

A Serial Entrepreneur's 'Common' Sense Advice



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By Victor Green

It's true that many factors contribute to an organization's success, but in the end it all comes down to this: how will your business be better, or different, than what is already available? Will you provide a better service than anyone else? Will you offer something that will improve your customers business and make them more money? The answers to one – preferably both – of these questions should always be a resounding, "Yes!"

This article assumes you have done the research and built the product. You have found a gap in the market that you can fill. Now, you're tasked with building or managing an organization that already exists. You may find the tips below are obvious or "common" sense. I would argue that these days, common sense is often rare.

Promoting your business: To me, the first priority is to clearly identify your audience. Who are your prime targets? Once you have determined who they are, then prioritize them in order of importance. Your marketing budget should be spent in accordance with these priorities, rather than choosing advertising and publicity avenues based on price.

Consider every marketing resource and evaluate which will give you best value. Seek out promotions that enable you to measure response. It is important to know if your marketing expenditure is producing results. One way to measure response is by using coupon offers. Another is to unique URLs to measure website traffic from a particular ad.

Service:. Today, everybody wants to be treated as a "special person." If you treat your customers well, your reputation will grow. This is the cheapest –

and most effective – form of advertising.

Relationships with repeat customers are very important. Every effort should be made to make personal contact with your "base," whenever possible. Be honest, polite, and attentive. Don't rely on e-mails or social media to do this work for you. There is nothing better than doing business face-to-face.

Your staff will follow your example. If you portray professionalism and attentiveness, your staff will see this as the way you want your business to be run. If, however, you have a poor attitude, are a bad timekeeper, take extended breaks during the day, go home early, dress badly, then your staff will assume that this is how you want your business to be run. Never ask your staff to do something that you would not do yourself.?

Sales: Selling your product at lower prices than competitors – many new businesspeople think this is the "secret" to business. But undercutting your competitors is only successful if it gives you a sensible return and a significant net profit. I call this "vanity versus sanity." Vanity is being concerned with your sales figure; sanity is being concerned with your net profit.

Build a relationship with all customers. You've caught me. This is a repeat of the advice above. However, it bears repeating. You must develop a loyal customer base to maintain reoccurring sales revenue. Then, and only then, can you start to branch out secondary audiences and those farther out. If you do not build a strong relationship that produces repeat business, you will effectively have to start your business over and over again every time you sell.

Finances: To manage a business successfully it is essential you have accurate up-to-date financial information. Each month you should produce a profit and loss statement, or a "P&L." When I mentor people, I always make this a strict requirement. If you don't have a P&L, you are effectively running your business in the dark.

Analyzing financial income versus expenditure is crucial. Your new P&L will reveal all sorts of things. You can obtain sales trends by tracking periods of higher and lower sales, which will help you direct your advertising and publicity expenditure at these particular times. You can also study your overhead costs to see if they can be reduced. Every dollar of overhead that you reduce goes to the bottom line.?

Failure:

It is easy to deal with success, but how do you deal with failure? Thousands of businesses fail for a variety of reasons. Most fail due to inadequate research, not clearly identifying a gap in the marketplace or determining their potential customers before starting out.

Every successful entrepreneur has had business failures. I have had several

business failures. When I realized a company would not succeed, I accepted that the first cut is the cheapest and moved on. I had no problem in closing down businesses that were not going to succeed. Too many people let ego and pride get in the way and continue to run a business that is not profitable. Be ready and willing to cut the cord, and you will set yourself up to succeed.

About the author: Victor Green has a long record of founding and growing businesses in a variety of industries. Now retired, he lectures and mentors small business owners and new entrepreneurs in conjunction with SCORE and the U.S> Small Business Administration. "In How to Succeed in Business By Really Trying!" (Amazon, \$16), Green shares more than 40 years worth of practical business advice. For more information, visit: www.howtosucceedinbusiness.com.

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