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Small Business Failure:

Three Reasons Why Your Business Will Fail and How to Avoid Them

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If this is your first business, or if you are starting a home based business that you hope will be a full time business, there are some concerns you must address and correct if you are to be successful. The two problems with correction of ourselves is first, we don't know anything is wrong. And second, like smoking, we know we have a habit but how badly do we want to change.

It's been my experience over the past 30 years of watching small businesses come and go that the reasons for failure are now what you would think. The two most common reasons cited are: 1. Money runs out before the business can pay for itself and 2. Poor management. Improper ordering, growing too fast, bad decisions etc.

While the business graveyard is littered with dead businesses that failed for those two reasons, the three we will cover today are responsible for many more. Because of these three reasons many don't ever get the front door open.

Reason One: Forced Discipline

From the time we are born until our mid twenties, we exist in a world of forced discipline. As children, our parents tell us what to do. They make all decisions for us. When we enter school teachers control our lives. We had to go to school because we were forced to. Was there one day in twelve years that you told your parents you didn't want to go to school that day. What did they say? "You have to go to school, get ready, I'll drop you off." We were forced to clean up our rooms or we couldn't go out and play with our friends.

Do your homework or no car. Bad grades, "You're Grounded for a month, Mister!" Even in extra curricular activities you follow leaders and make very few decisions on your own. You are literally forced

through life. Think about it. How many major life changing decisions did you make in the first twelve years of your life? Not many huh!

When you leave school, move away from home and get your first job how do you feel? Free at last, free at last, Thank God Almighty, I'm free at last. Ha. You trade your parents and teachers for a boss. Show up late too often, you're fired. Miss too much work, you're fired. Want to go somewhere with your friends, "Sorry, I can't go...gotta work." And probably the worst indignity of all, the employee evaluation. Someone in a position of authority passing judgment on your work based on who knows what criteria. So how many years does this go on?

One day you put your foot down and say, "I'm mad as hell and I'm not gonna take it anymore!!" I'm going to start my own business and BE MY OWN BOSS! Nobody will ever tell me what to do again. Yeah, right.

OK, you start your own business. You walk down the hall from the bedroom and presto you're at work. All the decisions are now up to you. Are we going to work today? Are we going to play golf?

All at once you go from a lifetime of forced discipline to a few weeks of self discipline. What does self discipline feel like? It feels very uncomfortable. You can't pass the buck like you could at work. You suffer the full consequences of your actions and decisions. Every decision about your business rests squarely on your shoulders. One wrong move and you could find yourself out of business.

So, what's the answer to combating and handling discipline? First, recognize that you are going to have to make some changes. You have gone through years of mind control at the hands of others and now it's a whole new ball game. It's not what you think you are that's important. It's what you think you're not. Because of the input by others you have a perception of what kind of person you are. Usually it's wrong. Start putting that lifetime of evaluations, past over promotions, and unappreciation behind you. It has no place in your present situation. You must concentrate on the person you really are not what someone else thinks you are, or were. People change and so can you.

To start your rehabilitation process I suggest you read, "The Magic of Thinking Big" by David J. Schwartz, Ph.D. and "Think and Grow Rich" by Napoleon Hill. You should add these two books to your library today

and read them at least twice yearly during your first two years in business.

Reason Two: Associations

There are many reasons people want to start a business, but almost none start without some expectation of success. They have done some "homework." Some haven't done nearly enough but that's another story for another time.

Sooner or later the time comes and you must tell someone about your plans to start your business. In many cases the first to hear of your plans are your parents. One of the really bad things about parents -- they try to protect you from yourselves. It's a miracle you ever learned to walk with them around trying to catch you before you fell. Why do we go to our parents, and even worse, our friends for advice or approval? Because we know them and again even worse we think they know us and our capabilities.

If you wanted to become a pro golfer would you ask a tennis player or a bowler for advice about how to do it? You would probably start hanging around the golf course. Remember your first day on the job? Didn't the boss put you with someone to "show you the ropes." Would you have told your boss, "Sorry, my dad or my friend will be down to train me later. I'll wait for him." Is that so ridiculous? What do your friends and family know about your business. If your dad is a mechanic, and you want to start your own car repair business, he is not qualified to advise you unless he owns his own car repair business.

Do you think Bill Gates saw Microsoft as it is now in the early 1980's? Probably not quite as big, but he saw Microsoft as a major player in computers long before it was. He directed it and made it happen because he saw it before anyone else did.

His parents were disappointed when he dropped out of school to pursue a computer career. His father hoped he would be a lawyer. What if he had done what they wanted instead of following his dream?

Spend your time talking to those who have done what you want to do. Don't waste your time and energy with anyone who is uninformed about your business or industry.

Reason Three: Vision for the Future

When I do seminars I always ask the audience if they have children. I ask them to visualize their baby at six months old crawling around the living room. How do they see the baby at 30 years old? Still crawling around the floor in diapers? Of course not. They see an educated person making a valuable contribution to society.

During those thirty years, every decision they make is made with the future of the baby in mind. Not where the baby is at the time the decision is made but how the decision will move the child toward the ultimate goal of a worthwhile human being.

You must look at your business the same way. Did Bill Gates see the future? Saw it and made it.

Follow the Signs

As your business progresses, keep in mind the final destination. A ship captain sailing from New York to London can't see his destination for 99% of the trip. Set goals, keep on course, and follow the signs. Don't avoid the town of Failure. You have to pass through Failure on the way to Success. Good Luck.