



# Does Education Trump Experience When Starting a Business?

By Rieva Lesonsky

**W**hen you're starting a business, does education or experience matter more? That's a question that's been debated, well, as long as I can remember—and it seems even the business owners themselves can't agree on an answer.

Does education matter more than experience when hiring employees for your small business? Apparently not. In a [Manta survey](#) earlier this year that polled nearly 1,000 small business owners, half say they hire staff who don't have a college degree. What's more, more than 60 percent say they see no difference

in performance among employees with varying education levels. Desire, drive and the willingness to work hard matter more to the business owners in the study when it comes to choosing who to hire.

But it seems small business owners don't extend themselves the same leeway. Most entrepreneurs in the study (more than 60 percent) predominantly credit their education as an important factor to their own successes as small business owners. Almost 70 percent of those polled have at least a bachelor's degree.



It's obvious a degree is valuable (even essential) in some fields, such as consulting or professional services. But if you want to start your own restaurant, open an auto repair shop or start a hair salon, is a college degree more crucial than real-world experience in your chosen field? Perhaps in some industries, street smarts and hands-on learning outweigh anything that can be learned in a college classroom setting.

Maybe when small business owners tout the value of education, what they really mean is the ability to think things through and plan a path to growth. Entrepreneurs in the Manta study cited a strong business plan as vital to getting their businesses off to a good start. Over one-third say a business plan is the most important startup success factor—more important than capital, networking or mentorship.

The role of business plans has changed in recent years. With our economy changing rapidly and disruptive businesses sprouting up, many feel the traditional business plan that looks out five or 10 years into the future is outdated. But while your business plan may not be as “etched in stone” as it used to be, I agree with the entrepreneurs Manta polled that it's of great value.

#### About the Author

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