Managing

Your

Small

Business

The right way

Mark M. Gachunga

Success Coach/ Author/ Entrepreneur

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Managing Your Small Business The Right Way

Tel: +254715769679

Email: Makgacunga@gmail.com

Facebook: Mark M. Gachunga

Twitter: Mark M. Gachunga

Instagram: Mark M. Gachunga

LinkedIn: Mark M. Gachunga

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Email: Info@wealthywolves.com

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INTRODUCTION

Show me a man who has started a business and I will show you one who is on the right track to success. Show me one who is contemplating starting a business and I will show you one who is thinking differently from the rest.

Starting a business is for all but only a few dare to start. It is risky and this is why many people keep their distance. This is because people hate to lose, especially money.

In business, there are no guarantees. You can fail at any time and day. You are not assured that you will be in business the following week. Something beyond your control can happen and you are pushed out of business.

Look at the effects of the 2008/2009 economic meltdown, many big businesses were wiped out. These are businesses that seemed invincible. For example, Lehman Brothers.

Similarly, many small businesses were also wiped out. After all, they are the most vulnerable.

Therefore, being in business is extremely risky but also very rewarding. The richest people in the world are all business people.

We cannot therefore concentrate on the risks of business and not the reward. The reward is far much better. Although very few get the reward, even those who fail to learn valuable life lessons for use in their future endeavors.

It is proven that just 1 out of ten businesses succeed. 90% fail before maturity. This does not mean that you have a 10% chance; it just means that you cannot do what the 90% do. You have to manage your business the way the 10% do.

If you manage it the right way (As shown in this book), you will soon get the reward.

Learn how to scale any business from scratch. Every topic is specifically written to help you become a better business manager. Learn as much as you can from this guide and let your star shine.

4 ENTREPRENEURIAL DNAs – WHICH ONE DESCRIBES YOU?

People start businesses for different reasons. Many want to make a fortune, others want to leave a legacy, others want to change the world, others want freedom, etc.

Some people become entrepreneurs because of the circumstances. Some could not find a job after graduation. Others were not intellectually gifted enough to make it to college. This means that formal employment was not for them.

Some people start businesses because they got fired from their current position. Others want to prove a point to people who never believed in them.

No matter what motivated or pushed you to become an entrepreneur, thank God you are now one.

After starting businesses, entrepreneurs become so diverse based on how they run their businesses. This is mostly determined by why they are in business in the first place.

People who became entrepreneurs because of circumstances rarely make it big in the entrepreneurial world. They are just there to sustain their livelihood. After they have enough revenue every month, they stop growing a desiring more.

Those who are entrepreneurs in their DNA know no limit. They want to turn the world upside down. They rarely stop. They want more and more. It is all about the mission and the higher purpose they have for humanity.

Here are 4 entrepreneurial DNAs. This concept was put forward by Joe Abraham at TEDx Bend.

At the end of this topic, you should be able to identify your DNA as an entrepreneur. This does not necessarily mean that you cannot have some traces of the other 3. It just means that there has to be a dominant one for you.

Let's go right into them

1. Builders

These are the entrepreneurs who build scalable and sustainable businesses in a short time. They will increase the revenues of the company high enough to attract buyers.

Builders will then start another business, scale it and sell it. They do this in a very short time. No one can understand how they do what they do. They are just gifted at building sustainable businesses.

Every other entrepreneur envies this type. They want to be like them. They will do anything possible to become builders. All of it is in vain.

Builders easily attract investors and great talent almost effortlessly. These people tend to be very controlling in the way they do what they do. They are very excited and obsessed with what they do.

Builders measure success, not by the personal income, by the quality of infrastructure they have created. These are things like; how big is our payroll, office space, etc. They are also very concerned about dominion over their competitors.

Because of this attribute, they approach everything from an infrastructural point of view. This is why they build scalable and sustainable businesses.

Their key weakness is relationships. They use people and blow relationships away.

2. Opportunists

These people want to get rich quick. They want to make a fortune and retire to enjoy life.

These people love fast money-making deals. They jump in, make money, cash out, and go for a holiday.

Opportunists see business as a vehicle. They will jump from one business to the other looking for opportunities. They will move from the stock market to real estate, to financial services, etc. All they want is quick money.

These entrepreneurs are very optimistic. They will lose money today and embark on a new project tomorrow. They are incentive-driven and mostly focus on future income. They love to make big money.

Due to their love for money, these people establish multiple streams of income. They do a bit of this and a bit of that looking for that light-bulb moment.

Their greatest weakness is lack of focus. They want to do everything. They make a lot of cash and lose it all. This becomes a cycle for them.

3. Specialists

These are the experts. They have gone through many years of school and developed great skills. They are lawyers, doctors, accountants, etc.

These people pick one industry and stay for almost a lifetime. This is what they are trained to do. They are just typical employees in a business.

Specialists are very analytical when it comes to decision making. They want to know every single detail. They slow every decision to get to the root of it. They are very methodical and risk-averse. They are the complete opposite of the opportunists' DNA.

These people plateau when they hit a certain income level. This is because their motivation is not to have a flashy life but a comfortable life. They just need to earn as much as they would have earned in formal employment.

Specialists get sales through networking and referrals. This is because they hate selling. They would rather have someone introduce them to a prospect. This makes their work in the sales process easier.

The main weakness of specialists is lead/demand generation; they struggle with that. This is because they are not typical salespeople.

4. Innovators

These are accidental entrepreneurs. They discovered a business idea as they were doing something they love. They went into business, not because they wanted to but because a business popped up.

These people mainly focus on product development. They want to do research and development to create an amazing product. They do not want to be on the business front.

These people mainly focus on the mission and not the money. They want to change the world and make an impact through their wonderful ideas. Everything else is secondary.

These people control most of the intellectual properties of the world. This is because of their focus on research and development. These people hate publicity and are horrible business operators.

These people fail if they do not get people to take care of the market side of their business.

Conclusion

For a business to be highly successful and impact the community, entrepreneurs need to team up with others who have a different DNA from themselves. These people will complement them and give the business what is missing.

This is why businesses founded by several entrepreneurs have a higher success rate than businesses founded by a single entrepreneur.

As for me, I am a 50% builder, 30% opportunist, 20% specialist, and 0% inventor. What about you?

10 THINGS TO KNOW BEFORE STARTING A BUSINESS

Many start-ups fail because entrepreneurs do not take the time to understand the dynamics of the start-up and business world. They are just excited about the whole idea of founding a business and getting the freedom that comes with it. When things don't turn as they expected, they quit and go back to formal employment.

Here are 10 things to know before you start a business:

1. Business can be rewarding and fulfilling

The idea of starting a business is one of the noblest ideas anyone can have. A business is a highway to massive financial fortune and freedom.

It has never been contested that the most successful people are business people. They are the billionaires and millionaires of this world. They are the people who own Ferraris, expensive yachts, and private jets. They are the people that travel all over the world, employing hundreds of thousands and taking part in massive humanitarian projects.

No one can have such a life without engaging in business activity. Businesses are money-making machines and magnets that allow the founders to smile to the bank.

Business can also be very fulfilling. There are few things as fulfilling as seeing a product you created changing lives or a business you created thriving. Let me tell you the truth, there are no unfulfilled business people. Even if the company is not doing as good as they may want, they have something to be proud of.

2. Many businesses do not succeed

It is also important to note that very few businesses make it past one year. More than 60% of businesses fail before they turn one year. This does not mean that their founders were not interested in success. It means that wanting business success is not sufficient when it comes to growing a business.

With this knowledge, it is important to take the necessary measures because the probability of success is smaller than that of failure. Your business will not be exceptional if you are not an exceptional business person.

3. It will not be easy

Doing business has never been easy. It is extremely hard to scale a business. No matter how creative your idea is, you will have a hard time capturing the market.

It takes investment in resources, time, and effort. You will also need to hire the best people to make your idea a reality. Many things will happen along the way that will destabilize you.

If you think that it will be easy, you will find it hard and quit along the way. It is good to be mentally prepared for the bumpy ride.

4. You cannot just work from 8/9-5

Every time in business is working time. Every day and night is working time. Weekdays and weekends are all working days.

You cannot bring the 8/9-5 mentality and succeed in business. The founder of any start-up has to invest all their time in business growth. Employee mentality has to stop.

On average, the founders work for 14-18 hours. It is what they have to do because start-ups are extremely demanding. After all, you are the accountant, manager, HR manager, operations, sales, and marketing, etc. You are everything to your business.

5. You will lose money

No business person has never lost money in the course of business transactions. To put it best, the initial capital is always lost. You will invest blindly and lose money. Even calculated moves sometimes fail.

You may take a loan, invest it in a project, and lose everything. It is just how it is. This is why all business people are okay with the idea of losing money. They invest to win but even losing is part of the business.

6. Without sales, you will run out of business

This is very important; if you do not sell, you will go broke. No sales mean no revenue. No revenue means more losses. More losses mean it is just a matter of time before you close the business down.

This is why you have to become a salesperson. You have to. Everybody that says that they are not good salespeople will never make it in the start-up world.

It requires skilled and motivated salespeople to push their products out there and capture the market. This is why almost all successful business people were once salespeople. It is not a coincidence.

7. Business is about people and not products

People who try to sell products while disregarding the people's aspects do not make it in business. This is why customer service is so popular in today's business ecosystem. It is all about people.

This is why every business person ought to be a people's person. Be charismatic and influencing. This is how you will get loyal customers who will give you repeat business.

A good product without good customer service will fail. A not-so-good product with good customer service will sell.

8. More capital does not guarantee success

Many people think that they cannot start a business because they do not have enough capital. This is a big lie. Others think that coming into the business world with millions in capital gives them an express success ticket. This is also not true.

Although more capital increases the prospects of success, it does not guarantee it. It is the how of business that brings success not the what. What you have is not as strong a factor as how you make use of it.

9. You may start small but you have to think big

There is no glory or reward of starting a business that is not growing. The reward comes with growth. Although you have to start small, you have to think big and work towards growth. These are the two mistakes people make:

One, starting big. Never start big. Do not hire ten employees on your first day of the business unless it is your second or third business. If you are new to the business world, it is advisable to start small and grow.

Two, starting small without thinking big. This is also equally dangerous. Do not settle for a small business after years of putting effort. Always desire to grow your business and go public. Also, have a desire to go global. Desire to also capture a dominant market position in your local market. This is the secret of growth.

10. The secret is to keep learning

In business, every failure is an opportunity to learn. As I always say, you do not grow a business, you grow in the business. As you increase your business knowledge, your business can never remain small. Your growth determines how far your business grows.

It is important to keep learning and growing at all costs. Read business books, biographies of successful business people, have mentors, take an MBA, and everything else in that line. Most importantly, review why you failed and learn.

Conclusion

The secret to becoming a business person is to start. Just start your business. Dip your feet into the water and the water will part. With these ten tips in mind, your chances of success are higher. If you have an idea, just start and the rest will follow.

Let us know what is holding you back in the comment section. We will be glad to engage with you.

10 COMMON MISTAKES STARTUPS FOUNDERS MAKE

Startups' founders make many mistakes as they begin their journey of entrepreneurship. These mistakes cost them capital and revenue. They are the reason why 90% of startups fail within the first 5 years in business.

Most of the startups' founders are new to the startups' environment. They were probably working in a big multinational before they decided to take the initiative.

Without realizing that startups operate under a very different set of rules, they are optimistic to start and implement best practices. Most of them fail and end up going back to formal employment.

Startups require a different set of mindset and actions. It is important to know these rules before coming into the world of entrepreneurship.

Common mistakes startups founders make

Here are 10 mistakes startups founders make that lead to nothing but failure.

1. Revenue overestimation on the business plan

Many startups founders write business plans that are not realistic. These business plans have overestimated revenues and underestimated costs. They will say that the business will make money within the first month.

Most of these revenue forecasts are not achievable considering that many founders lack skills and prior business management experience.

It is important to set realistic forecasts. This does not mean you become a pessimist, it means you become a realist. You will make money but not immediately.

2. Becoming a solopreneur

In the business world, there is growth in numbers. This is why businesses founded by several complementing individuals have a higher success rate than those founded by one person.

Business is about leverage. You need to make use of the expertise your neighbor has by partnering with her. You can also make your spouse your partner. Giving away some shareholding to a complementing cofounder is also an alternative.

Always remember that business is a team sport and not a solo sport. Get people to help you grow your business.

3. Hiring salaries workers immediately

Even though the business is a team sport, hiring salaried workers immediately is a big mistake. These workers will consume much of your capital and you will run out of cash.

You should only hire on-demand. As the business grows, customers are increasing and revenue is coming in, the business might demand an extra worker to help in day to day operations. This is what is called hiring on-demand.

4. Not focusing on sales

This is one of the most common mistakes startups founder makes. Many founders do not focus on growing their sales but on product development.

They sit in their offices all day long doing product research and development. They rarely go out there to meet potential customers. Soon enough, they realize that they have a good product that is not selling.

As an entrepreneur, your primary office is out there where the potential customers are. It is not inside the four walls of your business premises.

Get out and push your product to customers. This way, you will smile to the bank. You can then make product adjustments based on customers' feedback.

5. Not investing in marketing

Marketing is a crucial business function. However, many entrepreneurs rarely take it seriously in their startup phase.

This is a mistake many startups founders make; they rarely invest in marketing. All they want to do is put up one or two posts on Facebook and Twitter and assume that it is enough. They do not pay to have their message out to their target market.

A business should spend at least 10% of its profits on marketing. This is the bare minimum.

If you make marketing decisions wisely, $10 invested in marketing should bring you at least $100 in revenue.

6. Trusting people too soon

Startups founders have this weakness; they trust people easily. They give them access to business information and key resources. Due to the trust, they even give them high positions in the business or even some shareholding.

Within no time, these people end up betraying them and costing them so much. They now have to reconfigure their business systems, change passwords, get new workers, etc.

They may even lose money. Such people may destroy the business reputation and become a big liability to the business.

Never trust people before they prove to be trustworthy. Avoid giving key business privileges and access to people you rarely know closely. This will save you unnecessary heartbreaks and losses.

7. Being rigid

Many businesses change their business models around 5 times in their first year. These are the businesses that succeed. As you become more market aware, you will know what works and what doesn’t. You need to be flexible to adjust to what is working.

