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**We strive to help Business Owners, Managers, and Entrepreneurs transform their approach to business, so they can Break the Barriers and Achieve Success.**

First, thank you for being here!

Are you ready to break a barrier and take a big step toward success? Let's Do it!

Don't fail, Succeed. Here's how!

If only it were that simple... Well, it might be. As with any endeavor, it comes down to the effort you put into it. But you have to be particularly mindful of where you put that effort.

If you are a florist and make beautiful bouquets but no customers are coming through the door, should you simply make your arrangements more beautiful? No, that won't fix your problem. Your effort is quite obviously needed somewhere else. It may be needed in marketing if no one knows you're in business. It may be that your price strategy or product mix needs work if your competition is doing fine. Or, should you sell on the internet or move since your location limits walk-in customers?

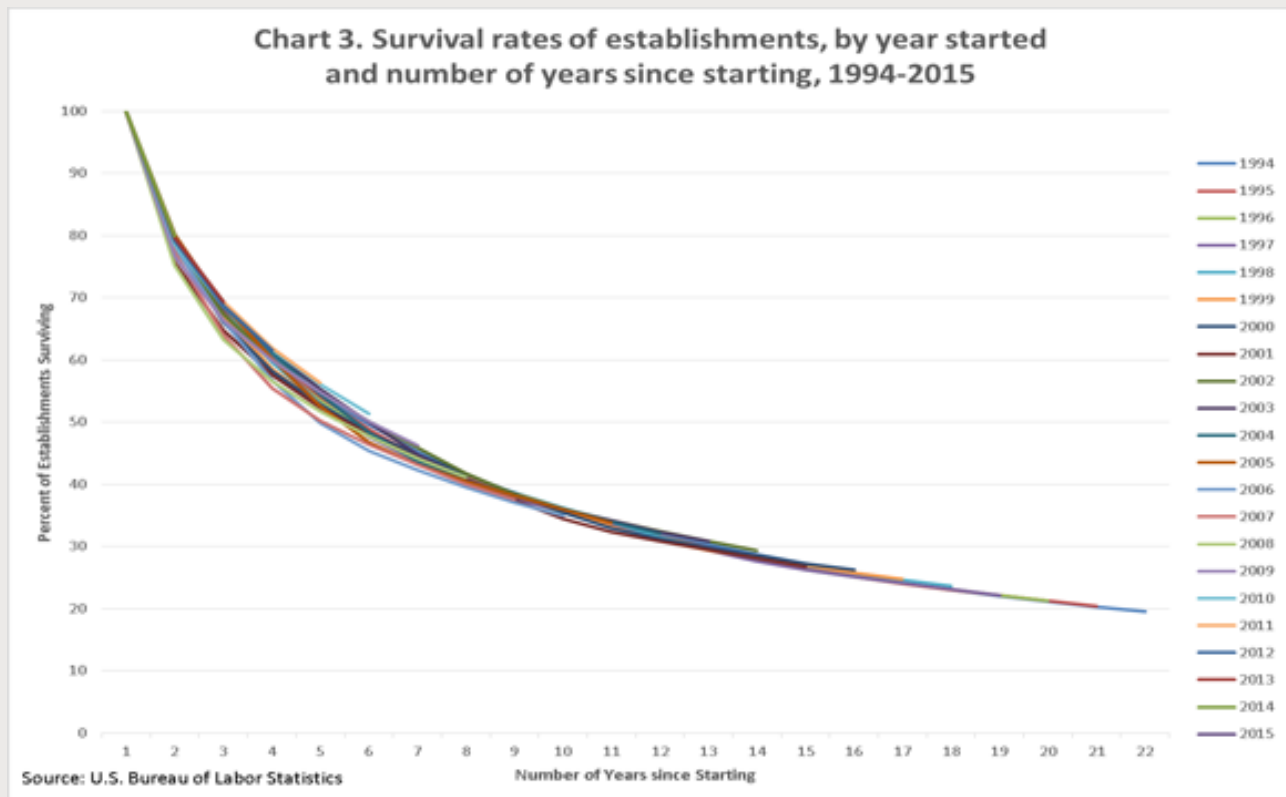
Putting the effort in the right place could make a big difference. So, how do you determine where to put that effort? Here's how: Look at the factors that contribute most often to the average business's demise. Determine what you need to do or not do to ensure you avoid a similar path. Then, look at the factors that contribute most often to a business's success. And again, determine what you do or not do, and apply that knowledge, to ensure your path leads to success.

This applies equally to an entrepreneur with an idea, a small business start-up, and is even well suited for an existing business that's barely getting by. Find out and understand why some businesses fail and some succeed. Determine what they have in common with each other and do what the survivors do, not what the failures did.

An internet search of a phrase you've probably heard before and believe to be true is: "why 90% of start-ups fail" or "why 90% of businesses fail" or "why 90% of tech companies fail". You'll get a pile of results, but, it's because the 90% statistic makes a great catch phrase that all these gurus and bloggers use with baseless impunity. And all the sites, even big names like Forbes, Entrepreneur, Business Insider,

etc., will let them post away with the erroneous numbers becoming more and more quoted every day. Too bad it's a completely made up statistic and has no bearing on any type of business or group of businesses that I can find.

