

## Success: What does it mean to you?

### How do you measure success in your business?

For Jinous Nouri, president of Stick-With-Us / MOOM All Natural Beauty Products, “success” is measured in many forms, beginning with happy customers. “The most satisfactory part of the business is when a customer calls or writes, expressing appreciation for our work and products – telling us they like it, will use it and recommend it to friends,” she says. “That’s what is best about my business – creating something that someone is happy with.”

Nouri notes that she also defines success through the foundation she has built for her employees, and the relationships she has forged with them. “They have employment, and make their living from our business. They call themselves ‘the MOOM family,’” she says. The importance of relationships also extends to her own family. Balancing business demands with the priorities of her husband, children and grandchildren are just as important in measuring success.

“Money is not of great importance to me,” she adds. “I want to maintain a moderate lifestyle, but I don’t need to become a millionaire.”

For Nouri, customer and employee satisfaction, along with life balance define her success story. More often than not, however, small business success is defined by financial criteria such as sales revenue, profit, return on investment and personal financial independence. However, research finds that non-financial dimensions are just as important to achieving success, among both women and men.

“Success isn’t just about the money,” says Laurel Douglas, CEO of BC-based Women’s Enterprise Centre, which provides loans, training and business counselling to women business owners. “Women entrepreneurs with whom we’ve worked have a much more complex view of what success is. Women can’t feel good if we over-achieve in one area of life, to the detriment of another,” she notes. “We can’t separate business success from personal success.” Her organization should know, having worked with over 30,000 women business owners in BC since the non-profit organization was founded 10 years ago by Western Economic Diversification, a federal government agency.

A recent report published by the Journal of Small Business Management, confirms these observations. The study, entitled “Dimensions of Perceived Success Among Canadian Business Owners” ([Orser, Riding and Cedzynski, 2005](#)) explores perceptions of success from the standpoint of small business owners.

The research finds that while public policy makers define success in terms of expansion of small firms and contributions made to an industry, employment, innovation and more, small business owners view success differently. To them it is multi-dimensional, encompassing personal and professional, and both intangible and tangible, elements. The report identifies key areas which small business owners view as success indicators, often in combination with each other:

- **Business Excellence** - includes customer relations, product or service quality (on-time delivery etc.), market acceptance (product quality, recognition, etc.) and operating performance (inventory turnover, financial ratios, etc.).
- **Professional Achievements** - includes maintaining professional autonomy (control over your career), pursuing intellectual activities (acquiring new knowledge, etc.), community relations and community recognition.

- **Financial Achievements** - includes generating income (salary, financial security, etc.), organizational profitability (return on capital, net profit, etc.) and financial independence.
- **Personal Satisfaction** - includes maintaining relationships with friends, family and partner, managing work/life demands, and ability to acquire personal goods (e.g. house, car, travel).

Interestingly, the report found that women rated all of these criteria very strongly, higher than the average, and higher than men. There was no variation of opinion across age categories, nor across industry sectors, although older business owners seem to assign more weight to the professional dimension of success than younger ones.

The report also refers to a 2000 study by researchers Fenwick and Hutton of 95 Canadian women who left corporate employment for self-employment. Their success criteria tended to change over time, reflecting the woman's growing confidence in her choices, abilities and decision-making capacity, and ability 'learn how to learn' and maintain passion. "Success reflects children, daily satisfaction and fulfillment, quality of relationships comprising work networks, ability to choose daily activities, contributions to communities, reputations, quality of life," it says.

In an earlier study, the University of Ottawa researcher Barbara Orser, made contact with business owners and concluded that success is: "life or business reflected family, financial, mobility, personal factors, the environmental and emotion outcomes."

"Many Women's Enterprise Centre clients view success from the standpoint of what motivated them to get into business in the first place," adds Douglas. "Some go into business because they want to follow a personal passion, or make an impact on the world; others like having control over their career choice and lifestyle," she says.

Last year's CIBC report "[Secrets to Small Business Success](#)" which examines characteristics of successful businesses, also considers the motivation of an entrepreneur. When asked for the non-financial reasons for becoming an entrepreneur, 42% of small business owners indicated they wanted to do something they love, and 21% said they wanted more flexibility. A full 40% of entrepreneurs did not provide a financial reason for opening a business at all.

The CIBC report also found that growth was not necessarily the essence of successful entrepreneurship for at least half of small business owners. It identified two types of business owners: the "value builders," those who desire growth; and "lifestylers," entrepreneurs who want long-term stability and are using the business as a means of generating income to support their lifestyle. An estimated 55% of micro businesses in Canada belong to the "lifestylers" group.

Karen Hughes, author of the 2006 "Exploring Motivation and Success Among Canadian Women Entrepreneurs," expands on the links between women's motivations for small business ownership and success. She sorts women's motivations for becoming entrepreneurs into three groups:

- a) **Classic Entrepreneurs:** women who desire greater independence, challenge, self-fulfillment, control and improved financial opportunity.
- b) **Work-Family Entrepreneurs:** women who seek control over their work-family balance, flexible hours and often, the ability to work from home.
- c) **Forced Entrepreneurs:** women who open businesses because of an involuntary layoff and lack of opportunities.

Hughes finds that classic entrepreneurs tend to have higher income and operate in businesses that are incorporated, non-home based, and that employ others. Hughes says that Work-Family entrepreneurs, on the other hand, work less hours, have lower incomes and are most likely to be

unincorporated, home-based, working alone. Forced Entrepreneurs parallel the income of Work-Family Entrepreneurs but they usually put in more hours.

The Hughes study found that nearly half of forced entrepreneurs would happily take a paid job at the going salary rate of someone with their experience, while just one-quarter of Classic Entrepreneurs and only 18.6% of Work-Family Entrepreneurs would be interested in getting a job. It indicates that Work-Family Entrepreneurs are making a conscious trade-off between growth and financial returns, and quality of life. Achievement of life balance is most likely their measure of success.

“All of these studies show that women seek entrepreneurship for multi-dimensional reasons, and therefore measure success in many different ways,” says Douglas. “How you interpret success is obviously an individual choice.”

“It can also be pointed out that, on the other side of the coin, if a small business fails because it did not achieve its revenue expectations for example, it doesn’t necessarily diminish the successes of the business owner,” she says. “Entrepreneurship provides a rich and unique experience that leads to professional and personal growth, which can always be viewed as measures of success.”

“Women’s Enterprise Centre assists BC women entrepreneurs to start, grow and succeed,” says Douglas. “What that means is that we support women with resources and tools to start and run a business and to grow, but we also encourage women to think about what they are really trying to accomplish in their business.”

”If you achieve satisfaction by fulfilling that purpose - whether it is business, professional, financial or personal, or a combination of those factors - you have genuinely succeeded.”

### **Tell us what YOU think!**

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