

5 Steps To Help Fail-Proof Your Growing Service Business

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- By The End Of The First Year 40%
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- Within 5 Years More Than 80%
(800,000) Of These Businesses
Will Have Failed

(Source: The eMyth Revisited, Michal E Gerber,
US Department of Commerce)

In The UK...

- 2003 Saw 423,100 New Businesses
In England & Wales Startup

- Over Half of All New Firms
Fail In The First 3 Years

- At Least 211,550 Of These
Businesses Will Have Failed
Before The End Of 2006

(Source: Barclays SME Market Research Team
England & Wales Statistics Based On Business
Current Account Customers)

Unfortunately more and more people are being encouraged to go it alone by government agencies and banks while being given out-dated advice that doesn't actually work.

The advisors in these organizations typically have experience in larger production / manufacturing / financial businesses and share marketing advice that really doesn't work for the majority of small service-based businesses today.

Their text-book marketing principles simply do not translate to businesses with limited money to invest in advertising, direct mail and telesales.

In many cases these advisors are telling people how to run a business even though they're actually working for a bank or government agency themselves. They have no real experience spending their own money to grow a business.

Survival and inevitable success means being lean, mean and focused on getting a genuine result (in the form of profit) from the time and money you invest.

So here are 5 tips you can use to take the power back and begin "fail proofing" you're growing business today.

#1. Question "Experts" Thoroughly

Be wary of government funded trainers and / or advisors put forward by banks.

These people, in many cases, don't have a clue what it's like to run and grow their own business. Make it your job to "suss them out" before taking anything they tell you too seriously.

Some questions that I like...

What's your experience of starting and running a small business?

Have you actually spent your own money trying to make a business work?

What mistakes have you made? What lessons can I learn from your experience?

Will this advice / support / idea cost me money or make me money?

Who really benefits when I take the course of action you're recommending?

#2. Model Excellent Businesses

Now by this I don't mean simply copy random things they do.

Just because the boss of a successful firm like yours drives a brand-new Bentley it doesn't mean you should rush out and buy one too. That won't guarantee success.

You're looking to find the things that she did in order to afford the Bentley in the first place.

So find out as much about their processes and systems as you can and then look for evidence to support applying similar things that work for them to your business.

Subscribe to their mailing list. Visit their premises. Talk to their staff. Talk to their customers. Read their ads (or notice that they don't advertise).

Network with them.

You can learn just as much from non-competing businesses too. So why not set up a support / learning group or see if a successful entrepreneur would be able to mentor you.

#3. Have A BIG Goal

Big goals, by definition, should be easier to hit than small goals. So don't think small - think big.

After nearly 8 years in business I still like to set regular, big, 90 day goals. I call these goals SHAGs - Short Hairy Audacious Goals.

Too many businesses focus on surviving. They think in terms of what they don't want. They miss the opportunity to really succeed and then get what they were desperately trying to avoid - failure!

Focusing on what you don't want really doesn't work. If you don't want to fail you should focus on succeeding in a big way.

#4. Improve Constantly

Have goals and set targets. Know what outcomes you want and quantify them where possible.

Then work towards your goals using the following cycle...

1. Implement (Do Something)
2. Measure (Test & Review)
3. Improve (Learn & Adjust)

As my friend and firewalk trainer Sanjay Shah says, if you simply improve by 1 percent a day, you'll have improved 300 percent (allowing for holidays) in a year!

#5. Don't Follow The Crowd

Look, we both know most businesses fail so don't do what most other businesses do or you'll get the same results.

Don't just advertise because every other business seems to advertise. Make sure advertising will make you money.

Don't just do telesales because that happens to be the service your local Chamber of Commerce is selling.

Don't measure turnover when profit and cash flow is usually more important.

Don't take on staff just because other businesses believe more people equals growth. More people often just means less profit!

Don't do the same thing, in the same way, to the same people as every other business like yours.

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