

7

DEADLY MISTAKES

THAT SABOTAGE BUSINESS GROWTH

(And How To Avoid Them)



BUSINESS
SUCCESS
EDUCATORS



www.businesssuccesseducators.com.au



THANKS FOR DOWNLOADING THE **7 DEADLY MISTAKES** GUIDE

At Business Success Educators we know you want to be a successful business owner. In order to do that you need a business that makes a decent profit and allows you to take more family time off. The problem is you get stuck in the day to day running of your business which is frustrating. We believe you should be rewarded for all the hard work you put in and we understand how hard it is trying to figure everything out for yourself – after all you were never really taught how to run a business. Which is why we have spent the last 23 years helping over 3000 businesses create the success they deserve.

Here's how it works:

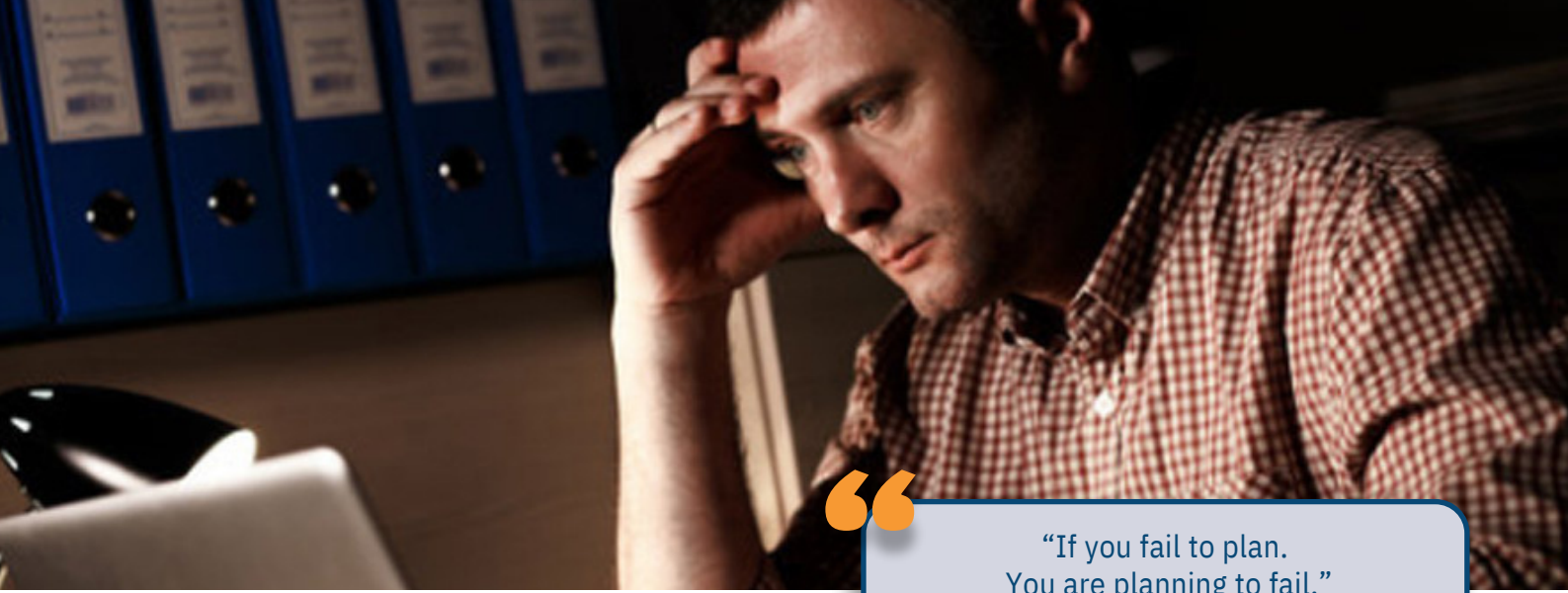
1. **Get In Touch** - Fill in an enquiry form and we'll arrange a time to speak so we can learn a little more about your business.
2. **Complete A Diagnostic** - Our comprehensive diagnostic tool helps pinpoint the biggest gaps and opportunities and identifies priority areas to work on.
3. **Business Review** – Sit down with an experienced business mentor to review your results and map out the simplest and smartest pathway to achieve your goals.
4. **Profit More... Work Less** – Build a super-profitable business that gives you more family time.

Enjoy this guide and be sure to reach out if you need any help.

To your success

Rueben





“If you fail to plan.
You are planning to fail.”

- Benjamin Franklin

MISTAKE #1: NO CLEAR PLAN

Having no plan is like being a ship without a rudder. You will just be drifting wherever the winds take you. While you do get the rare ‘overnight success’, most successful businesses had clear plans that they worked to get to where they are.

Too often businesses have their plan gathering dust on the shelf or no plan at all. Either way it means that the business is drifting.