Changing your business model does not mean that you are quitting; it means that you are wise. You cannot be doing what is not working and expect different results.

You need to regularly change your strategies and tactics to suit the new market dynamics. However, never change your goal. You may move from one business to another but never quit being in business.

8. Investing in business luxuries upfront

Startups do not need a high-end office or furniture immediately. You should adjust as the business grows.

Unless the luxury is part of your unique selling proposition, start with what you can afford and then upgrade using business profits.

9. Debt financing during the startups' phase

Debt financing during the early stages of any business is not recommended. You need to finance your business through savings and profits. If you have to get debt, get it from your family or friends.

As the business overcomes the obstacles of the startup phase into the growth phase, you can then use debt to finance growth.

10. Not learning

This is one of the worst mistakes startup founders make. Successful small business managers need to learn all the time. They need to learn from books and through experience.

The worst thing a founder can have is a knowledge ego. This happens when the founder thinks that he knows too much to learn. It mostly happens to founders who had high paying jobs. They usually want to bring their experience into a new set up. It does not work.

Do not have a knowledge ego as an entrepreneur. Keep learning. Read a business book every week. This way, you are going to avoid the mistakes other people made.

Conclusion

If you can avoid these startups' mistakes that founders make, you can greatly increase your chances of success. With an average success rate of only 10% among startups, you cannot afford to do what the majority do.

The business world is complex for beginners but becomes significantly easier as you learn along the way. Do not give up.

If you have not started a business yet, this is the right time to do so. If you have a business already, these 10 points will help you scale your business significantly.

9 SECRETS TO GENERATING HIGH-GROWTH BUSINESS IDEAS

Business ideas are common but high-growth business ideas are not. Very few people can develop ideas that change industries and create wealth for them.

Characteristics of high-growth business ideas

- They are highly scalable. This means that they can be implemented across the globe with ease.
- These business ideas are unique. They are creatively and innovatively developed.
- They provide solutions to the world's major challenges.
- They are risky. High risk leads to higher rewards. This is the risk-reward relationship.
- Such business ideas are disruptive. They introduce concepts that change markets and industries. This is how they get free publicity.
- They require high-level expertise to implement. Due to the unique nature of high-growth business ideas, great skills are required to actualize them.
- They may require a substantial amount of capital to actualize. High growth business ideas need money to implement. However, many investors are ready to fund this kind of business ideas.
- Such have high pay-offs. Since these ideas are unique and solutions-oriented, they give great financial returns to the founders and investors.

Many businesses fail because their business ideas are not unique. The founders of those businesses just copied an idea from their friend's business and implemented it the way it is. This is called a me-too business idea.

Me-too business ideas ultimately get zero natural brand recognition and loyalty. They require a great investment in marketing to stand out from the highly competitive marketplace.

It is true that 9 out of 10 businesses ultimately fail. To increase your chances of success, your business idea has to be sustainable and scalable. Here is how to develop high growth business ideas.

Secrets to high growth business ideas

To come up with great business ideas and concepts, the following are important:

- Have time alone.
- Stay motivated.
- Upgrade your mind.
- Desire success.
- Read biographies.
- Have thinking sessions.
- Take nature walks.
- Read amazing success books.
- Implement the ideas you already have.

Let's look at each.

1. Have time alone

No one develops great business ideas and models by being around people all the time. The process calls for self-isolation.

Great business ideas will come in those lonely moments. This is when your mind is settled and there is no or little disturbance around.

Have you ever wondered why many great ideas come at night? It is because there are fewer distractions at night. At this time, the mind can start a process and finish without getting diverted.

If you want to come up with great business models and concepts, you will need to have time alone. Do not be around people all the time. Have time for yourself.

2. Stay motivated.

Great business ideas are never developed by discouraged and depressed minds. You have to stay motivated and positive.

A discouraged mind is not forward-looking. It focuses on past mistakes and circumstances. At this point, the mind is shut and not open to possibilities.

It is when the mind is enthusiastic about the future that it figures out the best ideas to make the future happen. This is a fundamental requirement.

It does not mean that you should never get discouraged, it just means that you cannot stay disappointed. Rise from all circumstances, have resilience and keep moving.

How to stay motivated:

- Listen to great motivational speakers. I listen to Les Brown, Eric Thomas, and Lisa Nichols a lot.
- Read success books.
- Write an impossible list and read it every day.
- Track your progress.
- Appreciate yourself for even minor achievements.
- Motivate others.

If you can stay motivated, your mind will generate high-growth business ideas over time. These ideas will catapult you to massive success.

3. Upgrade your mind.

Generating great business ideas, concepts and models has something to do with your ability to develop them. Super minds develop super ideas. The vice versa is also true.

The brain is tissue-like any other in the body. The more you put it to work, the more it grows stronger. Like going for physical exercise, mental exercise also keeps your mind fit and better.

To upgrade your mind:

- Read a lot and analyze what you read. Read to understand.

- Play mind boosting games like Chess every day.
- Do mind tests.

Upgrading your mind will increase the capability of your mind to develop these high growth business ideas.

4. Desire success

Without the desire to succeed, the mind will not be stimulated to generate anything great.

There is nothing as strong as human desire. You can create the life you want through desire. If the desire is strong enough, your actions will follow.

Always desire to stand out and be different. Do not fit in and make peace with mediocrity. If you get this strong desire, your mind will help you fulfill the desire by generating ideas that will push you closer to success.

5. Read biographies

Biographies contain many great business ideas. After all, they are all about the people who made it big.

People pour their secrets and strategies in their biographies. These are strategies that worked for their lives. They can act as guides in our pursuit of success.

6. Have thinking sessions

These are sessions where you do nothing else but think hard. Some people call them meditation.

For these sessions:

- Timing is critical. Do it when there is the least distraction. These can be early in the morning or late at night.
- The venue is also critical. Choose a place where you feel safe. Let the mind be settled.
- Keep all gadgets away.
- Train your mind to focus. When the mind is distracted, force to refocus.
- Think about the future, not the past.
- Focus on possibilities.

Have these sessions daily. Your mind will make it a habit to think critically.

7. Take nature walks

Nature walks can help you develop great business ideas. This is because of the following:

- The open environment stimulates creativity. It is proven that people think critically and creatively in an open space and not in a closed room.
- There is less distraction in such environments as compared to towns and other crowded environments.

- The cool environment helps the mind focus. This is a prerequisite for critical and creative thinking.

Always make sure that the place feels safe.

8. Read success books.

Great success books can help stimulate your mind to the possibilities of the future. They have a way of igniting the spark of possibilities in us.

9. Implement the ideas you already have.

Great ideas do not come as you do nothing, they come as you are busy trying to make something work.

As you implement the ideas you already have, more ideas on how you can improve the existing ones will come. These will be high growth business ideas.

Start with what you already have as you wait to get what you would love to have.

Final thoughts

Great success starts with great business ideas. These ideas must be sustainable and scalable.

If you want to build a magnificent business, start by developing high growth business ideas. With them, you will be half-way there.

HOW TO START A BUSINESS

Starting a business is very easy for a few people but very hard for the majority. This is because the business world requires people with eyes trained to spot opportunities as they arise. If you are blind to opportunities, you will never be an entrepreneur.

You may start a me-too business but that will never reward you as coming up with an innovative idea that is market-oriented.

Businesses are not built blindly without realizing a need in the market. You have to spot a crisis in society and this is what creates an entrepreneurial opportunity.

The problem we have today is idea imitation. Everybody starts something that is already in existence.

Furthermore, they do it the same way everybody else has been doing. There is no sense of creativity and innovation. This is why many businesses fail.

If you look at the social media industry, the social media sites that have succeeded are much differentiated. LinkedIn targets professionals, Twitter is used mostly for trends and politics, Instagram focuses on pictures and this is why it is very effective for fashion, food, and **.

Snapchat is used by teenagers mostly. Facebook is used by everybody else. This is what is called differentiation. All of them are social media sites but they are very different when it comes to their target market and use.

Even if you cannot come up with a new idea, just modify an existing one and bring a sense of newness in the industry. Everyone loves working with a creative business.

We have to stop imitation and start innovation. This is the only way your business is going to survive in this competitive marketplace.

For you to start a business there are 4 major steps that you have to undergo. Let us discuss each.

1. Idea generation

The first step is to come up with an idea. As we have pointed out, the idea should be innovative even if not creative. Innovative means a modification of an existing idea.

Without innovation, you will spend millions in marketing for your business to stand out from the rest.

An innovative or creative idea should solve a need in society. As Jack Ma says, when people complain, there arise opportunities for entrepreneurs. This is very true.

When the average person encounters a problem, they complain and do nothing about it. When entrepreneurs encounter challenges, they come up with an innovative or creative way of solving it.

In short, entrepreneurs think of solutions, not challenges.

Good ideas are generated when least expected. They come in the middle of the night, when taking a walk or even when reading a book or article that stimulates your mind.

I have had my greatest ideas as I relax on my bed. This is after listening to an inspiring video or reading a motivating book.

However, as we pointed earlier, your mind has to be entrepreneurial. This means that it has to be trained to spot opportunities.

This happens after you get an encounter with other entrepreneurs that changes your perspective.

2. Due diligence

This is the research stage. You need to find more about your idea. There is a likelihood that the idea has been tried by someone else somewhere unless it is a creative idea.

You need to learn what happened to those who did it before you. You need to know why they failed or why they succeeded.

This will allow you to look for loopholes in the market. After realizing what others are doing, you can make improvements. This is innovation. It will give you an advantage in the marketplace.

3. Mobilization of resources

After you have done your research and identified areas that are underserved by the current market participants, you need to mobilize the requisite resources.

You need to figure out how to raise finances for your intended venture. Human capital is also needed.

When it comes to raising capital, you can use your savings. It is very advisable to use savings when starting a business. This is money you can afford to lose without being answerable to anyone.

The second best option is to borrow from friends and family. This is because such will rarely charge you interest or auction your properties in case you default.

It is not advisable to borrow from a bank. At this stage, you are not sure whether the idea is viable to you and your target market. Banks do not care about you.

They will need money every month. This is not good because businesses start by making losses rather than profits.

Also, banks charge interest on loans. Even if you make a profit from the word go, the profit will be eaten up by the interest payments and the prospects of growth will be jeopardized.

Assume you get a 10% profit margin and the bank's interest rate on the loan is 14%. This means that you are losing rather than gaining.

You also need to mobilize human resources. These are the people who will help you implement your idea. It is not advisable to hire employees from the first day. You can ask your relative to come work with you and promise them future gains.

You can also ask your former classmates and friends to join in. If they are unemployed, they will never object to this idea. This ensures that you are not financially constrained.

Any revenues you get should be plowed back to grow the business. This is a way of reducing your expenses.

4. Business registration

This is now the actual formalization of the business. This is done according to the legal procedure of your country. Different countries have different procedures and charges when it comes to business registration.

You should also choose which form of business you want to register; either a sole proprietorship, a partnership, a limited liability company, etc.

This is very important because it affects how you do business. The applicable laws are different for each.

5. Start operations

After all is said and done, you need to get down to work. This is the beginning of your life in the business world. You will start learning by experience.

You will experience challenges, have sleepless nights, face threats from creditors, and encounter changing political and economic environment. These changes can either kill or grow your business.

If you have enough will and desire to grow, you will. You need to continue learning; both from experience and books.

This is what will help you overcome in this tough and unforgiving capitalist system and competitive world.

Conclusion

It is very rewarding to start your own business. The experience comes with freedom and some sense of accomplishment and pride.

However, you have to be willing to give above average effort. It cannot be 8/9-5. Every day is a working day and every moment a working moment.

HOW TO START A BUSINESS WITH NO MONEY

There are many myths about how to start a business. Many say that you need money to make money. I beg to differ with this notion.

You do not need money to make money; you need a strong will and quality knowledge. This topic will teach you how to start a business with no money. That is right, absolutely no capital.

Most people give every excuse they can get on earth to justify why they are not starting a business. Most of these reasons may be logical but they are not essential.

Of all excuses people make, lack of money is usually on top of the list. Many people cite a lack of capital as the number reason for not starting any business initiative.

Although money can be a problem, it is never the problem. There are 5 reasons why people fail to start a business (And money is not one of them)

- Fear of the unknown
- Waiting for the right wind
- Average contentment
- Fear of failure
- Lack of entrepreneurial drive

With this in mind, it is possible to start a business with literally zero capital.

. It is said that the cost can run up to 3,000 dollars. I want to confirm that this information is not true. According to Sba.gov, you need so much to start a business. They say that you need the following to start a business:

- Office space
- Equipment and supplies
- Communications
- Utilities
- Licenses and permits
- Insurance
- Lawyer and accountants
- Inventory
- Employees' salaries
- Advertising and marketing
- Market research
- Printed marketing materials
- Making a website

Let us expose the myths

- **Office space**

You do not need an office unless you are running a brick-and-mortar business. A brick-and-mortar business is one that sells products to customers face to face in an office or a store.

If your business is not this traditional, you do not need an office.

Similarly, you can co-rent and office space with another young business. There are also cheap shared spaces that you can take advantage of.

- **Equipment and supplies**

These are not needed in all types of businesses. If you are a reseller, you probably only need the equipment you already have in your house.

- **Communications**

Startups can manage their communications. You do not need to hire an agency or a consultant to help you with this. You just need to learn the basics. After all, information is everywhere on the web.

- **Utilities**

Startups endeavor to keep their costs low and remove any unnecessary expenses. Utilities may be essential but they may not be an upfront cost.

After you have started operations in your business, you can start thinking of how to finance different utilities.

- **Licenses and permits**

Licenses and permits are crucial. Unless you want to get into trouble with the government, you need to have valid licenses and permits.

These licenses and permits indeed cost money. However, many businesses, especially online businesses, do not need licenses and permits.

Similarly, setting up your business in a state/county that charges less is a good move. Some local governments can give businesses free licenses and permits for some years after registration.

- **Insurance**

These may be necessary for some jurisdictions but not in all. Some regulators make it optional for businesses to have an insurance cover.

You just need to understand the laws set by your government and make necessary adjustments.

- **Lawyers and accountants**

You may indeed need a lawyer, especially when registering your business. The lawyer will give you technical advice and handle the paperwork.

This is where you need to know people. It is of a high probability that you know a lawyer around. This may be your relative, a friend, or a friend to your friend. You can gain favor with them and use their stamp.

