crucial to their effectiveness as a business owner, and more than half (53%) said it's important to keep their weekends free for loved ones.

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Entrepreneurs on the path to success are more likely to learn from past failures, invest in technology, value time with their families and build excellent relationships with business mentors, according to new research from small business cloud

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According to the U.S. Bureau of Labor Statistics, half of small businesses close their doors within five years of launching. It's a worrying statistic considering small businesses account for more than 45% of GDP in the US and around 80% of jobs. The success of small business is vital to the global economy.

"To build a successful business, which is sustainable in the long term, you need to ensure the other areas of your life don't get neglected. Running a business isn't easy, by taking time out to spend with your family or friends you often find you return to work energized with a clear perspective on what you need to achieve," said Xero U.S. President Russ Fujioka. "Small business owners should be aiming to achieve work/life integration, not work/life balance. By doing this you give yourself more flexibility and set yourself up better for success."

The *Xero Make or Break Report* findings strongly demonstrate a number of common traits demonstrating the mindset and habits of successful small business owners.

Here's what the research shows successful business owners do:

- **They don't work around the clock.** Instead, they have a strong belief in the value of personal time and make time for their loved ones and family. While successful owners eschew sacrificing a personal life, for most of them it's still impossible to disconnect entirely. Just 29% say it's vital to turn off their phones and laptops after business hours.
- **They try, try and try again.** A positive mindset and a willingness to fail—successful small business owners are more likely to see failure as a good thing, learn from mistakes and want to try again.
- **They don't pretend to have all the answers.** Instead, they enlist the support of strong, collaborative network: family, advisors and mentors, an accountant or

financial advisor. A third of successful entrepreneurs say they have turned to

of those in the failed camp.

Entrepreneurs who had experienced prior failure reported they were better at planning and financial management the next time around. *The Xero Make or Break Report* highlights that the closure of an early stage business does not always indicate failure, with 71% describing the closure of their business as a positive thing.

Here's what successful small businesses do:

- **Sell services.** Survivors appeared to have a better shot at creating a business with long term value if they focused on selling services rather than products. 59%t of businesses selling mostly services survived in comparison to 45% of failed businesses, yet twice as many businesses that focused on selling products failed: 41% compared to only 19% of survivors.
- **Understand alternative financing.** While access to funding is still the biggest challenge to success for early businesses, most are now aware of new alternative methods of finance. British businesses are more savvy than U.S. businesses when it comes to knowledge about alternative finances with 67% aware of crowdfunding for example, despite only 5% actually having tried crowdfunding.
- **U.S. new business starts are lean.** 26% of small businesses invest less than $1,500 at start-up with more than half (51%) investing less than $7,500.
- **Small businesses need technology to grow.** Successful small businesses inject a productivity boost with apps, fintech and mobile tech with 86% claiming they use technology to increase their productivity. Almost half (49%) use business apps with almost a third (32%) integrating mobile payment technology into their service offering. More than one in four use business-planning tools (26%).

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