

Secrets to Startup Success



Introduction

According to a report by GEM national, a new startup is born approximately every three seconds. In a global economy ripe with innovation, working for a startup has become a dream for many job seekers and entrepreneurs alike.

The harsh reality? Despite the allure, [20% of startups fail before reaching two years in business](#), and 44% never make it to the five-year mark. What makes some startups more successful than others? We've uncovered five secrets to success.

Keep reading to find out how you can ensure the future of your small business.





Secret #1: Establish a Clear Mission to Guide Your Business

Entrepreneurs are known for their passion, hustle, and proclivity for risk-taking. On the flip-side, that passion can often turn into a weakness when it's not harnessed properly. For hardworking, driven overachievers, it's often tempting to try to do everything. However, without a solid strategic vision in place, it's difficult to achieve lasting success. Any new business owner must step back and invest time in establishing a clear mission, vision, and values. These core values become the driving force for all decisions, processes, and policies, and often provide a good gut-check when the temptation arises to veer off course. Start by crafting a concise mission statement and using this step by step process:

- **Step one:** Establish who your product or business will serve. Clearly define your core audience.
- **Step two:** Consider how your product or business will serve your core audience. Why should people care? What makes it different from the competition?
- **Step three:** Brainstorm several words or phrases that you'd like people to use to describe your business.
- **Step four:** Begin to put the pieces together. Try out a few different one-sentence phrases that convey your mission. Use this fill-in-the-blank template to begin:

[Insert product/business name] will [insert verb/action word]
[insert audience descriptor] by [insert value proposition]

- **Step five:** Share your initial draft statements with trusted advisors and employees for feedback.
- **Step six:** Refine and edit as needed—aim to end up with one concise sentence
- **Step seven:** Review your policies, procedures, goals, and metrics. How will they support your mission? Refine as needed.
- **Step eight:** Share your mission statement with employees and customers. Make sure employees understand how they impact the mission, and how they'll be evaluated on their efforts to support the mission.

Need some inspiration to get started? Here are a few examples of mission statements from some of the world's most beloved brands.

“

We provide you with cutting edge clothing, footwear, accessories, DVD's, hard goods for skate and snow for active lifestyles. Everything we do revolves around the customers- you are the heart of our company.”

Zumiez

To be our customers' favorite place and way to eat and drink.”

McDonalds

Lifestyle merchandising is our business and our passion. The goal for our brands is to build a strong emotional bond with the customer. To do this we must build lifestyle environments that appeal emotionally, and offer fashion correct products on a timely basis. Our customers are the reason and the inspiration for everything we do.”

Urban Outfitters

We have an unwavering commitment to uphold our founding ideals to provide industry-leading products and first-rate services to the customers we're privileged to serve.”

Farmers Insurance





It's important to note that establishing a mission statement isn't a set it and forget it type exercise. As your business grows and evolves, make sure you're changing in a way that aligns with your mission. If you find certain activities are out of alignment, question why, and adjust as needed. A mission statement is more than words on a wall.

It's a compass that guides every interaction with customers and stakeholders—both internal and external. It's meant to guide the future of your business, focus your work, and create alignment within your organization, which brings us to secret number two.



Secret #2: Know Your Strengths and Stay Focused

What sets the most successful startups apart from the long-forgotten ones? Focus and discipline. Which means resisting the natural pull of mission-drift. It's tempting to adjust course based on reactionary forces, i.e., new competitive product launches. The best entrepreneurs are keenly attuned to their strengths, aligned with their mission, and focused on doing what they do best.

Companies that try to be everything to everyone have a tough time succeeding. As a startup leader, it's important to find your niche and stick with it—even when it's tempting to get distracted by the newest shiny object. Owning what's unique to you is a powerful competitive differentiator. Denise Lee Yohn puts it this way in her book.

“

Fusing together your brand and culture improves your organization's competitive advantage because it enables you to produce an intangible value that is difficult to copy. Competitors may be able to match what you offer to customers and employees, but it's much harder for them to embody the unique why and how of what you do. As people increasingly make decisions about which companies to work for or to buy from based on meaning and shared values, deliberately linking your brand to your culture can increase your organization's perceived relevance, differentiation, and appeal.”

Denise Lee Yohn,
Author of *Fusion*

What are some practical ways to stay focused on the goal at hand? Here are a few simple ideas:

1. Find an accountability partner who can help provide regular gut-checks. Thinking of rolling out a new product feature? Restructuring? Run the idea by them first.
2. Align your customer and employee performance metrics to your mission. For example, if your goal is to deliver the most seamless shopping experience possible, focus on improving metrics like Customer Effort Score. Also, be sure to hold employees accountable for measures that indicate the ease of use.
3. Solicit feedback from your employees. Check-in with them regularly and ask how well they think you're doing staying focused on driving the mission forward.





Secret #3: Hire the Best Employees and Take Care of Them

“

Great vision without great people
is irrelevant”

Jim Collins

The world’s most compelling mission statement can only take you so far without talented people to execute on the vision. Employees are at the heart of any business, and hiring great ones is particularly critical to the success of a new business. We’ve all read the headlines of culture-gone-wrong in the startup environment. A few bad hires can quickly derail a thriving new business. When the stakes are so high, how do you ensure you’re hiring the right people? Again, it all goes back to the mission! The first step to building the perfect team is aligning your entire hiring process with your mission statement. This includes your job descriptions, interview questions and onboarding. The job descriptions you’re writing should support your mission. The questions you’re asking prospective employees should give a sense of whether or not they’re the right candidate to help drive your mission forward.

But getting the best people in the door isn’t enough. You have to retain them. Could culture be the key? According to [research from TINYpulse](#), startups led by CEOs who rate the importance of culture the highest had lower unplanned attrition rates.