Just to clarify, some of the information on the "why's" may be correct since they derived that information from businesses that actually failed. But, the 90% figure is completely wrong. In fact, check out the chart just below, from the United States Department of Labor related to business survival. It appears more than 80% of businesses survive the 2<sup>nd</sup> year, about 55% survive to the 5<sup>th</sup> year, and over 20% still punch the clock 20 years later. More importantly, that doesn't mean they failed! They just stopped existing as they did at start-up. They could have been closed intentionally at retirement, at the owner's death, sold, or simply changed the name to re-align in some way. So, to say 80% fail in 20 years would still be rather inaccurate. Nevertheless, you can go search and read all of their reasons why or you can just keep reading below the chart...



[[Chart data](#)]

<https://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm>

*(Hidden Key here: Don't be afraid to start a business because you fear you might not make it into that elite class of the super special top 10% that succeed. They lied to you. It's actually about 55% that make it to the 5<sup>th</sup> year. You can probably do that with a little effort.)*

In all of my research, (*personally performed and NOT based on blogger stats*) these were the things the failures had in common;

1) Customers didn't want the product or service.

The individual or business thought the great idea would be a home run. Unfortunately, they failed to test the markets, survey potential customers, calculate their (local) market breadth and depth, or failed to properly analyze the potential competition. In a few cases, they saw another business doing well at something so they tried to do the same thing in the same market. While that is generally a bad idea, if you are going to, you'd better do very extensive market studies before you go all-in.

2) Business model/plan was not viable or did not exist.

This is the single most important document you should have and work on at start-up. It boggles my mind to think that a business owner or entrepreneur would even consider starting a business without a well thought out plan but amazingly it happens all the time. Businesses jump in wide open, acting on the idea they have in their minds and maybe a few scribbles on a wipe board, but never break down the most important elements of a basic plan. Every start-up must have a written plan describing how they will operate for the first full year without fail. It should, cover the intended customer, intended product, marketing strategy, all financial drivers, management overview, and expected risk. And, cover the periods of months one, three, and six; as well as, one and five years at a minimum.

3) Ran out of Cash.

Bet you saw that coming... If they didn't have a good plan above, I would expect it too. Either starting with too little cash, failing to earn the income expected, or inability to acquire new funds is the end of most businesses. Knowing the financial status in detail and making all the adjustments as income and outflows occur is essential. A business owner or manager has to focus on managing cash flow and sticking to a budget, particularly the one outlined in the plan. By the way, the better the plan, the better the loans you'll get from the banks. If cash burn is not planned to eventually intersect with revenue, you can plan on closing the doors.

4) Lack of Growth.

Ah, the complacency barrier! This occurs when the business decides what they are doing is the best it can do. Or, they relegate themselves to the idea it will just take more time to get going. Nope, you are failing if you are not growing. Growth feeds the business new money as the bills go up. And bills always go up. Fail to grow and you will slowly lose money. Then, lose customers, lose motivation, and lose to the competition that is innovating as you set on the sideline waiting.

5) Not having the right team.

This problem can take many forms. One, is staying with the same team they start with as the requirements change and outrun the original start-up crew's skill sets. Some people love the

excitement of a start-up but lose motivation as the time passes. Others may not have the skills to rise to exponentially larger requirements as the business grows. And finally, having competent managers in the right positions. Many business failures throughout a business life cycle are directly attributed to management incompetence or lack of skills. In any case, your success depends on your brass tacks ensuring every employee from the top to bottom is in the right positions at the right times.

6) Lack of customer focus.

Customers are the single most important aspect of any business. If you are not listening to the customer, on what they want and need, you will end up providing something they don't want, don't need, and won't buy. Simple as that. Many businesses end up producing what they want to produce, in a manner that's cheaper or easier for them to produce in an effort to be efficient. All the while, the customer is wanting the product improved or changed. In other words, your product is changing and the customers' requirements are changing, but they are not changing in the same direction. Eventually, when it no longer fits their need, the customer moves on. The better approach might be to improve the product to the customers' wishes and charge the corresponding increased price. An important piece of price strategy is selling the increased value of the product. If you do it well, more often than not, the customer will pay the higher price because it is exactly what they want or need.

Although there is an endless list of why businesses failed, (*like poor marketing, out competed, poor internal communication, regulatory compliance, lack of innovation/new product mix, etc.*) those listed above were the six stand out reasons most often cited. As a small business owner or entrepreneur, it would be a very good idea to address the above listed causes to ensure you don't join the 45% that fail by the end of the fifth year.

And now, the good part. How to be successful, like the 55%! These are the most common traits of successful businesses, and yes, some do align exactly opposite of what the failures didn't do in the list above. They:

1) Provide what customers want.

Do the research. Make certain there is a market for your product or service. As I've said before, "no business exists without customers". It behooves you to figure out definitively who your customers will be, exactly what they want, and exactly what they are willing to pay before you start buying office space or equipment! Every entrepreneur with a great idea needs to take a moment of pause and ensure they are able to satisfy a real market need before producing a product they think "will be awesome". If you are not hearing potential customers say how awesome it will be and how they can't wait to try it, your idea might not be awesome enough to sustain a business. And again, if a market is already flooded, don't jump in with the same product. If you are not able to reinvent or significantly innovate, you'll likely just add to the sinking fodder. (*think fidget spinners...*)

2) Have a business plan.

