

TONY ROBBINS

2018 CEO CONFIDENCE INDEX

**"Stay committed to your decisions,
but stay flexible in your approach."**

TONY ROBBINS

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Entrepreneurs are (too) confident

The 5 secret issues of U.S. business owners

Could overconfidence be your Achilles heel? A survey of 150+ business owners told us the following:



SKILLS OVER TOOLS

Business owners in the U.S. are **more confident in their skills** than their tools.



INDEPENDENCE

Entrepreneurs cherish the independence of working for themselves, but might just be **trading time for dollars**, the worst possible trade you can make.



BILLS BILLS BILLS

Finances are **#1 concern** for business owners.



RECESSION READY

Overwhelmingly, business owners **feel prepared for a recession** and confident that they can grow their business, but this is not always the case.



MAKING AN EXIT

Just over half (55%) of CEOs today have an **exit strategy** for their business.

As Tony Robbins says,
business is a sport for gladiators, not the faint of heart. Because the more you play, the greater the chance you will die.

50%

of new businesses will die within the **first year**

In the first **5 years**

80%

of small businesses fail

96%

of US businesses will fail within the **first 10 years**

ONLY
40%

OF ALL SMALL BUSINESSES IN THE UNITED STATES WILL SURVIVE

BUSINESS OWNERS IN THE U.S. ARE MORE CONFIDENT IN THEIR LEADERSHIP SKILLS THAN IN THEIR BUSINESS GROWTH TOOLS.

Leadership will make or break a business. A successful leader's psychology and their skills will propel growth, no matter their domain. But success requires leadership combined with tools.

A whopping majority (96.7%) of business owners have some form of confidence that they have the knowledge, experience and mindset needed to be the leader of their company. This shows a strong sense of certainty in business owners and reflects the strength of the current economy.

However, when it comes to the tools that grow a business, the certainty starts to waiver. Although only 6.6% of business owners in the current environment feel "not confident" in their abilities to scale their business, the percentage of those 100% certain in this domain tells another story. While 38% have an absolute certainty in their leadership skills, only 24% have the same level of certainty in their growth and scaling tools.

How do leaders tap into the power of certainty? A leader always has an absolute core belief that they can manifest their vision. This core belief comes from getting crystal clear on your purpose. If you truly know your *why*, the reason behind all that you do, you'll have what it takes to drive you through the hardest, darkest challenges. It's easy to say "I love what I do" when things are going well, but if you are going to overcome the difficult times, you need the certainty deep in your bones that this is what you want, you **must**, you **need** to do.

“ *If you're not growing, you're dying.* **”**

Tony Robbins

More small businesses today than at any point in the last 10 years are either already growing or expect growth in the coming year. And 84% of small firms expressed confidence in the future of their business.

—National Small Business Association, 2017 Year-End Economic Report

Small business confidence is at its highest:

96% CONFIDENCE IN LEADERSHIP

Entrepreneurs are very confident in their ability to lead their companies.

