



5 MISTAKES BUSINESS OWNERS MAKE IN THEIR BUSINESS

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Why do so many business fail within the first five years?

A lack of experience by the owner can certainly play a major part in any business' failure. Experience isn't something you can buy. It is learned through challenges, successes and failures. Too often people rush into business before they've had a chance to gain the experience that can be so powerful to building a profitable business.

You may have worked in your field for years, learned everything there is to learn about plumbing or cooking or whatever area your business is in, but what did you learn about how to actually run that business?

Often, business owners need experience to learn how to run a thriving business.

Experience teaches people how to do things, just as education does, but experience also gives business owners an actual visceral reaction that remains after the words learned have left.

So how can you avoid failure while employing the proper tools to gain experience?

You can do it by avoiding big mistakes and learning as you go. Here are some of the biggest mistakes business owners make and how to avoid them.

1. THEY DON'T KNOW THEIR NUMBERS.

Every commercial enterprise is in business to make money, so how come so many business owners don't know every last thing about their numbers?

If you are a baker, baking is your trade, but the numbers side of the business, like taxes and accounting may be shipped to other professionals like accountants.

Accountants are great at looking into the past but when it comes to looking ahead and planning for a business, it's up to the business owner to truly understand the numbers.

If you don't know your numbers, what is the focus of your business?

For any business, the numbers are the most important thing. The numbers are a reflection of the strength of your business.

Do you understand what the numbers are telling you, what ratios you have to work with?

Do you know how many sales, customers or dollars you need every day or month or year to break even and then run in profit?

“IF YOU DON'T KNOW YOUR NUMBERS, WHAT IS THE FOCUS OF YOUR BUSINESS?”

Don't leave your numbers solely to your accountant.

Take an active interest in exactly what your accountant does and spend time analyzing their work and your numbers to anticipate what your figures will be, not just what they were. This will help you plan for challenges and invest in your business when the time is right.

Many business owners may think they don't have time to figure out how to anticipate their numbers, but they are wrong, which leads us to the second mistake business owners often make.

2. THEY DON'T UNDERSTAND THAT SAVING A WAGE WILL COST A FORTUNE.

Do you own a business or do you just have a glorified job?

Many business owners go into business to try to create the freedom they can't get from having a job.

Unfortunately, once they've started their own business, they treat it as if it's just another job.

They are always in the business, filling in for their workers, dealing with customers and doing everything else that team members should be doing.

As a business owner, your job is to find ways to keep your business moving forward.

You may think the day to day activities of your business are vitally important, but most of the time they are things that business owners can hire people to do. Instead, too many business owners do these things themselves, which leaves them no time to focus on building the business or spending time enjoying life.

If you are a business owner that tries to save a wage by doing everything in your business, you are selling your business short and, odds are, that business will never grow to its full potential.

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Remember, everyone in your business has a job and the business owner's job is to be a leader with the vision and plan to keep the business growing.

As a rule of thumb, if you can afford to pay half of a new employee's salary, you should hire them. With proper training, they will work to pay for the other half or their salary and more.

Each employee should be seen as an investment and by hiring the right people and giving them solid training, you can get a strong return on your

investment, which will leave you more time to focus on building your business, and your life, into what you've always wanted it to be.

3. THEY HIRE THE WRONG TEAM.

Each business needs to have the best team possible so the owner can focus on the big picture.

Do you hire your team with that in mind? Does your group of employees have all the components of a winning team?

Can you trust them to run everything smoothly when you leave the business for a day? How about a week or a month or even a year? What would your business look like if your team ran it for a year?

If you're afraid to even consider the answer because you know it wouldn't be good, look in the mirror to find the blame.

No business ever hires the perfect employee. Perfect employees don't simply appear out of thin air.

This is one of the main reasons so many business owners work so many hours in their business. They don't trust the people they've hired to do the job as well as the business owner can.

In one respect that makes sense. Of course an employee can't do the job as well as the

owner, at least at first. If they could, they'd own a business themselves wouldn't they?
No, you never hire a perfect employee, but you can hire a good employee and train them to be great, which is exactly what strong businesses do.