If need be, find a recent law graduate. This one can give you the services at just 10% of the cost.

You do not need accountants as you start your business.

- **Inventory**

You need inventory but it does not necessarily have to be your own. You can use other people's inventory in your business. We will look at this later.

- **Employees' salaries**

This is the greatest myth. You do not need any employees as you start your business. They may not be necessary for a newly found business.

You need to hire employees by the need, not by the forecast. As your business grows, it will demand a larger workforce. This is where you hire them. At this point, your business will have enough returns to cover wages.

You can ask your relative or friend to help you out in the meantime. You can also hire workers on a commission basis. This will relieve you of financial pressure due to monthly wages.

- **Advertising and marketing**

This may be important but it is not necessary. If you are running on a low budget, do not use paid advertising and marketing channels.

There are pretty many free advertisement and marketing channels that you can use. Social media is one of these. It is free and with a very wide reach.

- **Market research**

This is necessary but not that costly. In most cases, it is free. You can use the internet to do your research. There are plenty of materials that would be invaluable.

If you need to need to talk to people, you can make use of your social media, people in your neighborhood, and those in your contacts. Ask them to give honest feedback on your products and services.

- **Printed marketing materials**

You do not need printed marketing materials. You can use online banners to advertise. As your business grows, you can then use your profits to print physical marketing materials.

- **Making a website**

Although getting a website is important, it is not a priority when registering your business. You can use the profits you generate from your business operations to get a professional website.

In the meantime, have a strong social media presence. This can be a substitute for a website. When you make profits, make it a priority to get one.

As you have seen, you can eliminate 90% of these costs. Most of them are not urgent. You can always get them after you have started the business. With business acumen, you can figure out ways of doing them with less or no cost.

Classifications of business cost

1. One time vs. ongoing cost

Business costs can be one time or ongoing.

One-time costs are the ones that you pay once and never again. This includes business registration fees, logo design, making a website, office branding, etc.

Ongoing costs are those that are recurring. They included salaries, rent, taxes, permits, production, marketing, etc.

If a cost is one time, make sure you choose quality. With quality, you do not have to incur other expenses in the future making adjustments.

If the cost is on-going, keep it as low as you can. This is a cost strategy. Make sure that you are not paying any excesses. If there is a cheaper office next building, it is worth considering it. Also, keep salaries low until you have enough money in the bank.

2. Essential vs. optional cost

This is straightforward. There are costs that you cannot eliminate. There are others that you can do away with.

Essential costs include business registration, licenses, and permits, sales and marketing, etc.

Optional costs include paid marketing and advertising, joining business clubs, consultancy fees, etc. If it is optional, it is not a priority if your budget is low.

3. Fixed vs. variable cost

Fixed cost rarely changes. Whether you carry out business operations or not, you have to pay for them. They include office rent, employees' salaries, domain name renewal, permits, and licenses, etc.

Variable costs depend on the running of the business. They can be low or high. They rise as you carry out more business operations. The vice versa is also true.

Variable costs can include logistics, production, marketing, etc.

Having demystified the myths and understood the types of costs, let us now discuss how to start a business with no money.

How to start a business with no money

As we pointed out, it is very possible to start a business with no capital. These 8 tips will teach you how to start a business with no money.

- Market other people's products
- Start a service business
- Utilize your skills and experience
- Get a co-founder
- Get part-time employment
- Find potential angel investors
- Get a loan
- Utilize crowdfunding

1. Market other people's products

This is what most people who lack capital do. It is how I started my real estate business. You just need to have strong negotiation skills to do this.

As a small business, you do not need to have an inventory of your own. You can approach a bigger company in your industry and offer to market their products on a commission basis.

Beware not to approach big companies. You need to target middle-level businesses. These businesses are always open to any idea that might increase their income.

After getting a meeting with the marketing head or the CEO, use your closing skills to get the deal. Promise them results at all costs. Use the moment to showcase your expertise and understanding of the market.

Beware: do your homework very well because they might ask tough questions. Portray yourself as an expert and you will get the deal.

2. Start a service business

Service businesses do not need much capital to start. They just require expertise and skill at what you do.

If you are an expert in digital marketing, you can start a digital agency. For a HR professional, setting up a HR consultancy is a good idea. In whatever profession you are in, there will always be a service business that you can start.

Service businesses do not need inventory and logistics. You can work remotely from home. This means that you do not need a physical store.

3. Utilize your skills and experience

As we have said, you need to start a business in your area of expertise. This will give you a good competitive advantage.

If you are an expert in real estate, you do not need to start a finance business. Just focus on what you are good at.

Ask yourself, what do I do best? Would my potential customers get the service from me or my competitors?

Utilizing your skills will allow you to avoid hiring workers upfront. You can do the technical work on your own.

If you utilize your skills, the tendency of your service to make customers happy is very high. This will give you repeat business.

4. Get a co-founder

This is an option worth considering. Getting a co-founder to take care of the financing is a good option.

When getting a co-founder, you must understand that you will lose some control in your business. If you do not select a co-founder well, they can be a thorn in the flesh forever.

To get a co-founder, be sure to have a scalable business idea. Ask them to invest a certain amount of money for a certain percentage of the business.

The best people to get are those that are employed elsewhere. This ensures that they are busy enough to meddle with the running of the business. After all, you got them to get the money not to help in management.

Beware to retain a majority shareholding in your business. This will prevent someone else from taking control of your business and firing you.

These people must have the cash that you need. Determine how much you need and make targeted approaches.

5. Get part-time employment

If you do not have money to start a business, you can get a part-time job. This will give income to start and run your business. Make sure that the job is part-time. This will give you time to run your business.

6. Find potential angel investors

Angel investors are people who invest in a high growth business intending to make money. If you have a good scalable business idea, this is an option worth considering.

7. Get a loan

Getting a loan to finance your business is a viable option. However, getting a loan from a financial institution is not advisable. They will give you unnecessary repayment pressure even before you break even.

The best place to get a startup loan is from friends and relatives. This is what I did when I started my business. Ask one of your financially free relative or friend to give you a business loan. If the idea is great, they will probably do it.

8. Utilize crowdfunding

This is making use of the masses. The public is always ready to finance viable ideas. They can also be willing to donate to such noble business courses.

There are sites like CrowdFunder, IndieGogo, and Kickstarter that provide crowdfunding services.

Final thoughts on how to start a business with no money

There you go. You now know how to start a business with no money at all. What is remaining is utilizing the knowledge.

You cannot afford not to start a business. Take the bold step today and you will be happy you did.

6 START-UPS CHALLENGES AND HOW TO OVERCOME THEM

Start-ups face a million challenges if not more. These start-up challenges are so many and fierce that many start-ups fail before they turn one year.

Only tough founders can circumvent this challenging environment and scale their businesses from the start-up stage.

Having said that, it is important to point out that these challenges are not supposed to be an excuse for you not to start a business. They are not excuses for you to quit working on your business.

As the challenges get intense, you need to get tougher. You will need to get more skills and develop a thick skin to absorb them and avoid getting emotionally and physically drained.

Intense challenges in the marketplace will always favor the strong. This is because start-up challenges eliminate weak competitors and increase your chances of success.

In every crisis, some businesses grow immensely as others go out of business. It is therefore a matter of positioning. You just need to be the right person to navigate the challenging start-ups' ecosystem.

Here are 6 challenges that affect start-ups and how to overcome them.

1. Limited skills among founders

This is the greatest cause of failure for start-ups. Many people come to the start-ups' world with little or no business skills.

This is a guy who is a professional computer scientist, he has never read any business book or took any business course. When he starts his tech company and develops amazing tech solutions, he is now stuck.

He does not know how to get them into the market. He lacks management skills, people's skills, sales and marketing skills, negotiation skills, etc.

This guy now has an amazing product that no one knows about. His business is killed by dead inventory. Because of this, he chooses to quit and get formal employment.

In the above scenario, it is not that the business was not scalable; it is just that the founders did not know how to scale it. Many founders find themselves in such a situation. They cannot rise above their area of expertise and acquire knowledge and skills in other business areas.

A start-up founder must have basic skills and knowledge in all areas. They need to know a bit about everything. Since they cannot afford to hire experts, they need to be experts.

Solution

The solution to this is to keep learning. Keep analyzing your performance and identify your failure factors. Keep reading books and articles. Attend seminars and take online courses. If need be, you can enroll for an MBA. If you combine your technical skills with some business skills, you will scale your business beyond your wildest dreams.

2. Low sales

Among other start-up challenges, this one is the most common. It affects more than 95% of start-ups. Founders cannot figure a way of having people buy their products.

If you look at many business plans, you will see heavenly sales and revenue forecasts that never come to pass. They remain dreams. Many business plans will say that the business will make money from the first week.

After 6 months, the business has not made any sales. The founders are discouraged and they are almost running out of cash. If they fail to figure out a way of overcoming this challenge, they go out of business in no time.

Solution

The solution to low sales is high sales. It is just how it is. High sales are a product of effective marketing and efficient sales processes. You need to market something to sell it.

This is the single worst mistake I made when I started my business; I never allocated money to marketing. This is why I ran out of business due to low sales.

Today I allocate around 20% of all my profits to marketing. These marketing campaigns always bring in more money than I invested.

The sales process needs to be seamless. The product needs to be accessible to customers. This is achieved by having the right distribution channels.

A good sales team can go a long way in increasing your sales. This will cost you nothing because you will be paying them on commission.

3. Poor financing

Poor financing is also a key challenge to start-ups. Growth will always cost money. Because of low sales, start-ups do not have enough finances to fund growth.

It is also very hard to secure funding from venture capitalists and angel investors. Moreover, banks will never give start-ups loans. This is why many start-ups are starving financially.

Solution

The solution is to have more sales revenue to finance your business. It is impossible to change the fact that banks and investors do not want to fund your business. This calls for internal funding.

Reduce your business expenses and generate more sales. This will increase your profit and you will have more money to fund growth.

4. Competition from established brands

Established brands will always be a threat to start-ups. They have the resources, the systems, the reputation, the connections, and everything else they need to grow.

Start-ups, on the other hand, have none of these. They end up suffocating from low market share and major price wars.

Solution

The solution is to identify a niche that is underserved by these giant companies and focus on it. A small niche will cost you less money to grow your market share and dominate.

Do not try to serve the whole world in your first year. Try to get a foothold in your neighborhood first. You can then grow from there.

Revenues from one market niche will finance growth in the next one. This is a gradual growth that works best with start-ups.

5. Poor social connectivity

The success of your start-up is highly dependent on the people you know. People are your greatest resources. One person in your network can open doors for your business that will catapult you to growth.

Solution

Very few people are born connected, the rest of us have to develop connections over time. The secret is to be social and seek connections actively. Attend gatherings that have the kind of people that you need in your network.

Always promote yourself when you get the chance. Learn how to talk about your achievements without seeming like you are bragging.

Get people's contacts; offer to take them for lunch or dinner. Offer to give them a service for free. In this way, you will win their hearts and they will be prompted to reciprocate goodness. This is how to get connected.

6. Poor government regulations

Many governments all over the world are trying to make SMEs their focus. They have realized that the growth of small businesses can solve every problem their economies are facing.

However, you will still find retrogressive policies that hinder growth among start-ups. Some of these are poor tax policies and a lack of government incentives and subsidies.

Solution

The solution is to form start-ups associations and unions that increase your bargaining power with the government.

The only way you can have any government listen to you is to get numbers and be united. This is because governments only listen to groups and not individuals.

Conclusion

Despite the many challenges that start-ups face, it is possible to overcome them. Though many businesses fail, there is a good number that succeeds and becomes a pillar of change in society.

They also make their founders extremely successful. As I always say, you cannot afford not to start a business.

This is because businesses are the systems that act as bridges to the much success that we need. These 6 steps will go a long way in helping you become a better businessperson.

HOW TO GROW YOUR BUSINESS (AN EXPERT'S GUIDE)

How to grow your business must be one of the questions that linger in your mind almost all the time as an entrepreneur.

It is everybody's dream to gain market share, increase revenue, crush the competition, and become the go-to business in your industry.

Starting a business is becoming more popular especially for the young generation. As jobs become less attractive and scarcer, starting a business is seen as the only alternative. Therefore, new businesses are started every day.

According to statistics, 12,000 new businesses are registered in China every day. These businesses are entering an already crowded market place. Competition is on the rise and consumers now have more options.

This means that the possibility of your business getting noticed is quite high. This is what entrepreneurs have to deal with.

Statistics show that the success to failure rate for startups is 1:9. This means that for every one business that succeeds, 9 others fail. The probability of success is 10%.

This does not mean that you have a 10% probability of success. It just means that you cannot be like the 90%. You cannot do the mistakes they do.

This topic will arm you with simple but relevant tips on how to grow your business.

Here are 7 main tips:

1. Build marketing into your product

This is the most important tip among all others. You need to build marketing into your product. This is called market orientation.

This means creating a product that will market itself. The product has to be so relevant and useful to your target market that they will refer it to their friends and family.

After using the product, they will be tempted to give positive feedback, post about the experience on social media, give the product a 5-stars review, or blog about it.

The best way to build marketing into a product is to ask yourself how different your product is. What need does it satisfy in the market? The best products do not just satisfy needs, they solve a crisis.

Building marketing into a product also means professional branding. The name of the product has to be memorable and relevant.

The slogan has to be compelling. The brand colors have to be engaging. Branding is a crucial factor in any competitive market.

Creating an affordable product is also part of this. If your product is too expensive for your target market, they will not demand it. Remember demand is created not just by the will to purchase but also by the ability.

2. Focus on sales

Sales are the heartbeat of any business. If you do not make sales, you will soon run bankrupt. You will have no revenues to pay for the business expenses.

Many entrepreneurs focus on product development so much and forget to get their business to the market. They have many good products that never sell.

Developing your sales skills as a founder will be invaluable to your business. You have to develop closing skills.

Focus on creating a seamless sales process for your products. You have to get efficient distribution channels and invest in good sales professionals. Most of these professionals are free because you will pay them on commission.

Before any business can hire accountants, messengers, HR professionals, or even IT guys, it should have a working team of salespeople. This is what focusing on sales means.

3. Have a strong online presence

The world is getting more digitized by the day. Businesses can highly benefit from having a strong online presence.

Having a good website that people love to visit is crucial. People do not visit a website because it looks good but because it gives them value.

