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WHAT IS BUSINESS SUCCESS? Case Study

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JEL Classification

M31; M21; M13

Abstract

The purpose of the research is to identify entrepreneurs' and company managers' views and perceptions about the concept 'business success'. This study is based on in-depth interviews with six entrepreneurs and senior managers in Israeli international industry. Content was analyzed to reveal their perceptions of business success. Additionally, it revealed a number of core factors such as management skills, marketing knowledge and team quality, each of which correlates closely with measured business success. This is the work second integrating factors most affecting business success and its purpose is to help entrepreneurs and managers leading such organizations understand the meaning of business success and navigate, according to this, their route to it.

INTRODUCTION

What is business success? How do entrepreneurs and managers perceive it?

There are a number of questions that are asked: Is success being world champion in a certain sport? Rich? Having an impressive career including senior roles and resume? Retiring from work early and traveling the world? Establishing a happy family? Being university educated? Professional literature contains many definitions of success. Professor Yoram Yuval (2016) spoke about Ernest Hemingway, who authored “The Old Man and the Sea”, “For Whom the Bells Toll” and other outstanding works, who was one of the most admired authors and people of all ages. His books were translated into all languages and sold throughout the world. He was rich, pleasant, charming, and loved by women. Hemingway was also an adventurer and loved to live an exciting life. He met royalty, state leaders, robbers, and hunters all over the world. He also won the Nobel Prize for Literature. It appears he was very successful; however, he committed suicide, shot himself in the head. The assumption is that he suffered from clinical depression, and all his huge and unprecedented achievements were nothing in his eyes. His soul was empty, and he himself did not feel as though he had succeeded.

Antoine de Saint-Exupéry, who was also a famous author and he too loved adventures. But in contrast to Hemingway, who apparently lost his own meaning and goals, Saint-Exupéry was a pilot and fought the Nazis until his plane was shot down and he disappeared in the Mediterranean Sea. In his much-loved book “The Little Prince”, he reminds not to see things best except with the heart, because the important things are truly hidden from the eyes (Yuval, 2016).

Thus, one can learn from this that success is something personal and intimate. Individuals must learn to know themselves and separate what is considered success as measured externally by the society in which they live, and what is truly important to each one internally. In addition one would learn that success does not derive solely from achievements. It is not measured by the number of medals, size of one’s house, or number of ‘likes’ received on social media – these are things that can be seen from outside. Success also comes from a sense of mission and meaning. Success comes from within; it is a matter between an individual and him/herself.

LITERATURE REVIEW

If one would not consider the financial aspect, then business success is the feeling of achieving goals

and internal perfection, which is the reason why many entrepreneurs and managers seek to decipher the “code to success”. Looking at the business side, the external, measurable, then business success is the final result of a work plan, which demands of entrepreneurs or managers a profound understanding of a company’s tax management and cash-flow, good sales skills, ability to self-manage and motivate workers, ability to negotiate with suppliers and banks, all of which are grounds for measured business success. If entrepreneurs lack the tools to maintain intelligent business activity, they will experience painful business disasters that prevent them from seeing a horizon of measurable external business success, which will result in a lack of motivation. Personal development, learning about business content worlds, rules and taxes are the key. Obviously, there is no magic pill for growth, but knowledge and application skills are the powers to illuminate the safest way to external and measured financial business success (Bracha, 2015).

Fenwick and Hutton’s (2000) qualitative research found that a majority of ninety-five female entrepreneurs they interviewed described their “success” at work, mostly in terms of their children, job satisfaction, prestige, ability to choose daily activities, contribution they produce for their communities and their perceived general quality of life (Fenwick & Hutton, 2000). Romano’s (1994) study, based on data from the International Fund for Women Business Owners, who defined success as owning and controlling their fate, building ongoing relationships with customers, and doing something satisfying, whereas men described success in terms of goal achievement (Romano, 1994).

