



ARMAN SADEGHI
PEAK PERFORMANCE COACH

The **7**
REASONS
WHY ENTREPRENEURS
FAIL

www.titaniumsuccess.com

Nine out of Ten entrepreneurs fail when they realize that running a business is not as easy as it seems from the outside. You could be the one who succeeds! When entrepreneurs launch start-ups that fail, it's easy for their goals and dreams to be destroyed. They can quickly give up on their dreams of business ownership and financial abundance. Of course, these individuals have to make ends meet, so they often spend the rest of their lives working for someone else even if they find it unfulfilling.

The good news is that avoiding some of the most common mistakes can allow young companies to not only grow and make a profit, but also to thrive in any economy. There are seven common mistakes that entrepreneurs make and avoiding these mistakes are going to be critical to your success. This guide will take you through these seven mistakes and provide you with the knowledge necessary to avoid them.



Mistake #1

Building an infrastructure that is not yet needed

Entrepreneurs are often more excited by things that sound cool and fun rather than by what actually makes money. They might focus on building a state of the art website, handing out expensive business cards, getting a sleek office, purchasing a powerful computer, and investing in fancy things. They do this rather than just getting out there and getting the job done. Early in a business, there is no reason for anything fancy.

Often, businesspeople tell themselves that making sales will be easier with high-end business cards and they worry that they won't be perceived as professional without an exceptional website. However, if they fail to get the job done successfully, all of these items mean nothing. They may feel that a nice website is required for them to be perceived as professional, but early in the life of a business, these things have absolutely nothing to do with success and everything to do with why so many start-ups fail! Stick to the basics and avoid anything too fancy until you've earned the revenue through paying clients.

I started my first business 22 years ago and have established over a dozen successful businesses over my lifetime. I am 100% confident that I could start almost any business and generate revenue without spending a single dollar on a website, business cards, brochures, high speed internet, an office, a computer, or anything else. If you are truly an entrepreneur, you can start your business without any of these things because they really aren't essential at the very beginning of your business operations. Yes, there indeed comes a time when these items become critically important, but that time is much later than most people think.

Mistake #2

Creating services that are not yet proven to sell

Just because a product or service sounds like something people are going to want doesn't mean that you should spend the time to create it. The time to build a service or product comes once it's been proven as something that your clients will genuinely want and be willing to pay for. The fact is that outsiders may tell you that your latest concept is the best idea they've ever heard until they actually have to pay for it.

Here's a simple yet effective exercise: pretend you already have your products and services in place and try to make a sale. If your potential clients are not interested in purchasing your pretend service or product, you can be certain that you won't be able to sell it after you spend the time and money creating it.

So now you're wondering if I'm suggesting that the first day you start a company, you should start selling instead of building any infrastructure or creating a product or service, and the answer is an overwhelming YES! Step one is trying to sell the product/service and seeing if it works. If you find that there is a healthy demand, then you can invest in actually creating the product or service. This point leads us to the third reason why entrepreneurs fail





LISTEN
TO ME!

Mistake #3

Failing to realize that their biggest strength will always be their ability to sell their services

Regardless of its strengths and weaknesses, most businesses will never succeed if the founder isn't out there selling the company and its products and services. Perhaps you've come up with excuses about the fact that you have already hired good sales people or that you're just not a salesperson at heart, but the truth is, no one believes in your product or service more than you. When it comes to selling, that is the most important factor.

Sales are all about passion, knowledge, and connecting with people. Who knows more about what you do than you? Who has more passion about your business than you? Who is better able to connect with the right people than you? The answer in 95% of these cases is "no one!" That's why you need to be out there selling your company!

Don't sell your company short. Get out there and make it happen with sales and marketing. No one is ever going to be able to generate sales the way you can, especially early on in the evolution of your business.

Some individuals reading this will immediately assume this doesn't apply to them because they have convinced themselves they are not a "sales person" or they are not good at selling. If you don't think you can sell, you cannot be an entrepreneur and you cannot be self-employed. If you really love your product or service and you have a passion for making a difference, sales will come naturally but you have to get out there and do it.

Mistake #4

Creating systems that are too complicated for an employee to easily follow



Avoiding the first 3 mistakes will often allow you to get passed the first phase of the business where you go from a dream to actually having a company with paying clients and real work for you to do on a daily basis. However, this should not be confused with entrepreneurship. At this point, you are just self-employed and you are essentially underpaid for the incredible amounts of hard work you put in so you have to go out and find employees who can work under your direction, which requires systems.

The secret to success with systems is to ensure that employees can perform them 70% as well as you do, but still get the desired results. Yes, that's correct! You have to build systems that are so good that someone can perform 70% as well as you and still get the desired results. If your systems require others to use them 71% or more as well as you, I can be honest with you and tell you that you don't really have a company, you just have a job. Therefore, you don't have a company and you are not an entrepreneur. You are simply an employee with a job. You just happen to work for your clients, not for someone you call a "boss."