HOWEVER, THAT CONFIDENCE PLUMMETS WHEN ASKED ABOUT SKILLS AND TOOLS

CONFIDENCE IN SKILLS



not confident 3.3%
fairly confident 12.6%
confident 45.7%
100% certain 38.4%

38.4%

CONFIDENCE IN GROWTH & SCALING TOOLS



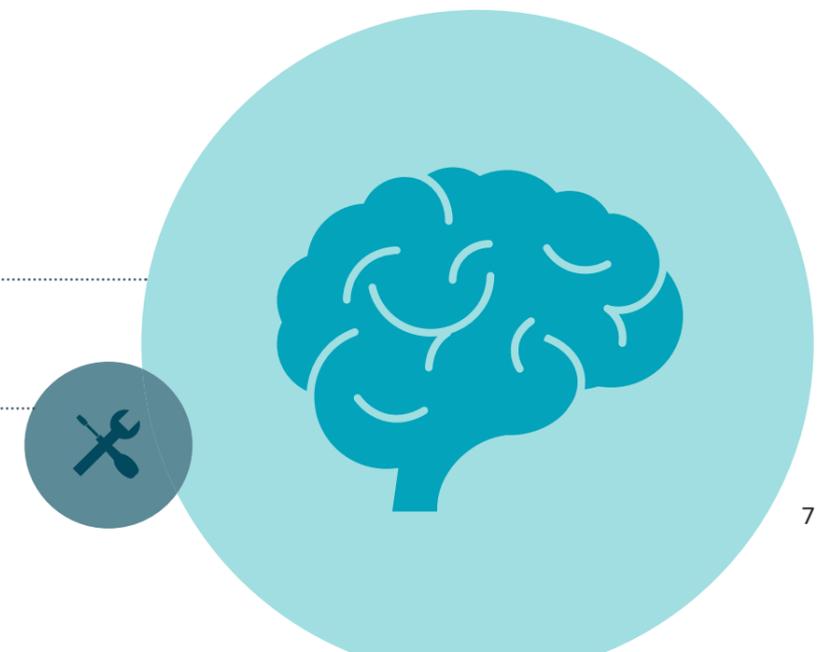
not confident 6.6%
fairly confident 23.8%
confident 45.7%
100% certain 23.8%

23.8%

REMEMBER

Tony says that leadership is **80% PSYCHOLOGY**

and just **20% SKILLS**



BUSINESS OWNERS LOVE THE INDEPENDENCE OF WORKING FOR THEMSELVES, BUT ARE LIKELY TO JUST BE TRADING TIME FOR DOLLARS.

The number one reason people love running their own business: freedom. They only have to answer to themselves. Six out of 10 (60.9%) business owners surveyed said they most value making their own hours and not having to answer to someone else. The second most popular reason – a feeling of purpose and providing for employees – was far behind, at 17.9%.

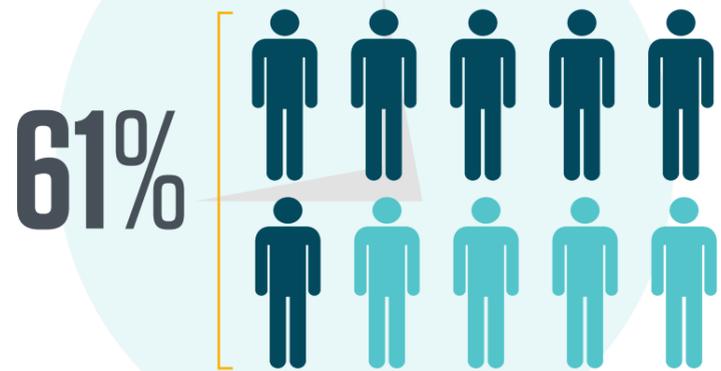
To stop working for money and shift to a world where money works for you, you have to understand your **money machine**. If you stop working, the machine stops. The cash flow stops. Your income stops. Basically, your financial world comes to a grinding halt.

Since only 20% of small businesses have employees, this situation is the reality for many business owners. Instead, create a money machine that draws on the power of compounding to start making money 24/7, freeing you from needing to trade so much time for money.

Even when you're the boss, having to trade time to make money prevents people from achieving true financial freedom. Think about it: you can always get more money, but time is finite.

No 1. Reason business owners choose to run their own business

MAKE THEIR OWN HOURS



80% of small businesses have no employees.
—US Small Business Association



If you work for a living, you're trading your time for money. Frankly, it's just about the worst trade you'll ever make in life: You can always get more money, but you can't get more time."

TONY ROBBINS

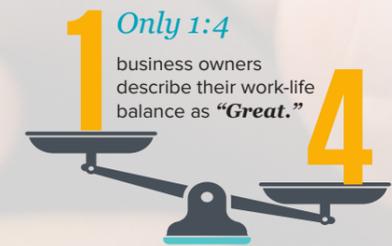
Trading time for money also inhibits you in other ways, namely, having enough time to enjoy your personal life. Even though nearly all business owners (97%) enjoy running their business, only 1 in 4 describe their work-life balance as "great." Almost the same number say they're often forced to choose work over family and friends.

An overwhelming 58.3% of business owners feel that

to be successful you have to sacrifice time with family and friends. And 56.3% of business owners feel that worrying about their business negatively impacts the quality of their life.