Imagine if you started building a house without a plan – you would end up with a mess! The same happens in business.

Having a solid plan is about getting your priorities right.... And getting everyone in your business on the same page.

By having a clear plan you can systematically build the business you have always wanted. Planning starts with setting clear goals and direction for the next 12 months. From there you need to ensure you are working on the important things each month and week that are aligned with your overall goals.

STEPS TO TAKE

- Put Your Dreams on Paper so you have a clear vision on where you are taking your business.
- Create a 12 Month Game Plan so you get serious traction in your business in the next 12 months.
- Plan each month so you focus on what must happen to hit your 12 month goals.
- Set time aside so you work on the important things from your plan each week.



“

“A small leak will sink a great ship”

- Benjamin Franklin

”

MISTAKE #2: EROSION OF PROFIT

Keeping an eye on your profit margins is critical otherwise you end up working really hard and the rewards just won't be there.

Costs can rise and failing to keep a lid on these makes the game of business hard to win.

2 big costs are your wages and material costs. Make sure your pricing reflects your current cost structure. If you have had any cost increases in the last few months have you passed these on to your customers?

It is also important to understand the profit margins on each of the products and services you offer. That way you can make sure you have the right combination of products and services to optimise your profitability.

Finally, the other area for profit leaks are your overheads. Often in more buoyant times we spend more, hire more staff and expenses creep up. Make sure you run your business lean so you maximise the profit you make.

STEPS TO TAKE

- Calculate your break-even if you have not done so in last 6 months.
- Review your overheads and reduce where possible.
- Review your wages and material costs to make sure these are in the right ballpark.
- Review your pricing and put these up if you are able to.
- Review your product/service mix and make sure your marketing is focused on your most profitable products/ services.



“Ant’s are not that strong, yet they store up their food all summer”

- Proverbs 30:25

MISTAKE #3: INSUFFICIENT CASH RESERVES

Having great cash reserves in your business enables you to weather any storms and also take advantage of opportunities as these arise.

This could be purchasing stock before a price rise, riding an economic downturn or even purchasing a competitor.

This all starts with having a good handle on the cash needs of your business with a cashflow forecast... and then planning for a surplus.

You see most businesses spend what is in their bank account (including tax and profits) and they wonder why they can’t get ahead.

A simple way to manage this is to set up 3 bank accounts for your business: an operating account (for general expenses), a tax account (to set money aside for tax obligations) and a profit account (to accumulate profit).

Simply transfer a portion of the income you receive to each of these accounts each month and you will find you will meet all your obligations plus build up a surplus.

It is ideal to carry 3 – 6 months of cash reserves depending on your industry and the economic environment you are operating in.

STEPS TO TAKE

- Forecast Your Cashflow.
- Set up a Tax Account.
- Set up a Profit Account.
- Put aside at least 3 months of Operating Expenses.



“How you invest your time today will determine your business future”

- Brad Sugars

MISTAKE #4: SPENDING TIME ON THE WRONG THINGS

You only get 24 hours in a day and so it is important to use your time wisely. In any given week there will be lots of things competing for your attention... and your time. And this means that you have weeks that are super busy but you get to the end of them and wonder what have I achieved?

Usually there have been things that have robbed you of your time – distractions, interruptions from staff, the urgent request from a customer. The list goes on...

All these take time away from key projects and tasks that will move your business forward. Once you have gotten rid of these ‘time thieves’ it is about getting the low value tasks off your plate. Where are you still doing things you could be (or are already) paying someone else in the business to do? By delegating these, it will free up your time to focus on higher value activities. These generally are tasks that pay you more than once.

For example: Doing a job for a customer pays you once. Getting a new repeat customer pays you many times. Doing a task means it gets done once. Creating a system for someone else to do the task will pay off many times over.

Make sure you are only doing high value tasks and make sure these are as efficient as possible. Simply transfer a portion of the income you receive to each of these accounts each month and you will find you will meet all your obligations plus build up a surplus.

It is ideal to carry 3 – 6 months of cash reserves depending on your industry and the economic environment you are operating in.

STEPS TO TAKE

- Eliminate time wasters from your week.
- Delegate your lowest value activities to someone inside or outside the business.
- Focus on the important things each week that will drive your business forward.
- Automate key tasks so that you save time on key tasks you do each week.
- Invest a minimum of 5 hours a week working ‘ON’ your business.



“Don’t Put All Your Eggs in One Basket”

- Andrew Carnegie

MISTAKE #5: RELIANCE ON KEY CUSTOMERS OR MARKETING

This can happen in one of 2 ways. Either having a small number of customers making up a large portion of your customer base... or worse still only having 1 customer! or more than 50% of your business coming from one customer. If something was to happen to this customer, your business would be in a lot of trouble!