So who are you hiring?

Your team is the lifeblood of your business.

Think about it, if your entire team didn't come into work one day, what would your business look like on that day?

It is your team that your customers deal with. It is your team that represents you both in your establishment and when they are out in the community. So why wouldn't you take every precaution possible to ensure you had the best team you could find?

Sounds good right? But too many small businesses don't think that way when it comes to hiring.

More often than not, small businesses hire people they know or family members without giving consideration to their respective qualifications.

It doesn't matter whether your business is a restaurant, real estate agency or IT company, you have to have the right people to make it work.

When it comes to hiring, due diligence is incredibly important.

A simple one on one interview after reviewing a potential employee's resume is not enough to find the right person these days. Anyone can lie on their resume or be the perfect person for a short period of time.

That's why businesses should look closer at potential hires. Personality tests help businesses learn more about potential employees. Group interviews before a one on one interview can also be extremely beneficial when deciding whether someone is the right fit for your organization.

Take your time and explore every avenue when hiring.

Then, train new employees to do things exactly the way you would do them. And try not to hire friends and family unless they are qualified or add value to the business.

Hiring the right team and customer service are two halves of a whole, which leads us to the next mistake many businesses make.

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4. THEY FORGET WHAT BUSINESS THEY ARE REALLY IN.

You may think you're in the restaurant business, the beauty supply business or the business of whatever it is you sell, but in reality, you are in the customer acquisition and customer service business.

The reason is simple, without customers you have no business and the best way to keep your customers coming back is by providing them with outstanding value and customer service.

Many businesses run into problems when they lose sight of this fact.

The focus is removed from the customer and is placed on the product. This usually leads to marketing campaigns and business plans based strictly on prices rather than the relationship the business cultivates with each and every customer.

When your business is based on discounts, guess what kind of customers you'll get? You only get discount customers.

These people buy based solely on price and when your competition has a lower price than you do, those customers are out the door, never to return until your price is lower than the rest.

Obviously these are not the customers to build your business around.

The type of customers you want are those that see the value in what you sell and are willing to pay for that value.

The way you show them how valuable your business can be to them is through stellar customer service while showing gratitude and rewarding them for buying from you.

We've all heard the cliché, "The customer is always right" and anyone who's ever been in business knows the phrase is hackneyed, but also misunderstood.

Of course the customer isn't always "right" in the right versus wrong sense of the word. But they are always right in the way they feel about a particular business.

If they feel uncomfortable about buying from a particular business for whatever reason, they are right not to buy from that business.

"WHEN YOUR BUSINESS IS BASED ON DISCOUNTS, GUESS WHAT KIND OF CUSTOMERS YOU'LL GET? YOU ONLY GET DISCOUNT CUSTOMERS."

Customers make mistakes like anyone but they always know why they want to buy from a business and why they don't. It is the business owner's challenge to make every customer feel that they are "right" for buying from their business.

Does your team go out of its way to make every customer who buys from you feel right about it?

Simply put, without great customer service, you will never have great customers and without great customers you can't have a great business.

Great customers are a marketing force for you that is far stronger than any advertisement. Great customers stick by your business and come to you first if they feel you can help them.

It's more than just a business relationship, it's about the trust they have in you and it all starts with treating each of them the right way, every time.

Of course, finding great customers can be a challenge if a business doesn't market itself correctly, which leads us to mistake number five.

5. THEY DON'T USE TARGETED MARKETING.

What is the target market for your business? Are you focused on building a client base within a particular community or interest group?

Or do you try to market to everyone, hoping a big net will build your client base? How is that working?

Marketing to everyone is a sure way to drain your coffers while not bringing in enough customers.

If everyone is who you market to then you really don't have a target market because there isn't a business in the world that can sell their product affectively to everyone.

Even a marketing giant like McDonald's has limits to who they can market to. You don't see too many McDonald's ads on the Food Network or channels geared toward healthy living.

The failure to locate a niche, and market to that niche, is a major reason so many small businesses fail.

