

The 15 most common mistakes of the entrepreneur

Below are listed 15 of the most frequent mistakes that entrepreneurs usually make when facing the planning and development of their business project: Anyone who works regularly with entrepreneurs will have detected on many occasions, from the first interviews, the propensity to incur them on the part of the promoter. Most of them can be avoided when preparing a Feasibility Plan and the considerations that are made can be useful when offering arguments and reasons in the process of advising and / or guiding the entrepreneur at the time of create a business.

1. Look at the mistakes others have already made

1. It is not about imitating or copying them, it is just about “not tripping over the same stone”.

2. Do not admit mistakes

1. It is always difficult to admit that a mistake was made.
2. Errors are used to learn as long as you start by admitting them so that you can take corrective measures in time.

3. Not working in a team

1. One of the most common mistakes is that the entrepreneur is so in love with his project that he believes that he can only carry it out.
2. Humility in terms of knowledge is an essential component in the personality of an entrepreneur: Knowing the limitations and resorting to expert advice will solve problems before it is too late.
3. Those who have more knowledge are not more successful, but those who know their limitations, because they will look for someone else to take charge of what they do not master.
4. Fear of asking: learning to ask for help
5. On many occasions the entrepreneur closes in on himself and cannot see what he has in front of his eyes, that is when he needs the opinions of others to make him see reality, or at least their perspectives.

4. Confusing an original idea with a business opportunity

1. An idea is not a product and an idea is not a company. You can have a very brilliant idea but one that has no practical application in the market.
2. It is not only the ideas themselves that matter, but carrying them out successfully: an idea can have several ways to execute it, so we must analyze what already exists in the market and seek to differentiate ourselves.
3. Having an idea and putting it into practice are very different matters.

4. All innovative ideas, although they work in some cases, always represent a risk. The competition today is fierce and it would be a mistake and a waste of effort to think that with a little innovation in something that already exists, it could win and survive in the market.

5. Wrong focus on products

1. If the entrepreneur does not find any reason for buyers to switch to his product, the best thing is that he does not get into the business.
2. You just have to sell what customers and the market are willing to buy.
3. You cannot believe that the product will sell itself: it is not enough to have a good product, although this will favor sales, it is necessary to carry out a marketing strategy to make it known and sell it, especially in those more innovative products that the client does not know.
4. If the product or service is good, soon there will be competitors willing to imitate or surpass you.
5. When it comes to developing the activity, there are many entrepreneurs who focus on the product before the market and we must not forget that the market is completely changing and there is a huge rotation of products. If the entrepreneur focuses on the product and is not prepared for the changes that occur in the market, there is a risk of failure due to lack of adaptation.

6. Excessive level of risk

1. Contrary to popular belief, great entrepreneurs do not have a tendency to take considerable risks. They are not afraid of the risks they can control, but they would never be willing to "bet" everything.

7. The initial splurge

1. A company that starts with elegant equipment and furniture, the best in infrastructure and high salaries, is doomed in the medium term to have financial difficulties.
2. The most successful entrepreneurs have learned that the lack of liquidity can be the closure, so they are very cautious when it comes to spending money and they increase their costs as the company progresses.
3. At the beginning you have to be more modest.
4. This does not imply that you have to be "stingy" when investing. The business should not be understated. The planning of the current investments must be carried out taking into account the future expansion of the business: Investments that limit growth will require excessive reinvestments in the future.

8. Insufficient capital

1. There are entrepreneurs who think that you can start a business with less capital than is necessary, trusting in future profits.
2. In 90% of cases, sales fail to present the expected profit margin. It is advisable to start with more capital than you think you will need.
3. The lack of liquidity in the first months of business activity is, unfortunately, a reality that most of the promoters of a new business face. The reason is in poor planning of income and initial expenses due to an excess of optimism.

9. Too many fixed costs

1. Fixed costs must be kept as low as possible. It is better to rent, not buy, there are interesting options such as renting and leasing. You only have to hire staff for the necessary activities, for the rest we can use "outsourcing" ...
2. Frequently the business that goes through financial difficulties does not have billing problems but rather high overhead costs that affect the operating margin obtained.

10. Rely on grants

1. You have to balance the numbers without taking into account subsidies. If later they come much better, but you do not have to depend on them.

11. Errors in the choice of partners

1. It is better to be alone than in bad company.
2. When the chemistry fails between the partners, the end result is the closing of the business or in the best case the sale of one of the parties.
3. There are things you never discover until you work with your partner. And it doesn't matter if it's a person you've known for years; even if it is a family member or friend.
4. The idea that societies in which the partners have the same participation are better and more equitable is revalued, and on the contrary, it is considered a "trap": the society lacks a leader
5. There are experts who consider that the optimal thing is to have three parts because when there is no unanimity on something, there is always one who puts peace.

12. Setting inappropriate prices

1. Most entrepreneurs admit that they have serious difficulties in putting a price on their products. Sometimes due to ignorance of the value for money of the competition, and much more often, due to a certain inferiority complex, when you start, many end up putting a price too low.
2. A company starts off badly when its sales premise consists of offering prices lower than those of the competition.
3. It is best to price according to the market without overvaluing your competitors.

13. Knowledge

1. A whole book could be written on this subject, since mistakes in market research are sure causes of failure.
2. It is essential to know the market in which you want to enter your establishment: size, target audience, competition, market share ...
3. On many occasions the entrepreneur has already worked for several years in the sector but many times he has partial knowledge of the business derived from the position he performs on a day-to-day basis, but they lack a global vision of the market: "it is not enough to be a good bricklayer to succeed as a builder "

14. Not making a feasibility plan

1. Not having a clue of my company numbers

2. The problem for novice entrepreneurs is that making a business plan is too complicated for them and in the end they decide to skip the process

15. Not making a good feasibility plan

1. Not knowing how to interpret the project numbers.
2. A projection is only an estimate of reality, so the more factors we consider when making it, the less susceptible it is to errors.
3. Using unrealistic data is not lying to anyone, it is lying to yourself.
4. A faulty approach cannot be rescued with good writing, but a good concept can be destroyed if its writing does not communicate it properly.