Though it's expected that newer ventures require more time to get going, an older firm still doesn't guarantee a reprieve. For firms with less than 2 years in business, 44% (that's 191,449 owners)

spent 41 hours or more a week on their business. For firms with 16 years or more in business, 45% (that's 869,750 owners) still spent 41 hours or more a week on their business.



PERCENT OF BUSINESS OWNERS THAT SPENT OVER 41 HOURS A WEEK ON THEIR BUSINESS



45%
Of those in business 16 years or more

44%
Of those in business less than 2 years

OVERWHELMINGLY, OWNERS FEEL PREPARED FOR A RECESSION AND ARE CONFIDENT IN THEIR FUTURE GROWTH.



Jennifer Fleiss
Co-Founder, Rent the Runway

"[Co-Founder Jennifer Hyman and I] were at business school together when this concept came about, and it was actually a recessionary moment, which I think can be a great time for innovation. Consumers were starting to think differently about how they [bought] clothing. And they were starting to be way more proud of being smart shoppers and consuming in smart ways. So that created a unique angle for us to start Rent The Runway."

We're in a growth period right now, but it won't last forever. Winter is coming.

More than 8 out of 10 business owners feel confident they can grow their business through the next recession. Yet only 13.9% of business owners feel very prepared for a recession, and 46% feel somewhat prepared.

Both our survey results and third-party data demonstrate how it's easy to feel confident in a business's future during times of widespread economic growth. But since 1879, 61% of U.S. history has been spent weathering a recession.

That means we've been in boom times only 39% of the time.

But economic winters and recessions are when most successful businesses emerge, grow and thrive. If you can anticipate an economic winter, you'll only grow more when times are good for everyone. Thrive in hardship, and you'll certainly thrive in plenty. Just look at this list – does your business have what it takes to you join their ranks?

5 OUT OF 11 COMPANY FOUNDERS

interviewed at Tony Robbins' Business Mastery event started their businesses during The Great Recession, including:



IQRAM MAGDON-ISMAIL
Co-Founder,

venmo



SLAVA RUBIN
Co-Founder,

INDIEGOGO



ALEXANDRA WILKISON WILSON
Co-Founder,

GILT



JOE GEBBIA
Co-Founder,



JENNIFER FLEISS
Co-Founder,



10 companies that started during a recession or depression:

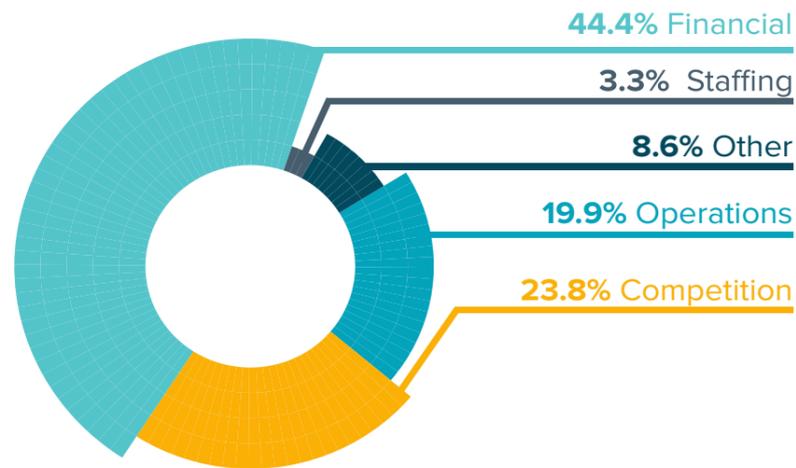
FINANCES ARE ONE OF THE BIGGEST WORRIES FOR BUSINESS OWNERS.

Money and finances are a stressor for many, whether personal or business related. But to avoid financial worry and grow your business geometrically, embrace what Tony calls the **2-millimeter rule**.

Almost half of the business owners surveyed say financial matters are their biggest pain point, with half as many people saying operations and competition are their biggest stressors.

Often when we want to make changes in business, we feel like we're millions of miles away from where we want to be. But the reality is that you're only 2 millimeters (that's 0.078 inches) away. The smallest changes and refinement of tiny habits can bring massive results.

