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# 6 Mistakes That Could Destroy Your Business . . . and How You Can Avoid Them

*"If you know the enemy and know yourself, your victory will not stand in doubt."—Sun Tzu*

Often, those of us who've gone into business for ourselves have done so as a way to express a passion we have, a skill we're proud of, an idea we hope will excite, educate or entertain others as it has us. The challenge is that being really good at something in particular does not automatically make for a successful business. We all know that it isn't always the superior product or service that wins in the marketplace. You may have heard of businesses that fail despite offering something truly unique, desirable, even important.

What separates success from failure, then? In virtually every case, it's the practical day-to-day aspects of business that trip up the neophyte or give the winner an edge.

While this report doesn't pretend to provide everything you need to know about business, these six mistakes can sink your business, or cause it to founder and swamp before you even get it away from the dock. Every one is directly related to clarity in the planning stages. The good news is that, even if you're already doing business without a real business plan, it's not too late. Making changes today will help expose these underwater snags and help you avoid them. Know yourself, know your business, know your challenges. You'll never doubt you can succeed.

**So, here they are: six mistakes that could destroy your business, and how you can avoid them.**

# Mistake #1

## Not Knowing What Success Looks Like—And Whether You've Achieved It

Imagine for a minute that you've planned a vacation to New York. You live in Los Angeles, and your plan is to drive cross country to get there. You don't have a map, but you're not too worried: you know New York is a big city to the east, so you pack your things and start driving.

You arrive at your hotel, have dinner and head out to see the sights. You see the Empire State building, the Brooklyn Bridge and the Statue of Liberty, all of which seem a lot smaller than you expected. You also visit the Eiffel Tower...*wait a minute*. That's not right. You decide to ask the dealer at your card table when they brought the Eiffel Tower over from France. He, of course, tells you that you're not in New York but Las Vegas. That explains the heat. So, how did this happen? Well, even though you had a vague idea of where you were headed, you didn't have a **way to know when you'd arrived**.

A lot of business owners suffer from the same problem: they know that they want to succeed, but they don't have a clear idea of what success looks like for them. They rely on the definitions of society and other people to tell them when they are successful. As a result, they spend a lot of time in Las Vegas looking for Central Park.

How does having a business plan help you avoid this situation? By clearly identifying, in writing, what success looks like to you so that you know when you've arrived.

Success is subjective; every business owner would define it differently. For some, it's a monetary goal. For others, it's a distribution goal. For still others, it has to do with how many people their product or service touches.

The question is, what is it for you? **How do you define success?** What are the metrics you'll use to determine when you've arrived? Not having a clear answer to these questions can result in a lot of time and effort wasted in pursuing someone else's definition. You don't wanna be the person in Vegas who thinks they're in New York, do you?

If not, you need to have your own desires and expectations for your business very clear in your own head. You need a clearly defined mission and vision, and you need to have them written down. Then, and only then, will you be able to tell when you've arrived.

The 'Mission' and 'Vision' sections of the Instant Biz Plan will clarify what you want your business to accomplish for your clients, and yourself. Knowing what success looks like is the first step to reaching it.

## **Mistake #2**

### **Thinking You Have To Know It All, And Do It All, By Yourself**

All entrepreneurs have a smidgen of megalomaniac; otherwise, they'd never take the preposterous risk of failure inherent in starting your own business.

This powerful belief that you can do anything, while vital to getting you through the dips you'll encounter, is a risk in itself. Unless you're Leonardo da Vinci, you really can't do everything. Even if you have the skills, you'll quickly reach a point in your business that you need help. It will come sooner than you realize, sooner than you like.

**Delegating is difficult.** If you're anything like us, you just know that no one will love your business, no one will care for the day-to-day like you will. In some areas, you're right. Guess what? Don't delegate those!

There are activities in your business which require an instinctive grasp of the vision and mission, and a level of expertise not quickly or easily acquired. If you can mentor an apprentice, create a journeyman, and eventually a master of your abilities, you'll have someone you can trust with any business activity you'd do yourself. Mentoring someone is also a fantastic way to **reinforce your own skills and beliefs**.

