

## Ten Common Mistakes Of Potential Business Owners

The economy is in a tough place right now. To manage in these times many people are turning to starting a business to get some supplemental income or replace income from a lost position.

While starting a business to gain extra income is a good idea, there are many crucial items to consider before getting started.

Many possible business owners make one or more of these 10 business mistakes:

1. Fail to spend enough time researching the business idea to determine if it is viable—Will it make money, will it survive, who is the competition, will anyone buy the product or service?

2. Fail to determine if the business adds value—Businesses that survive the test of time do so by providing customers with goods and services that people need and want.

3. Failure to understand the business—All businesses have key elements and details that may make the business successful. It is important to determine what those are ahead of time and to pay attention to those items.

4. Failure to describe the business in one or two sentences—Your time to “sell” your business is limited when meeting people. You must be able to get the benefits of your business across to someone quickly and in a language that is easily understood—no jargon or technical terms.

5. Failure to contact professionals who can help—This includes individuals such as a certified public accountant, attorney, banker, insurance representative, etc. It also includes getting help from the myriad of entities available to assist you in the process.

6. Failure to underestimate financial requirements—Do you know how much start-up capital you will need? How about money to live on while the business is getting started? Pay bills with? Purchase health insurance or otherwise meet medical expenses? Do you know what your cost per unit will be to produce? How much money do you have already set aside? Although there are no hard rules, it is often mentioned that a prospective owner should decide how much money they need and then double it.

7. Failure to make marketing a priority—No matter how good your product or service might be, if people do not know you are out there, the business will fail. Who is the likely customer? Where are they located? What do they want from the product or service? What benefits does it offer to the client? How often will the customer come back? How can you ensure that your customers will come back?

8. Failure to under-budget marketing costs—The world is overcrowded with new businesses. Publicity is key to your livelihood. And in these hard economic times when everyone is being cautious with their dollars, it is even more important that you reinforce the benefits of your product on a continual basis. Plus you want to do everything possible to make sure that your current customers are likely to return.

9. Failure to focus on the business—Get focused, do not take on too many goals at one time. Define your business and your key target market and go after it. Remember to not only work “in the business” but “on the business”. That means planning, new product development, service improvements, new marketing methods, etc.

10. Failure to follow-up with clients—Your existing clients are your best source of future sales and also are one of your best marketing avenues. Ask them what is good or not so good about what you are doing. Make sure to offer them reasons to come back and visit again.

There isn't a ‘magic business plan’ that will guarantee business success, but, by eliminating these 10 mistakes a potential business owner can increase his or her chances of being in business for the long run.

Additional information about starting a business can be found by contacting:



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