The way to find these minute changes is through **optimization** and **maximization**. First, what are the main areas that impact your business? Lead generation, the sales process, transaction values, or something else? The key is to



understand and document your company's current process and results in each of these areas of potential growth.

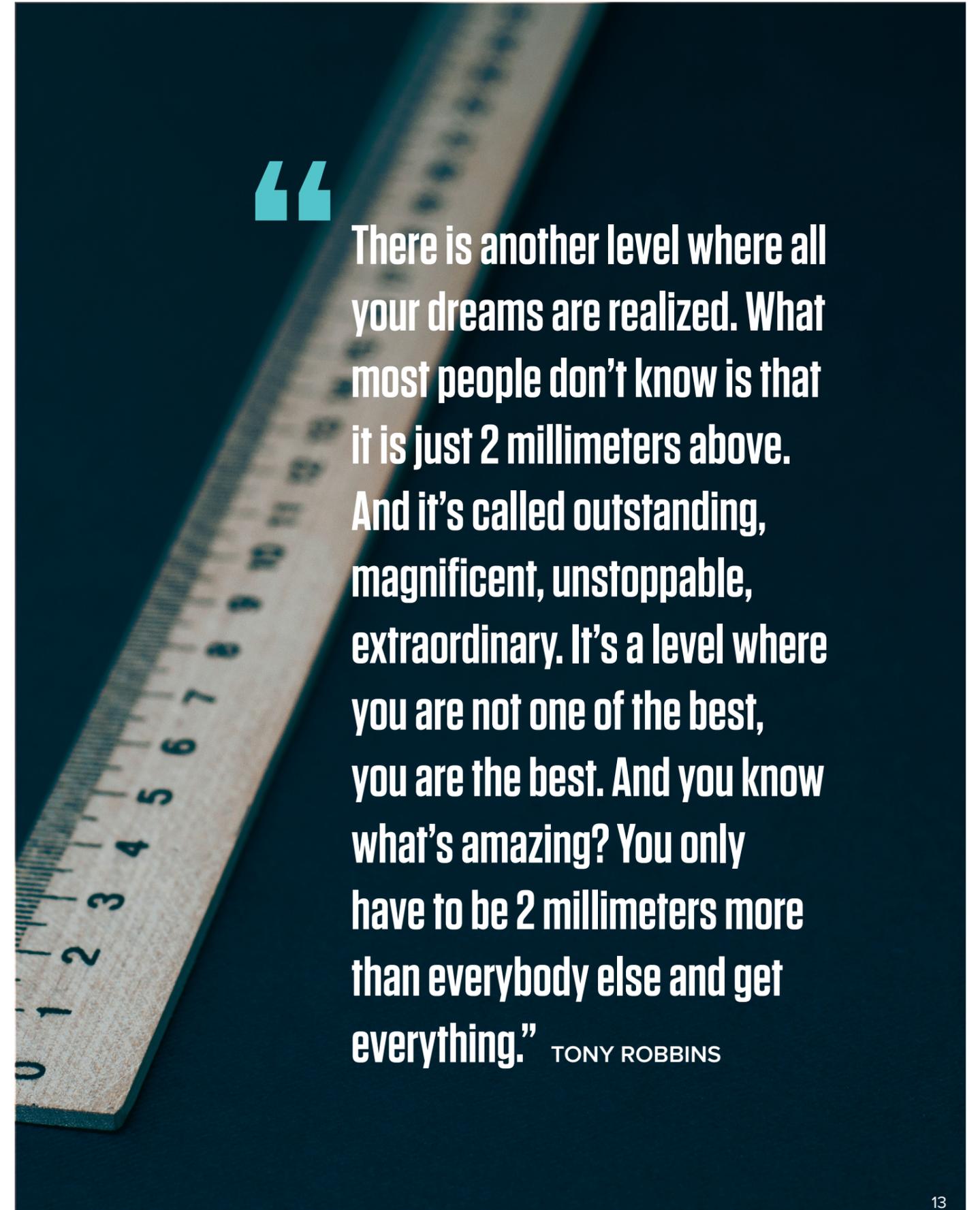
Then, **anticipate** the biggest areas of challenge and then mobilize your team with a clear plan so you can target specific improvements that will have the most impact.