In the meantime, there really are activities in your business that others could do better than you. I know; I know; but, really, there are. Consider: are you really great at filling out and filing paperwork? Are you, truly, the best person to make cold or warm calls on the telephone? Maybe so. Know for sure.

Even when you do have all the skills, is every single task the best use of your time? Some processes make you money. Some, while necessary for business function, don't directly apply your expertise to bringing in money. 'Opportunity cost' is the concept that, by choosing one thing, you give up another. If you're doing the filing, you cannot be making phone calls. If you're making phone calls, you cannot be baking or building or whatever else you do.

As a professional, you know to use the best tool for any job; the right wrench, the right bowl, the right polish. Apply that to the mundane business tasks, not just those within your special area of expertise.

Here's where it gets hard: **which tasks do you delegate?** How do you choose who to delegate to? How do you train them? How do you separate those tasks from the processes requiring your unique expertise?

The 'actions' portion of your business plan is the very best starting point.

If you've got a **properly-written business plan**, these actions are, by nature, atomic; that is, each is a stand-alone task which might connect with other tasks to form processes, but which can be done separately.

Look at each task. Ask yourself these questions:

- Does this task require my **special expertise**? Shaping the face of an acoustic guitar does. Filing vendor invoices does not. Be honest with yourself.
- What **skills** are necessary to do this task? Be brief, even vague if you like. You'll refine this later. Just know, for now, that sales calls on the phone require a personality, a willingness to hear 'no' all day long, and a genuine desire to help people.
- How much **time** do you spend on this task every day (or week, if that's more appropriate) ?
- How long will it take you to **teach** someone else how to do this task?
- What's the training time ROI (**return on investment**) ? If you spend two hours per week, and it takes you six hours to teach someone else how to do it right, you'll start saving time on the fourth week. Simplistic, but good enough for most tasks.
- Is there an existing discipline that **specialises** in this task? Office administration is a long-standing field with some solid experts out there. Virtual assistants will work for two, five, ten hours per week, per month; whatever you need. Most admin tasks can be done remotely; some will require in-house effort. Sales calls? Yup; there are professional sales people who specialise in the skills and personal qualities which are so important in helping prospects feel comfortable enough to buy.

By now, you should have a pretty clear picture of the '**Delegation Intersection**'—which tasks are burning a lot of your time, are relatively inexpensive to outsource because they're covered by an established profession, and won't use up a lot of training time to hand off?

Pick one. Find an expert. Get their advice on how to proceed. If they're someone you'd like to work with, they'll almost certainly be willing to share some real value up front in order to convince you that they're right for you, for your company.

Don't even start writing the training procedure until you've found the right person. The right person will take the process and run with it; you'll probably **spend much less time training than you expected**. Get out of their way, and let the expert handle it.

Which is what you say to all your clients already, right? Follow your own advice.

**Your Instant Biz Plan Action List is a great delegation tool. Used properly, you'll not only save time, you'll save money and headaches.**

## **Mistake #3**

### **Not Having A Clear Picture Of Your Business Challenges And Their Solutions**

When I was a kid in Wisconsin, every little stream had a wooden bridge over it. Sometimes, a board would be rotten, but it would rot from the inside. The board looked just fine on the outside—until you put your foot through it.

All of us who choose to operate our own businesses are good at what we do. We also know that there are things we don't know. For those, we either find a way around it, get help, learn something new; one way or another, we fill in the hole.

That's fine, if you know what you don't know. What if **you don't know what you don't know**?

Sometimes, like a board that's weakened by rot on the inside but looks fine on the outside, there are gaps in our business knowledge which we just don't know about. Like that board, it might seem that there are only two possible outcomes: get lucky, and miss the board, or put your foot through it and get hurt.

There's a third possibility: get down and test each board carefully before you walk over the bridge.

Sure, it's obvious, and because it seems like a lot of work, nobody does it.

Which is harder, though, to examine the bridge or to drag yourself to the hospital with a broken leg? Yeah; I thought so.

