INTRODUCTION

"Worldwide, there are about 300 million persons trying to start about 150 million businesses [at any given time]. About one third will be launched, so you can assume 50 million new firm births per year. Or about 137,000 per day."[1]

That's right: About 6,000 new companies start every hour of every day, year after year, according to research compiled by the late research consultant Moya K. Mason. She then goes on to note that firm "birth and death" rates are about equal, with roughly 120,000 active firms terminating trading each day. And it's not getting any better, even for more established firms. Four hundred and forty firms that were listed within the Fortune 500 in 1955 have

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1   Moya K. Mason, "Research on Small Businesses," *MKM Research*, http://www.moyak.com/ papers/small-business-statistics.html#targetText=About%20one%20third%20will%20 be,Or%20about%20137%2C000%20per%20day.&targetText=Among%20this%202.4%20 billion%2C%20about,initial%20three%20years%20of%20operation.

been replaced as of 2017. According to Credit Suisse, the average age of an S&P 500 company is fewer than twenty years, down from sixty years in the 1950s.[2]

So many new businesses begin, yet so few remain in the short term—or the long run. No doubt, their founders all started out with hopeful visions of success. Yet they faltered.

It's time to take a step back and ask, "What's going on?"

This is what I do every day in my work as a business coach. Because what I've found is that no one talks about what *really* works. They talk about what's worked for them, which is almost always a unique situation. They rely on conventional wisdom—or their own intuition. With this book, I want to introduce you to what's worked across thousands of businesses over a long period of time. Few business owners and leaders know the rare things that exceptional companies consistently do well and that have been proven to be effective. The lessons aren't taught in business school. They're seldom shared among leaders. This creates a mismatch between what science knows and what business does.

2   Michael Sheetz, "Technology killing off corporate America: Average life span of companies under 20 years," *CNBC*, August 24, 2017, https://www.cnbc.com/2017/08/24/technology-killing-off-corporations-average-lifespan-of-company-under-20-years.html.

The problems that plague businesses aren't felt only by founders and leaders—they extend to the whole workforce. According to Gallup and research and survey consortium Mayflower Group, more than half of our team members are disengaged, too many actively.[3] Can you imagine relying on dozens, hundreds, or thousands of disengaged people to help make your business a success? This is where many companies are at today.

Why do people show up at work (and for that matter, in life) this way? Because it's what we were taught by our parents, peers, teachers, and other influencers.

Author and Harvard professor Amy Edmondson offers this explanation:

> It turns out that no one wakes up in the morning, jumps out of bed and says, "I can't wait to get to work today to look ignorant, incompetent, intrusive, or negative." On average, we prefer to look smart, helpful, and positive. The good news/bad news about all this is that it's very easy to manage. Don't want to look ignorant, don't ask questions. Don't want to look incompetent, don't admit your weakness or mistake. Don't want to look intrusive, don't offer

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3   "State of the American Workplace," *Gallup*, https://news.gallup.com/reports/178514/state-american-workplace.aspx.

ideas and if you don't want to look negative, by all means, don't criticize the status quo.[4]

We're taught to "go with the flow" from an early age, and by the time we become adults, we've perfected the behavior. Simon Sinek, renowned author, motivational speaker, and marketing consultant calls this our second job at work—the job of lying, hiding, and faking in order to feel "safe." And it's killing productivity on many levels, virtually destroying any chance of taking a business further, faster.

HOW DID WE GET HERE?

No entrepreneur starts out this way. Think back to when you made the decision to start your business. Maybe you were tired of working for someone else. Maybe you got sick of settling for mediocrity and thought you could do better calling all the shots. *Something* drove you to cut the "employee cord" and risk a lot on your own skills. You must have felt strongly about what you wanted to bring to the world and had a lot of confidence in your abilities and potential. Think back to what being a business owner was like then, versus what it's like for you now.

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4   Pangambam S (transcriber), "*Building a Psychologically Safe Workplace: Amy Edmondson (Transcript),*" September 8, 2019, https://singjupost.com/building-a-psychologically-safe-workplace-amy-edmondson-transcript/.

How did we get here?

When you start a business, it's just you and maybe a couple of other people. So you care about only a few things and focus on just three constituencies: (1) your employees, (2) your customers, and (3) your market. You're very close to those constituencies. You hire, and train, and sit with these people; answer the phone; and close the deals. You go to conferences and network with people to see where the industry's going and what the market's doing. You do all those things to get your business off the ground, and guess what? It works. After a year or so, you've got a real business. And it grows.

But as your business grows, you start to move away from those constituencies. Someone else is doing all the hiring, and they're not always making the best choices. Since you don't deal with employee issues anymore, people who shouldn't be there linger on. You don't know what's going on with your customers, either, because you have salespeople, customer support people, and tech support people for that—and they don't tell you everything. Your marketing people attend the conferences for you and report back, telling you what they think you want to know about what they saw and heard.