Measure what happens so you can track successes and failures, and adjust your approach as needed. Make the small shifts you need and you'll end up with incredible results.

53%
REPORTED GAINS

For the first time in a decade, the majority of small firms (53%) reported increases in revenues in the last 12 months.

—National Small Business Association, 2017 Year-End Economic Report (p7)



... BUT ONLY 55% OF TODAY'S SMBS HAVE AN EXIT STRATEGY.

Why is an **exit strategy** so important? Because if you don't have an exit strategy, you have a job, not a business. An easy way to tell the difference? You can sell a business. You can't sell a job.

Many business owners worry that having an exit strategy means they're not invested in their business. But a clear exit strategy just means you have the ability to leave, which will make you run your business differently in order to create the possibility for real growth. Remember: A business makes money when you're not there. If you have to be present to make money, you have a job.



If you don't have an exit strategy, you just have a big job. A job with a lot of responsibility. A job with a lot of risk. You call it a business, but without an exit strategy, it's not. The purpose of a business is to build a system that can make money when you're not there. TONY ROBBINS

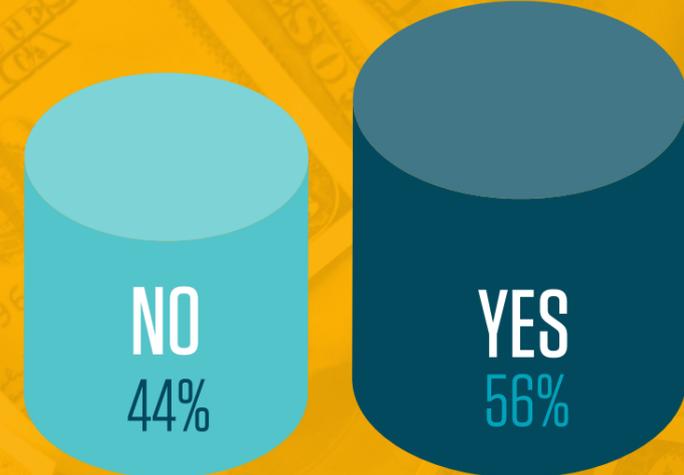
1:12 businesses close their doors every year.
—U.S. Census Bureau, Business Dynamics Statistics



87%

of businesses will never be sold because an exit strategy was never in place

Do you have a clear exit strategy for your business? *You are not alone.*



DEFINITIONS AND KEY CONCEPTS

The business cycle:

A way to describe the expansion and contraction of the market over time via peaks and troughs.

Business survival rate:

The number of businesses begun in a year that still exist the following year. Often businesses halt operations because of lack of profits and/or funding.

Exit strategy:

An exit strategy ensures you run your business in a way that creates the possibility for real growth. It's what separates business owners from business operators. A business operator runs a business that cannot survive without them present. But, as Tony explains, an exit strategy means a business owner can legitimately sell their business; they have the ability to leave.

Recession:

A significant decline in economic activity spread across the economy that lasts more than a few months. Starts at the peak of a business cycle and ends at a trough.

Optimization and maximization:

When a business owner finds the areas to make small, incremental changes in their company. These optimize your current resources and maximize their impact, which lead to explosive, geometric growth. This is one of Tony's seven forces of Business Mastery.

Small business:

An independent business with fewer than 500 employees. In the United States, small businesses make up 99.9% of all businesses, 99.7% of firms with paid employees and 41.1% of private-sector payroll. (Source: US SBA)

Startup:

A firm less than one year old.

SURVEY METHODOLOGY

We created a survey with 13 multiple choice questions to better understand the mindset of business owners in 2018. Survata then conducted the survey, gathering data from 151 participants, all business owners from across the United States. Results are rounded to the nearest tenth of a percent.

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Tony Robbins is an entrepreneur, #1 NY Times bestselling author, philanthropist, and the nation's #1 Life and Business Strategist. For more than 4 decades, more than 50 million people have enjoyed the warmth, humor, and transformational power of his business and personal development events. He is the nation's #1 life and business strategist.

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