Making a careful examination of your business, board by board, will **reveal things you hadn't thought of before**. You'll see details you overlooked; connections you didn't realize exist; challenges and possibilities you weren't aware of.

You'll see, not just the bridge, but each individual board. But by seeing each board, you'll know the bridge better. You'll know where to put your weight, where to avoid, and which parts to replace entirely.

The **self-analysis and deep thought** required to create a truly functional business plan are guaranteed to give you a **new perspective** on your business; a 'close up and personal' look.

The goals and strategies in your business plan will only match the real world if you've got a clear picture of your real challenges and their solutions. As soon as you start creating actions, you'll know whether you've got this right; the actions will be obvious steps to practical solutions.

Forewarned is forearmed. Do the work now to analyze your business and create a **simple action-oriented business plan**. Find the weaknesses, the gaps. When you find a hole, fill it in.

**Your Instant Biz Plan Goals and Strategies will prevent you from putting your foot in it.**

## **Mistake #4**

### **Not Knowing Who Your Target Customers Are Or How To Find Them**

For a very long time the common thinking about advertising was (and perhaps still is) to spread your message as widely as possible, and those who are interested will respond. Untargeted marketing is, and probably always has been, an inefficient method; like using a net to catch a single fish. A properly baited hook will do the trick with **less wasted time and effort**.

The first thing a fisherman has to decide is what kind of fish they want to catch. Sure, maybe he doesn't care if it's bluegill or bass, but to some degree, you have to choose. If you're looking for catfish you'll make entirely different decisions about location and method than if you're interested in some yellowfin tuna.

You don't split a log with a sledge hammer; you don't pry oysters open with a 2x4. To really get inside, to break things open, you need the thin end of a powerful wedge. Your **microniche** is that thin end.

What kind of fish are you trying to catch? Just anyone? Wrong. Unless you're selling something used with equal frequency and enthusiasm by everyone on the planet, that's wrong.

Try again. Remember all that stuff about trying for 100%, even if it's not achievable? Do that now. Describe **your perfect customer**.

Here's mine: I'm looking for an entrepreneur who's just starting out. She's creating a service business where she'll have lots of direct interaction with her clientele. She'll be in the market for one or two employees pretty soon, maybe even right away. She knows her stuff, but she's never run a business before. Coming from the corporate world, she has lots of misconceptions about how things are done; mis-training about meetings, deadlines, budgets, chain of command; all the stuff that makes the corporate world so un-fun. Oh; and she's got some money to invest in start-up costs, so she sees my services as an investment, not an expense.

I don't have a single client who fits that profile perfectly. They all deviate just a little. But just like goals let you know if you're making progress or when you've succeeded, creating the persona of your perfect client lets you compare each prospect or suspect with that persona and see if they are indeed a **good client** for you.

Don't just make this a mental exercise. Discuss it with your partners, employees, mentors. **Write it down**. Make this a real person, so that when they walk in or call, you'll all recognize that this is the one, your perfect customer. Until then, at least you'll have a good reference you can all share to analyze each suspect and prospect.

The vision and mission sections of your business plan will help clarify exactly who you're talking to. They depend on your ability and willingness to choose a very narrow niche. With a properly written mission and vision, the goals, strategies and actions to achieve them will naturally nudge you toward speaking directly to your perfect client.

Your Instant Biz Plan Vision and Mission give you a clear picture of that perfect client so your marketing message comes through loud and clear.

## **Mistake #5**

### **Losing Momentum When Results Aren't Obvious**

Momentum in your business is magical. The law of inertia says that a body in motion tends to stay in motion, and nowhere is this more true than in a business: once the wheels are moving, it seems like nothing can stop you. But how do you **get the wheels moving** to begin with? By taking massive action!

One of the biggest challenges to overcome in any business is to take enough action in the early stages to create forward momentum. In fact, many business owners get discouraged and frustrated when they **don't see immediate results** for the effort they're putting forward, and so they quit taking any action at all.

