

Unless the Lord Builds the Business

The Entrepreneurial Success Formula

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There are many ways to think about what determines the success of a business venture, but in an effort to simplify the matter, I would suggest the following formula: Entrepreneur + Business Model + Resources + God's Providence = Success. (See the illustration on the last page.)

The entrepreneur

Any business venture is highly dependent upon the gifts, character, vision, personality, skills, and experiences of the entrepreneur. It all begins with the entrepreneurial energy to launch a business, but the entrepreneur needs to prepare well across all fronts. No matter how much vision an entrepreneur has, he will struggle to land any customers if he is not skilled at sales and marketing. No matter how good the idea seems, he will be missing much of the industry context if he doesn't have any experience in the industry. Another way to consider this is as follows: the more new things the entrepreneur is experiencing while attempting to launch a new venture, the greater the risk and the higher the likelihood of failure.

The key focus for the entrepreneur should be to diligently prepare himself prior to launch. As we read in Proverbs 22:29: "Seest thou a man diligent in his business? he shall stand before kings; he shall not stand before mean men." But even a highly-gifted entrepreneur can fail miserably if he doesn't get the business model right.

The business model

An opportunity consists of several important components such as the target industry dynamics, as well as the

financial, operational, product or service, and customer relationship characteristics. Each of these key components have several sub-characteristics that have a deep impact on the potential for success. (See our Analysis

Combine vision with the courage to say, "Go!", and you have *entrepreneurial vision*.

tool at NewVentureLab.com for more information.) In terms of industry dynamics for example, there are at least ten extremely important factors to consider, one of which is the growth rate of the industry. As a rising tide lifts all boats, a business in a hyper-growth industry will have a much better opportunity of success compared to a business in an industry where competitors are battling it out for a shrinking pool of customers.

An entrepreneur who desires to invest his energies in the best possible opportunity available should carefully analyze a potential venture prior to putting his hand to the plow.

The key theme for the business model should be to make wise decisions regarding your business planning. According to Proverbs 19:2, "Also, that the soul be without knowledge, it is not good; and he that hasteth with his

feet sinneth.” And according to Luke 14:28, “For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?”

But the quality of the business venture alone does not tell the entire story. An entrepreneur needs access to the proper resources in order to build his business.

The resources

The resources required for a particular venture may vary widely, but one should at least consider family, employees, partners and capital. For family ventures, one needs to consider the gifts, character, personalities, skills, and experiences of all of the family members who will be contributing to the venture’s success. For a business plan that calls on hiring employees, much will depend upon the employees—and especially the management team—that the entrepreneur hires. Additionally the partners the entrepreneur chooses are critical. These “partners” will include key business relationships such as vendors and suppliers, advisors, investors, etc. And finally, there’s capital: the fuel that the business needs to run on to get started until it reaches breakeven. Many high-quality businesses never got the chance to succeed because they were not sufficiently capitalized.

The key concern for resources should be careful yoking with all of these “partners” with whom you will be working with on your venture, possibly for years to come. 2 Corinthians 6:14 warns us about this, “Be ye not unequally yoked together with unbelievers: for what fellowship hath righteousness with unrighteousness? and what communion hath light with darkness?”

But even if the well-prepared entrepreneur was armed with the best business model in town and amassed a stunning arsenal of like-minded resources, let’s not forget that our sovereign God is also a key part of the success formula.

God’s providence

Given everything else, it is still up to God to prosper the business venture. As any entrepreneur can attest, God has a way of sanctifying an entrepreneur through his business dealings with all the thorns and thistles that

keep getting in the way. God in His providence can choose to challenge an entrepreneur, refine an entrepreneur or bless an entrepreneur.

We read in Deuteronomy 8:18 that it is God who gives us the ability for financial success: “But thou shalt remember the LORD thy God: for it is he that giveth thee power to get wealth, that he may establish his covenant which he sware unto thy fathers, as it is this day.” We should also note that it is for God’s covenantal purposes that He may choose to bless us and not for our own comfort and ease. Even if God does bless us richly, we are still merely stewards of the resources He has put in our control.

Visionary entrepreneurs forge ahead with optimism and enthusiasm. They do what they love. They leave the harbor. They go get the ketchup.