This is why having a blog that is updated at least once a week is critical. The blog should focus on things that your customers love.

Having social media accounts and pages is not an option for any business that seeks to tap into the billions of people online.

You should grow your social media following by giving relevant content, sharing it in relevant groups, and driving the traffic to your website.

Online marketing is very cheap compared to other traditional marketing channels. Learn how to do Search Engine Optimization (SEO), Search Engine Marketing (SEM), Social media ads like Facebook Ads, Instagram ads, and LinkedIn ads.

Do not focus on growing followers on all channels. 2 or 3 channels will be enough.

4. Have something to give

This is a must for any business that wants to grow. You must have something to give. People love free things.

You can have an EBook that is free for everyone, a free webinar, a free product, a free service, etc. Just have something to give your customers.

When people are given something, they tend to increase their loyalty to the business. This is what every entrepreneur wants. Giving someone something triggers a need to reciprocate the favor in them.

Giving free things is one way of driving traffic to your website. You can have a giveaway for a downloadable product on your website. You can then ask people to give you their emails before they get the free product. This, they will gladly do.

You can then use the email all your life to market your products. You have to keep offering them free things once in a while. This is how you grow your email list, website traffic, and sales by reciprocity.

The other way to give is to help the community. Donate to charity, help vulnerable families, give scholarships, etc. This is mostly for big businesses.

5. Release new products steadily

People love to deal with creative and innovative businesses. They want a business to be dynamic in solving their needs.

You have to keep innovating and improving your existing products or releasing new ones. Do not bore your customers with one outdated product.

As soon as one product is grounded in the market, release another one. This will increase your credibility in the market.

People believe in companies that offer a variety of products. This is because there is security in numbers.

6. Grow your networks

There is a person somewhere that can turn your business around. They can introduce a million-dollar client to you and your life will change.

You have to know new relevant people. You can do this by attending forums that have the people you need. You can also join an exclusive club.

After knowing these people, offer to take them for lunch and pay for it. Keep in touch with them every week. They will not hesitate to give you qualified leads.

7. Get positive publicity

In all you do as an entrepreneur, you have to keep seeking opportunities to get publicity. Appearing as an expert or thought leader on national television can boost your profile and that of your business.

You can get thousands of new followers through just one strategic appearance. You can do this by either attracting publicity or seeking it.

Attracting publicity means doing something that will differentiate you and attract the media. It means doing something so magnificent that you get free publicity.

Giving crazy relevant names to your products can help in this. Developing crazy products can also help with this.

Seeking publicity means approaching the media and asking them for an opportunity to contribute.

They will need a strong reason to prove that you are an authority in a certain area. You need to have ready evidence. Video clips, audio clips, books, products can be useful in this.

Conclusion

There you go, those 7 tips should give you guaranteed results almost immediately. They are written from experience.

You cannot afford to be among the 90% of businesses that fail. You have to do something to be different. With the high level of competition in today's marketplace, this knowledge will go a long way in helping you stand out.

37 Major Reasons for Business Failure

9 out of 10 businesses ultimately fail. I know this is not the best statement to start with but it is the reality.

Due to this high business failure rate, this ultimate guide to causes of business failure will guide you as you navigate the competitive and ever-changing business environment.

Many businesses fail in their startup stage. To be precise, 5-6 businesses fail before their first anniversary. Others fail at different levels of the business cycle.

If you remember the 2008 global financial crisis, you probably remember the big names of companies that failed in their maturity stage. Remember Layman's brothers. Who thought that such a big bank can fall?

The point here is that no one is invincible. Any business can fail. Any sleep and slumber can bring a multi-billion dollar business to its knees.

If big companies can fall, small businesses can fall a thousand times more. They are more susceptible and vulnerable to failure.

These reasons can be:

- **Systemic causes**- Causes that are specific and unique to the business.
- **Systematic causes**- Causes that affect the entire market.

Reasons for business failure

Here are 37 major reasons why businesses fail. These causes of business failure can be averted, managed, or absorbed. A business may have control over some of them but not all.

1. Lack of entrepreneurial qualities

This is the leading cause of business failure anywhere in the world. When founders lack essential entrepreneurial qualities, the business is bound to fail.

Before anyone becomes an entrepreneur on the outside, they have to become entrepreneurs by the qualities they possess. These qualities are:

- Ability to handle pressure.
- Long-range planning and vision.
- Decisiveness and initiative.
- Willingness to think outside the box.
- Forward or forward mentality.
- Ability to handle rejection.

These skills are invaluable to any business.

2. Failure to focus

Focusing on one business at a time is critical to business success.

Many entrepreneurs fail because they try to build multiple businesses at the same time. They divide their energy and attention and none of them succeed.

If you want to build something magnificent, focus on one thing. Let all other sources of income be passive.

3. Poor market research

When starting a business, it is important to do your due diligence. Identify whether your idea is viable and scalable.

There is a high chance that your business idea has been tried somewhere else. Before you start your business, research on what happened to businesses that tried to implement the idea you want to implement.

If they failed, know why they did and avoid it. If they succeeded, know why they did and improve on their ideas.

4. Lack of market orientation

Entrepreneurs are generally over-optimistic and confident. They believe in their idea so much that they fail to consider the market. The fact that the idea seems good to you does not mean that everybody needs it.

The idea of build it and they will come has failed over time. In the new age, businesses should only build what people are ready to demand. This is what market orientation is about.

Identify a need in the market and then design a solution for it. This will increase your chances of success drastically.

If you are selling something people want, you do not need to spend billions trying to market it to them.

5. Not investing in marketing

Investment in marketing will always pay off. Many young businesses rarely invest in marketing. Many founders are busy focusing on production that they forget to push their products into the market.

You can have the best product in the world but if it is not accompanied by marketing, it will fail.

As the saying goes, a bad product can succeed with good marketing but a good product cannot succeed without marketing.

Therefore, produce one good product and push it into the market. After the product is established in the market, build another product, and repeat the process.

6. Not focusing on sales

Sales is the lifeblood of any business. Without sales, there can be no revenue. Without revenue, it is just a matter of time before you run out of business.

Having a poor sales strategy and channels is a leading cause of business failure.

- Invest in a good sales team.
- Train them to deliver.
- Accompany sales campaigns with great marketing.
- Let the sales process be seamless.
- Take the products near the people.
- Have a good promotional strategy to back the sales efforts.

If you focus on improving your sales processes, you will never run out of cash.

7. Lack of creativity and innovation

Creativity and innovation are critical to business success. Creativity means coming up with something new while innovation is doing things differently.

These two aspects bring differentiation to any business. As we all know, differentiation is one of the generic business strategies. It gives businesses a competitive advantage without having to spend much on marketing.

With differentiation, customers are ready to pay a premium price for the extra features. You can charge more than your competitors and still get enough demand for your products.

8. Poor business strategy

Different businesses adopt different business strategies. Some of these strategies are obsolete and bring little benefit to the business.

Some business strategies may work in some industries and fail in others. A Ferrari dealer will fail if they try to use lower prices as a strategy. It just does not work.

The people who buy these products are ready to pay anything for a unique product. They are more interested in prestige than price. The more expensive it is, the more they are ready to buy.

Analyze your industry. Know what works and what does not. Improve on what works and be agile moving forward.

9. Lack of financing

This is a major cause of business failure. If a business is poorly financed, it will fail. Business operations need money to undertake.

This challenge is mostly prevalent in startups. Most of them do not have millions in the bank. They are also unable to turn a profit at this stage. This means that they are in shortage of cash.

Most big business rarely faces this challenge. Most of them have millions in the bank and they can afford to do anything they want.

If money is a problem, increase your sales to increase your revenue. This is the best solution to this challenge.

10. Failure to adopt technology

Technology is mandatory for any business that wishes to survive in this age. Any business that overlooks digital production and marketing will find it hard to survive.

Technology is important in the following ways:

- It is cheap in the long run; this saves on cost.
- Efficiency in business processes.
- Unlike human beings, they can work 24/7.
- Important for global markets.
- Technology is the future.

If you are serious about evading business failure, you need to adopt technology at all levels of your business.

11. Lack of a long term vision

Businesses that lack a vision for the future will find it hard to survive today. A vision is a picture of where you want to be by when.

Many businesses that lack this long term approach will seek short term profits at the expense of long term success. To them, everything is about here and now.

These business owners also give up when things do not work in the short run. The bad news is that things rarely work as expected in the short run.

12. No unique selling proposition (USP)

Every business needs to convince customers why they should buy from them and not from their competition. To do this, they need a USP. This is what separates you from the rest in the market.

Your USP should be:

- Focused on what your customers value.
- Not just a mere slogan.
- Bring a clear cut between you and the competition.

Without a USP, a business will be lost in the marketplace. It will fit in rather than stand out. This is a leading cause of business failure.

13. Lack of a cost strategy

Every business needs to focus on cost. After all, higher costs will always reduce profits. This is not what any manager wants.

To reduce the cost:

- Do not hire more people than you need to.
- Negotiate every purchase.
- Seek cheaper suppliers.
- Embrace technology.
- Get cost-reducing partnerships. E.g. Business processes outsourcing (BPO)

Evaluate all business expenses and seek ways to reduce them. Eliminate what is not necessary.

14. Focusing on products and not people

Many business managers do not realize that they are in the people's business, not the products' business. This is why they focus on the product and ignore the people.

Without people, even a good product will be in vain. Focus on developing good business partners, loyal customers, great employees, and prosperous society.

In return, people will reward you by purchasing your products and preaching about them. This word of mouth marketing is very effective.

15. Poor pricing

If your product is poorly priced, it will affect your sales. Customers can evaluate when a product is overpriced or underpriced. Both of them will have an impact on your business.

- An overpriced product will generate less demand. This will affect your sales and revenues.
- An underpriced product will hurt your cash flow or even get despised in the market.

The best strategy is to seek an optimum price. Let it be low enough for customers to afford and high enough to imply value.

16. No mission statement

A mission statement expresses the purpose or aim of a business. It tells stakeholders why you exist.

A good mission statement has the following qualities:

- It is super specific to keep people on track.
- It motivates the employees to keep working on the goal.
- It rises above profits. It is more concerned with making a difference in society.
- It informs the making of business decisions.

A mission statement should be easy to understand for all. Businesses should endeavor to fulfill their purpose as stated in the mission statement. When they divert, they are doomed to fail.

17. Lack of proper values

Lack of firm values is a recipe for business failure. Values communicate what you can do and not do. They represent the integrity of a business.

Business values are not just supposed to be a formal list but ideals that the business follows to the letter. Every business decision should be weighed on this balance.

18. Lack of financial education

Finances are an integral part of any business. After all, businesses exist to make profits by solving the needs of humanity.

Many managers make very poor financial decisions due to financial illiteracy. A manager should be able to read numbers in financial statements and understand the story behind them.

Understanding investment concepts is also crucial to business success.

19. Poor bookkeeping

Financial data should be tracked and organized in a way that is helpful to the business. This data is important in the following ways:

- It should inform the decisions of managers at all levels.
- Important when seeking investors.
- Used to apply for business loans.
- Important for tax administration and reporting.
- The financial trends show where the business is headed.

Financial statements like balance sheets and statements of financial positions, trial balance, various ratios, and cash flow statements are important for any business that seeks to avoid business failure.

20. Poor managerial skills

Prudent management of business resources is crucial to business success. A poor manager will not increase shareholder value while a good one will grow whatever is entrusted to him.

Management entails the following:

- Financial management.
- Business processes management.
- Human resource management.
- Information systems management.
- Strategic management.

Businesses should endeavor to have good managers at all levels of the business. A good manager is worth more than 20 bad ones.

21. Poor leadership skills

This is a major cause of business failure. Many managers are poor leaders. They suck when it comes to relating to people. They are unable to influence people to follow a certain direction.

A person can be good at managing systems and never people. Such should never be placed at the helm of any business unit. Let them work as assistants and never the head.

A good leader should:

- Lead by example.
- Lead by influence and not fear.
- Grow their teams and leave them better than they found them.
- Delegate responsibilities effectively.
- Get results.

Without good leaders, employees will always come and go. This is not good for any business.

22. Having the wrong team

You may have a good idea but lack the right team to implement the idea. A good team consists of good shareholders, executives, managers, employees, and even partners and suppliers.

When you assign a job to the wrong person, they end up reaping failure. This is why managers should be very careful when hiring.

One bad employee can ruin an entire company or department. One good employee is invaluable to any business.

23. Poor demand

It does not matter what you are selling, if your customers are broke or unwilling to buy from you, you may never sell anything.

Demand is defined by two things:

- Ability to buy.
- Willingness to buy.

Sometimes, some circumstances reduce the ability of people to buy a product or their will.

Economic recessions may be a good example. During recessions, people have no money in their pockets to demand products.

If there are many cases of fraud in an industry or a company, people may be less willing to demand their products.

24. Ignoring the competition

Your competition is your enemy in business. They end up taking your customers and associate revenue.

You should never ignore your competition. Keep an eye on what they are doing and improve it. Do it 10 times better than them. If you ignore them, they will push you out of business.

25. Poor implementation

Good strategies need good implementation. If not so, a good strategy may be less useful.

Implementation calls for the right human and financial capital. Without the two, a strategy will remain just that; a strategy.

26. Being absent on the internet

The internet is affecting every business. There are around 4.5 billion people on the internet today. No business can afford to waste an opportunity to market themselves to such a big number of people.

The following are important:

- Have a great website that serves your purpose.
- Focus on search engine optimization (SEO).
- Let the website have value for visiting potential clients.
- Let it be fast and easy to navigate.
- Market the website.
- Have a clear call to action on every page.

The internet will continue becoming more useful and relevant as many people join in. Make a move today to avoid future business failure.

27. Not using social media

Social media is also here and growing. With over 2 billion people on Facebook every month, 330 million on Twitter, 300 million on LinkedIn, and so on, no business can afford to ignore social media.

It is important to have a good social media strategy. Focus on a few social media sites and grow your following. It is free and very effective if done the right way.

28. Lack of social support

Sometimes, entrepreneurs lack support from the people around them. Their spouses may be against the idea of running the businesses and will do everything to make it fail.

Most of the time, they will be discouraged by family and friends. Some may give in and give up. This leads to business failure.

29. Poor government regulations

Some governments come up with very retrogressive policies. These policies may destroy the business ecosystem and lead to business failure.