What does culture mean and what do startup employees value most in their company culture?

[Investopedia](#) defines culture as “the beliefs and behaviors that determine how a company’s employees and management interact and handle outside business transactions.” More simply put, culture is your brand personality.

Culture is less about perks and more about feelings. According to the [research report from TINYpulse](#), perks and benefits are less important to employees than transparency, happiness, and feeling valued—all of which ranked as top three factors influencing both headcount growth and revenue growth. The big takeaway? Employees want to work in an environment where they can make an impact. They want to feel like valuable contributors to a bigger mission, and they want you to trust them enough to be honest and open on the journey. The payoff? Growth—for the company, employees and stakeholders.

Don't leave employee engagement or culture to chance. Check-in with your employees regularly. Once per year isn't enough! Establish a process for collecting voice of the employee feedback, reporting on it, using it, and sharing progress openly with the whole team.

Employees aren't the only humans that impact your chances of success. Customers are critical, too, which brings us to the fourth secret.





Secret #4: Know Your Customers

Knowing what keeps employees loyal, engaged, and energized is crucial. The same is true for customers. Without a loyal customer base, no startup can sustain itself. Still, so many startups struggle to understand their customers. Why is customer experience such a challenge for emerging businesses? According to the [2019 State of Customer Journey Management and CX Measurement Report](#), one of the main reasons is that companies fail to connect their Key Performance Indicators with Customer Experience (CX) initiatives.

How does your organization measure the customer experience? One of the most common methods is through surveys at various junctions in the customer journey. This could include a Customer Satisfaction (CSAT) survey immediately following a customer interaction that's either delivered to a customer by email or presented in the IVR immediately following a phone conversation. It could also be Net Promoter Score (NPS), measuring the customer's likeliness to recommend your company or Customer Effort Score (CES) gauging how much effort was required for the customer to get their issue resolved.

These metrics matter to top executives. A recent study in [The Wall Street Journal](#) found that 50 S&P 500 companies mentioned NPS more than 150 times during earnings calls in 2018. What are some tangible ways to improve upon them, but also get to know the customer better?

When customers take the time to complete a survey about their experience, good or bad, it's a sign of engagement. The fact that they cared enough to share their thoughts should compel you to take meaningful action. If you don't yet have a process for reviewing and responding to this feedback, use this one:

- **Step 1:** Read customer verbatim comments—both positive and negative.
- **Step 2:** Celebrate the positive. Really celebrate, because you're doing something right.
- **Step 3:** Respond to the negative by reaching out to the customer directly. First, thank them for their feedback and do everything you can to take care of their issue.
- **Step 4:** Determine, track, and quantify the root cause of customer dissatisfaction for use in prioritizing any policy, product, or process improvements.
- **Step 5:** Coach employees on the actions that are within their control to improve the customer experience.

If your organization is just beginning to use customer feedback strategically like this, consider investing further in your customer engagement process. One way to do that? Through user communities.

Secret #5: Foster a Loyal Community

In the last decade, the business world has seen a sharp rise in online communities. It's easy to understand why. According to [The 2019 State of Community Management Report](#), on average, internal and external communities generate 6,469% ROI for organizations. And [77% of companies](#) believe that having an online community significantly improves brand exposure, awareness and credibility. Unfortunately, small businesses aren't cashing in on this trend at the same rate as larger organizations.

What exactly is a community, and how does it differ from an audience?

Wikipedia puts it this way:

“

An online community (also called an internet community or web community) is a virtual community whose members interact with each other primarily via the Internet. For many, online communities may feel like home, consisting of a “family of invisible friends.”





Is it time for your startup to cash in on this missed opportunity? Consider these tips for building a loyal community of online followers.

- **Learn from the best.** Before you get started, take the time to observe what other online communities do well. Start a brainstorming document to capture and record ideas, share best practices, and begin plotting out your strategy. Looking for a place to begin? Take a look at TripAdvisor, one of the longest-running, most thriving communities of our time. Reddit, Yelp, and bridal planning site, The Knot, are worth a look, too.
- **Aim to meet a unique need.** Think about what you want customers or prospects to gain by joining your community. The most successful online communities are less about product and more about offering genuine opportunities to connect, grow and learn. Consider the pain points your customers face and think of unique ways to help address those challenges through your community.
- **Lead with content.** One of the best ways to help your community begin addressing their challenges? By providing original, practical content. Before you open up your community to the public, map out an editorial calendar, and think through the types of content you plan to offer (videos, tip sheets, blog posts). Also, consider how often you plan to publish. Consistency is key!

- **Hire an Experienced Community Manager.** Chances are, you have a dedicated marketing team already. If you don't already have an employee solely focused on community building, you'll need one to build, sustain and grow a loyal online following. Before you post the job listing and start to interview candidates, check out [this helpful guide](#) from Sprout.

The final word here? Online communities don't grow overnight. In the startup world, it's tempting to move quickly and move on from things that aren't working. In this case, patience and persistence are key.



Bringing It All Together

The statistics about startup failure rates are startling, but they don't have to define your future. Careful strategy, planning, and focus can set your business up for long-term success. And with the right employees to drive your mission forward, and a focus on doing what's right for the customer, your startup can seize the opportunity to differentiate itself. One last important piece of the equation: having the right technology to support your growth.

Success starts from the first moment a customer contacts you. You can't afford to sound unprofessional. Impress customers with 8x8 Express, a powerful business phone system that takes just minutes to set up. Express includes voice, video and chat, so there's one application handling all of your communications needs at just \$12 per month.

To learn more, or start a free 30-day trial, visit <https://www.8x8.com/express>.

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