

OPINION

Do you have the courage of the lobster?

Is a sound idea and start-up capital all you need to start a viable business?

Sea conditions will determine how long it takes for a lobster to reach maturity; just as market conditions will dictate the length of time it takes for your business to mature.

The first few years of a lobster's life are precarious, however, as just 10 in 10 000 eggs hatch. This equates to a survival rate of 0.01%. Grown-up lobsters attract fewer predators and are capable of living up to 50 years or longer. But it's the years between birth and maturity that require real courage. Similarly, start-up businesses have a high failure rate during their critical first three to five years, with just 25% surviving this period. And during this start-up phase they face many challenges. Business survival during this phase requires more than just a good idea; it takes true courage.



André Diederichs

Time to shed your shell?

Lobsters shed their shells to allow them to grow. Similarly, you will need to shed any preconceived ideas and bad management practices to give your venture every chance of success.

A lobster sheds up to 25 times in its first five years. But as the sea creature matures, the length of time between each shedding gets longer. Lobsters need their shells to ensure they are not ripped apart by predators. However, if they don't shed, they can't grow, and their shell will become their prison and eventually their coffin. The lobster is incredibly vulnerable in the period between shedding its shell and growing a new one. During this period, keeping the old shell may be more appealing, and it takes courage to start the shedding process.

Focus on the turning tide

Your start-up will go through similar periods of vulnerability –when cash flow is weak, or when you face the challenge of a dwindling client base, or when a new competitor enters the market etc. This vulnerability will lessen as the business matures and becomes more established, and as your management style matures.

For an entrepreneur, this unsettling period can make the security of corporate life appear an attractive alternative; just as that old shell may seem to a growing lobster. But this is an unavoidable phase during which you must focus on growing your expertise and building firm foundations before you can reap the fruits of your labour. The key to surviving this critical stage is to face adversity head on, waiting all the while for the tide to turn...

André Diederichs is a well-known business expert, public speaker, author and media personality. He has published six books and is a regular guest on radio and TV talk shows. André's acute sense of business and keen fascination with nature are captured and translated into practical lessons for the business world. He can be contacted and books can be ordered at: www.andrediederichs.co.za or via email: awdiederichs@mweb.co.za.