To be a true entrepreneur and business owner, you have to be able to build systems that someone can do at 70% or less than the level at which you can do them, and still get solid results. If you can get to this point, you will be a business owner as opposed to someone who simply operates a business that requires him/her to work harder than everyone else.

A perfect example of this is the way that our freeways are made. The average width of a car is about 7 feet and the average width of a tractor trailer is 8.5 feet. Therefore, if freeway lanes were 8.5 feet wide, drivers who maintain 100% accuracy could stay within the line. The reality is that most drivers are no where near 100% accurate so free way lanes are an average of 12 feet wide. This means that even a professional driver operating a trailer only needs to be 59% accurate in order to stay in his lane. That means regular drivers have even more margin for error than that. If the highway patrol assumes professional drivers only operate with 59% accuracy, don't assume your employees will be any better at doing what you teach them to do.

Mistake #5

Believing lack of money is an excuse for lack of performance



Entrepreneurs should be able to build things from scratch. You cannot use funding as an excuse for not getting the results that you want. What you lack in funding, you need to make up with hard work.

Entrepreneurs who succeed are those who do whatever it takes to get the results they're after. On the other hand, those who fail are the ones who point fingers at other people and problems outside of themselves, believing things are "out of their hands." A lack of funding is a frequent excuse. However, if you are not able to grow a company and deliver results without money, you will not be able to grow your company with money!

Some of the most successful businesses in the world, including businesses I have created, were built without substantial start-up funds. In fact, most of my businesses were created without any funding whatsoever! An entrepreneur is one who builds a business from the ground up and uses whatever resources are available to him/her at the time in order to thrive.

The most important resource you have is your heart and your passion—use them and you will find that they are worth more than any amount of funding in the ultimate success of your business!.

Mistake #6

Thinking that a new business can be built without substantial effort



Life is all about hard work; this statement is especially true for those who choose to live the life of an entrepreneur. If you want the easier life, go become a doctor, lawyer, or engineer. Since you've chosen the path of entrepreneurship, however, you are going to have to work hard to make a living. Remember, this is the path that you chose!

For whatever reason, you chose to work for yourself. If you are going to make this a reality, you are going to have to work harder than anyone you know and you are going to have to put everything you've got into your precious company. Without that push, your business has no chance of becoming everything that you dreamed it would be.

If you are not truly interested in working your "butt off" and putting everything you've got into this business, maybe it's time for you to go out and get a traditional job. Don't forget that a regular job is perfect for someone who is not interested in having ultimate financial freedom and ultimate control. You, on the other hand, have the opportunity to work hard and create your own future. Today is the day you can choose between having a job where you mess around and fake productivity, and finally becoming an entrepreneur! Decide to be an entrepreneur or go out and get a job!

Mistake #7

Lacking a dashboard with clearly defined Key Performance Indicators

So you read section six above and you're still interested in being an entrepreneur? Likely, 80% of people who started to read this document will never even read this paragraph because they subconsciously decided that entrepreneurship is not for them. Sadly, they didn't make that decision consciously and they will spend many more months or years pretending like they want to be an entrepreneur when they really are not willing to work as hard as they need to. Perhaps they'll keep telling people they are entrepreneurs and even make business cards with silly titles like "CEO" and "President" when, in reality, they will just be wasting their time. You are not like them, however, because you made it this far. Since you've made it this far, you are going to need to understand one last point.

In order to be able to create and operate a business, you must always have a dashboard with Key Performance Indicators (KPIs) that you are able to monitor on an hourly, daily, weekly, monthly, quarterly, and yearly basis. Some KPIs need to be reviewed more often than others and some are harder to calculate than others, but it is nearly impossible to create a successful company without KPIs that are easy to view on demand.

Your KPIs will fluctuate as your business grows and changes but you will always have them. Early on, for most entrepreneurs, the most important KPI is one that relates to their sales funnel and the number of people they are able to reach and push through the funnel in order to generate sales. As your business changes, so will your KPIs so make sure you are consistently adapting.

Entrepreneurship can be one of the most fulfilling things in the world, but you have to be ready for the realities of what it takes to make it. Entrepreneurship is not the easiest way to make money, but it is certainly the most fulfilling... if you are truly an entrepreneur!

Avoid these seven common mistakes and you will put yourself in a place where success is much more likely. Most importantly, remember that a startup business or a growing business is no different than a child, so it needs your constant care and attention. Your business will thrive through any economic situation as long as you are focused on giving it your all and getting results.

I congratulate you on reading this document in its entirety... you are truly unique since most who began reading this document never finished it! Welcome to entrepreneurship.

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