

Chapter 9 Avoiding the Mistakes

The 7 BIG Mistakes

1. Going it alone

Many people think that they can just start a business, that they don't need any help or advice, that they know all they need to know.

I know, I was one of them once!

You can succeed in business on your own like this but you have to be very clever and very lucky.

Always get advice, always do the research up front.

Talk to an accountant, a marketer, a legal expert, and all the other people who specialize in the things that you don't.

It's really helpful as well to engage with a Coach. It's not always as expensive as you might think and it will prove invaluable in keeping you on track.

2. Treating it like a job

Many people fail because they treat their business like a job.

They limit their hours and take long holidays.

Now this is all very well if your business has already reached that critical mass where it generates an income which is independent of your input.

But until you've reached that, the best way to cause your business to fail is to be out of reach of your clients.

As a client of many personal business, when I want something done I want it done now.

If I get an 'out of office, come back Monday' or 'we will be closed for the next two weeks'. I'm sorry, I'm off.

Someone else will be there waiting for my custom.

This isn't to say that you can't take holidays or breaks at all, because that's also a mistake.

You'll upset your family and burn yourself out as I nearly did when I started my first business.

During the first couple of years you need to be reachable at all times by your clients and especially your potential clients.

You're building precious relationships throughout this period and can't afford to 'let them go'.

3. Thinking you need to know 'everything'

The fact is that to create your own Personal Business you don't need to know everything there is to know about it.

That's where your advisors and your Coach come in.

No one person ‘knows it all’ and most people who start businesses do so with the minimum amount of knowledge about how it all works.

So don’t delay until you feel you’ve learned everything, you’ll do that on the way. What you need at first is commitment, confidence and courage.

4. Jumping in too soon

But on the other hand, another key mistake is to ‘jump in the deep end’ and commit to things you don’t actually *need* before you start trading.

Start in a small way, ‘test the water’.

That means test your market, test your processes, test your advisors and your suppliers.

Don’t commit to long contracts for supplies and services or you’ll find your resources draining away before you’ve had a chance to properly get going.

In particular don’t go out and rush into signing up for any type of ‘business premises’ unless this is absolutely vital. Test first and find out what you need before you commit.

4. Only having a single stream of income

Many, many businesses have failed because they have relied on a single income source - just one big ‘cash cow’ customer.

This leaves you open to two things:

The ‘cash cow’ gets sick and dies, or decides to get what it needs from another supplier leaving you out in the cold with no income - and it’s not easy to find another source when you’re in that position.

5. Inefficient use of time

Don’t make the mistake of spending your time doing all the functions of the business such as marketing, accounts, IT and so on if they aren’t your ‘thing’.

Concentrate on what you do best and outsource the rest.

Sir John Harvey Jones said - “Only do those things that only you can do”.

Don’t make the mistake of giving up on your business because you don’t think you have enough time.

You don’t need to go full blast from day one with a new business.

You can start slowly and build it up alongside other things you do, such as your employment, until the income from your business allows you to ‘switch’.

6. Not knowing the ‘Rules’

Whatever your business, there will be some legal rules and regulations with which you are required to comply.

At the simplest level these relate to tax laws, declaring your income and keeping accounts, and if you employ anyone *including yourself* (unless you are already ‘of

pensionable age’) you are required to make adequate pension provisions.

If you run your business from home, check your title deeds or lease agreement for anything that might prevent you from doing this.

Find out about Health & Safety requirements and so on.

Don’t make the mistake of ‘waiting until something happens’ before you take action. Consult the appropriate professional advisors first - making sure first of course, that they are qualified to give that advice

Don’t rely as so many seem to do on ‘a bloke down the pub’!

7. Unfounded fears and beliefs

Most people are ‘scared’ of selling, of picking up the phone, and of talking to people about their new business.

They are ‘scared’ of what other people ‘might think’, of looking ‘foolish’ and so on.

Don’t worry about it. It’s normal, and you may also have hidden fears about ‘success’, the most common of which are ‘what if I lose all my friends?’ and ‘what if people think I’m trying to exploit them?’