The key commitment in terms of our relationship with God should be faithful living by staying grounded in the Word, constantly seeking God’s will and living in a worshipful manner. While God’s providence reaches far beyond our control, God still calls us to excellence in all that we do, including our planning and preparation.

Biblical prescriptions for trials

Every entrepreneur will face trials of a similar nature, whether it is a big sale that falls through at the last minute or running out of cash and facing certain doom. It is the nature of entrepreneurship that we will face storms that will threaten our businesses and our ability to provide for our families. Here are some biblical prescriptions for how to ride out these kinds of storms until we reach a safe harbor:

Prayer

Many of the Psalms written by David reveal to us the heart of a man crying out to God for deliverance from trials such as being hunted by King Saul or even by his own son. In a similar way, we need to cry out to God in the midst of these storms that will surely test us. There is great comfort in the Apostle Paul's words in 2 Corinthians 4:8-9: "We are troubled on every side, yet not distressed; we are perplexed, but not in despair; persecuted, but not forsaken; cast down, but not destroyed." (KJV) By seeking God first in prayer, His peace can guard our hearts and minds, and we will be much better prepared to analyze the problem we face and develop alternative courses of action.

Wise counsel

Armed with potential solutions, we should seek appropriate counsel to avoid making rash decisions under duress. Proverbs 12:15 tells us that "The way of a fool is right in his own eyes: but he that hearkeneth unto counsel is wise." (KJV) Utilizing someone as a sounding board, such as our wives or a good friend, can give us a much needed fresh perspective and hope in our hour of darkness. But it is also important to get good counsel during the good times because entrepreneurs can be just as rash when they are brimming with confidence and unwittingly steer their ship into a perfect storm. When Sam Walton, the founder of Wal-Mart, bought his very first store, a Ben Franklin Five-and-Dime store in Newport, Arkansas, he failed to read his lease closely or have it reviewed by an attorney. Much to his later surprise, the lease did not give him the option to renew, and he lost the lease and was forced to move his store at a significant cost.

**Spend more time with the Lord—
the One who is calling you.
Then choose wisely.**

Enduring values

After prayer and godly counsel, we need to ensure our pending actions will be consistent with an objective standard. Just as we need to love the Law of God and apply it to our personal lives, every business needs a set of enduring values, consistent with the precepts, patterns and principles of scripture, which it never compromises. Clearly defined and communicated values will help a company and its employees act with integrity, even under extreme stress. L.L. Bean—the founder of the outdoor sports apparel company that bears his name -- was the first retailer to come up with the idea of a money-back guarantee, a commitment he included in his very first direct mail piece. He was sorely tested when 90 of the 100 hunting boots he sold on that initial trial run were returned. But he maintained his integrity and the company's values, refunded the money and started over, thereby earning his customers' respect and trust.

Decisive action

Once you are ready to act, it is imperative that you act decisively and without hesitation. In the example of Josiah we see the pattern of a leader who took action as soon as he heard the truth of the law read to him. One thing that often separates heroes from the pack is their decisive action during a trial that would cause others to become paralyzed with fear. In September of 1926 Lewis Britti—the founder of Northwest Airlines—found himself in the jam of having just two weeks to commence a new U.S. mail contract with no planes, no employees, no hangars, no office and no telephone. A former lieutenant colonel from the Spanish-American war, he made command decisions to rent planes, order new planes, hire staff, etc. and had the airline operational and delivering mail contracts in just 14 days, a real testament to his decisiveness.

God allows storms to come our way because He knows that the trying of our faith worketh patience. With Him, we can weather any storm we encounter on our entrepreneurial journey. After all, unless the Lord builds the business, they labor in vain that build it.

Formula for Entrepreneurial Success

Entrepreneur + Business Model + Resources + God's Providence

Gifts	Industry	Family	Word
Character	Financial	Employees	Will
Vision	Operational	Partners	Worship
Personality	Product/Service	Capital	
Skills	Customer		
Experience			

Diligent Preparation

Wise Decisions

Careful Yoking

Faithful Living

See Wade Myers' biographical information on page 24 of this book, or read more of his story at www.WadeTMyers.com.