

Who Can Show Me How?

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I have had the pleasure of meeting hundreds of successful and unsuccessful entrepreneurs. I'm always excited to hear their dreams, inspired by their desires to improve the world, and fascinated by the problems they seek to solve.

Successful business founders have burning passions to do whatever it takes to succeed. When I look beyond that common attitude, entrepreneurs typically have one of two opposing attitudes about how to gain success:

1. "I know exactly what needs to be done. Any contrary views are clearly wrong."
2. "I need to learn what I don't know how to do well. Can you show me?"

Leaders who don't want any advice typically act first and repent at leisure, gradually improving by learning from their mistakes. They often feel that doing anything that makes sense to them is a better choice than losing time in preparing to act. I think of this method as "fire and then aim."

When entrepreneurs do know what to do, progress occurs more rapidly. When they are over confident, problems can occur . . . such as by making avoidable mistakes that delay progress so much or waste so many resources that success is never achieved. Based on how many unsuccessful entrepreneurs also have burning passions to do whatever it takes to succeed, it's clear that such risks are significant.

You might think that those who are looking to learn would have an easier time. That's not always the case. Such business leaders have to deal with three significant challenges:

1. Becoming aware of what they don't know.
2. Finding a good way to learn.
3. Successfully applying what they learn.

Even with a careful attitude and humility about the need to prepare, many business founders fail to prosper. Unlike the utter failures experienced by those who don't want any advice, those who are willing to learn more typically risk succeeding in only creating a marginal enterprise that takes too much time and effort. Their progress is usually limited by trying to learn to do too many things for themselves, rather than on just doing the most important actions well and delegating or outsourcing what's less important.

While considering these three challenges, I'm continually struck by the contrast between the high success rate enjoyed by those who purchase and operate proven franchises and the much lower frequency of success for those who want total freedom to innovate in their businesses. Here are some of the reasons why successful franchises more often work out well for entrepreneurs:

1. Decades of careful testing and improvements by franchisors lead to business models and operating methods with many advantages and relatively few flaws.
2. Franchisors with the best business models and methods have their pick of franchisees, and they usually select potential franchisees with the most knowledge, skill, and experience in their type of business.
3. Franchisees are required to undergo supervised training until the franchisor's staff is convinced the franchisee knows how to and can do exactly what it takes to succeed.
4. The franchisor provides ongoing services to help ensure that franchisees won't make major mistakes, including regular reviews of operations to spot misunderstandings and needed improvements.

Wouldn't it be great if those entrepreneurs who start businesses with world-changing entrepreneurial ideas could benefit from the advantages that the best franchisors provide their franchisees? While only those entrepreneurs who want to learn would benefit, just imagine how much more would be accomplished by supplementing all that determination to do whatever it takes to succeed and being open to learning with just the right assistance.

A recent student of mine, Dr. Donald Kamdonyo, wants to help such entrepreneurs become much more successful, and he gained powerful new insights into how to do so through an experiment he conducted while earning a Ph.D. at Rushmore University. Rather than simply seek ways for entrepreneurs to succeed by doing what everyone else does, he wanted to see if struggling entrepreneurs could learn how to make business breakthroughs that rapidly improve their sales, profits, and revenues by 20 times or more while spending no more time, money, or effort to do so.

Having grown up in a family of subsistence farmers who also operated a small grocery store and tea shop in Malawi, he appreciated how hard people can work to earn very little income. Wouldn't it be wonderful if older people who have great creativity, vast knowledge, and hard-won experience shared what they know to enhance the results of entrepreneurs' world-transforming visions and passion?

In the experiment, Dr. Kamdonyo worked as a tutor and coach for a few dozen small entrepreneurs in Malawi who were struggling to succeed. He helped them to identify the stalls (bad thinking habits) that were harming their performance and to select and apply stallbusters for eliminating the bad habits. His first finding was that almost all the entrepreneurs were doing poorly due, in part, to lacking enough self-discipline. The entrepreneurs needed to take actions such as:

- limiting cash withdrawals from their businesses to just a salary the business could afford to pay them
- filing the paperwork required to qualify for bidding on large, profitable contracts
- regularly soliciting profitable new customers
- continually upgrading their offerings to make them more valuable and appealing
- planning for, organizing, financing, and implementing profitable expansions that provide substantial operating benefits for customers

Through one-on-one coaching sessions, almost all the entrepreneurs were able to become much more effectively self-disciplined in these and

other important ways. As a result, sales and profits quickly expanded for those who took these actions. Within just a few months, almost all of the entrepreneurs were well on their way to increasing their capital base by more than 20 times, through becoming much more profitable and retaining a much higher percentage of their earnings.

As more equity capital was accumulated, most of the businesses began planning large expansions. In many cases, the increased scale will provide opportunities to substantially reduce the costs of their offerings or to improve an offering's attractiveness so much that much higher prices could be charged.

As an example, by involving assistants a hairdresser turned a time-consuming styling process that required customers to endure eight hours of nonstop ministrations into one that could be completed in just three hours. Customers were willing to pay more for such convenience, and the hairdresser's skill was applied to serve many more women.

Dr. Kamdonyo also determined how such tutoring and coaching support could be systematically supplied to help large numbers of entrepreneurs. With enough tutors and coaches showing entrepreneurs how to make such breakthroughs, the entire economy of Malawi could be transformed in just a few years: unemployment could be largely eliminated and average income levels greatly increased. The teaching and improvement methods that he proposed could be as easily applied in many other countries.

His work clearly demonstrates the enormous potential of having someone teach entrepreneurs who want to learn how to be more successful through making the right business breakthroughs.

Dr. Kamdonyo intends to publish a book based on his dissertation that describes his experiment as well as his proposals for helping struggling entrepreneurs to accomplish vastly more. Hopefully, his writing will also inspire people in every nation who want to help entrepreneurs to follow his good example.

Who can show you how to accomplish breakthroughs in the most important aspects of what you need to learn? Find that person, and you, too, can accomplish 20 times more with the same time, money, and effort.

As you engage in such learning, I'll be cheering for you to succeed beyond your wildest dreams. Your family, friends, customers, employees, and suppliers will be cheering you on, too!

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