Entrepreneurship can be an essential source for creating value and social justice (Fayolle, 2010). Today there is agreement that entrepreneurs are not born, but they can learn, experience, and develop their profile and acquire entrepreneurial abilities. Education for initiatives also has a critical role in developing the skills and knowledge necessary for establishing and growing a new business (Carvalho, 2015).

Moshe Grimberg, a progressive business consultant wrote in his article “*The Secrets to business success were found ...in an instant*” (2018, translated from Hebrew) that he was exposed to the first entrepreneurs’ and senior managers’ failures conference. Onto the stage came celebrated entrepreneurs and managers who spoke about their personal failures on the way to success. The conference revealed that behind every success story, are hundreds of thousands of hidden failures, and behind every person is the story of a single individual, or group, that dreamed of success, worked for years, and sweated when their first attempts did not work. Only a few successfully overcame a sense of failure and continued until success was achieved. In his article, he tried to

illuminate the DNA of successes and determined six iron-clad rules:

1. Successful entrepreneurs do not give up after failures – one of the examples presented at the conference was the Jewish entrepreneur Max Levchin, born in the former-U.S.S.R., who managed to fail a number of times and spoke at the conference about his first company falling apart, his second company closed, and the third simply failed. The fourth survived. The fifth company he established is called PayPal, a huge, measured success.
2. In searching for perfection, one stands on the spot – business success addresses the ability to persevere, be determined and tolerant. Michelangelo once said, “Genius is eternal patience” (Philosiblog, 2012) as well as “It is preferable to make a good decision today than a perfect one tomorrow” (Grimberg, 2018). There is no magic in ongoing success. It requires hard work.
3. Before great success one fails quite often – Rovio, the game company that invented the successful “Angry Birds” game was on the verge of bankruptcy in 2009. “Angry Birds” was the 52nd game it had invented and its measured success came, as it appeared, overnight. In fact, it took eight years.
4. Show determination and strength to recover from failures along the way – the story of Steve Jobs, who was fired from the company he established and showed determination and returned ever bigger, and Michael Jordan who was thrown out of his school’s basketball team did not let this affect his career, the greatest in the basketball world. Entrepreneurs who learn how to cope with and learn from their own failures are likely to discover how to achieve measurable success.
5. Develop sales skills and know how to sell – creating a unique product and brand is not enough. Without recurring sales, it is impossible to create a growing business. Signing up some new clients is all very well, but identifying, planning, and implementing recurring sales processes raise the business to altogether another level and lead to measured success.
6. Neutralize pressure – most small business owners maintain that managing a successful business is doubly more stressful than maintaining healthy relationships with partners, three times more stressful than raising children, and four times more stressful than managing one’s personal finances, according to a survey conducted by the Bank of America (2018). The survey also revealed that small business owners give up physical activity and other personal hobbies because of the demands coming from managing their business. Moreover, 38% of small business owners continue to work as salaried employees while trying to promote the business (Grimberg, 2018).

QUALITATIVE STUDY

Following on from the literature review presented above, and in order to understand perceptions and effects of the concept business success among entrepreneurs and company managers, in-depth interviews were conducted with six top successful entrepreneurs and CEOs in the Israeli economy, leaders of international companies. Part of the qualitative research focused on in-depth interviews that lasted between half an hour and an hour and took place between July 21st and September 1st 2021. Questions addressed their experiences and perceptions of the concept business success as well as key factors affecting this success. Conclusions reached from the findings are as follows:

A. O.J., CEO of a high-tech company who exited with hundreds of millions, said that from her point of view, business success is to develop a product that provides a solution for which people are prepared to pay money. This is what she said: *“Business success is really to produce a product that can be sold and give customers a solution and they to pay for it, understanding that they have to pay for this because in the end, either they saves through it, or it shortens time, and is prepared to pay for this. Because you can create fantastic products, but if no one is prepared to pay for them, you have not succeeded”*.

