



6 Mistakes That Can Cost Entrepreneurs Their Chance at Success

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Being bold enough to establish a startup is the first step in an entrepreneur's journey to success, but not everyone gets it right on the first go. Startups have a high failure rate and it's usually because of six key reasons.

Perfectionism

Entrepreneurs are often driven perfectionists. This leads to a process whereby a great idea only needs a little more refining to address product imperfections, plus a rework of the marketing research to guarantee success.

For every entrepreneur that takes the plunge, there must be hundreds who have talked themselves out of their opportunity by delaying the inevitable based on the above or like issues. Perfectionism is the perfect alibi for procrastination. This is known in the business as going from the drawing board to the rubbish bin.

Funding by the three Fs

The three Fs incorporate the lenders of last resort for entrepreneurs starting out. Unfortunately, all three Fs have weaknesses.

- The first "F" is Friends. "Friends come and go." Friends are usually a transient group. Seeking and/or accepting funding from friends will change the relationship forever. No longer equal in any way, you will now be working for your former friend. The good news is that most people win and lose friends as they naturally travel through life. Be prepared to lose the friend that funds your venture.
- The second "F" is Family. Most families are, in part, dysfunctional, which makes them a mixed bag at the best of times. If the family culture is entrepreneurial, you may survive the stress in the relationship as they will understand that business is tough at the best of times. Win lose or draw, family Christmases will never be the same! As the saying goes "friends come and go, but family is forever".

You may live to regret this fact!

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- The third "F" is Fools. As the saying goes "a fool and his money are soon parted". Tempting as this may sound to a budding entrepreneur, these naive folks may fund your startup quicker than you expect. But be warned, they will have expectations that you never dreamt of. This group is the most likely to be impatient due to some perceived misunderstanding that only they can understand. They are not called fools for nothing. Fools make the worst of enemies. Whilst friends come and go, all enemies, including foolish ones, accumulate.

Misled by passion

Just because you are passionate about a pastime or hobby doesn't mean that you will be able to make a living doing the same thing commercially in a competitive environment.

A classic case of this trap is the number of people who are passionate about food and cooking. The result is the number of restaurants that open shortly before closing. Leaving a legacy of broken relationships and financial despair that converts a passion for good food into the bitter taste of a business failure.

Working hard, not smart

This is a trap for young players. There is nothing that replaces commitment to any cause. Investing in long hours to get a venture up and running is most likely vital. The trap is that the entrepreneur works so hard that no one individual without his/her driven passion could or would deliver the same output.

This hard work is rewarded until the person is exhausted. The lack of management smarts results in a burnt out entrepreneur locked into a job working hard for the most demanding employer they have ever had – themselves.

Exciting business plan

"If it is too good to be true, it mostly likely is." This saying comes into its own when dealing with business plans.

It is hard to imagine that a document about key performance indicators, return on investment, market share and customer satisfaction could invoke the word exciting. If your friends say that it is exciting, they may be telling you bad news.

Group think

Having friends and associates is vital for a normal life. Confiding your dreams or your wild ideas that could make you rich to a group of associates is natural. However, being an entrepreneur makes you different from the majority of people. Consequently, you must avoid the trap of Group think when seeking advice.

Those that accept friendly advice may well be tuning into pleasantries and platitudes that are supportive but fatally unchallenging. Avoid good news from associates and seek out a qualified stranger who has nothing to lose by telling the truth about your great idea.

There are naturally more mistakes waiting for the budding entrepreneur, however, by considering the above, you may avoid a few and live to manage the others from a stronger position.



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