Some of the policies include:

- Poor taxation policies.
- Unaffordable registration fees, licenses, and permits.

- Lack of business incentives.
- Not promoting financing to the private sector by borrowing from financial institutions.

These policies ultimately lead to business failure.

30. Poor logistics

If the business environment does not have a developed logistics system, businesses will not survive. This is why the business failure rate is higher in less developed countries.

31. Poor distribution channels

Businesses may not be able to distribute their products by themselves. They may need distributors. This may include chain stores and supermarkets.

If these distributors are not there, many businesses will ultimately fail. This mostly affects startups.

32. Poor inbound marketing strategies

Nowadays, people are bombarded by thousands of advertisements every day. The problem is that they rarely remember even the name of the products that were advertised.

As interruption marketing becomes less popular and effective, inbound marketing is taking over. This entails giving value to potential customers and attracting them to your sales funnel.

Inbound marketing has many forms but content marketing is the most effective. Give valuable content to your customers and they will be loyal to your brand.

33. Lack of periodic audits and analysis

This is a major cause of business failure. Many managers rarely audit the performance of the business. They rarely analyze the business environment, both internal and external.

Some of the most popular analysis tools are:

- SWOT Analysis
- PESTEL

Use these tools and honestly analyze your business.

34. Pandemics and natural calamities

Pandemics and other natural calamities can affect businesses greatly. During this COVID-19 pandemic, the business failure rate has surged.

This is a systematic challenge and there is little we can do about it.

35. Poor mindset

An entrepreneur with a poor mindset will never succeed. A poor mindset has the following qualities:

- It is focused on impossibilities.
- The mindset focuses on not losing rather than winning.
- It visualizes shortage and never abundance.
- It lacks priorities.
- It lacks a sense of self-worth.

If you will succeed in business, your mindset has to change. You have to focus on the possibilities. Focus on winning and leaving a legacy on earth.

36. Not learning

This is a major cause of business failure. The business environment is fast changing. New technologies and ways of doing business are coming every day.

If you stop learning as a business manager, you are setting yourself up for failure. To keep up with the change, you have to keep getting knowledge.

37. Giving up

This is also a major cause of business failure. Many entrepreneurs give up so soon. They quit the business world and go back to formal employment. This is why many startups fail.

Final thoughts on reasons for business failure

There are the 37 reasons for business failure. They are the reasons why 90% of businesses fail. If you can avoid all of them, you can avoid failure for your business.

To stand out from the competition, you cannot be like them. You have to do things differently.

AN ULTIMATE GUIDE TO FINANCING A STARTUP

Every entrepreneur understands how hard it is to finance a business. Financing a startup/ SME is even harder.

If you survey why people do not start businesses, 90% will cite a lack of capital as the major cause.

This is certainly true especially amongst young people who are just fresh from school. Such do not have any source of income and therefore, no savings.

Similarly, if you survey why entrepreneurs do not scale their businesses, they will cite a lack of working capital as the challenge.

Most of them do not have the necessary finances to fund operations and growth in their businesses.

Therefore, lack of adequate money is a major problem in the business world; especially in the startup world.

Big businesses like Google and Facebook have all the money they need to do anything they want.

If they need more money, raising it cannot be a problem. Many people, banks, and even governments will volunteer to fund them.

The risk factor

As a small business, your risk factor is very high. Many financial institutions and investors do not trust your business.

This is because your business does not have the relevant business systems and brand reputation to guarantee sustained existence.

Due to the high-risk factor, very few (If not none) financing sources will be ready to give you money as a startup.

Since the price of a loan (Interest rate) is dependent on the risk factor, very high risk means a very high-interest rate. This is not feasible for any business.

Very high interest will eat away all the profit. For a business loan to be beneficial, the return on investment (R.O.I.) of the business activities has to be higher than the rate of interest.

For this reason, it is almost impossible for small businesses to get financing.

Types of business financing

There are three types of business financing options available to businesses.

- Internal financing
- Debt financing
- Equity financing

In this topic, we will look at the three in-depth.

1. Internal financing

Internal financing means financing a business through the money the founder of the business already has. This is the best method of financing a startup.

- **Personal savings**

As people start businesses, they may have saved some money over time for this purpose. They can then withdraw the savings and invest in the new business.

- **Profits**

An existing business can finance growth by plowing back profits. This is the most common way of financing a business.

Small businesses find it hard to plow back profits because many small business owners get their livelihood from the business. They take a big chunk of the profits to finance their day to day lives.

Similarly, many small businesses do not keep proper financial records. This is because many founders do not have bookkeeping knowledge and cannot afford to hire an accountant.

Without proper financial management systems, it is almost impossible to allocate profits optimally and efficiently.

Allocating profits

Profits can be used in two ways. One, they can be paid to shareholders as dividends. Two, they can be plowed back to finance growth in the business.

Businesses have what is called a dividend policy. It dictates how much dividends should be given and how much should be plowed back.

The dividend policy is drafted depending on the stage of the business and its needs. A business in the growth phase needs to pay fewer dividends and plow back more profit.

A business in the mature or aging phase can pay more dividends since there is little room for growth. Such a business is called a cash cow.

Advantages of internal financing.

- There is no interest payable.
- The owner does not have to part with some shareholding like in the case of equity financing.
- There is no financial pressure on the business since the money is not repaid. It is a grant from the shareholder to the business.
- It is easily accessible.

Disadvantages

- Personal savings and profits may be limited. Very few people and businesses can have the money needed to finance a business completely on their own.

Despite the disadvantage, financing a business internally is the way to go. Other financing options should be considered after this option is exhausted.

2. Debt financing

Debt financing is the second option when it comes to financing a small business.

After internal financing options are over, a manager should consider financing a business through debt before giving away shareholding.

Entrepreneurs love debt. They understand that debt is a form of leverage for growth. However, too much debt can be a problem for any business.

When a company has too much debt, we say that it is over-levered. Over leverage is a cause of financial distress in firms. It has led to the failure of many businesses; both big and small.

Prudent debt management is critical if the business wishes to get a loan. If a loan is misused, that is a cause of financial disaster for the firm.

When debt is properly managed, it should pay for itself. This means that it should generate an ROI high enough to pay for interest and get some profit.

There are general rules when it comes to debt management:

- Only take debt because you need it. Do not take it impulsively.
- Allocate debt to income-generating projects only. Do not take debt to finance liabilities.
- Only invest debt money in projects that have been tested and known to generate profit. Do not test the profitability of a business using debt.
- The ROI of the project should be higher than the interest rate of the loan.
- Always negotiate the debt terms. The debt should be on reducing balance if possible. The interest rate and the repayment period should be favorable and sustainable.

When debt is used well, it can be a great factor in the growth of a business. When it is mismanaged, it might as well bring the business to its knees.

Forms of debt financing

There are many forms of debt financing available to a business owner. Some are more favorable than others.

- **Loans from friends and relatives**

This is the best form of debt entrepreneurs should look for. It is less costly since it is mostly not accompanied by interest demands.

Loans from relatives and friends are easily accessible and they do not require any collateral. The terms of repayment can be favorable since the transaction is informal and social.

If you default on repayment, a relative or friend is less likely to take legal action on you and your business. They will hardly auction your property.

However, many friends and family are not willing to give business loans, especially if they are not entrepreneurs. Some of them are jealous and envious and would rather not help.

- **Government loans**

Many government programs offer loans to small businesses. For example, SBA loans offer financing for small businesses in the US or Uwezo fund in Kenya.

As governments realize the increasing role of small businesses in economic growth, more policies favorable to small businesses are coming up regularly.

Entrepreneurs running small businesses should take advantage of these programs. Some of the characteristics of this small business government support programs include:

- They charge very low interest on the loan. The interest rates are lower than bank interest rates because the aim of the government is not to make a profit but to support small businesses and stimulate economic growth.
- They require the fulfillment of several bare minimum qualifications. Businesses are required to have been in existence for a certain period, say one year, to qualify. They should also have relevant business licenses and permits.
- They give favorable repayment periods.
- The loan request review process is bureaucratic and thus, slow.

After exhausting the option of getting a loan from friends and family, it is important to consider this option. Government loans are better than bank loans.

- **Bank loans**

This is the third option available to business owners when it comes to debt financing. It is very stringent and the terms of repayment have to be followed to the letter.

A bank loan should be a solution of last resort when it comes to debt financing. To get considered for a bank loan, you need the following.

- A good credit rating. If you have a history of defaulting on loans, you may have a hard time accessing a bank loan.

- Good bank statements. Your account must be very active. You should deposit and withdraw money often.
- You should have collateral. This can be a car or a piece of real estate. Collateral acts as a security to the bank in case you default.
- Proper business financial statements are required. Your statements of financial accounts and balance sheets will be needed.
- A solid plan of how you intend to invest the money.

If you do not meet the above minimum requirements, you will never access a bank loan. Banks are very careful of who they lend to. This is to reduce bad loans in their books.

- **Corporate bonds**

To an established reputable business, this is an option. A corporate bond is given by the business (Borrower) as evidence of long term debt.

Anyone can buy a corporate bond. In this case, you will be lending money to the business.

The business will then be obliged to pay interest when due and repay the principal when the bond matures, as specified on the face of the bond certificate.

The rights of the holder are specified in a bond indenture which holds the legal terms and conditions under which the bond was issued.

This option, as we have said, is only available to big reputable businesses and not startups.

Advantages of debt financing

- No control is lost by giving away shareholding.
- There are no limitations to the amount of money a business can access. Banks have trillions to lend and this is their main business.

Disadvantages of debt financing

- Most of them are accompanied by strict terms and conditions and legal repercussions upon default.
- Most need collateral that most small businesses do not have.
- The interest associated with formal debts can eat into profits if not well managed.
- Debt causes financial unrest in business because of the repayment obligations.
- If mismanaged, the business can be auctioned. During an auction, businesses lose more than the value of the debt.

Even though debt financing is still an option of financing a business, it should be well managed. Remember, mismanaged debt can bring financial disaster in the firm.

3. Equity financing

Equity financing is not common among startups. This is where you give away some shareholding in the business in exchange for money to fund the growth of the business.

Since equity financing brings loss of control and ownership, it should be the last option in your list. It should only be considered if all other options are exhausted.

However, equity financing can be useful in bringing new complementary skills to the business. These skills and experience can be invaluable to a new business.

There are many forms of equity financing:

- **Angel investors**

An angel investor is a person who funds high growth business ideas with the intent of making a profit.

They will buy some shares in businesses whose prospects of growth are high and hold them.

Such investors may want short term profits after selling the shares or long term value when the business grows.

To be considered by angel investors, your business idea has to be innovative and the business model promising. You also need to have high management skills.

- **Venture capitalists**

Venture capitalists are firms that fund high growth business ideas in exchange for shares in the business. These firms are constantly looking for such businesses to invest in.

Venture capitalists bring valuable business experience and skills to a new business. They work hand in hand with the founders/ managers to grow the business. They mostly buy a minority stake.

To be considered by venture capitalists, you need the following:

- A highly scalable business idea and model.
- Demonstrate great business management skills.
- A sound team with great qualifications.
- A good business plan.
- Proper business structures and systems.

Approach the nearest reputable venture capital firm in your area if you feel that you meet the above-mentioned qualifications. Who knows? They might fund your business and help you scale your business.

- **Initial public offering (IPO)**

If your business is generating enough sustainable profits, you can list it in a securities exchange. A securities exchange is a shares market.

When a company is listed, the public can buy shares over the counter or on the trading floor. In this case, you lose some control in your business.

As a manager, you will be answerable to the shareholders. An annual general meeting (AGM) will be held to deliberate on issues affecting the business.

After a company is listed, it ceases to be a private company and becomes a public one. Governments regulate such companies closely to safeguard the interests of the general public.

A public company has to declare its financial results every year. This is for purposes of accountability.

If you are ready to lose control of your business, you can consider listing it. It is a great way to get all the funds you need to fund growth.

Other sources of financing

- **Grants**

If your business has some visible social impact, you can apply for grants. Grants are given by governments, international bodies, and non-governmental organizations to help bring an impact in society.

You do not repay a grant and thus, it is a great way of financing your business.

- **Crowdfunding**

As the name suggests, it is getting money to fund your business from the crowd.

People, through various crowdfunding platforms, are ready to give money to businesses that they feel have a high potential for growth and profitability.

Some of the platforms include Kickstarter and IndiGogo.

Final words on financing a business

Starting a business is easy but funding its growth is not. This is the elephant in the room. If you can manage to get financing for your business, you are many steps closer to success.

Utilize internal financing options first. You can then consider debt financing and lastly equity financing. If your business is eligible, you can apply for a grant.

A BEGINNERS' GUIDE TO BUSINESS STRATEGIES FOR STARTUPS

Business strategies for startups are easily overlooked. Many founders do not care about strategy. This is why 9 out of 10 businesses ultimately fail.

Every business, including startups, should have a business strategy. A business strategy is a roadmap that shows us how to get where we are going.

Before drafting business strategies for startups, founders should have a thorough understanding of their businesses and business models. They should answer the following questions:

- What is my business?
- Who are my customers
- What goods and services shall we supply to the market?

These questions will help you gauge your understanding of the business you are in. Not understanding your business model is a worse mistake than not having a business strategy.

To begin with, startups should have a clear objective of where they want to go. This is a milestone that they want to achieve. These objectives precede the drafting of business strategies for startups.

Objectives could be:

- Increasing market share in my niche market by 5% in 3 years.
- Doubling revenue in 2 years.
- Reducing cost to revenue ratio by a third in 2 years.
- Increasing the customer base to 1,000 in the next year.

These milestones should be SMART (Specific, Measurable, Attainable, Realistic, and Time-bound)

This will help you track progress. What can be measured can be achieved.

When setting the business objectives, it is important to consider the following:

- **Market opportunities**- Your business objectives should be in line with the opportunities in the market. An objective that is not in line with market opportunities will fail.
- **Competence and resources**- Your objectives should be challenging but feasible. For them to be feasible, they have to be backed by internal business competence and resources.

After coming up with objectives for your startup, it is now time to draft a good strategy that will help you meet your objectives.

An objective dictates where the startup wants to go but a strategy dictates how to get there.

