

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. We appreciate that. We would like the benefit of your thinking and your comments in the section below. As always, click on our social media icons. We appreciate that.

This week, I want to talk about what makes a business successful. Last week we talked about the book, *Who*, and what successful CEOs look like. This time, I want to talk about what the business itself looks like, what four factors contribute to the success of a business. Again, researched by Geoff Smart, and his team who wrote the book. This is my last blog about that book for a while, I promise. Okay? But it's really fascinating information. In this survey, they looked at 400 CEOs, among them, billionaires and high-profile leaders, the kind that you see featured in the news all the time. They asked him a simple question, what contributes to the most, what factors contribute the most to business success? They came up with four things. This is the consensus among all these super successful business leaders.

The first thing that came in, 11%, was external factors, the overall economy, the type of industry that you might be in, the type of financing you're able to secure, things like that. External factors, we can kind of write that off. You might say that's the luck piece. That's the part that you can't control very well.

17% said strategy. Strategy is the thing that makes a business the most successful. 20% said execution is what makes a business successful. All right? If you think about at that point, we're not quite to half. We're not quite to half of the contributors to what makes a business successful.

The biggest component across all these successful people, they said 52%, talent. Talent is what you need to make a business successful. I agree with that 1000%. My reasoning is this, you can be the most successful, hardworking, talented, ambitious entrepreneur in the whole world, but if you have bad people, if you have even average people on your team, you're just surrounded by average people, you can only go so far. If, on the other hand, you're blessed, like we are at The Family Business Institute, and you've got an amazing team, then I, almost, as a leader, don't have to do anything. I get out of the way and let these super intelligent people help drive the bus. Golly, we've accomplished so much more than I ever thought we would, but it's because we've assembled a wonderful team. I agree with the people element, the people component 1000%.

Now, where do I quibble with this survey of CEOs? Well, strategy and execution came in kind of close together, 17% for one, 20% for the other. I think they had that backwards. Because what good is it to have wonderful execution for a bad strategy, right? I think the strategy has to come before the execution, because your strategy has to be a good one.

I remember reading about after the Dot-com bubble burst in 2001 that some CEO, in this horrible period where businesses were falling apart and failing day to day, they took several hundred thousand dollars to repaint their trucks. Then the business was gone in a year. I was thinking, "What?" The execution was fine. The painted trucks look nice. But why spend money when you're swirling down the drain? Why spend money to paint your trucks when they should have been spending their time, and efforts, and resources in much, much, much, much more productive ways? I mean, why execute on a poor strategy? I quibble with that quite a bit, but you know, who am I? These are billionaires, right?

All right, so five tips that come out of the book, *Who*, for making your business successful. Number one, and I think this is a tremendous recommendation, make talent acquisition your top priority. I think for most, many, if not most, of our family business audience, I think they almost look at human resources as a necessary evil. It's something they have to do while

they're doing the tasks of their business. I think if more of you devoted your heart, and your time, and your energy to getting the best talent on your team, as successful as you are now, you'd be even more exponentially successful. That should be the only. I've got four more recommendations, but that really should be the only one that you take out of this blog.

The second thing is have systems. Have systems for getting people on your bus, training them, orienting them, getting them onto the team. The third thing is make sure the entire team knows that talent acquisition is the company's number one priority. If your team knows it, they can be on the lookout. They can look for friends, and relatives, and acquaintances, and people they meet as they network in business, and they can always be on the lookout and they can be your recruiting force and help you find the kind of town that you need to be super successful.

The fourth thing, again, I agree with this, you need to have a clear and compelling vision for where your business is going to go, because you can't attract super talented top-rated people if your business is just, "Oh we want to make more sales and profits than we did last year." That's not a vision. Getting the right people on your bus, they need to make sure their personal vision for how they see themselves and where they want to go aligns with your vision as a company. Those things need to be perfectly aligned for them to come on board.

The fifth thing, and I agree with this again, get rid of the players on your team that are no longer contributing value the way you expected them to, or maybe the way they once did. I know that's harsh advice in today's environment where everybody's looking for talent. But the big takeaway here, make talent acquisition your number one strategic priority and devote your heart, and your time, and your attention to doing that.

I'd love to have your comments. Love to have your thoughts. This is Wayne Rivers at The Family Business Institute. Thank you.