

## **Leveraging and Overextending Too Soon**

Visions of grandeur are great, but trying to leverage your business too soon can be fatal. Trying to launch a franchise before you have a successful prototype can get you in serious trouble. There are several levels of growth to any business. When we work with businesses, it is clear whether they are : Emerging ; in chaos ; stable ; abundant ; or in a power position.

Replication before stability is like trying to build a house in the middle of an active earthquake !! Attempting to raise money for a half-baked, unproven idea is not out of the question if you have the business experience or team to pull it off, but for the average person... that is stretching too far, too soon.

If you have a vision of multiple locations, get one stable and cash flowing first. By opening that second and third location, you have just multiplied any unresolved problems that you had with the first one. Overextending yourself financially too, soon kills countless businesses daily. Overextending yourself, your time, and your resources can also take a toll on your family, your health and the rest of your life.

## **Abdicating Core Responsibilities Too Soon**

Boy, wouldn't it be great if you could just sit by the beach sipping Mai Tai's while other people do all the work? It's a great dream, but it's also foolish to think you can start a business and not be involved. There is a huge difference between delegating, empowering, and abdicating. Many new business owners who dislike sales want to bring someone on to do it for them immediately. Not a bad move, but that does not mean that the business owners don't sell too! As a business owner, it is critical to learn how to sell, market and to even teach others how to sell.

You, the business owner, may not be the best in your organization at the business function, but you still need to have a feel for it, a hand in it. If you are going to give direction to others... you best know what you are talking about. If you are foggy about accounting... LEARN the BASICS. Abdicating accountability to numbers and stats to an accountant, bookkeeper or CFO does not absolve you from being financially literate.

You can also spend a fortune on marketing consultants and companies who will promise you the moon, but at the end of the day, you know your business better than anyone else. You know your message the best. Those folks can help you, but not do it for you.

A business must also have an effective method of training its own people. Very few businesses know how to teach so they are always looking for "good" people. There are plenty of good people, but lots of bad or nonexistent training.

*SalesPartners* provide a very valuable service in the area of sales training and team building. *SalesPartners* tailor and then deliver core training for the specific needs of their clients - which is always significantly less costly and more effective than continually searching for "good people."

### **Not making the Shift from Creation to Management**

It's one thing to create great ideas. It's another to manage a process of delivering it. Many entrepreneurs are continually creating because they are good at finding and solving problems. The problem is, that cycle is endless. There are countless opportunities to solve problems; but to monetize your solutions, you have to also create and manage a process to deliver it.

Once a process is created, someone has to enforce it, and make sure it is executed properly again and again... that people are trained on it the right way so they can generate consistent results. This is a very different skill set than creating the process.

A creator is forever changing the process, which is like over-pruning a tree. You will kill it. This also requires the willingness to accept your strengths and your weaknesses - and let others with the strengths you lack, lead around you.

### **Under Capitalization and Poor Money Management**

I could write a whole book here about insufficient capital, unrealistic forecasting and poor budgeting habits of the typical start up and growth mode business. The inability to raise capital comes from two things: 1) The inability to sell and 2) Poor money habits. If you cannot show a command of these two areas, no one will trust you with the ability to generate profit.

Managing money should be simple: Earn more, spend less. But, many people are either focused on sales only and ignore their costs, or do everything to conserve money and strangle their sales and marketing efforts.

Being a spend-thrift or over-spending will kill your business. Weekly accountability to numbers and good discipline will help manage costs while allowing for growth. It is important to take risks to generate business, but forecasting with no budget is a disaster. Putting your future in debt without a solid plan and financial controls is like giving your teenager a credit card with no limits.

Your exuberance as a business builder may cloud your better judgment. Remember, when emotion is high, intelligence runs low. If you have bad money habits personally, they will reflect in your business. Any financial issues that you have when you have no money, will get worse once money starts flowing in. Sales does NOT cure financial incompetence.

### **Ignoring Margins and Profit**

Many businesses do not need more sales. More sales will actually kill them. This may sound contradictory to (Under Capitalization and Poor Money Management) above, but, the fact is that they need more profit margin on what they are already selling, not more sales. One of our *SalesPartners* franchisees had an account looking for help to increase sales. We asked to look into some of the client's numbers for a better understanding of the business. What we found was that more sales would make him go broke faster. He was buying product to sell at 85% of the price he was selling it at. After a bit of overhead, every sale was digging his grave deeper !

Every transaction should contribute to a healthy profit. Doing too much for free or on the hope for more business is devastating. Be able to track every dollar earned to the bottom line.

