

Cynthia Williams Bey



7 M'S OF NEW BUSINESS *Owners*

7 M'S OF NEW BUSINESS *Owners*

7 M's OF A NEW BUSINESS OWNERS

So, you want to be an entrepreneur? Ok, I get it. You can do your job better than your manager, and if I am correct, I am guessing you trained them for their role, right? Also, your boss does not even consider your obligations outside of the workplace. It would help if you had a flexible schedule, higher pay, and an unlimited amount of sick days. You are fed up, and you are 100% sure you can make a living on your own.

Thousands of business owners have been in your shoes before launching their businesses. But what if I told you that none of those circumstances were the reasons that many of us decided to start our own business. However, I am going to let you in on a secret. In building my business, I have composed a list of the seven most common mistakes people make when starting a business and how to avoid them.

Let's Dig In!



No
Vision

the vision has to be
bigger than you

*it all starts with the ability
to see beyond yourself*

No vision is the number one mistake most people make when starting a business. Anyone can start a business. You can set up your IRS Tax ID (EIN) and have all your paperwork ready to go, but it takes more than filing papers to operate as a successful business owner. Before you launch, ask yourself the following questions:

Why am I starting a business?

What problem am I going to solve?

What does it look like?

See, you must have a vision for your business, and your vision must be BIGGER than you. Think about it. We have eyes and sight, not for ourselves but generally to see others and our surroundings. Your eyes look outward into the world - not the contrary. It is the same with a business.

You must see the needs of the world. Whatever you do, it all starts with the ability to see beyond yourself. You also need to be aware of the different types of businesses. There are service-based businesses, merchandising businesses, and manufacturing companies. (Accountingverse.com)

It would be best if you determine your business type before you launch. Understanding this alone will help you execute your business plan better.

Check out this article to learn more about these different business types.
<https://www.accountingverse.com/accounting-basics/types-of-businesses.html>



No
Plan

Didn't Count the Cost

I discovered that certain obstacles
needed addressing

I started with what I had

One of my favorite quotes comes from the late Benjamin Franklin, “If you fail to plan, you are planning to fail.”

Now, I know none of us set out to fail intentionally. However, if you intend to launch a business without a plan, failure will have the advantage. When I started my daycare center, Heaven Sent Child Care, I had NO industry background and NO real guarantee for success.

Fortunately, what I did have was a plan, even in its simplest form. I did not have a traditional extensive business plan, which included research and financial forecasts. I did have a handwritten paper that identified the problem my business would solve, my target audience, my service rates, my expected expenses, and the cost to start.

My initial plan included researching the laws regarding in-home childcare. In doing so, I discovered that I had to consider a few obstacles before operating as a Licensed Family Childcare Provider.

I didn't have a lot of start-up capital, but I started with a small financial investment.

So, before you leap - count the cost. Here are a few questions to consider.

What will this cost me?

Will I have to work a full-time job while building this business?

At what point will I be able to transition out of my fulltime job to this role altogether?

What are the possible setbacks?

Do I have competitors?

Will this business bring immediate revenue, or will it take some time to build?

What are the legalities associated with this type of business?

No Legal Structure

apply for a loan when
you are ready to scale you business

*you are not a legitimate business
owner without proper legal structure*

This mistake alone caused many businesses to shut down during this pandemic because they could not prove their legitimacy. Unfortunately, because they had no documented legal structure, many could not receive Pandemic Government Relief Grants for their businesses.

You are not a legitimate business owner without the proper legal structure. No IRS Tax ID (EIN), no business account, no tax returns, and no record of payments is a disaster for failure.

Even if you do not have staff, you need to set up one of the four common business structures.

Sole proprietor
Limited Liability Corporation (LLC)
Corporation
Partnership

Outside of qualifying for grants and government assistance amid a crisis like the pandemic, a legal business structure will also help you when you want to purchase a home or apply for a loan when you are ready to scale your business.

No Separation of Personal and Business

*A business error may
come at a cost*

*if you lack financial discipline
dont commingle funds*

If you do not correctly set up your business, you will co-mingle funds, and you can end up with a hefty cost or huge tax liability expenses at the end of the year - especially if you lack discipline with your finances. Even as a Sole Proprietor, you need to separate personal funds from your business funds.

Federal and State governments do not consider whether you are a new business. Now, on a rare occasion, you may receive a pass for a business error, but an error may come at a cost.

Check out this article, “Commingling of Business & Personal Funds (And Why It Is A Bad Idea)” from the Skillern- Law Firm.

<https://skillernlaw.com/2012/09/17/commingling-of-business/>

No Target Audience

*This is a common mistake
with most entrepreneurs*

Being a business owner requires hardwork and sacrifice

You can waste a lot of time, money, and resources by skipping over this one crucial step - identifying your target audience. When you determine your target audience, you have a better understanding of your prospective customers' needs, and you will know precisely the type of message you need to create to reach them.

Now, keep in mind that every business isn't for everyone and everyone isn't for every business.

Let me explain.

There are some products to this day that you will never purchase because it's not suited to your needs or even desires. For example, non-smokers will most likely never buy an ashtray or a pack of cigarettes.

On the other end, I love seafood, and I love watching "Wicked Tuna." It is fascinating to see fishermen and women battle the sea and capture food that we all enjoy. However, that is not a business I could ever see myself pursuing, and I would probably throw in the towel from seasickness.