2 phases of business strategies for startups

There are two phases of any business strategy:

I. **Strategic planning**- This is focused on effectiveness. It is about doing the right things. This phase also focuses on the long-term success of a business
II. **Tactical planning**- This is focused on efficiency. It is about doing things the right way. It is mostly focused on how we carry out our daily business operations.

These two phases are critical. As your eyes are trained on the future, your hands have to be working on the present. This is how to balance long term vision demands with short term activities.

Tactical planning should be in line with strategic planning for the startup. The small things you do every day should help materialize the long-term vision of the business.

Elements of good business strategies for startups

A business strategy should have the following elements to be effective:

1. Mission and objectives of the startup

A good business strategy should largely consider what the business wants to achieve. This is found in the mission statement, the objectives, and goals of the business.

This is the first test of a good business strategy. After all, business strategies are roadmaps that should take us where we want to go.

If our mission is to disseminate quality and timely information to our readers, then our strategies should help us do just that.

They should factor in all the aspects of the mission. I.e. Disseminate, quality, timely, and information.

2. Actions to follow

Business strategies for startups should be action-oriented. They should not be theories and stories that the business does not intend to follow through.

This is where we now get down to work. Objectives without actions are just dreams. After knowing where we want to go, coming up with actions that will take us there is critical.

If our objective is to increase market share, undertaking rigorous marketing campaigns is not an option. If we want to cut costs, we might embark on renegotiation with our suppliers and creditors.

These are what we are calling actions to follow. They should be precise and actionable. They should not be vague and ambiguous.

3. Allocation of resources

Most business strategies will require resources. These could be human or material resources. These resources will help in following our action plan.

This is a huge component of business strategies. For startups, you may want to hire cheap or free labor to help you in implementing your business strategy.

If you are short of cash, you may need to get more cash by cutting costs, increasing revenue, or getting external financing.

With these three elements, business strategies for startups are complete and ready to serve business needs.

Things to consider when drafting business strategies for startups

Good business strategies should consider the following:

A. **The capability of the company**. This could be human or material capabilities.
B. **Future market opportunities**. It should seek to make use of market opportunities as they arise. It should forecast industrial trends to better utilize these opportunities.
C. **Founders' values and beliefs**. Different founders have different values and beliefs. This should be factored into the business strategy. A business strategy should not be in contravention of your beliefs and values as founders.

D. **Desired socio-economic objectives**. What do you intend to achieve on the social and economic fronts? This should be factored into the business strategy.

4 steps of formulating business strategies for startups

After looking at the factors to consider when drafting a business strategy, let us consider the 4 steps of formulating a business strategy:

1) Determine your mission, vision, objectives, and goals.
2) Generate different action plans and resource allocation strategies.
3) Select the best action plan and resource allocation strategy.
4) Devise ways of implementing your selection.

After all is said and done, formulating a good unique selling proposition (USP) is critical. This will help you stand out from your competition in your marketing efforts.

It is also important to note that business strategies for startups should be flexible. They should be able to accommodate the dynamic business environment of the 21st century.

When things happen that are beyond your control as a startup founder, you need to adjust your business strategy to take advantage of the new opportunities and overcome the new threats.

Conclusion

Founders need to formulate effective business strategies. For startups to thrive and dominate in this competitive business landscape, effectiveness and efficiency should be made priorities.

HOW TO MANAGE BUSINESS FINANCES FOR GROWTH

Financial management for startups can be an uphill task for many; especially those who have no background in finance.

This is one of the reasons why small businesses fail. Many founders have no background in finance and they are unable to hire financial experts to help them in that.

Proper financial management is one of the crucial success factors for business growth. If you can effectively manage finances, you can have much left to grow your business.

These tips will help you better manage your business finances:

1. Avoid debt financing in the startup phase

Debt, especially from a financial institution, is not the best way of financing a business in the startup phase.

The startup phase is the initial phase of a business before it can make substantial revenues. This phase is characterized by losses and high capital investment demand.

At this stage, your business model is still not proven. Your skills are also being tested. It is not yet clear whether you have what it takes to grow the business. It is unclear whether you will succeed or not.

In this uncertainty and loss-making phase, getting financing from a financial institution is not advisable.

This is because banks do not care whether you are making losses or not; you have to repay their money as per the debt agreement.

Debt financing should only be used when the business model has been tested and the business is making enough revenue to cover costs.

However, you can borrow from your friends and family during the startup phase. This kind of financing is flexible and will mostly not come with interest demands.

2. Increase your revenues

Every business needs to have a healthy positive cash flow. Increasing revenue is the best way of financing your business.

You increase revenues by increasing sales. If you are not selling, you will run out of business. This is why every founder should have sales and marketing skills.

You need to invest in a good product. This is the basis of making sales. If your product solves a need in the market, it will be much easier to sell it.

Do not just imitate a competitor's product; add creativity and innovation to the idea. This will differentiate your product in the market.

Another way to increase sales is to invest in a good distribution channel. You need to make sure that your products are accessible to everyone in your target market.

You can partner with a chain store in this. No matter how good your product is, people will buy from your competitors if they cannot get it in their nearest mall.

The next thing is to invest in a good sales team. The sales team will be responsible for pushing your products to the people at their convenience.

They will help do one on one marketing that will benefit the positioning of your product in the mind of the customer.

3. Start a fixed income project

Every business needs fixed income for day to day operations. The best way to get this is to invest in a fixed income project. This project will become a cash cow for your business.

You can build a rental apartment that will give you money every month. You can then use the rental income to finance business operations while plowing back the profits.

This will relieve you of short term financial pressure and allow you to focus on the long term. You will not have to worry about paying your employee or paying office rent because the fixed income will cover those expenses.

4. Keep your costs low (Less than 50% of revenues)

This is a strategy that is used by every successful business. It has become extremely prominent as people focus on lean businesses and efficiency in work processes.

Cost management begins by identifying excesses in your business and eliminating them. You may have excess employees who are increasing your salary expense. It can be office excesses that are increasing your rent expense.

You need to identify what you do not need in your business and do away with it.

After eliminating the excesses, focus on keeping your costs low. If something is not necessary, do not do it. You can have certain tasks done by existing employees. You can also train yourself to do certain tasks instead of hiring another employee.

Your cost should not be more than 50% of your revenue. This leaves you with a 50% plus profit margin. This is a healthy balance to effectively invest in the growth of your business.

5. Plow back at least 80% of your profits back to the business.

As we pointed out, the best way to finance business growth is by using your profits. It is better than debt and equity financing by far.

Always make sure that 80% of your profit is invested back to grow the business.

This means that your drawings should be less than 20% of the profits. Reduce your dividends payouts rates for your partners, cofounders, and shareholders.

This will ensure that business growth is well funded.

6. Invest at least 10% of profits in marketing

Many founders make a mistake of not investing enough money in marketing. They are so obsessed with production and forget to push the products into the market through marketing.

A healthy growing business should invest a minimum of 10% of profits in marketing. This is both traditional and digital marketing.

You should have the right mix of both forms of marketing. While digital marketing is cheaper, other forms of marketing will also prove to be invaluable to your business.

7. Keep accurate financial statements

I cannot emphasize the need for good bookkeeping for any business. Financial statements are extremely invaluable for businesses.

Even if you do not have anything else, it is good to have an accurate balance sheet and a statement of financial position (Income statement).

As you grow, you can focus on other financial statements. You do not have to hire an accountant to do this. You can learn how to draw these financial statements within an hour. Thanks to the internet.

You can also take a short course in accounting and bookkeeping. This will help you learn how to analyze the data in the financial statements. These data will help you in making financial decisions for your business.

Conclusion

Prudent financial management will help scale your business and make you successful in this competitive business world. This is supposed to be an area of focus for every startup founder.

Always remember this; it is not about how much money you make but how much you keep and multiply.

5 FREE WAYS OF PROMOTING YOUR BUSINESS BRAND

If you are an aggressive business owner, promoting your business brand must be one of the things that give you sleepless nights. It is the desire of every business owner to have their business in the mind of every individual.

Brands like Google, Facebook, and Microsoft have greatly infiltrated our daily lives. They are in every home, business, and even government offices.

Who doesn't know Google's logo? Who does not know the color used by Facebook for branding? Don't you have windows in your personal computer? The answers to these questions will give you a hint of how strong these brands are.

Even though not all businesses can be like the companies listed above, we can try to replicate their success in our own small way. You can have your brand in the mind of every person in your neighborhood, state, or even country.

Even small improvements in branding success can be accompanied by a significant increase in revenue.

When promoting your brand, you do not have to spend a penny. Some many strategies and platforms are effective and free. Every business should include them in their brand strategy.

Here are 5 free ways of promoting your business brand.

1. Start a blog

Every serious business should have a blog. This is an online platform that gives relevant information to customers and prospects.

With the diminishing returns of interruption marketing, content marketing is becoming extremely effective and famous. This is part of inbound marketing.

Characteristics of a good business blog

- It should educate people about the industry the business is operating in. If you are in real estate, let your blog educate people on real estate
- It should be used to promote the business as it gives people information.
- It should have simple, unexpected, concrete, credible, emotional, and story-focused content.
- It should answer the following questions: What? Why? How? Who? Where? When?
- Information should be up to date.

Starting a blog is as good as free. Incorporate a blog section on your business website and give your customer value. As you give them value, they will reciprocate with loyalty to your business.

2. Search Engine Optimization (SEO)

With over 4.5 billion people using the internet worldwide, SEO is a good strategy for promoting your business brand. This is the process of optimizing your website to rank on search engines like Google and Bing for free.

There are over 1.7 billion websites worldwide. This means that the competition for the first page on Google is very high.

If you have a business website that has a blog section, you may want to ensure that your business blog appears on top of the search engine result pages (SERP).

Here are some of the ways of doing SEO

- Give relevant information that searchers would like to read.
- Do your keyword research and optimize your articles with keywords.
- Get other relevant sites to link to your website
- Optimize your website navigation to reduce bounce rates
- Make your site optimized for speed.

You can read more on SEO and get more in-depth knowledge.

3. Have a strong social media presence

Social media is one of the most common platforms for promoting your business brand. Over 3.5 billion people use social media worldwide. This is about 45% of the global population.

According to a report by Emarketers, 90.4% of millennials, 77.5% of Generation X, and 48.2% of Baby Boomers use social media.

The average time spent on social media is 3 hours per day. 73% of marketers say that social media is a good marketing platform.

54% of people use social media to research products. 71% of customers have had a positive customer experience with brands on social media and are likely to refer it to their friends.

Facebook has over 2.32 billion active monthly users. It also has over 1.6 billion active daily users. People spend a staggering 58 minutes on Facebook daily. The good thing is that it is all free. This is a platform you cannot fail to utilize.

Instagram has over 1 billion monthly users. Twitter has over 330million monthly users. Reddit has over 330 million, LinkedIn over 303 million, Snapchat 301 million, Pinterest 291 million, Google + over 395 million, etc.

All these are billions of people who are ready to follow your brand. However, you have to give above average value to them to win their following.

4. Seek free mass media publicity

Televisions, Radios, and other traditional forms of marketing still bear fruits. However, these marketing platforms are extremely expensive for most businesses.

Even if you can afford to put your commercial on television, you can use other free strategies to get on television. You can become an analyst for major television networks.

The only way to do this is to become an industry leader. You have to be the best in your industry. When you become an expert in your industry, they will seek your services.

All they want is to give value to their viewers and listeners. If you are the person who can give this value to them, they will feature you for free.

You can then tactically promote your brand as the conversation advances. This is tactical marketing.

If you are an expert in an area, do not shy away from seeking these opportunities. Present them with evidence. You can carry your book, send them your eBooks, show them your blog, your seminars, and conferences, etc.

This is one of the best ways of promoting your business brand.

5. Join relevant web communities

There are many web communities online. Joining several and becoming an active contributor will give you exposure. This will help you in promoting your business brand.

Conclusion

Promoting your business brand can be an uphill task for many. It takes both time and skills. There are many ways of promoting your business brand. This topic has just pointed out a few. However, these are the most effective ones.

If you want to grow your business brand, it is worth promoting it. Lack of money is not an excuse.

You can use these free strategies to bring business exposure. This will increase market share, brand loyalty, and sales.

NEW PRODUCT DEVELOPMENT STRATEGIES, CYCLES, AND PROCESSES

You can start small but you cannot remain small as an entrepreneur. This is why small business managers are always looking for growth strategies to take their businesses to the next level.

New product development (NPD) is one of those business growth strategies according to the Ansoff Matrix. These strategies include:

- Market penetration- Pushing the existing products in the existing market. (Risk factor- 2)
- Product development- Developing new products and selling them within your existing market. (Risk factor- 4)
- Market development- Selling your existing products in a new market. (Risk factor- 8)
- Diversification- Selling new products in a new market (Risk factor- 16)

Product development and launch are risky and costly processes. Market penetration is much easier and less risky.

It should be done after the business has penetrated the existing market using the existing products to an optimum level.

There are several steps involves in new product development and successfully launching it into the market. This is called the product development life cycle.

NPD process

- Product planning and strategy.
- Product design and development.
- Product testing/ piloting/ pilot testing.
- Getting into the market.
- Continuous improvement.

Let's discuss each in depth.

1. Product planning and strategy

This is where you decide that you need to design and launch a new product. This, as we pointed out, is done as a business seeks to grow its portfolio and increase its revenue.

To an existing business, the managers might realize that the existing products are becoming obsolete. This is because customers keep changing their tastes and preference. It might also be because of competition from new technologies in the market.

Products have what we call the product life cycle (PLC). They include the following:

- Introduction phase
- Growth phase
- Maturity phase
- Aging phase

As products get into the maturity and aging phase of the PLC, the prospects of growth are limited. The company now needs to develop a new product and push it into the market. As the cycle continues, the business should develop more and more products.

This means that the business should have a product in each cycle. It should have new products in the introduction and growth phase as well as old products in the maturity and aging phase.

The above reasons necessitate the development of new products.

After realizing that you need to develop a new product, it is good to get an NPD strategy. This is because the NPD process is complicated.

This calls for an integrated NPD strategy. This is one that involves all the departments in the firm. An inter-departmental team should be formed to plan ad strategize on the NPD process. After all, all of them will have a part to play in the process.

The planning process should ensure that the following resources are available for the NPD process:

- **Human resources**- You will need people with the expertise to develop the new product.
- **Financial resources**- As we said, the product development process is costly. You need finances to carry out research and development as well as product design, launch marketing, and after-sale services.

