

10 MISTAKES STARTUPS MAKE

1. They don't validate the idea. Is it really new?

Anything similar in the marketplace? Who's the competition? Just because you love it, why should anyone else? (also applies to new not-for-profits).

2. They don't understand the market and target audience.

Who really wants what you're selling? What problem are you solving for whom? Where do those potential customers hang out? What makes your solution the better one? What does your ideal client look like? Act like? Feel about the problem you solve? And who would they normally go to (your competition)?

3. They aren't organized.

Like when you were in school, there was something scheduled each hour. Instead of English, Chemistry, Algebra, schedule making calls, scheduling meetings and networking, following up the database, providing client services, doing the books, etc. Some people work on the business in the morning and in the business in the afternoon. And, get a good CRM (Customer Relationship Management) system to keep track of your customers, touch points, meetings and follow ups, sales, and additional sales and referrals, etc.

4. They don't have a business plan.

Have a clue. Where do you want to go? How fast? What are the contingencies?

How will you track your progress? What budget will you need when? If you go for a loan or grant, you'll need this.

5. They don't have a marketing plan.

Once you successfully validate the problem, market and idea for your startup, you'll need to have a plan for how to land your first client, first 10 clients, first 100 clients, etc. A detailed marketing strategy includes the initial acquisition of customers, the conversion of those into paying customers and turning those customers into raving fans to help you acquire even more customers (through reviews, word of mouth, referrals, etc.). This may very well be more than just social media.

6. They are afraid to fail.

Fail fast and fail often is the "Start Up" motto. No risk, no reward, right? Failure is a learning opportunity. Money isn't wasted; it's tuition for business education. Just don't make the same mistake again. And, don't make others' mistakes; make your own.

7. They forget to cover the legal bases.

Every business needs a lawyer & an accountant. Should it be a DBA? And LLC? What's best for you? Are there patents, trademarks and other intellectual properties to protect? If you sell something that's not yours, you're in big trouble. Your business bank account should

never be in the same institution as your personal accounts. Use contracts. They protect you, your clients and your employees. And, pay your taxes.

8. They take it all on.

There's no such thing as a "self-made" entrepreneur. Everyone needs/gets help. Delegate, delegate, delegate. Find people with skill sets you DON'T have & team up. Every business needs sales. That's how the money is made. Sales takes as much time as business development and customer service. Make sure the bases are covered.

9. They underestimate capital requirements

You have to spend money to make money. You have to have "skin in the game," or why would anyone else invest in you? Equipment and legal fees, and space and materials and people cost money, so be realistic about it. Come up with a number and add 20% for "unknown problems."

10. They launch too quickly

You can tease the Market, and get expectations & excitement happening. But you'll have to deliver on the hype, or it will all go south. Get people to Beta test for you. Be highly responsive to set the stage for your impeccable customer service. You may not need to roll out all the features at once. If you need more investment to make it functional (not perfect), do that rather than launch something that's too full of bugs.

Source: Mary Scott, BusinessRiff, MSBusinessRiff.com