Being a business owner requires hard work and sacrifice. Even when you know your target audience- it takes time, and that can be discouraging. So, imagine being in a space when you miss your target.

Again, not knowing your target audience creates more work and unnecessary mistakes. Understanding who your customers are allows you to avoid common pitfalls, so it's vital to first understand your target audience's needs before providing products or services.

Take a moment and read this article by Laura Aveledo, Business Planning and International Trade Advisor, regarding how you can identify your customer.

<https://smallbusinessbc.ca/article/importance-understanding-target-market/>

No Discipline and Perseverance

No one is going to
hold your hand

Are you disciplined enough to pick up that burden and
persevere in times of adversity?

you still have to show up day in and day out

Now, let's address some misconceptions. Many people believe you can get up when you want, chill, relax, take vacations, and not have accountability when you own a business.

Well, I am here to tell you that entrepreneurship is a more challenging task than one thinks. Many do not realize that being self-employed and being a small business owner with staff are two different ball games. Either way, both require discipline.

A traditional 9-5 job offers a set schedule, a set pay rate, and an established payday. Guess what? You may not have the same structure when you are the boss. When you own a business, and you are the boss, your business life looks like the following:

There is no one to make you accountable.

There are NO guarantees.

No one is going to hold your hand.

No one will keep you on task.

No one will tell you to pay your taxes.

No one will tell you how to conduct yourself in business to ensure you stay aligned with your vision and mission.

Once you are a business owner, the public expects you to conduct yourself and your business in a reputable manner, and you should prepare for the unexpected. You are now in the public eye, and even when life gets hard, you still must show up every day - even if there is a natural disaster or a pandemic.

Think about the current state of our nation and globally. Customers needed products and services from various businesses, such as pharmacies and grocery stores, etc. Regardless of the risk, many companies had to meet high demand from customers. Many business owners decided to ride the wave during the pandemic and not shut down – I was one of those wave riders. My business stayed open during the entire Covid-19 outbreak to serve essential workers and my community.



No
Support
System

*you need someone to get you
started on your journey*

*make sure you have
a support system*

Everyone needs a support system. Even if it is one person, you need someone to get you started on your journey. Whether it's one client, one investor, or one person who believes in you and what you have to offer, it takes more than a great idea or simple will to start and operate a successful business.

You must have a support system in place to help you launch. Think about the corner street hustler. The hustler has a support system consisting of a product supplier and a distribution team, who also serves as security. In the street game, he or she even has a right-hand man or predecessor to step in. They also have a clear understanding that business must continue in the event of their untimely death or absence.

Now, do not judge me. I am just a full-fledge born and raised Brooklyn girl who observed my community environment. My point is many business owners fail because they do not have the proper support system in place. Support goes beyond money.

Who is around you?

Who is talking deadly words to your dreams and visions?

Who will hold your arms up and support you to ensure your business still operates your absence?

While preparing to expand my daycare from my home to a commercial facility, I had to lean on my husband's support and a few part-time employees. I was pregnant, running an in-home daycare, and taking full-time classes to obtain my associate degree in early childhood education. If it were not for my support system, I would not have expanded my business. So, I encourage you to put a support system in place before you launch.

Final Thoughts

Listen, while being a small business owner can be taxing and downright hard at times, I WOULD NOT trade it for the world. I am a part of the 25 percent of business owners that have made it to their 15th year in business, and the journey was not easy.

Sometimes I thought about throwing in the tile, but I did not want to join the 75 percent of businesses who fail within their first ten years (www.investopedia.com). I wanted something more for myself and my family, so I learned to push through my difficult days and focus on my vision.

You downloaded this guide because you do not want to join the closed business list either, and I also believe you have a strong desire to make your mark in this world.

Will it be hard? Absolutely, yes!

Will everyone support you? Absolutely, no!

Will you make mistakes and fail miserably at times? Absolutely.

However, if you use these seven mistakes as a starting point, you will have an advantage. So, let's recap.

1. Get clear on your vision before launching.
2. Create a plan and count the cost.
3. Set your business up legally.
4. Create a separation between your business and personal finances.
5. Identify your target market and consumers.
6. Disciplined and persevere.
7. Identify or create a support system.

NOW YOU KNOW

how to avoid some of the most common mistakes people make when starting a business. Are you ready to launch your dream business?

If you are ready to launch your business or rethink your business, I can provide you with the guidance you need to win and take your ideas to the next level. Access my calendar and schedule a one-on-one business consultation with me today at mrswilliamsbey.com/coach.

Are you ready to launch?



Work Cited

“Accounting Types & Forms of Business” Copyright 2020 Accountingverse.com-Your Online Resource For All Things Accounting.

“Top 6 Reasons New Businesses Fail” Michael T Deane
<https://www.investopedia.com/financial-edge/1010/top-6-reasons-new-businesses-fail.aspx#:~:text=Data%20from%20the%20BLS%20shows,to%2015%20years%20or%20more.>

“The importance of Understanding your Targeted Market” Laura Aveledo.
Posted March 2018. Updated September 23, 2019
www.smallbusinessbc.ca/article/importance-understanding-target-market/

Written by Cynthia Williams-Bey
Cover and book designed by Stokes Marketing
Copyright © 2020 Mrs. Williams-Bey. All Rights Reserved



7 M'S OF NEW BUSINESS *Owners*