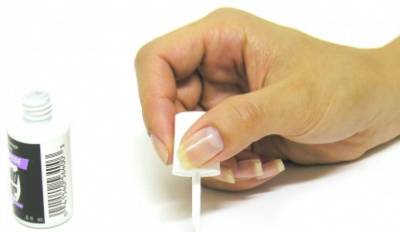


7 Common Mistakes in Business

The more successful entrepreneurs often say that it is the mistakes they make and the lessons they learn from them that helped them. There are some common mistakes that a lot of business owners and managers make without realising it throughout the life of a business (and that can be short if these aren't addressed).

Getting Sales Is The Most Important Thing

Many businesses have struggled and failed because they chased sales growth. This can easily lead to issues with cash flow, quality or customer service and the perceived benefit of increased sales is soon lost or even made negative.



MISTAKE

Marketing Aimed At Anyone Who Might Be Interested.

Potential customers only become customers if an offering solves a particular problem. Marketing that is general or broad in nature or from anything other than the customer's perspective is, and this may seem brutal, a waste of time and money.

Plans Are For Wimps!

This can be popular among some of the perhaps more maverick entrepreneurs thinking that to be even more successful, they've got to operate outside the establish pattern and therefore dispense with the staid idea of planning!

"If you don't know where you're going you will probably end up somewhere else" (*Lawrence J Peter*).

We're Not Interested In Growth

A company that isn't trying to grow is actually shrinking! Markets are always developing or changing. Take, for example, the high street CD shop which is rapidly becoming a thing of the past but people haven't stopped buying music. Therefore, if you aren't looking to grow, the changing market means that, without you knowing or seeing it, your business is shrinking.

Cutting Costs Is The Way Forward

Saving money is an easy win when profits are suffering but it can go too far. The measure of success for the financially wise is return on investment. Given the choice of spending £1000 or £5000 on marketing, the cost-focused business would take the cheaper option and would be likely to see no return and then be sceptical about the value of marketing, whereas the £5000 project could see an increase to the bottom line for the long term.

We Don't Have Any Competitors

There may not be any direct competitors but customers have other interests, issues and ideas yet only

a finite spending budget. If you don't keep close to your customers they won't be close to you. Your competitors are then any other offering from any other company.

It's Easier Or Better If I Do It Myself

This is a classic mistake that, among other problems, severely restricts growth. It's important to recognise where your personal set of talents and skills delivers the best rate of return and delegate the rest; not easy to start with but tremendously rewarding.



Are You Making Any Mistakes That You Can Learn From?

Take some time now to consider these common mistakes with an objective view. There is another common mistake to justify what might be wrong decisions or actions that may not be for the good of the business. Is it worth looking at these aspects with someone who's not so close to the business? Take action now.

How good a mechanic is your Accountant?

Here is an opportunity to engage your imagination and open up an opportunity for yourself. You will also get to see your accountant from a very different perspective.

Imagine your business is your car. To keep your 'car' legal and performing at its best there are a number of areas you need to keep on top of such as getting it through its MOT, insuring it, cleaning it, servicing it, taxing it, not to say the regular checks you should be doing to keep it working well.

Just as there are different types of service and support to help keep your car on the road and performing at its best, there are different accountancy services to help keep your business (or 'car') a success and performing at its best. The following analogies should help you appreciate the differences and identify where you may be missing a trick.

A Bookkeeper, in 'car' terms, will take the 'car' through the car wash for you and change the oil, they may well also clean out the

interior. They will be able to tell you how much fuel you've got left and when your road tax is due for renewal. In addition they'll be able to tell you how much tread you've got on your tyres and how much washer fluid for the windscreen.



An Accountant who produces your year-end accounts is effectively taking your 'car' through its MOT, they will also be able to tell you how much fuel and oil you've used since the last MOT.

In addition to reporting on your tyres and windscreen washer levels they will also be able to tell you about the state of the battery and the cooling system. They are also able to help you get

a good insurance deal (in business term this means they can help make sure you pay the right amount of tax).

A Management Accountant is like a skilled mechanic and technician. They service your 'car' on a regular basis, keeping it working at its best. They can also recommend changes that will improve your 'driving' experience and help your 'car' give you many miles of happy trouble free 'motoring'. They are also able to spot early signs of trouble so your 'car' is less likely to leave you stranded or let you down.

So what is your accountant doing for your 'car'?

Most business owners will make use of the services of a Bookkeeper or an Accountant because they know they should or it's a better use of their time. The really savvy ones will add value to their business with a management accountancy service.

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More useful information, advice and tips coming up next month