- **The right technology**- Products need the right technology to develop. Do you have the machinery that is needed to develop the intended product?

The strategy the firm is going to use to enter the market after the product development process is complete should be set out at this stage.

Assign roles to various individuals and set a budget for the same. After the planning process is complete and the strategies are laid out, it is time to get to work.

2. Product design and development

At this stage, the actual product development is undertaken. The developers will now implement what the inter-departmental team planned and strategized.

The actual product design is made as per the plan. The development process then starts under the watch of the product development leader.

The following is important at this stage:

- A lean product development strategy should be adopted- This is one that takes care of the cost. If the development cost is high, the unit price will also be high for the consumer to purchase.
  Pricing being one of the important factors in the marketing mix should be an important consideration.

- An agile product development strategy should also be adopted- The developed product should take into consideration the future changes in market preferences. It should be easy to redesign and adapt to market changes.
- Differentiate your product- The product should have extra features from what the market already has. This is a differentiation strategy. It is one of the generic business strategies according to Michael Porter.
  If your product is differentiated, you can charge a premium in the market. The product will also have a competitive advantage since customers are always seeking for new product features.
- Develop with the target market in mind- This is called Market Orientation. Think of the target market and develop what they want, not what you want.
  This means that the product is already something people are demanding but with some extra features.

Two important things to consider:

When developing a new product, the following is crucial to consider:

- **Usability**- Is your product usable? Does it perform as expected by the customer? Is it easy to use? Does it present life or health dangers to the user? What is its useful life in years? Does it easily break down? If yes, what is the cost of the service?

- **Branding**- Branding is important in attracting a potential buyer to the product. The branding should show what the product is about. The customer should know what to expect from the product by just looking at it. These are called brand messaging.
  The colors you use affect your brand. After all, colors communicate. What you write in that limited space should convince the prospect to buy your product and not that of the competitor.

Produce a better product than your competitors. This is what Seth Godin calls designing the marketing into the product.

You can do this by getting your competitors' products, analyze them, and improve on them. Create something that seems different and one that is superior in functionality.

3. Product testing/ piloting

This is also called pilot testing. It is where you introduce a prototype into a small controlled market to test its viability.

A prototype is an early sample built to test a concept or process. The initial product that you have developed will act as the prototype for piloting.

Sell the product to around 100 people and set up a feedback mechanism. Seek to understand what the customers are saying about the product. These views can be used to improve the product before you launch it.

Testing ensures that the product has what the market needs. It incorporates whatever you might have forgotten to put in during the product development process.

The following tests should be done:

- **Technical test**- This is a test of the usability of the product. It seeks to understand whether the product is performing as expected.
- **Commercial test**- This seeks to understand whether the product can be sold commercially. Is this a product people want? Is this the right market and the right price?

Observe the product for several months and see whether it works as expected. The following are important to analyze:

- **Customers' complains**- Customers complain when their expectation is not met. They will let you know what is working and what is not.
- **Break down rate**- How many products break down and at what stage?
- **Product return rate**- encourage the customers to return the product if it is not working. When the customers return the product, its performance is pathetic.
- **Price complains**- How many customers said that the price is too high? If they are too many, you need to revise the price.
- **Product reviews**- How many people gave a positive review? (4 or 5 stars). How many gave a negative review? (1,2 or 3 stars) If the latter is more than the former, you need to work on the product further.

- **Is the target market demanding the product?** If not, change your target market.

After the test, analyze the feedback and make the necessary changes. The new product will be the absolute will of the target market.

4. Getting into the market

After making all the changes, it is time to launch the product for mass sales. You can do this through a ceremony that attracts media attention or just quietly without creating the hype.

At this stage, you will need to do the following:

- **Get distribution partners**. This can be a chain store or just local retailers. These partners will help take the product where the potential customers are. Remember, if the customers cannot get the product at their convenience, they will buy from your competitors.
- **Do intensive advertising**- At the introduction phase, you need to let people know that your product exists. This is done through advertising.
  Use various channels that you deem effective to reach your target market. The advertising message should be convincing. It should magnify the benefits and the unique selling proposition (USP)

- **Get a professional sales team**- A sales team is an important part of every business. They are the ones who push the product to individual prospects.
  This is different from advertising because it focuses on individuals. It is more personal and this makes it more effective. Continuously train the salespeople because they are the face of your business. If they fail to act professionally, it is your business reputation that is at risk.
- **Set up the necessary business systems**- This is where you set up everything that is necessary for the management of the product in the market.
  Customer relationship management (CRM) systems, quality control systems, accounting systems, inventory management systems, etc. are all systems that you should set up.
  Important also to set up is an after-sale services system. You need to provide these services to create loyal customers with high lifetime value to the business.

Successfully introducing a product into the market is never easy. It needs a coordinated approach and professional management.

5. Continuous improvement

As you sell more products, you will continuously gather feedback from the verbal and non-verbal reactions of the market. You need to keep improving the product to suit the market needs.

This is why we said that the product development process should be agile to allow for continuous development.

As the product age, market preference will also change. You need to improve your product to suit the new market preference.

Final thoughts on product development

As the product moves from one phase of the product life cycle to the other, you need to go back to the drawing board and plan to develop another product altogether.

Therefore, product development is an important part of business development. It is an ever-ending process. As we said, a business should have products in all phases of the PLC.

There you go, that is how to develop new products and introduce them successfully to the target market. I wish you all the best in all your business endeavors.

HOW TO DOUBLE YOUR BUSINESS REVENUE IN 6 MONTHS

Every manager desires to increase their business revenue and in extension, the profits. This is not an easy task for many because of both internal (Business) and external (Market) dynamics.

Studies show that 9 out of 10 startups fail. The reason for failure is that founders and managers cannot figure out a way of pushing their products into the market and growing their business revenue.

Revenue is the heart of every business. This is the income that finances business operations and growth. Any business that cannot get revenue will fail with time.

No matter how much capital a business has, without getting business revenue, the capital will get exhausted and the business will go bankrupt. This is not what any manager desires.

Due to the immense competition in every industry, it is not easy to grow business revenue. If your competitors are better than you at this, they will push you out of business.

There is no mercy in the business world. You have to be tough, informed, and on your toes.

If you are a business owner, this knowledge will be invaluable to you. Increasing business revenue means the world to all entrepreneurs.

How to double your business revenue

Here are 8 secrets to doubling your business revenue.

- Streamline the sales process
- Double your marketing efforts
- Improve on what your competitors are offering
- Focus on customer service
- Revise your price
- Develop new products
- Move to a new market
- Grow your networks

Let us consider each. Be sure to read keenly, take notes where possible, and implement them in your business. I promise you that your business revenue will double in a matter of months.

1. Streamline the sales process

No matter how innovative your product is, people will never buy it if they cannot access it in the market with ease. People love seamless business processes.

With the growing competition, many buyers do not even leave their houses to buy what they want. They expect it to be delivered right to their doorstep.

The bad news is that some of your competitors are already doing it. Find a way of taking your products to the customers' point of convenience. Whatever that point is.

Similarly, payment methods are equally important. People fail to buy a product when they cannot find their preferred method of payment. If you only take cash and the customer does not have the cash, you lose the sale.

Make sure you adopt all the forms of payment that your customers use. Use all the common global payment solutions like Visa and MasterCard, mobile money, direct transfers, cash, etc.

Hire a professional sales team and give them continuous training. Salespeople are the face of the business. If they are not professional, people will not trust your business.

Let's recap. How to streamline your sales process:

- Take the products where the customers expect them to be. Even if it means delivering to their homes.
- Ensure that you have all the major payment solutions. Give customers a range of them to choose from. This gives you credibility.
- Have a great sales team and train them continuously. Let them act and look professional. They are the face of the business.

If your sales process is seamless, people will find it easy to do business with you.

2. Double your marketing efforts

A bad product with good marketing will sell more than a good product with bad marketing. This is how important marketing is.

Marketing is the process of pushing your products into the market. It is the process of making your products known to the target market and convincing them to buy it.

There are two types of marketing:

- **Outbound marketing**- This is where you forcefully push the marketing message to the customer. It is also called Interruption marketing.
  This includes all forms of traditional marketing like TV commercials.
- **Inbound marketing**- This involves attracting people to the marketing message. In this type of marketing, the aim is to breed loyalty in the hearts of potential customers. The most common example is content marketing.

Studies have shown that inbound marketing is more effective than interruption marketing.

The best forms of marketing strategies that you can adopt in your business include:

- **Content marketing**. Here, you give people the knowledge they need and then tell them how your product can help them in implementing the knowledge they have gotten.

For example, if you run a gym, you can teach people how to manage their weight. You can then present your gym as a solution.

- **Support a cause that people hold dear**. When your business donates to such a cause, people tend to be loyal to your business. They will buy your products emotionally rather than logically.
- **Give bonuses and discounts sometimes**. This is a form of guerrilla marketing.

In a nutshell, effective marketing strategies are more focused on the prospect than the business. If you can prove that your business does have the interest of the customer at heart, people will line up to give you sales.

3. Improve on what your customers are offering

This is a good strategy for snatching your competitors' customers. It involves the following steps:

- Find out why people buy from your competitors.
- Improve on that and offer something even better.
- Let them know that you offer something better through well-devised and implemented marketing campaigns.

If you can follow these steps successfully, you will start gaining market share. More market share means more business revenue and more profit.

4. Focus on customer service

Customer service is of great essence in this era. Today, the customer is king. Any business that does not recognize so will fail.

Have you ever visited a certain business intending to purchase a commodity and you ended up being treated like trash? It happens sometimes.

How did you feel? Was it a very good experience? Did you go back to the same business again? Most probably, you told someone about the ill-treatment you got.

If you treat one customer the wrong way, studies show that they will tell around 10 people about it. This is negative publicity.

If you treat a customer like a king/ queen, they will probably tell 2-3 people about it. This is what every business wants.

The best thing about word of mouth is that it is the most effective form of marketing ever. Every business that makes the customers talk about them positively will over time become the market leader. This is how all market leaders were built.

Tips for improving your customer service:

- Greet the customer with a smile and stand up.
- Ask them how they are.
- Listen to them keenly and show genuine interest in their welfare.

- Promise to help in case they encounter a problem in the future.
- Do not be distracted when talking to the customer.
- Make them feel important. Let them feel like the whole essence of opening the business was to serve them.

Take care of the customers and they will never buy from your competitors. This is a sure way of increasing your business revenue.

Good customer service will always get free publicity through word of mouth.

5. Revise your price

Pricing is an important factor in marketing. Price is part of the 4ps of marketing.

Your pricing should be consistent with your target market. If you are targeting the upper market (Wealthy individuals and businesses), you can charge a premium and offer superior services.

If you are targeting a poor neighborhood, it has to be something they can afford. Find a way of reducing the price while maintaining the quality of the product or service.

You can do this by:

- Getting cheaper suppliers.
- Reducing business expenses like salaries, rent, etc.

- Getting a convenient logistics and distribution system.
- Using cheaper production technology.

The point here is that your pricing (Whether high or low) should reflect the kind of customers you serve.

If your customers care less about the price, reducing the price might reduce the demand. If they are not wealthy, reducing the price is a good strategy.

In every circumstance, let the price be optimal. When the price is optimal, you will make more sales and increase your business revenue.

6. Develop new products

Developing new products is one of the business growth strategies. If a new product is successfully developed and introduced to the market, business revenue will increase.

Introducing a new product to the market is however risky and costly. It should be done after thorough research and with precision.

Here is why:

- Research and development is a costly process especially for industries like engineering and pharmaceutical.
- The market may not be ready for the new product.
- It requires a lot of marketing to introduce a new product in the market.

- The new product will face fierce competitors' strategies.
- The new product, if it's a new invention, will be copied by others and might even be overtaken by imitators' products.

Due to this, many businesses find it hard to develop and introduce a new product. Many have had massive losses for trying to adopt this strategy and things went south.

However, those who succeed reap big. For small businesses, this is a good strategy. It can easily increase your sales and business revenue.

7. Move to a new market

This is also a business growth strategy according to the Ansoff Matrix. Introducing your existing products to a new market is called market development.

Moving to a new market can pay off handsomely. After all, you will employ the experience you got in your previous markets.

If the new market is untapped, you can have the first-mover advantage. If there are already existing market players, it will be quite hard.

Never enter a mature market. Always look for markets that are underserved by the current market players. Be creative and innovative in the way you offer your products.

Moving to a new market is also risky and costly. You will need massive investment in marketing to get the product known.

8. Improve your networks

If you want to increase your business revenue and profits, you have to grow your networks. It is the people you know and you have a favor to that will gladly buy from you.

One great person in your network can change your business prospects completely.

To grow your network:

- Be social and outgoing.
- Attend social functions that have the people you need in your networks.
- Take the people you need for lunch and dinner.
- Offer a helping hand when they are in need.
- When you meet them, focus on them and not you. Let the discussion be about them and their welfare.

If you can get the right people to become your friends, they will help you grow your business revenue.

Final thoughts on increasing business revenue

Increasing business revenue and profit are never easy. If it were, everybody would do it.

It requires dedication and shrewd business strategy just to say the least. However, with commitment and will, nothing is impossible. After all, many people have done it.

Decide to grow your business today. Take the necessary action and you will be glad you did. All the best in these efforts.

7 EASY WAYS OF INCREASING YOUR SOCIAL MEDIA FOLLOWING

Increasing social media following is one way of growing your brand. It is one of the easiest and it is all free.

Social media has grown exponentially over recent years. Many social media companies are now multi-billion dollar companies. This shows the influence social media has and its uptake in society.

If you look at the numbers, you will be surprised.

- Over 3.5 billion people use social media worldwide. This is around 45% of the global population
- The average time spent on social media is 3 hours per day
- 90.4% of millennials, 77.5% of Gen X, and 48.2% of Baby Boomers use social media.
- 73% of marketers consider social media a good marketing platform.
- 54% of people use social media to research products
- 71% of people have a good customer experience with companies using social media
- Over 2.32 billion people use Facebook every month.
- Over 1.6 billion use it every day.
- The average time spent on Facebook is 58 minutes.
- Instagram has over 1 billion monthly users.
- Twitter has over 330 million, Google + over 395 million, LinkedIn over 303 million, Snapchat over 301 million, Reddit

over 330 million, and Pinterest over 291 million monthly users.