Y.K., the owner of a service company argued that success is measured in money. From his point of view if a company reaches the profit level it set itself, then it succeeded. He said: *“Business success is ultimately measured in numbers...In the end it is tested by the quality of the organization that established and the amount of sales and naturally, the profit line at the end”*. He also argued that success is when an organization successfully overcomes crises such as COVID-19, *“If your profit percentage and ability to survive for example Corona. Corona was good for our company for example. it put our company in a completely different place and as an organization that survives crises. It can be said that is success. Our organization survived crises and even profited”*

O.N., owners of a start-up company that passed a second recruitment also said, *“The goal is to solve a problem that touched a great many people, in Israel and worldwide. And successfully made enough money for all those who invested in our company along the way, but also to continue to grow, it can say that this is our success”*. He also maintained: *“Reaching goals is not success. It is the way”*.

** Conclusion: inventing solutions for existing problems through a product or service and earning money from it is business success. In this way, in fact, internal satisfaction results from doing something to benefit a certain population as well as producing measurable financial profit.

B. M.M., the owner of a large a successful import company taught that success is not measured solely by profitability and money, but also in company's accumulated prestige and what others think about a company. He said: "*In the last ten years, our company have been in a sort of large crisis. It is growing in our percentages and volume exponentially, and the more our volume grows, the more get into a certain situation where have increased our losses. Our company has gone into the red, negative profit*". He also said, "*Of course the target is to achieve our profitability goal and earn money, but If it did not work and not reached the success goal, and our branches in a national network are all clean, offices are organized and broadcast, the team are working according to our strategy, and that too is success*".

A.SH. owner of a large construction company looks at business success from a slightly different angle. He described creativity and the loyalty of people around him that turn into money as success at the end of day. He said, "*You have to look outside the box and think how you develop ideas and turn them into something practical, that at the end of the day you ultimately succeed in producing money... so this is how success is measured, and let's go back and say monetary. It is true that volume and income and profits at the end of the year, but on the other hand, to what degree our concerned with the income of other people in the company, and to what degree our family, keep close to us*".

R.I., one of the owners of a high-tech company who made a huge exit and today serves as the chair of an investment foundation said that success is sacrifice. It is the ability to overcome a great many difficulties and climb steps of hardship. He said, "*success, it's first think is your huge sacrifice to understand that you are going to encounter many, many difficulties. To accept them with a type of love, understand that they will occur and know how to overcome them and understand that when you have a difficulty it is not because you did something wrong but that everyone faces difficulties*". He also argued that goals and targets are means of achieving success, but not success itself, as reflected in his statement: "*Meeting goals and targets is not success. It is the journey that makes you understand where you want to reach, to produce organized work plans and manage the matrices*".

** Conclusion: Business success is also company reputation, overcoming constant difficulties, it is a collection of actions that entrepreneurs and company managers perform that lead to what customers, workers and managers think about it, business success is also the loyalty of people around and within a company.

DISCUSSIONS

There are various levels of perceptions about the meaning of the concept business success but there is also a common denominator. The main aim was to identify different views and the common denominator for business success so as to produce a general concept that can be explored and measured in order to continue this research and produce a marketing model for entrepreneurs to guide them towards business success.

Based on theoretical definitions, it can be said that there is a correlation between the literature and study findings. However, there are a number of limitations. Firstly, the work was carried out only in Israel; expanding it to other countries is likely to yield additional results. Secondly, the number of participants was relatively small; increasing the number of interviews may uncover additional issues with whose aid it would be possible to expand the ideational concept. This will be addressed in future research by the author.

The concept business success as viewed in theoretical literature is a personal and intimate process between individual entrepreneurs and themselves. The qualitative study showed that indeed business success was seen by each participant differently although all had a common denominator and that is money! Everyone profited. It is possible to divide the concept business success into two:

1. In a personal and internal sense – the place in individuals' lives they strive to reach.
2. In an external and measured sense – achievements individuals accumulate and amount of money earned.

Therefore, the conclusion sought to define business success is that it is the place to which individuals strive in their lives while earning and will earn money.

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