

NDSU Helps Small Businesses Define Success

One of the most crucial planning tasks for the small-business owner is to determine, before opening the doors, how he or she will define success.

“Success can mean many different things,” says (Insert name and title) of (Insert county).

“Certainly, profit is one such definition. And profit is necessary for a business to survive long term.

“Yet profit may not be the only criteria desired by the small-business owner,” continued (Insert last name). “Instead, success to the owner may be solving a customer’s problem or changing a customer’s life.”

While both of these elements are important in reaching financial success, the issue for the owner is understanding his or her key motivator or motivators. Understanding them can help the owner determine whether to expand the business or just let things continue as is. This information also can help the owner determine whether to sell or close the business.

“Success factors such as profit or gross revenue can be objective and subjective as measured by how one feels about the business or being your own boss,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist.

“Even the ability to achieve nonbusiness-related goals, such as time with family, can be an acceptable measure of success. Some business owners measure success in terms of being well-known or being the first business found when doing an online search.

“In reality, success usually is measured in multiple ways by the owner,” Muske continued. “The important thing is that the owner has defined success and knows how she or he will measure it.”

Other ways that business owners have measured success include:

- * Having clients find you. Without advertising, people you do not know and never have contacted are buying from your company.
- * Customers refer others to you. Referrals can come from many sources, but in this case, you should realize you are meeting the needs of a particular client group.
- * The news media find you. The news media always are looking for successful local businesses, especially in smaller towns. When they find you, you should know you are doing something right.
- * For some small-business owners, the ability to employ additional people means success for the business and may fulfill their desire to have a positive impact on the community where they live.

For the startup business, success may be measured at a different level, such as bringing in your first paying customer or you achieve positive cash flow.

“Defining success is one step in the planning process of your business,” says Muske. “And while making a profit always must be an element of that definition, there may be many other parts to the definition.”

So sit down and spend some time determining how you measure success. If you already have done this, then take the time to see if you have achieved it, why or why not, and then what steps you will take to move forward.

For more information, contact your local Extension Service office at [insert phone number and email address]. Also visit NDSU’s small-business support website at www.ag.ndsu.edu/smallbusiness and sign up for the monthly newsletter.

Information also is available on Facebook at www.facebook.com/NDSUextsmallbiz or Twitter at @gmuske. Another resource is www.extension.org/entrepreneurship. The Small Business Administration and its related organizations, Small Business Development Centers and the Service Corps of Retired Executives, are also useful resources.

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For more information, contact glenn.muske@ndsu.edu or call (701) 328-9718. You also can visit our website, www.ag.ndsu.edu/smallbusiness.