

Business mistakes not to make

BUSINESS PLANNING

- 1 Don't forget to have even a basic plan for each year**
with targets and goals. Otherwise you won't know whether you are achieving or not.
- 2 Don't just assume your potential customers will buy your new product**
Do market research and talk to potential customers at an early stage in the development.

STAFF

- 3 Don't ignore your staff.**
Unless you are a one-man band you depend on your staff performing adequately.
- 4 Don't employ people unless you really have to**
They are expensive and don't forget employer costs such as NI, pensions etc.
- 5 Keep abreast of new requirements / regulations by reading business magazines etc**
- 6 If recruiting a salesperson make sure they have a successful track record and don't be taken in by their gift of the gab or charisma.**
- 7 Don't forget that all staff have to have a pension scheme from 2016-17**
- 8 Don't make hires too soon**
Don't hire employees prematurely. Consider hiring part-timers or a sub-contractor before hiring a permanent employee. Nowadays it is very easy to run a small business with part-timers, sub-contractors, and the services of other professionals.

FINANCE

- 9 Don't forget to put money aside each month for the taxman**
- both VAT and corporation tax
- 10 Don't ignore your cash position**
Check at least monthly; get an overdraft but only use it in emergency.
- 11 Do your accounts/books at least monthly**
This way you don't have an onerous task at the end of the year. Also you can see whether you need to spend more to reduce your tax burden whilst you still have a chance before the end of the tax year.
- 12 Don't neglect your marketing budget**
Don't spend all your money on product development and overheads and leaving none money for marketing (to generate customers). If people do not know your product exists and that it can help them, they can't buy it.

- 13 Don't do your own accounts unless you are confident that you know what you are doing and are abreast of tax rules etc**
Use a book-keeper or train on Sage etc
- 14 Don't forget to keep your paperwork**
Keep all invoices and receipts. Make sure you give invoices even for cash transactions (to keep the taxman happy)
- 15 Don't be late in filing your tax return**
- 16 Don't ever be dishonest with the taxman**
- 17 Don't give yourself the wrong salary**
Paying yourself too little or too much can be a mistake. Develop an algorithm for how much the top team shall be paid e.g. consider paying yourself a percentage of revenue.
- 18 Invoice on delivery or monthly**
Use stage payments if a big job
- 19 Have a contract for each job**
Have clear terms and conditions and / or a signed written contract, otherwise you will have difficulty claiming back bad debts. A written signed contract is valuable even when working with people you know, because it avoids misunderstandings.

MARKETING

- 20 Make sure your business is visible to your customers**
Make sure you have a good website with SEO, Facebook, maybe Twitter and maybe even salespeople if justified. If you are looking for local customers, use signs on your office, places where you are working and even on your car
- 21 Avoid jargon in talking to customers and prospects**
Don't use words that your customers won't understand
- 22 Don't focus on the features of your products and services**
Instead tell customers and prospects the benefits they will receive. You need to have first found out their issues, concerns and problems and then tell them how you can solve these problems.
- 23 Don't forget to include an opt-out option on electronic mail shots**
It is a legal requirement to give recipients a means of opting-out and it is good business practice – don't waste time on those who do not want to hear from you, concentrate on those who do.
- 24 Don't send out electronic mail shots too frequently**
Otherwise they will just end up in a spam filter or be ignored.
- 25 Don't forget about branding**
Underestimating the value of a brand and the people that do branding is a common big mistake. Quite often business owners/ entrepreneurs think a simple logo covers this. A brand is a deeper, more articulated definition of your business. It is also a guiding light

and acts as a reminder as to what you want you want your business to be, to represent and more.

26 Don't spend a fortune on advertising

For small businesses experience shows that expensive advertising does not generally pay. Low cost advertising such as in local newsletters and A boards etc can work for certain professions / trades.

27 Don't forget to check the customer is satisfied

If she/he is not, then you are much better off knowing it and doing something about it rather than gaining a bad reputation. Conversely, if they are satisfied then you can ask them if they can refer you to contacts who might also need your services, you can ask them for a written reference or testimonial and you may be able to sell them additional products or services

GENERAL

28 Don't forget to ensure you have adequate insurance cover

Not just for property and contents but also personal indemnity, director's indemnity insurance, third party liability, employee insurance.

29 Don't ignore health & safety

If your staff or a member of the public are injured or killed you could be held personally liable if you have not taken adequate preventative measures.

30 Don't ignore the potential of intellectual property e.g. trade marks, patents etc if your business has some

Protecting what is unique about your business sets you apart from competitors, gives you legal protection if they infringe your rights and increases the value of your company.

31 Don't be afraid to fail

One of the biggest mistakes you can make is to be afraid of failure! How you pick up after failure and learn from your mistakes is the key to great success.

32 Don't think you know it all

Another big mistake you can make (and most do) is to believe that, just because you are an expert at what you do, you have what it takes to run a complete business. You either need to learn the other aspects of business (e.g. finance, marketing) or get help from others

33 Don't get materialistic

Don't overpay for posh office space or luxurious appointments that have absolutely no impact on customers. You might be able to develop a successful business by starting in a garage.

34 Don't move too slowly

Don't put off making difficult decisions - it will only cost more in the end.

35 Don't take negativity to heart

There will always be naysayers and the more forward-thinking and outside-the-box your concept is, the more likely you are to experience others telling you to quit, to pack up

your bags and put your dream on the shelf.

36 Don't go it alone

As an entrepreneur, it's easy to get stuck in one way of doing things or to focus on one particular aspect of a project and to forget that there might be a better, smarter way to work if you vocalised your problem or idea to someone else. Having an extra set of eyes or ears on things is invaluable. Consider using a mentor / coach.

37 Don't be greedy

Don't overpay yourself and do reward employees who help you achieve success.

38 Don't forget about due diligence

Make sure there is a market for the new product / service concept and that it is sustainable or not just a passing fad.

39 Don't get too wrapped up in your ideas

As an entrepreneur, it's easy to fall in love with your business idea and fail to fully understand or appreciate the economics. To avoid mistakes in your planning and launch, entrepreneurs must start off with a clear P&L and cash flow plan that details what your business metrics need to be in order to survive in the short term and succeed in the long term.

40 Avoid working for friends

When things go wrong it is often more difficult resolving an issue if the customer is a friend

41 Don't forget to plan for an exit

Everyone wants to retire eventually and planning to sell the business will help fund that retirement. Alternatively you may have grand aspirations to sell after only a few years, in which case you need to plan your business expansion such that you will be able to maximise its value come sale time.

42 Don't trust people naively

Check partners, suppliers and customers if the success of the business depends on them. Ask for references and work with them closely to build up trust

43 Don't just trust your instincts

Validate your instincts with research, analysis and canvassing the opinions of those who have relevant experience