

FINANCIAL POST

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*2011: The Year
of the Entrepreneur*

How to make 2012 your most prosperous year

[Brad Cherniak](#) Jan 9, 2012 – 9:15 AM ET | Last Updated: Jan 9, 2012 9:16 AM ET



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New Year's resolutions are important for entrepreneurs.

It's that time of year again, when people are making their usually futile and quickly forgotten attempts to plan for betterment for the upcoming year: They promise themselves they will eat better, exercise more, and so on. But on an entrepreneur's list should be some things that will maximize their chances of success.

That list should go something like this:

In 2012, I will:

1. Talk more about my business Whether it is empowering my team to think big picture, or creating a formal or informal advisory board, I will not keep all my thoughts to myself. Technology is changing the way people and customers gather information, make decisions and execute on them, with profound changes for businesses. More things come out of left field than ever before — new competitors, and obsolescence of entire industries and supply chains.

2. Be less trusting I will recognize that my investors' motivations are not necessarily aligned with mine. They are not my friends or mentors. They have one job, which is to protect and seek a return on their total capital. Not my capital, their capital. And they are diversified, while I am not. My company may be immaterial to the overall welfare of their portfolio. I will recognize this in managing my company, managing growth and raising capital.

Similarly, advisors and strategic partners of all stripes have their own interests. I will test their logic, and structure my relationships with them to avoid conflicts, or to at least recognize the inherent conflict and govern myself accordingly.

3. Be more wily I will be judicious about what thoughts I share, and with whom. I will under-promise and over-deliver rather than succumb to the opposite in seeking to please others. I will not be a martyr. I will look after my own interests in addition to those of my stakeholders. This is both moral and fair.

4. Paint more by the numbers I will create and run my business to a budget, and not just a budget that is cranked out once a year for bankers and investors. I will keep it simple and use it to figure out how my business is changing, for better and for worse. I will use it as a trip-wire to drive better, more data-driven decisions rather than just operating from my gut. I will be more scientific about how I deploy resources.

5. Stay clear-headed about governance Despite all I'm hearing about how companies have direct responsibility for making the world a better place, I will not blindly accept this well-intentioned but faulty premise. I will focus on critical governance issues and set corporate objectives with a clear head and due diligence.

At its core, my business is owned by the investors and is run with the primary purpose of maximizing the profit to those stakeholders within the limits of the law. Capitalism is still kill-or-be-killed, and that is how it should be. No one will or should take care of me or my company. I will commit resources to proper governance.

6. Create a brighter line between my personal affairs and the business While I must have sufficient skin in the game for my stakeholders to believe in my commitment to the company, I shouldn't have to face complete ruin as an alternative to the success of my company.

I recognize this issue as one of the most controversial in business today in these tough economic and capital-constrained times. I will talk to others about this issue, to see what is reasonable.

7. Communicate better With my family, employees, my customers, my creditors and investors. Keeping in mind numbers 1 through 6. I will work on this explicitly, and see what others are doing in this regard.

8. Listen to advice, but keep my centre Despite the endless talk of "paradigm shifts," I will not change my business model willy nilly. I won't resist change, but I will not make changes easily or reflexively. I know that once I lose my centre, I become just another onlooker along for the ride. This is still my company. I am not an employee.

9. Have some kind of interest outside the company Something that takes my mind off the business, allows ideas to come to me spontaneously, allows me to reboot. Something, anything. . .

10. Understand the Web and social media better Much of it is trendy, over-blown and a waste of time and resources, but not all of it! I ignore it at my peril. I will dig into this deeper.

And with this, a very happy, healthy and prosperous 2012 to all!

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