

Can you comment on the recession, recovery, and role of small business vs. big business? It seems like all the news is about big businesses. What is the reality for small business owners like myself? We're doing okay and after a slow first quarter, we're looking to have a better year this year than last. Am I crazy?

You're not crazy at all. It's true. The recession is winding down. Many small business owners say they're looking forward to a better year this year than last year. Many say that after a slow first quarter, things are picking up. It's time to say thanks to small businesses for keeping the lights on through a very dark economy. Having said that, the picture is not completely rosy.

Unfortunately, for all of their great contributions, there is also a dismal side to small business. Entrepreneurial businesses run at an unacceptably high rate of up to 3 out of 4 businesses failures in every 10 year cycle. Longevity has little to no impact on the failure rate. Most small businesses that continue to operate fail to deliver their full potential, in good and bad economic times. The owners hold the businesses together and push them forward through sheer force of will and determination.

Managing vs. Working

Between 93 percent and 95 percent of small-business owners are more trained to do the work of the business than they are to manage the business. As a result, most small business owners work harder than they have to, make less money than they could, and leave a lot on the table when they exit. They freely admit they got into business for the love of what the business does, then woke up to find they also had a business to run. Through trial and error they learn what they need to know about running the business. They quickly find out that running a business and doing the work of a business are two entirely different skill sets.

Especially in turbulent financial times, business owners say they don't sleep well. They complain that the responsibility for the whole business sits on their shoulders. Some say they no longer love what they do and wish they could get out. Many say it feels like they're playing a game of chess on a five layer board. Most wish they had more skills related to running a business. Often, business owners say they are fully unprepared for the tasks of managing a company. That's not a pretty picture.

Is there an alternative? Yes. Some business owners master the game of long-haul business. For these business owner's, wealth, succession and honoring the people who help them build and run their businesses, become the reward.

Small Business, Big Impact

Why should we care about small business success? Small businesses generate wealth and opportunity for the people in the business. They provide long-term employment for workers who deliver. They are highly market sensitive, having an extremely short communication line from customer to owner. Driven by entrepreneurs, small businesses are generally visionary and innovative. And they keep their assets close to home. Small businesses also represent the U.S. economy's growth engine for the next 100 years.

Privately held small businesses, those with between one and 300 employees, owned and operated by hard working entrepreneurs, play an especially important role in the future success of our economy. Stability is in numbers. If one, 10 or even 100 of them mess up, they can't take the economy down with them.

As small business ownership expands, consider the alternative economic model. The Fortune 500 is going offshore to Asia and taking the financial markets with them. They are committing significant financial blunders that impact us all. And, they operate in an unstable, auction-based stock market environment that seriously limits their ability to make long term decisions for the greater good.

Small businesses, on the other hand, focus internally. The massive numbers of people working in small businesses, plus the high volume of small businesses translate into economic stability.

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If you are a business owner and you have a question or would like to discuss some aspect of your business, call [1.877.238.3535](tel:18772383535) or send an email to AskAndi@StrategyLeaders.com.