

MILLIONAIRE OWNER MANAGERS: JUST HOW DID THEY GET THAT WAY?

© Phil Thompson – Business Lawyer, Corporate Counsel – www.thompsonlaw.ca

Thomas J. Stanley's recent book *The Millionaire Mind*¹ is a follow-up to his bestseller *The Millionaire Next Door*. After a career devoted to identifying and understanding the affluent, there is much owner managers of every level of success can learn from him, and the insightful and sometimes surprising results of his research.

Introduction

These notes can only hit highlights that I found particularly interesting. There is no substitute for buying and reading Dr. Stanley's book for yourself. Hopefully this article will cause you to examine how your values, attitudes and beliefs stack up against successful owner managers who achieved that financial success many of us hope to find when getting into business for ourselves.

To What Do Millionaire Owner Managers Attribute Their Success?

Owner manager millionaires surveyed ranked the following key factors as very important or important in contributing to their success:

- Getting along with people (96%)
- Having an ability to sell their products and ideas (92%)
- Having strong leadership qualities (88%)
- Loving their business (88%)

Like many successful people, they also suggested a strong sense of key values was very important or important to their success:

- Being well disciplined (93%)
- Being honest with all people (92%)
- Working harder than most people (89%)

They also appreciated the independence and control that came with being their own boss, as they ranked the following factors as important or very important:

- Investing in my own business (87%)
- Being my own boss (85%)

Were They Smarter Than Other People?

They did not think of themselves as particularly smart:

- Only 16% of them ranked having superior intellect as very important to their success.

Although they did credit themselves with a sense of vision and opportunity, as indicated by the importance of the following factors as important or very important:

- Seeing opportunities others did not see (85%)
- Finding a profitable niche (89%)

Were They Better Educated Than Other People?

Contrary to many popular myths and urban legends, about 90% of American millionaires have a college degree or higher. The self-made person usually starts with some education behind them.

They did not necessarily get outstanding grades in college. However, what they did get may be more important than grades in the long run. Things they received from their education which they feel were important or very important in contributing to their success included:

- Developing a strong work ethic (96%)
- Learning how to properly allocate time (92%)
- Learning how to make accurate judgments about people (91%)
- Developing an appreciation for their interests and abilities (89%)
- Learning to think differently from the crowd (82%)

So How Did They Find That One Thing Which Led To Their Success?

Whatever vocation they pursued that made them millionaires, there are a number of things it probably wasn't, as the following factors ranked very low as important or very important in their choice of vocation:

- Directly related to courses studied in college (36%)
- Fulfilled a lifelong dream (33%)
- Was part of the family business (24%)
- Suggested by parents (20%)

On the other hand, there were things that special vocation did do for them:

- Allowed full use of my abilities/aptitudes (83%)
- Chance to be financially independent (79%)
- Provided great profit/income potential (71%)
- Need to be my own boss (73%)

These results are consistent with other research, which indicates that successful owner managers generally learn a business, trade or industry working for someone else, before eventually going out on their own.²

In that regard, another key factor needs to be mentioned, which successful owner managers rated as important or very important for their success:

- Willing to take financial risk given the right return (91%)

Note that this suggests a reasoned approach – the “right” return has been identified, and they were already satisfied the opportunity was going to allow them to fully exploit their abilities and aptitudes. Which is also consistent with other research, which indicates owner managers do not have a higher tolerance for risk than most people, just a higher tolerance for ambiguity.³

Finally, they did not do this alone. They ranked the following as important or very important:

- Having a supportive spouse (85%)

In fact, Dr. Stanley devotes a large part of his book on the special relationship between successful millionaires and their spouses (they have 1/3rd the national average divorce rate, and are married to college grads (85%)).⁴

So What Can We Learn From This?

Millionaire owner managers tend to be hard working college grads who find a profitable niche that others are overlooking, which dovetails with their assessment of their own abilities and attributes, and which they love to work in. They have a strong work ethic, a strong need for independence and control, and a willingness to invest in themselves and take a measured risk when the right opportunity comes along. They also value traditional things like getting along with other people, honesty, and having a stable and loving marriage.

Unfortunately this describes many non-millionaire owner managers as well as the wealthy ones. So what are the deciding factors? Dr. Stanley’s book is not that clear on this issue. However, other research indicates that some owner managers have unique qualities which, combined with the right business opportunity, make for a dynamic combination of profitable growth and longevity.⁵

There are never any easy answers, but Dr. Stanley’s research is another pointer in the right direction, and may even be a self-assessment tool for those of us still enjoying the journey.

¹ Stanley, Thomas. J., Ph.D., *The Millionaire Mind*, Andrews McMeel Publishing, Kansas City (2001).

² See the following article on my website – *Successful Entrepreneurs Beyond Startup: Achieving Growth and Longevity (2000)* – at www.philthompson.com.

³ See endnote 2.

⁴ Further explored in an article on my website on *Millionaire Couples* – www.thompsonlaw.ca

⁵ See endnote 2.