COMPETENCE / KNOWLEDGE

When gaps go unnoticed, capability quietly turns into risk

Competence and knowledge showed up in our study as a low-frequency but high-impact source of preventable mistakes.

Many entrepreneurs didn't experience this as "lack of skill." Instead, it showed up as *not realizing a gap existed at all*. They were doing what had always worked — figuring things out, learning on the fly, relying on experience — often successfully.

That's where the risk crept in.

As businesses evolve, founders are routinely pulled into new territory: regulations they've never faced, tools that didn't exist before, expectations that shift quietly. When change happens gradually, it's easy to operate with outdated assumptions or partial knowledge without realizing it. In hindsight, the issue isn't what you knew — it's what you didn't know you needed to know.

Pride can compound this. Many entrepreneurs are problem-solvers by nature. Asking for help can feel unnecessary, inefficient, or even like a personal failure — especially when you've built your business by being resourceful and self-reliant. The result isn't recklessness. It's delayed support.

Competence risk rarely announces itself in the moment. It shows up later — as rework, penalties, credibility hits, or costly clean-up — once a hidden gap has already mattered.

The goal isn't to know everything or ask for help constantly. It's to notice when the landscape has changed — and to create simple ways to surface gaps before they quietly turn into mistake risk.

1. Identify where you're relying on memory or improvisation

A useful starting point is to notice tasks you regularly "wing" — relying on memory, habit, or best guesses instead of a clear process.

This matters most when the task involves:

- critical rules or standards
- details that have consequences
- outcomes that are visible to customers, partners, or regulators

Choosing just one such task and tightening how it's handled — through a reference, checklist, or quick refresh — can dramatically reduce risk.

This isn't about mastery. It's about reducing exposure where informal knowledge is doing too much work.

2. Borrow expertise before gaps become problems

One of the most reliable ways entrepreneurs reduce competence risk is by **accessing expertise earlier than feels necessary**.

That might mean:

- a brief conversation with a specialist
- a mentor review of a process
- a knowledgeable outsider sanity-checking an approach

You don't need constant advice. You need timely perspective — especially when stakes or complexity increase.

This turns learning into prevention, not recovery.

3. Turn repeat work into shared knowledge

Competence risk increases when critical know-how lives only in someone's head — especially yours.

For recurring or technical work, writing down the few steps that matter most creates a buffer against fatigue, distraction, or change. It also makes future learning easier and delegation possible.

This isn't about documentation for its own sake. It's about preserving accuracy and credibility as demands grow.

A final note

Competence and knowledge risk isn't a reflection of your intelligence or effort. It's a natural byproduct of running a business in a changing environment.

The point of these tools isn't to close every gap. It's to notice when expectations have shifted — and to reinforce capability before small gaps turn into avoidable mistakes.

Questions or reflections? If you have questions, comments, or want to share how the Quiz or these tools helped you, feel free to email me at: **author@williamholsten.com**