The other thing that can happen is only having 1-2 marketing strategies bringing you most of your enquiries and leads. Again, if something was to happen to this marketing strategy eg. if a Google or Facebook algorithm changed or a referral source goes elsewhere, your lead flow will dry up.

The key here is to diversify. Have a broad range of customers so that one single customer does not make up more than 10% of your business.

And when it comes to marketing ideally having around 10 different strategies bringing you about 10% of your leads each. This will enable your business to be more robust and resilient in any economic conditions.

STEPS TO TAKE

- Review your current customer base to determine if you are reliant on a small number of customers.
- If you are - put a plan in place to diversify your customer base over the next 12 months.
- Review your current marketing strategies to see if you are relying on a few strategies to bring you the bulk of your leads and enquiries.
- If you are - put a marketing plan in place to add strategies (or improve existing ones) so that you have a strong marketing engine.



“Systems run the business and people run the systems.”

- Michael Gerber

MISTAKE #6: DEPENDENCE ON KEY PEOPLE

Too many businesses depend on key people to get things done. The problem is if any one of these people were to leave there would be a massive hole in the business. This is especially true of you as the business owner who often has a hand in a number of pies and is the driver to keep the whole business going. To break this cycle you need to ensure your business is well systemised.

Think of a company like McDonalds. It is a multi-million dollar business with thousands of stores around the world... all run by teenagers who you can't get to clean up their bedroom! They can do this because McDonalds understands systems.

You see business is designed to run like this:
Systems run your business. People run your systems. You lead your people.

Thinking this way will start to remove yourself (and any other key people from the business). Start by putting in systems that will free up your time. This will give you time to be more strategic, (and time to build more systems).

Also put systems in place that will support your staff in their roles. That way you will create a reliable way of doing things in your business whether you are there or not... and if someone was to leave it will be much easier for their replacement to hit the ground running.

STEPS TO TAKE

- Make sure you have clearly defined roles and responsibilities for each person in your business.
- Flowchart your business (from when you first get an enquiry to the second sale).
- Systemise each task in your business starting with the ones that will free up your time.
- Identify any tools, equipment and technology that will support people in performing their role well.



“One bad apple spoils the whole bunch”

- Benjamin Franklin

MISTAKE #7: PUTTING UP WITH POOR PERFORMERS

And this is very true in business. Too often business owners hold on to poor performers because they are afraid they won't be able to find a replacement or the business would not handle the workload while you rehire. The reality is any of your staff could leave tomorrow...and you would get through it.

Holding on to poor performers impacts the whole team and brings morale down... and non-performers cost a business productivity and profit.

Now there are 2 questions to consider here:

- Are they performing their role to an acceptable standard?
- Do they fit in with the culture of your business?

If you answer no to any of these questions it is time to do something about it.

This is where the old adage 'Hire Slow. Fire Fast' is important. Of course you need to give someone the opportunity to turn things around – just don't stick your head in the sand and avoid doing something about it. In fact we have a rule with our clients that if you talk (complain) about someone 3 times it is time to do something about it.

Remember your job is to build a great team of people you can rely on and trust. Begin by setting the culture – having clear standards and expectations for your people. Learn the right way to attract and hire great people and you can avoid ending up with non-performers down the track.

And finally, make sure you invest in your team by having a program of ongoing training and development so your people perform at their best.

STEPS TO TAKE

- Review each staff member to see how well they fit your culture and how well they are performing their role.
- If you don't have a clearly defined culture – take the time to write this down and communicate with your staff.
- Conduct performance reviews with each staff member, set clear expectations & have plans to meet these expectations.
- If there are any obvious people who are not a fit – move them on. Remember hire slow and fire fast!



THE PATHWAY TO A STRONG & SUCCESSFUL BUSINESS

There are 3 key steps to creating a strong and successful business – one that enables you to be super-profitable and gives you more family time .

Get these steps wrong and you will waste a lot of time and money or worse still... you will end up being a slave to your business.... Not what you signed up for when you started...right?

On the other hand, get these right and you'll be in control of your business, make the money you want and have the choice of what you do with your time...

So what does Freedom look like for you? Is it stepping right back from your business?

Or about getting your weekends back and working a normal work week ...

Or be able to take a decent holiday?.

Business Freedom is all about creating choice... the right choice for you!

YOUR NEXT STEPS

If you are finding your business stressful and feel stuck in the day the day, Business Success Educators is designed for you. We help make running your business easier so you make more profit and work less.

- 1. Get In Touch** - Fill in an enquiry form and we'll arrange a time to speak so we can learn a little more about your business.
- 2. Complete A Diagnostic** - Our comprehensive diagnostic tool helps pinpoint the biggest gaps and opportunities and identifies priority areas to work on.
- 3. Business Review** – Sit down with an experienced business mentor to review your results and map out the simplest and smartest pathway to achieve your goals.
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Take the first step and book a call today. [Book Now](#)

