, have the necessary means to achieve your ends—wisdom, money, materials and methods. Third, adjust all your means to that end.

—*Aristotle*

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