

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for participating in our blog. Please give us the benefit of your comments below, and also click on our social media icons. We appreciate that.

This week I want to talk about how everyone learns from failure, but can we also learn from our successes? So, the inspiration for this blog was a Wall Street Journal article in May of 2019, where a professor writes about the importance of learning from successes as well as failures. And it got me thinking. We in small businesses are super hard on ourselves. It's almost as if we think that if we don't have that hard edge, that intensity 24/7, that we're going to become soft and not as successful or something like that. We're really, really hard on ourselves, and we obsess over our failures or shortcomings even if they're kind of minor. I remember when I was a younger man, my goal was to do X and I did 90% of X, and man, the last week of the year when I realized I wasn't going to actually hit the goal, I was pretty miserable. I was probably miserable around my wife and children, too. But that was silly. I mean, okay, I didn't achieve the goal, but I got 90% of it. Golly, that's not too bad. If you make 90 on a test in college, that's considered an A. So, I was obsessing over making an A, in essence, and that's really kind of silly.

There was a Scottish philosopher named Malcolm Muggeridge, and Malcolm Muggeridge said, we, in so many words, I'm paraphrasing, he said, we only learn when we're miserable. And we do, if you think about it. When we do have big setbacks, bad projects, bad jobs, horrible customer relationships, we do learn a lot from those things. But can we also learn from our successes? And in this article, we've kind of synthesized it. We've got five tips for learning from your successes, okay?

The first one is ... Oh, I want to go back even farther. I went to a conference one time and one of the former Blue Angels, you know who the Blue Angels, the precision flying team, one of the Blue Angels' former pilots was there, and he gave a wonderful presentation. He talked about how they met as a group after every single practice, every single performance, they met as a group, and they dissected the entire performance, looking for not only failures but also successes that they could build on. And it's the same thing. I have two buddies who were Navy A-6 pilots in the 90s, and they film every practice take off, every real take off, every landing, they film it and review every single one. Again, not looking for failures or mistakes or problems necessarily, but looking for successes that they could build on and even teach to other people.

So, the first tip, I want to talk about process. I have a friend who was just always a bad driver. I mean, anytime he drove, we were going, he just scared the dickens out of everybody. Golly. And he always came back, it was like, "Hey, you're following a little close there, buddy." And he would always say, "Look, I've never killed anybody," and that was the stupidest, but that was his pat answer. That was so dumb. But you know, what he was focused on was the outcome. I've never killed anybody. He wasn't focused on the passengers and the process of driving. He was terrible at the process of driving, but he focused on the outcomes. I've never killed anybody. Well, that's a horrible rejoinder.

And what my point here is that you can focus on process. So, look at what your processes are for business development or project execution, or whatever it is, and analyze the processes so that you can find not only problems with them, but opportunities for success and ways that you can take from process A and build it into process B, C, D. Because if it works in one process, chances are good it might work in another, as well.

The second tip is to copy the A-6 pilots, to copy the Blue Angels, and do a postmortem, do an after-action analysis, of every single project, every single whatever it is, every single job that you have in your organization and again, analyze for success opportunities as well as failure opportunities. Make it mandatory, because if you don't the chances are you're not

going to analyze your successes. You're going to say, well, we were lucky, all the stars and moon aligned, and blah, blah, blah, and it just happened. Don't do that. Make it mandatory because yeah, okay, maybe you did get lucky, but do you get lucky on every single success? Is that really it? Or is there something you're doing that creates success in some of your processes and some of your jobs that you can learn from?

All right. The third thing is acknowledge that it's not anybody's genius that create successful outcomes. It's almost always the result of a team effort. And if you think about it in the organization, I mean even the Family Business Institute, which is a comparatively small organization to many of yours, almost everything now is a team effort. I mean, I've put my hands on a few things, but chances are good that if I'm putting my hand on a few things, other people in the organization also had a responsibility for that outcome. So, it's not the leader's genius. Don't pat yourself on the back too much. It's not one person's genius that produces great outcomes. It's a team effect. In any business with any scale to it, it's a team effort that produces success.

All right, the fourth tip is do benchmarking. If you're not doing financial and process and performance benchmarking in your organization, you're missing a great opportunity for learning because you say, boy, we're really effective at this. We're really profitable. Our margins are so good. How do you know? To what are you comparing? Are you comparing to last year in your same organization? Well, guess what? Maybe your margins are 10% worse than the industry average, and they have been for years, and you don't even know it. Benchmark your processes. You can learn from the others. We talk about our peer group all the time. If we're doing foolish things in the sales process, why wouldn't we learn from our peers in our group that are doing wonderful things in their sales process? I mean, why? Why would we not learn from what other people are doing well? So, look at your processes, look at your finances, look at your operations, and find ways to benchmark them against your industry and your peers in that industry.

And the fifth tip is get outside perspective. So, if you want to learn from your successes and your failures, the best way often to do that is to get somebody else's viewpoint. And there again, that's why peer groups are so valuable. Somebody who's objective, somebody who doesn't have a stake in the outcome, can often see flaws, opportunities that you don't see, because they're not there every day. It's a forest and the trees thing. I always say that our peer group members are wonderful consultants. They really are, as long as they're not looking at their own companies. It's the same thing for us at FBI. As long as you're not looking at your own company, you're probably a gifted business consultant, because you do have that objective, outside, third party ability to scrutinize in a way that an insider doesn't. Okay?

Whether it's success or whether it's failure you're analyzing, neither is a permanent condition. So that's the good news. The good news is if you've been failing in a certain area, you can improve. Better news, if you're succeeding in a certain area, guess what? There's an opportunity to improve that performance, too.

We'd like to hear what you do. How do you analyze your failures? But more importantly for this blog, what are you doing to analyze and learn from and build on your successes? We'd love to hear from you. This is Wayne Rivers. Thanks very much.