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4 Secrets
To Uncommon Success

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Ecommerce is steadily taking more and more of the consumer's wallet every year. Since 2007 (with the exception of the "Lehman Quarter"), ecommerce has grown an average of 6-8 percent per quarter. For millennials and future generations, purchasing online is the norm, and traditional retail will simply have to adjust. Not everyone has felt it yet, but all categories will eventually. Within certain categories, such as apparel, the shift to the Internet has been faster, according to Poonam Goyal, analyst with Bloomberg Intelligence. That is not a warning to conventional business, it is an opportunity for real economic growth if you do something about it.

Since ups and downs in any industry, market, or economy are inevitable, long-term success for you and your business rests in how you navigate these fluctuations and how you approach and manage risk. Consider the following:

1. Don't be afraid to go out on a limb: "You'll usually find it's where the best fruit lives."

Risk, and the common mishandling of it, is a fascinating subject I've spent a lot of my professional years studying. Most people and business owners I meet live on Level One of risk assessment. By this, I mean that if something happens out of the norm and gives them ANY awareness of risk, they'll evaluate it quickly, make a decision and move on. For most, Level One almost doesn't even register. But if you're in a business like mine, where risk and reward are the business—you have to learn to operate much higher than Level One to succeed. Of course the stakes get higher, but with higher risk often comes the potential for substantial rewards.

So how do you navigate risk/reward and not constantly find yourself, to further the metaphor, walking out on limbs only to feel yourself living in constant fear of that very limb snapping under pressure and crashing to the ground? See numbers 2, 3, and 4.

2. Ditch the victim mentality.

Successfully navigating and achieving a higher level of risk management requires getting rid of your victim mentality. Culturally, we have become a society that is in constant movement to shift the blame. No matter what has happened to you, at some point you must decide you are not a victim of the life you're in, you are a VOLUNTEER in it. Consider the famous Walt Disney quote, "Growing old is mandatory, but growing up is optional." The same applies here. We were all raised under certain conditions that easily could have dictated our path, but we grow up by choice and that allows us to chart our own course. If you believe you're a victim, you'll continue to stay stagnant and flounder around.

The flipside of the victim mentality is to also protect yourself and your business from becoming a victim. Don't let yourself be easily taken advantage of; learn how to do your own math on the issues in front of you. Don't fall prey to ideologies that aren't yours that you haven't validated; outside perspective can be hugely beneficial when it's in the form of mentorship and advice, but make sure you aren't holding yourself captive to anyone else's perspective besides your own.

Shifting away from a victim mentality will impact ALL of your decision making—how you spend money, who you associate with, how you invest, how much risk you take.

3. Make regret-free decisions.

"Set your commitment lines before you do the deal. You'll never lose money on a deal you miss."

When I face risk/reward decisions, I ask myself this: What is the biggest thing that can happen to me if I don't get this right?

Early in my career, I realized that the answer to that question was simple when it involved huge, game-changing risk: If I got it wrong, I'd lose all my stuff. Well, guess what? I decided to believe I have the skills and abilities to get more stuff if I need it, so it was a manageable risk for me.

"Set your commitment lines before you do the deal. You'll never lose money on a deal you miss."

Now, after some years of success, I assess risk differently. If the answer now is, "I'll lose everything, this failure will be detrimental to my investors, hurt the livelihoods of my employees and their families and/or destroy my business and my ability to provide for my family," I'm less likely to take it. Build your business so it never hinges on one deal, or one sale, and one of the best ways to do this and manage risk is to make sure commitment lines are drawn already. That means you are willing to put into a deal, personnel, inventory, investment, etc. Make those decisions with a global outlook for your company and have the multiple sources of revenue. When they are drawn, I don't have to mull deals over and over incessantly. I just determine its rightful place on the risk/reward spectrum, decide, and move on.

4. Know your exits.

As important as drawing those commitment lines are, maybe even more important is knowing how/when to exit. Every story has a beginning, middle and end and the same is true of businesses, markets, or industries. Sometimes those ends are new beginnings, and you should know how to identify them. The only way to accomplish this is to recognize your endings by knowing your exits. My wife Sharon will tell you that it's common on long drives for me to get caught up in discussion and miss my exit. Other times, I may have neglected my pre-set GPS instructions, thinking I KNOW a better way to get somewhere quicker and beat the traffic to great peril. The problem with missing the right exit is it will cost you. It will cost you time to recover, recalibrate, regroup, and finally re-enter the journey.

In any entrepreneurial venture, there will be multiple opportunities to look back at the "could have been" scenarios. But the most important words you will ever hear me say are "I've never lost money on a deal I missed." Sure, I've missed opportunities and wish I had done certain things differently. But for me, the question on deals I do is always; Did I meet my objectives? If so, I honor my commitment to get out when I reach them. Because in the end, on this whole risk/reward paradigm, it's not just about evaluating and buying into an opportunity (commitment lines)— it's about knowing how to exit and ultimately HAVING the benefit of your investment whether it is money, time, expansion, inventory or people. So, if my goal is to do 15 percent on a deal and exit, when we get to 14 it is not the time to say, "Wait, maybe I can get to 17." That's the pattern that ultimately kills long-term success.

With every deal or aspect of your business, always ask yourself: What is the ultimate risk of this decision, what result am I looking for, and when we get to it, how will we walk away? Doing this doesn't guarantee you won't have failures, but it better equips you with the ability to manage risk, deploy resources appropriately and hopefully grow and expand your business(es) while you operate your business (and believe me, there is a difference between growing a business and simply operating a business…but that is a discussion for a different time). Sticking to your exits, drawing regret-free lines of commitment, and mastering the risk/reward balance along the way will give you the advantage of always negotiating deals from a position of strength, and it will quickly permeate through your team and your culture and is THE recipe for success.

This is the latest installment of a series of columns written by executives with South Carolina's 25 Fastest Growing Companies.

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