You're that person in the office who no one wants to disturb or upset. You don't have the kind of information you

used to get when you started the company, and most of what you do get is second-hand. You seldom get bad news, and you have to wonder if everything's really going that well—or if people aren't telling you everything.

So if you're not paying attention to your employees, customers, and the market, what are you paying attention to? Your calendar must be empty. Except it's not, because the bigger you get, the more you take on that doesn't really matter. You get involved in the decisions that aren't going to save your business, never mind grow it.

If you don't believe me, take a look at your calendar right now. Look at how you're spending your week. Are you guiding the most important decisions that will grow your business, or filling your time with things that don't matter? When your job is to grow the business, pretty much anything that doesn't contribute to that doesn't matter. That includes chasing revenue, by the way.

Do I have your attention yet?

MIND READER

I look forward to the day when entrepreneurs and business owners do their jobs differently. I want them to spring out of bed every morning, eager to make a difference in the lives of their raving fans—their customers. I

want them to end each workday knowing their employees are leaving the office happy and fulfilled, looking forward to coming back to work the next day, instead of living for the weekend.

I'm working toward that day when every business leader is so close to his customers, they believe he can read their minds. A day when every business leader understands exactly what her customers are trying to accomplish as she addresses their key struggles—while also making their lives easier, more enjoyable, and more productive.

I am committed to the day when every leader can predict their business metrics and customer preferences years in advance with startling accuracy. The key is not to be a great "guesser," but to *intentionally commit time and attention to a few important long-term decisions and actively manage a system for predicting these metrics and preferences within the business process*. The most successful leaders create their future! Barring impactful unexpected events, I believe this is achievable because I have seen it.

Years ago, I took on a consulting client who was looking to sell his business. "Make me look as big as you possibly can," he told me. I created a sales process, hired a team, and within a year, the business was purchased by a much larger, IT services organization for a good amount of money. Within a few months, the original owner moved

on while I stayed to run the division. In my first days as general manager, we suffered a serious hardware issue that resulted in a massive meltdown in services. One of our most critical services—email delivery—ground to a halt. This was before Amazon web services, when businesses just rented server space at third-party sites. The company accelerated rehabbing the data infrastructure but we still lost a thousand customers in a week. The president of the company and I visited with customers and partners to try and keep them on board. These weren't trivial partners either; they were hundreds-of-million-dollar-if-not-billion-dollar partners. By comparison, we were small potatoes.

We had to do something drastic if we were going to get our customers back on board. We couldn't just patch it up and hope for the best. I had a vision for the company, and I wanted the network people to see it too.

"Five nines," I told them, "is what we're shooting for. We need—at a minimum—a 99.999 percent uptime." I also created a scoring system to gauge our customer's loyalty (this was also before Net Promoter), and the results were not good: 2.9 out of 5, or 58 percent. I added to the vision: "We need a score of four out of five—80 percent—from our customers." I really wanted 4.5 out of 5, but I didn't want to overwhelm the team at this point. I knew what I wanted to see but I didn't know how to get there. The net-

work team could figure it out, I believed, but they needed support from leadership. I told them, "You know what I want. You have to build the map to get us there and tell me what you need to build it."

I wanted the team to commit to something they could visualize—something bigger than themselves. I created rewards and recognitions around the 80 percent goal. We initiated "Spark" as a way to recognize people, which I'll talk about in a lot more detail later in this book. It took us a while, but eighteen months later when I left the company, we had achieved and maintained a score of 4.6 in customer loyalty—92 percent! Even more, at about the ten-month mark, I knew we were going to do great things as my operating job was over by 11 a.m. each day. I now had time to focus on the future.

When I came into the business, it had been around for seven years and was doing $9 million in revenue. I left it at $14 million. Not bad for two years' work. And we did it without hiring a bunch of new people. The key was to have that vision and paint that picture for the people who could make it happen. Then get behind them, support them, and reward them for working together as a team to get there.

The goals I set for my team—and the ones I'm asking you to set for yours—aren't a stretch at all. They are totally

within reach: I want every leader's team to truly act like a team, each member willing to sacrifice his individual needs for the greater good. Each member trusting her fellow team members to do their jobs, and when she's struggling, to have her back. Every single person on every team knowing they can come to work and never have to worry about anyone undermining them, directly or indirectly.

If this is the kind of workplace you've already built, then you don't need my book. Feel free to pass it on to a friend—I won't be offended. But if it sounds like something you're longing for, keep reading.

BILL THE STARTUP GUY

I've been a student of business for three decades. In the 1990s, I was a "startup guy," working in sales and marketing for new businesses where I talked to customers and partners all day. I loved it, and by 2015, I'd worked with ten startups that ended with two IPOs and seven acquisitions, achieving a 50 percent success rate. And five out of six of these successes were achieved from 1991 through 2011!

Being something of an etiologist, I naturally want to know the cause of every effect, specifically as it applies to business and why some succeed, yet many fail. Outside the