

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Please click on our social media icons and give us the benefit of your thinking in the comment section below.

Today, I want to talk about why most small businesses in the United States stay very small. What's the difference between people that grow and prosper and really hit the pinnacles of success versus those people that stay really small? And by very small, I mean less than \$1 million of gross revenue in their companies. I was struck by this fact that, this comes from my peer group member, my fellow peer group member Arlin Sorenson, that 96%, I really couldn't believe that, 96% of the businesses in the U.S. never achieve more than a million dollars in revenue in a year. Just a fraction of 1% of private businesses in this country, according to Dun and Bradstreet, ever get bigger than \$50 million in revenue.

What's the difference? Because everybody wants to prosper at some point in their lives, right, so what's the difference, in my view of the people that stay very small and don't achieve liftoff, you might, say versus the people that grow their businesses to be over \$50 million, build teams, build profits, and really achieve the top levels of success? After 30 years of working with small businesses, here are a few thoughts that I have that are the main dividers, the main difference makers between very small businesses and people that you would have to say by any measurable criteria are very, very successful.

The first thing is that, the very small folks, less than \$1 million tend to be really controlling, I mean, super controlling, touching everything in their business every day, controlling every decision, and utterly refusing to let anybody else have a word or have an idea or anything else. The bigger folks, they still like to control their destiny, don't get me wrong, but they know that to grow, they have to loosen up a bit, they have to give other people opportunities and things along those lines.

Second thing, the very small folks tend to be DIY, do it yourself and their thinking is, if you want it done right, you have to do it yourself. The bigger folks know that that is really, really limiting. One person working as hard as they can in only 24 hours, no matter how talented and energetic you are, you can only do so much. Even the best of us will hit our limits wherever they might be. The bigger folks know they can't do it all and they learned to let go a little bit and bring on people, which brings me to the third point is that the small folks don't have teams.

They really don't build teams. They might workers, but they don't build teams. The bigger folks build teams. One of the great things I heard a long time ago, and I'm really good at this, is hiring people smarter than me. You say, "Wayne, it's a low bar. It's easy for you." But really the idea of hiring people smarter than you, more capable, people that are your intellectual equals building, building out a team of equals is a really challenging thing, but it's a wonderful thing too because you just get so many ideas that, I mean, when we get our folks together, the ideas flow and it's just we bounce off each other and we all make each other better. That's what I'm talking about when you're putting together a team, the idea is you make each other better. It's not the boss and the workers, it's a team of intellectual equals that can come together to make things happen.

The fourth thing about the small folks is they won't allow any challenges to their thinking from their family members or their employees. It's my way or the highway, this is how we're going to do it. Any perceived challenge to their control of the business and the decisions is really met with blunt force and immediately squelched. There's just no opportunity for that. The guys that get bigger have big egos, no doubt, but they still have enough humility to let everybody in the organization bring new ideas and new concepts and new challenges and maybe even question the boss on a course of action or a failure to pursue a course of action, big egos, yes, but humility even more. That's the key for the bigger folks.

Finally, the small folks see themselves as really super hard workers and doers of tasks. The bigger folks are really hard workers too, but they know that at some point in their careers to achieve all the things that they want to achieve, they're no longer doers of tasks, they're leaders of people. That's probably the biggest mental shift successful entrepreneurs have to make, and that is, I'm not a doer of tasks anymore. I'm not managing projects. I'm not doing estimates. I'm now bringing aboard people and leading them to do those things because if I can multiply my intelligence by bringing other intelligent people on board, we're all going to go places together that we couldn't have achieved on our own.

If you're in that part that's under \$1 million or maybe you're bigger than \$1 million but less than that rare air of \$50 million in revenue, but you aspire to get there, here are a few tips that might help you get to that next level. The first thing is get some coaching. I mentioned many times on this blog about a wonderful program called the Strategic Coach. I thought it was terrific. It brings together entrepreneurs from different businesses and it challenges you to rethink how to behave, how to act as an entrepreneur to get more of the things you want in life and less of the things that you don't want.

Read books. There're so many great books out there. My reading stack is amazingly high, and I gradually get to them. But read in your downtime, not so much on the weekends, try to keep your family time sacred, but when you're on a flight or you're waiting for, for an appointment at the doctor or you've got 15 minutes here and 20 minutes there during the course of the day, keep a book in your briefcase. You'll get through it in a matter of, well, it won't take as long as you think, but reading is a great way to challenge your brain.

Third thing, go to workshops. Your trade associations always have workshops for people like me to come and present and challenge you and get you to think in different ways. Find a peer group. If it's a local peer group like Vistage or YPO or something like that, terrific. If you can find an industry specific peer group, you've heard me talk about our peer groups a thousand times, it's even better. I know my peer group of peer group providers has been transformative for me. Find a peer group. It might be the best thing you ever do for your business.

Finally, find a mentor. If you can find somebody in your industry with whom you don't compete, that's been where you want to go, and you can talk to that person once a month or once a quarter for a little guidance and ideas. They've solved problems that are going to confront you and they've overcome them, and they can teach you the shortcuts. It's not so much learning from your mistakes, but if you can learn from other people's mistakes, you can accelerate your growth a great deal.

I think I'm convinced that you can engineer your own success, but it does take thinking and feeling about yourself in a different way. Maybe some of these tips will help you get over the top. I'd love to hear what tips you have, what experiences you have that have helped you get to that next level. What's happened in your life that's caused you to be able to go from \$1 million in revenue to \$10 million to \$20 million, whatever it happens to be? Put that in the comments. We'd love to hear from you.

Thank you. This is Wayne Rivers at the Family Business Institute.