We've probably all seen it happen: the new business opens with a flurry of promotional and sales activity; the owner is everywhere, networking like mad to promote her business, joining groups and shaking hands and attending mixers. Then, a few months later, you look around and wonder where she went; you realize it's been several weeks since you've seen her anywhere. You drive by her shop and see her through the window, sitting behind the counter, waiting for a customer to walk through the door. Then one day, you drive by and see the "For Lease" sign.

How can having a business plan help you **avoid this common business tragedy**? By taking your **focus** off your intended outcome (a thriving business with lots of customers) and placing it **on the process** (your daily activity) that's going to help you achieve that outcome!

"But wait a minute," you cry. "I've been told over and over that I have to maintain my focus and keep my eye on the prize! Now you're telling me not to focus on the outcome...what gives?!"

Let's be clear: spending time every day focusing on your intended outcome of a successful business is crucial to your success, but it means nothing if you don't have **a process in place for taking daily action!**

Think of it this way: if you were an orange farmer who wanted a bumper crop of oranges, what would you do? You'd have to start by planting seeds, then follow that up by watering the seedlings and nurturing the trees. Then, and only then, would you get the oranges you wanted.

**Customers are like oranges: they are the fruit of a good process. You can't wish them into existence: you have to work for them. Having a business plan will provide you with a list of the daily activities you must engage in for you to attract customers. Having a positive intent is essential, and having the 'Actions' section of your Instant Biz Plan to support that plan will get you on the fast track to success!**

## **Mistake #6**

### **Not Having A Unique Selling Proposition**

If you've read about marketing at all, you know you need something called a 'USP', or **Unique Selling Proposition**. The basic concept is that if you're just like everyone else, or, in fact, if you're just like *anyone* else, why should prospects and suspects choose you?

Most business operators solve this challenge by ignoring it. That doesn't work, and you know it.

Marketing, and business in general, is **like dating** leading to marriage. It's a slow process, and takes a lot of effort and honesty, but in the end, you plan for it to be long-lasting, permanent. If your clients or customers are doing business with you because of something unique to your business, the nature of 'unique' says they can't get it anywhere else. If that unique characteristic is their reason to choose you, they're married to you as their supplier. Unless you give them a powerful reason to leave, they won't.

What's the single most **obvious unique aspect** of your business?

You.

Think about the industry giants, big companies with a well-known leader. Doesn't the company take on their personality? Even if we don't know that for sure, we assume that our dealings with the company reflect that individual, because we know they've imbued the entire experience with their own personality.

We sincerely hope you've gone into business for yourself out of **passion**; a deep driving desire to share something you really care about with other people who'll get the same benefits and enjoyment from it. If that's the case, infuse your business with your passion. Stamp your personality all over everything you do: marketing materials, the language you use with customers, store hours, employees, all of it. Make sure that your entire business, as a whole or any one part, absolutely shouts *you you you*.

No two business operators will have identical goals, if they've stamped their personality on their entire business. If your **vision** is a clear written statement of what you intend to create, if your **mission** is a clear written statement of how you'll share your passion with others, your **goals** will be uniquely your own.

It only follows, then, that the **strategies** you choose will be unique, and the daily **actions** you focus on to support those strategies and reach your goals will, again, be unique.

**There is, after all, only one you. When your Instant Biz Plan is complete, you'll have a practical way to spread your personality all over your business, from the day-to-day on into your visions of the future.**

## **How to Eat an Elephant or, Putting it All into Practice**

We're not pretending it's easy to pull together a clear vision and mission, to identify goals, create strategies and take action daily. If it was easy, businesses wouldn't **drop like flies** during their early days.

There's an old saying about how you eat an elephant: one bite at a time. Huge monstrous goals are impossible. You can't even envision world domination; it's too big.

Take **baby steps**. Any progress at all toward a cohesive business plan is better than putting it off one more day, just because it's too big or too hard. Chip away at it until you've got something you know is solid and workable. Then, keep it that way, with **regular** revisits and **revisions**.

Of course, if you'd like help taking that first step, that's why we've created the **Instant Biz Plan**. We're experts. We've done this enough to make the process of eating the elephant a little easier. So, if you'd like our help, give us a shout, and we'll get the grill fired up.

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