

# **NINE MISTAKES THAT CAN KILL YOUR BUSINESS and HOW TO AVOID THEM**

## **1. RUNNING OUT OF CASH : : :**

In the excitement of creating a new business, it is very easy to overlook the gap between making sales and banking the receivables. Very often the wait is too long and many new companies run out of cash. Create a cash-flow budget to help predict highs and lows in time to take the necessary actions.

## **2. NOT KNOWING YOUR CUSTOMERS : : :**

Changes in your customers' preferences and your competitors' products can leave you in the dust, unless you seriously get to know who they are and why they buy now and in the future, plus their potential needs and changes.

## **3. DOING IT ALL ON YOUR OWN : : :**

You might be the key to everything but you can't do everything and grow at the same time. You must surround yourself with qualified, capable and committed people.

## **4. IGNORING EMPLOYEE NEEDS AND WANTS : : :**

Motivating and managing your employees is one of the greatest challenges. More employees mean more problems. Left unresolved they can destroy morale, productivity and your profits.

## **5. NO BUSINESS OR MARKETING PLAN : : :**

If you rely purely on instinct to guide your business instead of a well defined written plan, you are heading for trouble. The plan will help you focus on where you came from, where you are, and where you are going, plus how to get there.

## **6. COMPUTER CHAOS : : :**

Computers provide many benefits, but unless you know how to harness their power, you are risking a nightmare of confusion and waste, in both time and money.

**7. IGNORING THE NUMBERS : : :**

**As an owner, your primary goal is to make a profit. You need to know where you stand on a continual basis, with a timely system of recording and analyzing all the data.**

**8. KEEPING YOUR FAMILY INFORMED : : :**

**You are never in business by yourself. Your family, whether it be parents, spouse, children or even grandchildren, need to know what is happening on a regular basis. Especially since you are taking time away from them.**

**9. RISK VERSUS REWARDS : : :**

**Is it all worth it? You need to ask yourself this question on a regular basis. How is your business affecting your health and the health and well-being of all those around you, that includes family and employees?**

**Lawrence J. Udell, Executive Director  
California Invention Center  
Center For New Venture Alliance  
Intellectual Property International, Ltd.  
udellipi@ix.netcom.com**