

BEING A SUCCESSFUL OWNER MANAGER: TWENTY YEARS OF EXPERIENCE IN FIFTEEN HUNDRED WORDS

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I have advised and counseled owner managers for twenty years. I have been an owner manager myself for fifteen years. Although I have not stopped learning, I have paused to summarize what I have discovered so far. This is the list I will give my kids, and the one I wish I had given to myself twenty years ago. I am sure the list will grow and change. There is always more to learn.

Getting Started

1. Get the best education you can afford.
2. Learn as much as you can about yourself – what you like to do, what you are good at, how others see you, how you can see yourself as others see you – your strengths and your weaknesses.
3. Learn as much as you can about people in general.
4. Learn as much as you can about the law of the street. There are two sets of rules – book rules and street rules. You need to know them both
5. Learn about bookkeeping, financial statement preparation, cash flow management and financial statement analysis. This is the weakest skill in owner managers as a group.
6. Have two kinds of role models: those who did it right and those who did it wrong. Know what made them different.
7. Plan to invest in four things: #1 yourself. #2 a large or growing market. #3 a product that the market will gobble up. #4 management and a team that can make the most of 1, 2 and 3.
8. Plan to compete. Business is a competition. You have to be a competitor to sustain success.
9. Learn the industry and cut your teeth at someone else's expense.
10. Look before you leap. Research. Apprentice. Research some more.
11. Figure out how other people are doing what you want to do, and figure out how to do it better, cheaper or both.

12. Don't be an inventor, be a marketer. The difference between a good idea and a great idea is how many people have bought into it.
13. Have a plan. Keep it simple. Don't under plan. Don't over plan.
14. Plan for success as well as for failure.
15. Plan to change the plan.
16. Share your plan.
17. Get advice and feedback, especially from those who have been there and done it before.
18. Pick a market and stick to it. Know when to say no, and say no.
19. Know what you do, why you do it the way you do, who you do it for, and what they value about you. Make that your mission statement. Share it with everyone so that they know how to help you. Stick to it.
20. Find the best suppliers you can, and treat them well. Good suppliers are your partners. They will help you make money if you help them do the same.
21. Get professional advisors who have expertise, experience and empathy. Make sure they are busy, successful and have successful clients. Make sure you connect on a personal level. Ask their advice, and follow it.
22. Remember to walk before you run: Step 1: negative cash flow. Step 2: break even. Step 3: positive cash flow. Step 4: surplus cash flow. The easiest step of all is a step backwards. Never do it.
23. Focus on the long run: business is a marathon, not a sprint. The finish line is usually decades away.
24. Don't do it for the money. Do it to be the best at what you choose to be. If you do it for the money you will never have enough success. If you do it to be the best, and have done it in the right market, the money usually takes care of itself. Think of money as the byproduct of doing something valuable better than anyone else.

Keeping it Going

25. Never compete on price. Compete on value. If you can not compete on value, compete on cost – become the most cost effective producer. Never compete on price.
26. Know your customers. Love your customers. Treat them better than they deserve.
27. Know your competitors. Know their standards. Beat them.
28. Be different, in a meaningful way.

29. Only sell what you love to sell.
30. Never sell someone something they do not need or should not have.
31. Measure things that really matter. Measure them often. Do it yourself. Share what you find.
32. Plan how you can make more money next year with less effort on your part. Implement that plan.
33. Make money for other people. The more money you make other people, the more money you will make for yourself.
34. Stay profitable. Without profits, you are a fish gasping on the beach.
35. Keep competing. Do not get complacent or lazy. The competition never ends. There is always a new technology, or a new way of thinking about or doing things. Plan to be the leader in these areas. Plan to have other people following your lead.

Working With Others

36. Build a team or join a team or wrap a team around you. You will do a lot more if you do not try to do it all yourself.
37. Hire Talent. Give them the best Tools for the job. Train them how to use those tools. Trust them to do their jobs. Make what they do important and valuable, and make sure they know it. Appreciate what they accomplish, and show it.
38. Don't hire people because they will do things the they way you would do them. Hire people because they will do things better than you could possibly do them.
39. Hire people who are smarter than you, but give them all the reason in the world to apply their smarts for your benefit.
40. Be a leader. Make sure everyone who works with you or for you is a leader too. Everyone can and should be a leader.
41. Remember the five rules of partnership: #1 make money for your partners. #2 make sure they know it. #3 perceived distributions must equal perceived contributions. #4 the more successful you are, the more likely you are to disagree. #5 the partner with the deepest pocket is always the strongest partner.
42. Reward loyalty, honesty, integrity, effort, initiative, boldness, education and achievement; in your staff, your associates, your customers, your suppliers and yourself; even in the face of failure.
43. Never fire a person, terminate a supplier, or end a relationship until you know how you went wrong. After all, you either hired or got into business with the wrong person, put too much faith in the wrong person, failed to see how someone was changing, failed to create an

opportunity that kept the person with you, or let or helped the relationship go sour. Even if all you find out is that you did nothing wrong, it is worth the learning.

44. Communicate. Communicate. Communicate.

Managing Yourself

45. Remember you only have two sets of assets, neither one of which appears on your balance sheet: #1 the *people* who buy what you sell. #2 the *people* who help you make what you sell. Protect your assets.
46. Your business is a mirror – it mirrors your own weaknesses back to you. Whatever is wrong with your business starts with you. Whatever is holding your business back starts with you. If your business is going to change or grow, then you must change or grow. Such is leadership.
47. Never point your finger. Never find fault. Accept mistakes, in yourself and others. Find what went wrong, and fix it so it won't go wrong again.
48. Lead, but do not control. Direct, but do not control. Coach, but do not control. After all, the only way to be in control is to give up control altogether.
49. Consult with many. However, once you've made up your mind be firm on what you are doing and why, but be flexible on how to do it.
50. Be a perpetual student. Never stop learning, about yourself, your industry, your business and everything else. You will never learn it all.
51. Be a perpetual teacher. After all, you can't teach what you don't know.
52. Remind yourself of the bigger issues in life, and do things you can feel good about. Do charity or volunteer work in your community. Encourage your staff to do the same.
53. You can't see the forest for the trees when you're standing in the centre of the forest. Have a life outside your business. Take time off. Take vacations. Have hobbies. Keep active and fit, outside the business.
54. Remember the only thing harder than making money is hanging on to it. Get surplus cash to higher ground, but keep it available. Don't burn it up living the high life.
55. Be positive, enthusiastic, appreciate, thankful, patient and kind.
56. Help others fulfill their dreams, and they'll help you fulfill yours.