

Three Things for Success

There are three things a business must have to be successful. I confess that I didn't make up this list. I first heard it from a gentleman many years ago who had been the CEO of several businesses over his long career. Over the years I have grown to believe that this short list of three things necessary for business success is absolutely true.

The first thing a business must have to be successful is **profit**. While that may seem obvious at first, it's also important to understand why.

The stakeholders in a business all share one thing in common. A stakeholder is anyone with an interest in the success of the business. Stakeholders include the employees, vendors, customers and the owners. Each of these stakeholders shares one thing in common: a desire for security -- security for their position in the business.

The employees want to know that they are going to continue to have a job and get paid. The vendors want to know that they are going to get paid for whatever goods or services they provide to the business. Customers want to know that they can rely on the business for whatever goods or services they want or need. And the owners want a return on their investment of both time and money, which may be substantial.

In order for this security to be there for all of these stakeholders, the business must have a profit. If a business is not profitable, what's it doing? Losing money. Bleeding. And no business can do that forever, for it would eventually bleed to death. Insecurity would set in and the business would no longer work for the employees, vendors, customers and owners.

The second thing a business must have is **growth**. To some degree growth is required for the very same reasons. If a business is not growing, what's it doing? Declining. And no organization can decline forever for it would eventually die. In the downward spiral of decline, insecurity would set in once again. It would no longer work for the stakeholders.

Another key reason for growing the business is from the perspective of the employees. Chances are every employee would like for this year to be better than last year. They would like to make more money, have more responsibility, and experience personal growth. If the business is not growing, where's that opportunity for them going to come from? Somewhere else.

There are also many other reasons why growth is important, but the bottom line is this – growth benefits all of the stakeholders. We will touch on some of these reasons in more detail later.

I am often asked by clients “*How much profit and how much growth should we have.*” We will also address both of these issues in more detail later, but I think the basic concept is this: *more* is better than *less*.

The third and final part of this trio for success is no less important, but it is perhaps the most surprising and least understood of the three. When I'm presenting this to a group of client's leaders or employees, I will often ask them what they think this third thing might be. Their thoughtful answers often include such factors as customers, leadership, good employees, a business plan – all important but not the overriding term I'm looking for.

The third thing a business must have to be successful is *fun*. When I say that, I can see the smiles spread across the room along with looks of both relief and puzzlement. Everyone likes to have fun -- but we often don't associate "fun" with "work." But over the years I have grown to believe that fun is indeed the critical third element for success.

But we need to make sure it's the right kind of fun. We're not just talking about beer and pizza parties. It's not just about singing songs on birthdays or telling jokes around the water cooler. It's about fun with a purpose. We will also talk much more about this kind of fun later.

Think of these three things – profit, growth and fun -- as the legs of a three-legged stool. Take away any one leg and you can still sit, but you will teeter from side to side and you must balance carefully on the two remaining legs. Take away two legs and you are highly unstable, wobbling in all directions and requiring considerable energy and effort just to stay upright – if you can. Most businesses can teeter and wobble for a little while, but they must always replace the missing legs as quickly as possible. Only with all three legs firmly in place is the business solid and stable.