My favorite! Anyone notice it's the first part of my Motto??? "Plan it. Do it. Succeed!"

Well, it is that important to success (*and the inverse of #2 above*). If you can't put the idea to paper with all the details laid out, your idea is not ready to become a business. When you take the time to write, review, and refine a business plan in detail, you will likely discover many elements to address, that without a plan, you would have missed. Fleshing out the details helps you work out problems now rather than two months and thousands of dollars into a big red hole later. I offer full courses just on business plans and at least five different Keys to Success address them in some form. They are that important! They are the blueprint for who your customers will be, how your product fits their need, how you will operate, and how you will finance your business on multiple timelines. This is essential for success. Period.

3) Arrange funding.

Even if you want to start off with just cash or funds available, make the effort to arrange funding. Preferably in excess of actual needs to ensure you can survive the unknown. There will be unforeseen cost that pop up, usually at the worst possible time. Having a pre-approved loan or promise of funds availability is essential. Even better, arrange funding then plan well under that amount. Leave a healthy buffer or 10-20% so that you build in room for the unexpected. This applies to currently operating businesses as well. Even if you don't need immediate funding, identifying sources of new cash and maintaining its availability may come in handy if a significant problem occurs that needs to be addressed immediately. Financially map the first; one, three, six, and twelve months. Existing business need to maintain one and five-year plans and update them at least annually. Remember, better plans get better loans. And a side benefit, a continuously maintained buffer has the psychological effect of providing safety. This feeling of safety improves your motivation and increases your chances of success.

4) Have the right team.

Organizational management requirements will change as a business grows. The end of year one may be entirely different from the second month of start-up. The people you start with may or may not be best skilled to maintain exponentially growing business as new requirements develop. Be mindful of piling new or additional duties on the shoulders of existing employees. In other words, a great Software Product Developer may not make a good Human Resource Manager when it comes to hiring shipping clerks... In order to maximize the talent and experience you have, it may be better to outsource some activities or hire new talent with the specific skill set of the new requirement. It helps to maintain an organizational chart with job descriptions and duties so you can visualize workload, segment specialties, and assign responsibilities accordingly.

5) Market/Advertise aggressively.

You have to let the world know you have what they need. It is important to distinguish and define two groups, Target Market and Target Customers. In conjunction with your business plan, a well-developed marketing/advertising strategy should define the elements of both your target market and target customer and how you will reach them. Successful start-up endeavors often hinge on the launch of the business or a product and require well defined, highly targeted customers that are most willing to buy, in order to generate quick sales and income. This is usually expensive but effective. On the other hand, sustainable success requires a different approach and leans heavy on advertising to a target market that broadly covers all possible customers in a selected market so that when they do decide to buy they know you have what they need. Efforts to define and budget these activities are always worthwhile. *(Footnote; Social media marketing, is essential these days. If you are not engaged in it now, you need to start immediately.)*

6) Remain flexible.

Yes, flexibility! To ensure you give yourself the very best opportunity to succeed, you must be prepared to adapt and change as needed. The willingness and ability to adapt and change will open unlimited opportunities. There will be change, change is inevitable. This applies to all facets of the business. Being continuously willing to change your product to meet ever-changing customer needs is paramount. Changing organizationally to maintain growth and profitability is an absolute necessity. Time and again, when I've looked at a business that is barely getting by, barely making it, I've found that resistance to change was a contributing factor. In some cases, very small changes opened doors to huge opportunities.

Isn't it convenient that the top and bottom groups are so closely related and virtually mirror each other? I hope the information above has helped you learn something, or at least helped you identify where you have a bit of learning left to do. Rest assured, properly addressing each of them will certainly reward you in the long run.

Remember, there is a difference between working ON a business and working in a business. If you are the owner of a small business, manager, or entrepreneur looking for success, focus your effort where it will most effectively ensure you remain in that 55%.

Although success, sustainable success, can never be guaranteed, being prepared and attuned to the risk that you may face will certainly give you a better chance at it. If you need help, my team at Chulor Consulting can evaluate your specific need and short-cut that learning process.

Now is the time to take action! Plan it. Do it. Succeed!





Remember, The Keys to Success are bonuses! Our professional consultations are not based on these keys alone. They may be related, but we use a separate structured approach to learning about your business and applying my team's wealth of knowledge and experience to customize your businesses path to success. Our intent is to transform your view and approach to business while giving you the advice, methods, tools, and guidance to start the transformation immediately. These Keys are additional elements that likely support your endeavor in one way or another. If you are a Breaking Barriers or Success Alliance member, feel free to download any that suit you. Please don't share with the world, remember, it's "our" system of transformation to get you on your path to sustainable success.

Please, share your success stories with us and let us know how any of the Keys to Success documents helped you make a positive change, identify a great opportunity, or make a big step toward success. That is why I do this!

Sincerely,

Charles Bailey

