

BUSINESS

5 Honest Truths About Starting a Business

BY ALAN MANLY | 08-02-2021 | 2 MIN READ



Are you in the right mindset for starting a business?

In business, as in life, there are a few home truths that would have been great to know at the time, but which only become apparent with hindsight. From how others view entrepreneurs to their approach to risk-taking, starting a business isn't always what it seems. These are five truths about starting a business that many an entrepreneur has learned throughout their journey:

1. Crazy is good

"Crazy like a fox" is a saying attributed to some of the world's great entrepreneurs. Dictionary.com defines the phrase as 'seemingly foolish but actually very shrewd and cunning'.

The risk-taking entrepreneur is equally as crazy yet backed up by their cunning. It takes real vision to start a business, scope out opportunities and know when to strike.

So being labelled crazy isn't necessarily a bad thing. In fact, sometimes the "crazier" most people consider your idea, the more successful it will be should you pull it off.

2. The odds are stacked against you

It's a tough but all-too-true reality: if you look at the odds of success for starting a new business, you have to be crazy to proceed.

Statistics suggest that [a third of all new small businesses won't survive past their first year](#). And that's the good news. Half of all new businesses will fail within their first two years, while three in four won't make it to their fifth birthday.

Yet while many snigger at prospective entrepreneurs, millions of Australians are Lotto devotees. The [odds of winning the jackpot on Oz Lotto are estimated at one in 45 million](#). One in four suddenly looks pretty good!

3. Successful entrepreneurs are like foxes

There are considerable similarities between the fox and the entrepreneur.

It's believed that [foxes make at least 40 different sounds](#) (the most startling, of which, might be [its scream](#)). Compared to other animals, that's a lot of talking – an obvious likeness to entrepreneurs.

Foxes also live anywhere, even under the harshest of conditions: Fennec foxes dwell in the sandy Sahara Desert, whilst the Arctic fox inhabits the cold end of the planet. Similarly, nowhere is safe from an entrepreneur looking for a deal.

Similarly, foxes are omnivorous mammals, meaning they eat anything; no deal is too hard to swallow for the entrepreneur. Both are acutely aware of noise that could equate to opportunity. And both stick their noses into other people's business – i.e. market research.

4. Money isn't everything

It's not just the possibility of getting richer, but the thrill of the chase that spurs on most business founders. There is even

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scholarly research supporting this idea.

"Some entrepreneurs are sensation-seekers who get pleasure from their engagement of entrepreneurial activities," write [Simmons, Carr and Hsu](#) in a 2020 paper titled Sensation-seeking and workaholism: implications for serial entrepreneurship.

"Other entrepreneurs are workaholics who are motivated to finish what they start, but have low work enjoyment. Recent studies theorize that both groups may engage in excessive or compulsive entrepreneurial activities, irrespective of their prior performance or the success or failure feedback."

5. Embrace failure

Rarely is someone successful first time around in business. Even the most revered entrepreneurs will happily tell you of their first failed attempts, which provided the basis for their ultimately successful ventures.

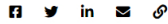
Failure often teaches us more than success ever could. It helps us to improve and grow. It makes us hungrier. And it instils a good dose of humility too.

“ From how others view entrepreneurs to their approach to risk-taking, starting a business isn't always what it seems.

Perhaps then it's no coincidence that a group of foxes is called a skulk. These creatures are no stranger to failure; a meal is never guaranteed. Sometimes they're forced to skulk away into the darkness, hungry and wanting.

But they don't succumb to failure. Instead, they learn from it. They try different ways and different times to find their next meal. They learn what does and doesn't work. Just like a good business leader.

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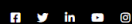


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