Forget about what ‘other people’ might think because they probably don’t, and just remember why you are doing this.

Focus on your ‘why’ and just do it.

A word of warning:

What to Avoid with 'Ready Made' Businesses

Before you 'jump in' to buying a franchise or a license or joining a marketing business **you must be clear on your 'why'**.

These 'opportunities' are usually very persuasively marketed and very slickly presented. You hear everything about the advantages but nothing about the disadvantages and it's really easy to be sucked in.

I know, I 'have the t-shirt'!

Make sure you remember the *purpose* behind your decision to create your own business and don't allow the promoters of any 'business opportunity' to replace *your* goals with theirs, which is usually what they attempt to do.

Make sure also that if you choose the Franchise route that you pick an organisation that is officially recognised and registered with the Franchise Association.

There are a myriad of other 'businesses in a box' on offer. Some of these involve joining some sort of network, others don't.

You'll get lots of emails and you'll see lots of adverts about how you can generate lots of money (usually quoted in US dollars) in a very short space of time, or even 'today!' by buying into some sort of business proposition.

The fact of the matter is that **Get Rich Quick** schemes don't work - except for the perpetrators who quickly pull in a lot of cash from gullible people and then 'disappear'

Those who do it 'well' take a small amount of money from lots of people and usually get away with it because no-one has the courage to complain as they feel they've been made a fool of.

Closely related to the Get Rich Quick scheme is the **Ponzi Scheme**, named after Charles Ponzi who used the technique in the US in the 1920s, but it also appears in two novels by Charles Dickens; *Martin Chuzzlewit* in 1844, and *Little Dorrit* in 1857, so this sort of scheme has been around for a very long time!

The principle of a Ponzi Scheme is that the perpetrators get people to invest in what seems to be a legitimate business. It's well illustrated in the Gene Wilder movie 'The Producers' where people were promised a high return on their large investment.

Such high returns as are offered are mathematically impossible so the money collected from a second tier of investors is used to pay off the first, and so on.

Fortunately, because of the sums involved the perpetrators are usually caught.

You may be enticed into paying to buy into and operate a '**Business that Runs Itself**', (usually internet based but these did exist before the internet often in the form of 'chain letters' and so on).

You'll be told that you don't need to do *anything* other than perform a few actions on the web every day and the money will come rolling in.

These sometimes masquerade as affiliate marketing or MLM businesses but actually they're not because there is never any 'product' and never any 'end user'.

Of course, your ideal is to create a business that runs itself without you working on or in it, but that takes a lot of time and investment. It's NOT something you can buy off the peg!

All of the above are generally described as **Scams**. But there are others

A **Scam** is essentially something that *fundamentally doesn't work* at all and is essentially fraudulent.

The trouble is that many people buy into or join perfectly legitimate businesses that other people have succeeded with and because they either don't understand them or aren't prepared to do sufficient work, end up deciding that the whole thing doesn't work and is therefore a 'scam'.

Don't assume something is a 'scam' just because it doesn't work for you, doesn't suit you, or you don't understand it. You could miss out on a really good opportunity.

If you're tempted by any of this, **do your research**, but, don't assume that everything (or anything) you read on

the web is true. You need to research off line or via reputable sources.

For a Network Marketing or MLM opportunity you can apply a very simple test.

If the proposition is that you get paid either directly or indirectly for *introducing* other people to the network then it is by definition, illegal in the UK. (Although it may not be in some other countries.)

Also, if there are no clearly identified end-users of any product or service who are not members of the network itself, then although it may or may not be illegal it definitely won't work.

Third if there is no tangible product or service that end-users will actually purchase, so that you get a defined commission on that purchase, (so this does not include a click on an ad.), then again, it's just not going to generate you a lasting income.

Get more information from your free copy of –

“Top 10 Huge Mistakes Wrecking Your Business Hopes and Plans Before They Even Get Off the Ground!”

[Find it HERE](#)