## **Poor Accountability : Financially and Behaviourally**

I remember a wildly successful trucking company that was growing so fast that they ignored (Under Capitalization and Poor Money Management). Their accounts receivables were high, collections low and the need for cash high. Without strong accountability, they decided to delay the paying of their payroll taxes for a few weeks to free up cash. A few weeks led to months. The government can wait....right? WRONG. That company went down in a very big and ugly way.

Using money that belongs to someone else can be like a drug. "We'll pay it back later." But later doesn't happen because you become used to having access to the extra cash that belongs to the tax man, vendors, employees, etc. Financially, emotionally and psychically this devastates many business owners to the point that bankruptcy is the only solution. If the money isn't yours... don't touch it without agreement.

Also, every person in sales must be accountable to their numbers. How many calls will they make? How many appointments? How many presentations? These numbers must be reviewed each week as part of holding everyone accountable. The power of a team is huge when managed properly. Managing means measuring. No measurement... no improvement.

If you need help creating a system of accountability that will work for your business, *SalesPartners* can help. We'll create a system to bring your team together. We'll hold your team responsible by helping you create your Code of Honour and help hold everyone, including you, accountable to your numbers.

## **Being too People Dependent Instead of System Dependent**

The late Dr. Edwards Deming was the guru of quality control in the late 20th century. His point was clear. A business must have systems and processes that allow people to do good work without hampering their progress. If a problem arises, typically it's a system problem...not a people problem.

The most overlooked system in business today is training. It's having systems that teach people how to be competent and good at what they do. Whenever you see lots of employee turnover it's usually because of the lack of good systems. People are expected to be superhuman or special. Most people are good. The systems are the problem.

Sometimes you are too close to your own business and need an external resource to help you identify what can be systematized. *SalesPartners* are experts at helping develop and incorporate systems into businesses.

## Solving Problems by Working Harder

If you have been in business for a while... You will find the solution to most challenges is NOT working harder. That is a revolutionary concept for many people, just like it was for me. Working harder at solving a problem that you have been working on for some time becomes defeating, frustrating and forms bad habits. Many business owners have burnt themselves out and even quit because of hard work that got them nowhere.

That is why you must have advisors, a team, and be willing to take new risks in areas that are challenging you and to find new pathways that are more elegant, easy and lucrative. Sometimes it's a 180 degree shift in direction that solves the problem. The way to get out of a hole is to simply stop digging !!

If you need someone from the outside of your organization to help you look at new ways to deal with the same seemingly unsolvable problem, *SalesPartners* can give you a fresh pair of eyes. Based on working with many business clients across a wide spectrum of markets and industries, they have been exposed to a variety of business systems and solutions that can benefit your business, too.

## No Code of Honour

Every great team, business, culture, army or family has one thing in common : A set of rules. I call it a Code of Honour. It's a set of rules that sets the behavioural standards of the team itself. The Ten Commandments is a Code. The Constitution is a Code.

Many organizations have great products and great people, but they implode from within. The intellectual capital and energy is wasted because the team itself either operates at half capacity or is dysfunctional altogether. It doesn't matter how good your competition is, if your own team cannot get it together. This happens because in the desire to create open and free thinking environments, nobody wants to create rules that restrict. But, in the absence of rules, people make up their own. Not good or bad... just different. This is a giant problem and a sad one... to see great ideas and talents go to waste because people are going off in different directions.

Examples of good Code of Honour rules are : 1.) Never abandon a team-mate in need, 2.) Communicate directly about problems, 3.) Don't blame others or justify behaviour, and 4.) Celebrate all wins. The Code of Honour is a set of behavioural rules that determine the habitat that you and your team members all live in. One Code does not serve all people. But it must serve your business, your mission and your values. The size your company can successfully grow to as an organization is directly related to your ability to enforce your rules.

So there you have it. You've read the 21 fatal mistakes to avoid with tips on how to avoid them. Here is the good and bad news. The bad news is that you will probably make some of those mistakes anyway. But the good news is that now you might be able to avoid many of these mistakes, or at least correct course quickly.

If you are looking for help in building and growing your business, I encourage you to contact a *SalesPartners* franchisee near you. *SalesPartners* work with business owners and managers like you every day, and can help you achieve your dreams. Business is more than being good at what you do. Until you learn how to sell, recruit, build teams, raise capital,

SELL

TEAM

TEACH

teach others to lead, build good systems, establish accountability, enforce a Code of Honour and master your Little Voice, you will probably continue to struggle. *Salespartners'* mission is to improve the quality of life for everyone through transformation of the marketplace. We do it by teaching all of the above, and are committed to helping others make their business dreams come true.