

SCORE – SERVICE CORP OF RETIRED EXECUTIVES

ODS Tower 601 SW Second Avenue Suite 950 Portland OR 97204
Information (503) 326-3441 Secretary (503) 326-5211 Fax (503) 326-2808
E-mail scorepdx@uswestmail.net www.scorepdx.org

ARTICLES ON BUSINESS FROM THE INTERNET

Business Start-Up

The Seven Perils of Entrepreneurship

by Rickey Gold

If you've been out of work for a while, or are just plain tired of the work you've been doing for years, you may be thinking of starting a business. If so, get ready to embark on an exciting, rarely dull, often nerve wracking journey.

To call it "perilous" may be stretching things since perilous is defined as "dangerous". However, "peril" means "exposure to risk or harm", and starting a business can certainly be risky and is definitely challenging.

Since writing challenges down seems to make them easier, let's look at the obstacles you're about to face.

1. TIME MIS-MANAGEMENT – This is one of those issues that create problems for many of us who start new business ventures. Either you spend all of your time working, or you can't quite keep yourself on a schedule.

Many businesses fail within the first year because the owner couldn't get a handle on work time vs. "the rest of life" time. Rule Number One: You can't spend every waking minute on your business. You still need to have a life. Otherwise you'll burn out.

2. ORGANIZATIONAL SKILLS – If you've got them, you've just passed a major hurdle. Being disorganized not only means wasting time as you dig around trying to find something, but it also makes focus difficult. Which leads to Peril Number #3.

3. FOCUS (or rather "lack of") – One of my friends decided to close his business and focus on consulting. Seemed like a good idea. He knew his field and had a lot of hands-on experience. He also had a fully equipped home office and no kids or spouses around for distraction.

Unfortunately, the idea was better than the venture.

Why? He couldn't focus without the structure of an office environment. Working at home seemed like some sort of part-time job. Instead of being at his desk every morning at a certain time, he'd find other things to do. Lunch hours often turned into taking the afternoon off. It was a "sort of" business --not a serious one.

4. FEAR OF FAILURE – Failure and entrepreneurship go hand-in-hand. If you're not fully aware that your business could fail -- or if you're terrified of failure – go to work for someone else. Because if you're not willing to take risks, you shouldn't be in business for yourself.

Risk means stretching, taking chances, trying new tactics, making mistakes and learning how to work through them.

Do some reading about successful entrepreneurs. You'll find that most have had failures along the way -- either companies that didn't succeed or ideas that failed. Didn't stop them from starting again. Call it gumption.

5. LACK OF MARKETING – Most new businesses simply don't have large marketing budgets. However, that's no excuse for not marketing. Because if you're not getting your name out there, someone else will...only it will be their name, not yours.

There are a host of inexpensive marketing tools. Networking is my number one favorite for new businesses (and old). The cost is minimal. Your investment is in time. Find some.

Join networking groups, chambers of commerce, or industry organizations. Attend events where you'll meet new people. Craft a thirty second "elevator

speech” about your company (benefit-focused). Carry your business cards – always! Talk to people when you’re out. I’ve picked up business by chatting with people at social events. You never know who might be a potential customer...or who might know someone who might be.

Other cost-effective marketing tools include direct mail (very targeted), direct e-mail, e-newsletters, a web site (takes the place of a printed brochure) and public relations. It’s not necessary to have an advertising campaign. It is necessary to do something!

6. NOT STAYING ON TOP OF YOUR GAME – Technology has radically changed the way we do business. Information is disseminated immediately via the Internet. You need to be able to make decisions quickly. The same technology that makes our lives easier also requires that we work harder.

So stay current on what’s going on in your particular industry. Find some industry leaders and read their newsletters and books.

7. FORGETTING TO HAVE FUN – Perils aside, as an entrepreneur, you control your destiny. You’re not at the mercy of a company downsizing and eliminating your job. And if you lose an account here or there (it happens), you can go out and get more. You can be as busy as you choose to be.

So enjoy what you’re doing. Get up in the morning knowing that you’re (hopefully) doing what makes you happy. And have fun.

Permission to SCORE to use this article has been graciously give by the author, Rickey Gold of Rickey Gold & Associates. She runs a small, hands-on marketing communication firm that helps clients identify, reach, entice and sell to their target markets. Contact him at rg@rickeygold.com or 773.348.4973.