Looking at the numbers, you cannot avoid using social media to grow your brand. It gives you almost half of the world population on your phone.

It is also important to note that growing your social media following can be an uphill task especially for those who lack knowledge. Many people start pages that never get 1000 likes.

No matter what you intend to do with your social media pages and profiles, increasing your following will be beneficial to you.

Although social media does not pay users for having more following, you can easily monetize your profile or page if you have a substantial number of followers.

Here are some of the ways you can monetize your social media pages and profiles:

- **Becoming an influencer**. You can get paid to influence people to make a certain decision.
- **Direct marketing for your products**. You may choose to start a business and market your products to your followers.
- **Send more people to your website**. Social media is very effective in sending people to landing pages of websites.

- **Build your industrial authority**. You can then get invitations to speak in seminars, conferences, or appear in television programs.
- **Get quality networks** that can connect you professionally and socially.

Therefore, increasing your social media following brings more income, influence, and exposure.

I struggled to grow my Facebook likes to 1000 for over 4 years. When I finally discovered and followed these secrets, my following grew exponentially.

I could get 500 new organic likes overnight. It amazed me how small tricks can have such tremendous effects.

Here are 7 easy ways of increasing your social media following:

1. Optimize your profile information for relevance

This is the most important thing when it comes to growing your social medial following.

Your profile name, picture, cover picture, category, website, and description should reflect what you stand for. They should relate to your followers and why they followed you.

First, your name should be professional. I recommend you use your original name. Abbreviating your middle name will portray even more professionalism.

Your profile picture should also be professional. If your site is meant to educate, getting a professional official picture is not an option. Do not use selfies as profile pictures.

You can use a more descriptive picture as your cover picture. You can have a banner that shows who you are, what you have done in the past, and your current standing. It can also include your email and website.

If you are growing a social media page, getting the right category is crucial. Also, let your page description be updated at all times.

In a nutshell, let your profile represent you and how you want your followers to see you.

2. Join relevant groups

This is also very important when increasing your social media following. You have to join online social groups that are relevant to your page.

Groups have like-minded people. People join them because they specifically address their needs.

Therefore, joining them can give you thousands of individuals who are ready to consume the information you are offering.

For example, if you are an entrepreneur, joining business groups and becoming active there will give you loyal followers.

You do not have to make them demand your content because the desire is already there.

Search for relevant groups, join them, and start sharing your page posts regularly. If the information is useful to the members of the group, they will follow your page.

3. Use lots of images

Pictures communicate better than words. In the social media world, pictures are darling to everyone.

If you do not know this, try posting a picture without text and text without pictures, and test them. Observe the number of likes and shares. You will find that pictures get almost 10 times the number of engagement.

Using infographics will go a long way toward pleasing potential followers. Post several relevant images to complement your text.

Caution: Always use high-quality images. Do not post screenshots. Using low-quality images is worse than using no images.

4. Increase the readability of your text

Another way of increasing social media following is to increase the online reading experience for your followers and prospects.

You can do this by writing short paragraphs and increasing the white spaces in your text. Short paragraphs will increase the reading experience of the readers.

I use one or two short sentences per paragraph. I then skip a line after every paragraph. This increases the white spaces and this is good for the readers.

5. Avoid grammatical errors

Grammatical errors can reduce your authority online. With less authority, fewer people will like or share your content. It also means that fewer people will follow your page because no one is sharing your content.

If your grammar is wanting, you can use free online editing tools like Grammarly to correct the mistakes. Double-check your content for mistakes always before you post it.

6. Focus on 2 or 3 social media sites

There are hundreds of social media sites today. If you want to grow your following, you do not need to focus on all of them. This will waste your energy and give you fewer results.

Start with 2 or 3 sites and gain a loyal following and authority before you think of anything else. Personally, I use Facebook and LinkedIn. This is where my focus is.

The sites you focus on should be determined by your objective. It can also be determined by the industry you are operating on. Different social sites require different content.

- If you are targeting professionals, LinkedIn would be your ideal site.
- For fashion, Instagram and Pinterest can do.
- For politics and news, Twitter will be a good platform.
- Facebook is kind of general.

7. Post regularly

You need to post regularly to build credibility and trust with your followers. Your followers should know when to expect a post from you.

I suggest you post content daily if you are going to have faster growth. It may cost you time and focus but it usually pays off. Do not sleep without posting something because your followers are waiting.

Bonus tips

- Give high-quality content and do not repeat yourself.
- Use an encouraging rather than a rebuking tone.
- Do not post long content often. Short content attracts more engagement.
- Use a catchy title in case you use any.

- Reply to comments and love them.
- Keep professional relationships and avoid turning them into romantic ones.
- Use quotes.
- Capitalize keywords for more exposure.
- Use a consistent hashtag.
- Avoid changing your profile picture often.

Conclusion

You can easily grow your social media following if you follow these simple tips. As social media grows, make sure you also grow your following.

The above tips are best practices that you can employ in your social media strategy to grow. Remember, more likes and shares equal more income, influence, and exposure.

With that, increasing your social medial following is not an option but a necessity.

8 DON'TS IN SALES

Doing sales is one of the most fulfilling jobs in the world and yet, it is the most loathed. Sales and marketing are the lifeblood of every business.

Without sales and marketing, a business's growth is at stake. Without sales, a business will be driven out of the market.

Without sales, the cash flow will be zero or negative. If you want to grow your business, you have to find a way of increasing sales.

I fell in love with sales and marketing when I went into business although my background is in finance. I thought that doing sales was very hard as people put it.

Even people who have never tried doing sales think that it is very challenging because this is the notion that society has had for years. I realized that with the right principles and knowledge, getting people to buy your product is very easy.

With many years of doing sales, both B2C and B2B, I believe that I have something or two to teach you about it. I have had amazing success in almost all my sales pitches.

This is what I want us to understand, even as an expert, you will never sell to everyone. You will get rejection even after 30 years of doing sales.

Experience only brings progress, not perfection. Rejection is part of sales and that will never change. You have to get used to it.

Here are 8 things you should never do in any sales process or career.

1. **Never sell what you cannot buy**

This is the foundational rule in sales; do not sell what you cannot buy. In extension, do not sell what you have not bought already.

In all my years selling my best-selling academic book (The DNA of High Achievers) to schools, I realized that to fully comprehend the value of the book, I have to buy books written by other people.

Before then, I used to read eBooks which cost me very little or nothing to acquire. As I buy books, my confidence in marketing my own increases.

This is why word of mouth marketing is very effective, customers recommend a product that they have already used.

I have met people who sold insurance but did not have any insurance policy for themselves or their families.

They sell what they have not bought. In that case, they often lack confidence in their product. You only value what you have paid for.

Increase your belief and confidence in the product by buying what you sell. This increases the perceived value of the product.

2. Never act like a salesperson

People know salespeople as pushy and selfish. They are ranked second in being selfish after politicians. In normal cases, people tend to avoid people of this nature.

People hate to have a salesperson call them to ask for an appointment. The best strategy is to act as an expert in your field.

Let people know that you have more to offer than just selling them your product or service.

The best way to do this is to write a book or articles in your area. Let the prospect know of this expertise even before you pitch.

I noted that the more I wrote more books and articles, I got more and more respect from my prospects.

They stopped perceiving me as a typical salesperson but as an expert in the education sector. Do not be pushy, be tactical.

3. Never pitch before building a rapport

A rapport is an area of agreement. It is an emotional connection with the prospect. A rapport should invoke their emotional sense rather than their logical rational sense.

Emotional decisions are irrational. After building a rapport, people tend to deal with you like an insider rather than an outsider.

Imagine if your mum was selling you something. It does not matter how expensive it is, you will end up buying it if you have the ability because the buying, in this case, is emotional.

You can even go out of your way to get the cash to make that purchase. This is what a rapport does for you, it takes you close to such a situation.

In building a rapport, you can discuss something that you have in common with the prospect. Even something irrelevant like supporting the same soccer team can go a long way.

Talk about values that the prospect holds close, a political discourse, congratulate them for their position, and ask for their advice about the various issue.

Always do it before you pitch. In short, have a discussion that is away from the business.

4. Never pitch when the prospect is not physically and mentally settled.

This is very important. I have made the mistake of talking about my product to a prospect who is not listening. They end up pushing you away calmly or otherwise.

If the prospect is busy, get an appointment. If the prospect is in a hurry to leave, their mind is not settled and thus, they will end up pushing you away without listening to you.

Study your prospect and pitch your product on when you are certain that they are listening not just hearing.

5. Never disagree with your prospect

This is a fundamental rule. You should never disagree with your prospects. The best way to make a sale is to validate the thinking pattern of your prospect.

If the prospect says that the company is short of cash, do not argue with them. Instead, show them that you understand and you care. This is called empathy.

If you can show them that you understand and care, they will also go out of their way to show that they understand you and care about your welfare. They will give you the sale.

This is called reciprocity. People tend to do good for people who have been good to them.

6. Never mention the word buy

This is a mistake that most salespeople make. People associate buying with loss of cash. Buying reduces our cash position.

When you mention the word buy to your prospect, they will become defensive in a bid to avert the perception of loss you have created in their mind.

Instead of buy, you can use the word *get*. This is what I say to my clients, “When you get 15 copies of the book, we give you a free one hour of motivational speaking with your students/ employees.”

Notice the wording. Instead of buy, I use *get*. Get is softer and it brings the idea of gaining rather than losing.

With this, the prospect will be open to the idea. Also, I use *when* instead of If. When you get not if you get.

By using *when*, you are already creating a soft perception in their mind that the deal is already done.

People hate disappointing people. They will go ahead and give you the sale.

7. Never defend the price

Even before we talk about defending the price, it is important to mention this; never state the price before your prospect asks you to do so.

When you mention your price upfront, the prospect interprets it as greed. They think that the deal is not genuine and that you are only there to take money away from them.

Talk about everything else about your product apart from the price. When your prospect ends up asking you about the price, the deal is already done.

They have understood the benefits of the product and they are willing to get it. Remember demand is created only when there is the will and the ability to get your product.

When the client finally asks about the price, they already have the will to get your product.

After mentioning your price, never defend it immediately unless the customer objects to the price. There is a rule that says that the person who speaks first when the price is mentioned loses the deal. This is true.

Keep calm and portray a body language of confidence. Let your prospect figure it out. In this case, make sure that your price is not exaggerated because your face will betray you.

8. Never take rejection personally

This is the rule that sustains all successful salespeople. They know that business is never personal. They can still afford to laugh with their prospect even after a clear rejection.

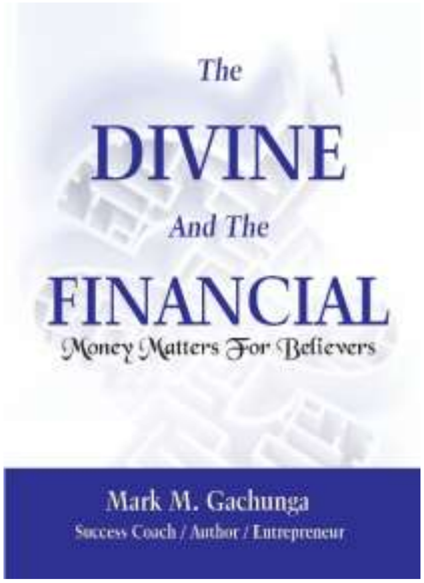
They know that the prospect has rejected their product not them. People who do not understand this end up being bitter and angry to the point that they feel discouraged to continue in the sales career.

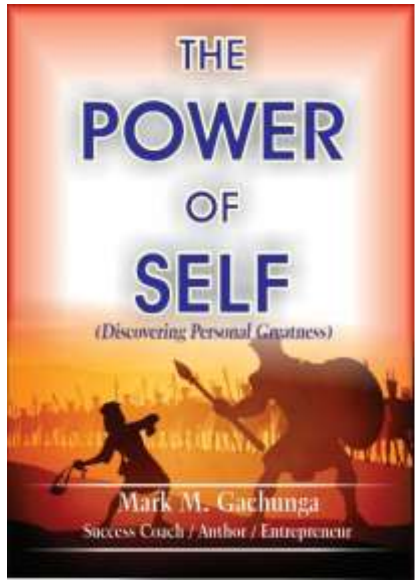
In sales, you have to develop a thick skin. Rejection will come more and more often. On average, salespeople get more rejections than purchases.

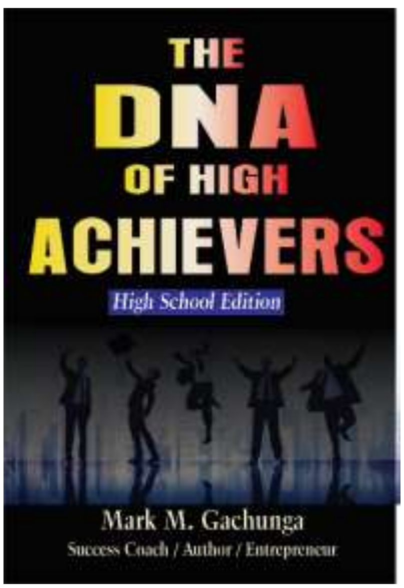
Some people will reject you politely but others will tell you right to your face. They will tell you that your product or personality sucks.

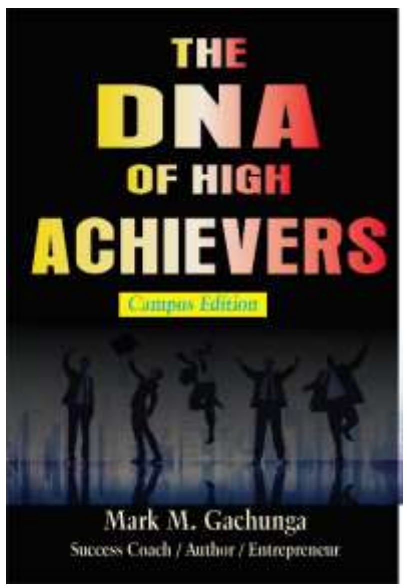
They will throw you out of their office or home and tell you never to come back. This is where the thick skin becomes very useful.

Also by Mark M. Gachunga









Kindly give us your feedback on

mark@wealthywolves.com

Or

Makgacunga@gmail.com

Or

Info@wealthywolves.com

You can also visit our website

www.wealthywolves.com

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The end