Remember, each and every business is in the customer acquisition business. That doesn't mean you need every customer under the sun to be successful, but you do need each customer within your specific target market.

So how do you reach the markets you want?

Traditional advertising works, as long as the price is right. You must understand your customer acquisition costs to make it work and you constantly have to test and measure the campaign's effectiveness.

Direct mail, brochures, press releases, signs, window displays and even telemarketing can work, as long as you are targeting the correct people and testing and measuring each campaign along the way.

There are customer databases that can be bought. Social media networks and strategic alliances are also great ways to build your customer base.

Whichever methods you choose, pick more than one. If you focus exclusively on one target market and one campaign, you are setting yourself up for failure.

If you focus on just one market and one campaign, you may be successful, but there is also a major possibility you may crash and burn. That's why you need multiple campaigns

When you focus on multiple markets targeted through multiple campaigns, one, or more of them, are sure to work.

Finally, small businesses also need to pay careful attention to the copy of each advertisement they make. What is the offer to the customer? Is the headline an attention grabber? Would you respond to the ad if it was for a different business?

Advertising and marketing is how you grow your company's bottom line. The more your brand is recognized, the stronger your business will be, but the key is to focus on particular markets with multiple campaigns, while testing and measuring the entire time.

Follow these steps and your business is sure to have a strong customer base.

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1. We Guarantee to get results, and that you'll be able to "Find our Fee" in your business within 17-weeks of ActionCOACH coaching your company ... or your coaching is FREE.

Our coaching programs have been tested and proven all over the world, so when you hire an ActionCOACH, you WILL get results. Whether it is in terms of more time, a better team or more money ... if you are making a good-faith effort and doing the required work assigned to you; you attend all coaching sessions and agreed-upon events and workshops and you complete all of your committed decisions and homework assignments on agreed-upon dates ... and you are STILL not satisfied or seeing results by the 17th week, we will coach you FREE until you do ... no questions asked!



2. We Guarantee to tell the truth about you and your business ... no matter how uncomfortable it may be, or how hard it is to share with you the realities of your business and the changes you need to make.

When you hire an ActionCOACH, you will have the "unreasonable friend" and personal business mentor you and your business need to succeed. You will be held accountable for everything you say you will do, and your business will get the push it needs so you can get the results you really want in your business.

3. We Guarantee you a "business re-education" about how your business really works and how to successfully grow your company ... as well as how to apply your new education and knowledge to any business situation.

Your ActionCOACH will guide you with proven systems and strategies designed to give you a "business re-education" that will allow you to profit in terms of more time, better team and more money. Not only will you be able to unlock the true growth potential of your company, you'll be in the "driver's seat" of your own business, equipped with a "map" and a "license" to take it and drive it wherever you want to go, with ActionCOACH by your side.

4. We Guarantee complete confidentiality ...

Our working relationship will involve a level of trust and understanding about the proprietary nature of our coaching strategies and the proprietary aspects of the numbers and nature of your business. Because of this, we guarantee a confidential business relationship with you during the course of our work together.

5. We Guarantee a personalized approach to your business ...

You and your business are unique. Because you are relying on our experience in working with businesses of all kinds, you can be assured you will have a clear understanding of the nature of any program we recommend, and that your expectations will be properly managed as to anticipated outcomes and results.

6. We Guarantee a proven system and methodology that is designed to multiply profits in your business, with complete access to our proprietary system of coaching strategies, systems, programs and services ...

Not only will you be shown a number of systemized ways to successfully build your business, you will also have complete and exclusive access to more than 3,500 strategies and tactics that make up our entire proprietary business coaching system.

7. We Guarantee to show you how ActionCOACH defines business success, and how to build a commercial, profitable enterprise that works without you.

Even if you are an owner who loves business and who loves working "in" your business every day, ActionCOACH will show you how to build a company you can work "on" whether you show up every day or not. Regardless of your ultimate goals, you will learn the strategies, systems and advantages of the ActionCOACH definition of a successful business.

ActionCOACH
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