

Flexibility and the Poverty of Ambition

'We need to steer clear of this poverty of ambition, where people want to drive fancy cars and wear nice clothes and live in nice apartments but don't want to work hard to accomplish these things. Everyone should try to realize their full potential.' Barack Obama

In my view, Obama was right. But greed and instant gratification aren't the only forms of poverty of ambition. Some parents should want more for their children's future too. And amongst small business start-ups, the goal might simply be:

- grow the business to a point where you can sell it at a good profit. Or,
- grow the business to a point where you can hire a manager to manage it. And then draw off a significant annual dividend, regardless of the profits or losses made in a given year.

The first approach hands the real potential of the business to the buyer. And leaves the seller either retiring from business altogether. Or ready to start over with another business venture, perhaps in another field. Which may not succeed half as well as the first.

The second approach essentially creates a lifestyle business. But without the ongoing investment to grow the business into something amazing.

For the owner of a small business start-up, it takes personal flexibility as well as courage (dare to dream), to overcome the poverty of ambition (PoA). To think bigger and emulate the best business models in the sector.

One step to overcome the PoA is to appoint business experts (business services accountants, management consultants, tax advisors, bankers and contract lawyers) who can ensure operating compliance with efficiency. But also appoint the ones who can track the business progress towards best practice in that sector, regardless of how best practice is changing. An implication is that the business professionals and the business owner need to know and agree what best practice looks like. On this, best practice isn't just about operating efficiency or customer relationship management. But business strategy too.

The author of this article can briefly share one story contrasting operating compliance with efficiency. It concerned a London-based organisation, setting up a new office in continental Europe where English isn't an official language (on government forms). Contacting legal and accounting professionals in the local jurisdiction was an obvious and early, vital step. What was surprising was the lack of an efficient process to help set up the office in short order. The goal of the business advisors, both legal and accounting, was simply to provide compliance, not efficiency (their own poverty of ambition).

A second example was a recent conversation with a seasoned business services accountant working in a large chartered accounting firm in the UK. He remarked on the general poverty of ambition (not his exact words) amongst his client base of small business start-ups across a range of sectors. My response was as outlined in this blog. His follow-on reaction was interest - it chimed with what his partners were telling him about developing higher value-added services for the clients. And he said his intention was now to clarify best practice in each client sector.

Mental agility (skill at jumping paths) as well as other forms of personal flexibility (creating new paths) are needed to overcome the poverty of business ambition. Obtaining real options early in the journey of business growth should provide business flexibility to manage uncertainty and achieve more sustainable earnings growth too.

A final thought on personal flexibility in business. If the goal becomes to build an enduring, value-for-money brand, one that will outlast the lifetime of the business founder, then improving **personal flexibility** (greater imagination, appetite for success and openness to changing the business model to adapt to new conditions) and **business flexibility** (acquiring options, building spare capacity, investing in flexiscribes) is needed to cope with the change & uncertainty issues that will challenge business sustainability.

Simon Leicester

Business Flexibility Consultant