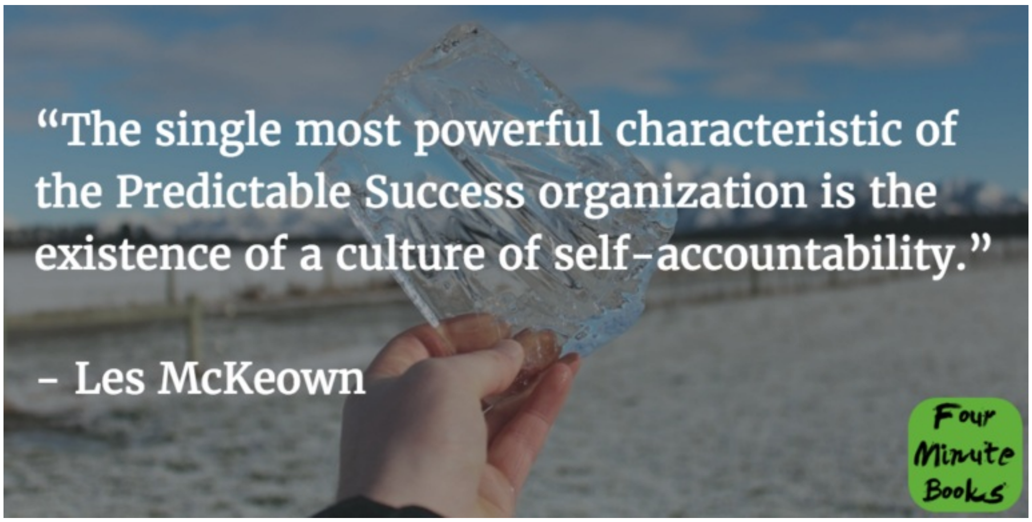
Predictable Success Summary

1-Sentence-Summary: *Predictable Success leads you through the various stages of companies and alternative paths they can and might take, depending on their actions, showing you the safest path towards predictable success, where you consistently achieve your goals.*

Read in: 4 minutes

Favorite quote from the author:



There are a lot of books about starting a business. There are also a lot of books about getting a business out of a crisis. There are almost no books about keeping your business in a successful state *after* you've overcome these first two stages.

Predictable Success is one of the rare exceptions. I don't know if Les McKeown came up with the model of predictable success all by himself, but it's pretty genius either way.

He addresses those first stages, the stuff that happens way before you come out on top, but then this book spends a good amount of time on actually staying up there, which is not something many people talk about.

Especially since the internet's around, industry giants have crashed, burned and disappeared almost over night (Nokia, Kodak, Blackberry, anyone?), so having a good plan for maneuvering even the best of times is more important than ever.

Here are 3 lessons to help you get your business to predictable success and keep it there:

1. Your business must first move through the three stages before predictable success.
2. Always keep simplifying the decision-making process along the way.
3. Once you achieve predictable success, install two systems to keep it that way.

Ready to climb the mountain of business and stay on top? Let's get to work!

Lesson 1: Pass the three stages that come before predictable success.

First, Les McKeown describes three stages that come before predictable success is achieved:

1. **Early struggle.**
2. **Fun.**
3. **Whitewater.**

The *early struggle* is mainly a struggle with two questions:

1. Do enough people buy my product?
2. Can I pay my bills in cash?

If you want your business to join the exclusive club of companies that have made it past their first year, finding answers to these two questions should be your only concern. Question 1 is mainly about marketing, but question 2 is rather easy to deal with if you follow one rule: have three times as much cash as you need.

It costs you $20,000 to stay in business for a year? Have $60,000 on hand and you'll be golden… and ready to move on to the *fun* stage. This is where you know you have enough cash and sales keep coming in – the business seems to be growing all on its own and it's fun to watch.

Beware though, that means the *whitewater* stage isn't far. It's when demand suddenly exceeds your ability to meet it, which is where most businesses get sloppy – but not you.

Lesson 2: Never stop simplifying how you make decisions in your company.

The way to deal with whitewater and actually get past it is to **make decision-making simpler**. This is something you should continuously do as you grow, as it might prevent you from entering whitewater in the first place.

For example, if you get too many orders, and people expect you to make a decision, and you face that scenario many times at once, you're likely to get overwhelmed and tell them to either drop quality or cancel orders – both bad decisions.

If you can push decision-making down the chain and let people take responsibility to handle these situations without relying on you, you're free to decide on more important, strategic matters.

When you need a new CFO, just ask people in the finance department what kind of person they need to lead them and involve them in the decision. Once you hire one, assign him or her to someone from the finance team to work out their role.

Basically, **allow people at every level to make decisions**. Equip them with the responsibility they need to keep your company moving in challenging times, instead of trying to control everything.

Lesson 3: Install two particular systems to keep your success predictable.

Done it? Maneuvered the whitewater stage and came out on top? Awesome!

To keep it that way, Les suggests you install two systems in particular:

1. **Data – Debate – Decide – Defer.**
2. **Make risk-taking a part of day-to-day operations.**

The first system, the system of 4 D's, is a drop-dead simple way of making decisions. You're either collecting data (the 40% rule helps) or setting up a discussion, where you debate however long you need to debate until you can either make a decision to act or defer the entire idea to a subgroup in the company or outsider.

You might know the second system from Google. They call it 20%-time. Every employee gets one day per week to work on whatever they want. That's exactly the kind of institutionalizing risk Les talks about. You're not messing with the core parts of your business, but you're still giving your employees room to be creative, take risks and innovate, which will help you stay a market leader for years to come.

Predictable Success Review

As I said in the intro, the cool part about *Predictable Success* is that it addresses a situation that might not concern that many businesses in their current stage, but becomes a big question mark in the future – how to keep your success predictable once you have it.

While reading it felt like the author drew different paths on a monopoly board: your business could either go to hell or become really successful. Describing what the various stops along the way feel like helps you pinpoint where you are and take the right next step.

A refreshing perspective, thumbs up!

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What else can you learn from the blinks?

- Why size, age and finances don't matter in achieving predictable success

- How a woodworker named Ian overcame his whitewater stage
- The three stages that potentially follow whitewater and lead to a company's slow death
- Why a shared vision is a crucial part of predictable success
- The reason why "why" is more important than "what"

Who would I recommend the Predictable Success summary to?

The 28 year old with 2 startups under his belt that can't help but attempt a third one, the 47 year old, whose business is thriving, but doesn't want to give up any of her control, and anyone who usually procrastinates on making decisions.