

Being Aware Gets You Halfway There

A lot of entrepreneurs that I meet are very knowledgeable within their specific field, but they don't know anything about business strategies or about selling or promoting a product. It is also common for me to have discussions with business owners who have had a good run for some period of time, but they are not seeing the growth or the streamlining that they expected would take shape over time. Many are experiencing a growth plateau while others are on the verge of failure.



So, what are some of the things you need to look for in your operation? And what needs to be corrected immediately?

Approximately 32% of small businesses fail in the first two years, about 51% fail within five years, about 66% fail within 10 years, and roughly 74% fail within 15 years.

Check List Check Up

As the New Year is approaching it is a good time to review your business performance and your brand strategy.

Here is a helpful checklist to see if you are suffering from any of these issues.

About half of all small businesses fail within the first five years, a statistic that generates a shudder of fear in even the most fearless entrepreneur.

Once you recognize these harbingers of failure, you can increase your own chance of success.

So, here is your list!

Inadequate Strategic Plan

Start with realistic but precise goals for your firm, including deadlines. Consult your goal list every day, and make sure you are doing what you need to do to meet your objectives. If you are not able to stay focused on the process of planning, get help from a planning expert.

You did not execute your plan

Your plan was good and thorough, but you did not execute it. Be honest about the assumptions you made and why they turned out to be wrong. Always seek assistance, guidance and input.

OR – Inability to innovate or adapt to changing market dynamics

Your plan should include agility and flexibility and the anticipation of change and risk. Remember, Innovation is creativity in action.

You have no vision or strategy

If you cannot agree on a vision for the company, your business goes nowhere.

No niche

One of the most common reasons for business failure stems from having a poorly defined niche. A niche refers to a target market or area of specialization. If you try to make your business attractive to everyone, it will end up being attractive to no one. Use strategic planning to address this.

No employee engagement

You cannot retain or attract talent. High turnover. Not clear about the talent your business requires.

No processes

Difficult to standardize or streamline processes for an optimized organization. No job descriptions or workflow.

Poor customer service

This leads to customer loss and damage to the company's reputation. Often, the solution is training. Customer service should be a key aspect of your business. If you don't follow through with your customers, they'll find someone who will. Inadequate knowledge of the market and ignoring the needs and wishes of customers and emerging market trends is a common cause of business failure.

Ineffective leadership

Lack of vision, decision-making, adaptability. While the owner may have the skills necessary to create and sell a viable product or service, they often lack the attributes of a strong manager and don't have the time to successfully oversee other employees. Without a dedicated management team, a business owner has greater potential to mismanage certain aspects of the business, whether it be finances, hiring, or marketing.

Competition

Ignoring or underestimating competition. Monitor your competitors and the industry.

Ineffective marketing

Your strategic plan should help you develop a "message" that must be delivered to your marketplace. If you don't have time to market your product effectively, hire an experienced person to do it for you. Marketing keeps your products selling and money flowing into your business. It's crucial that you do it well. Once you attract customers, you'll have to work hard to keep them.

No routine review of your action items

Your strategic plan should include a timeline, tasks and KPIs (Key Performance Indicators) that should be reviewed and updated routinely. If you can't measure it, you can't manage it.

Lack of versatility

Successful business owners tend to be adept at several tasks, from accounting to marketing to hiring staff. If you do not have the necessary skills, hire them.

A closed mind

Everyone goes into business with some preconceptions – don't be surprised if you find that many of yours are wrong. **Look for advisors who can give you good advice** and run your ideas by them before you make important decisions and financial commitments.

Stubbornness is a common root cause of failure.

Poor location

Even the best business will fail if it's in the wrong place - especially a restaurant or retail store.

Cash flow problems

You need to know how to track the money coming into and out of your business – even a profitable venture will flounder if it runs short of cash. In addition, you must learn to make cash flow projections that will help you decide how much money you can afford to spend and warn you of impending trouble.

Not monitoring expenses/waste

Sometimes your low margins are “hidden” by many small issues that result in higher costs. Look for, upward shift in operating costs or inventory, poor hiring practices or too many people for too few tasks, errors, returns, rejections, quality issues etc.

No commitment to learning

There is no place for complacency in the business world. Successful business owners are constantly looking for new and better ways to grow, improve, compete and to get new clients while serving the ones they already have.

In Closing

Sometimes these difficulties can be overcome; sometimes they prove terminal.

But in almost every case they can be avoided if professional advice is sought on time.

At CoActive Strategies we can help you craft an effective strategic plan.

If you have a plan, we recommend our clients to come in for regular business reviews.

If you have not had a review recently, call us to arrange one today.

Get started NOW at:

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