

WHAT IN THE WORLD OF WORK... IS HAPPENING?

Common Mistakes by Wanna Be Entrepreneurs to Watch Out For!

In our world, the words 'You're fired!', 'We have a new program to help you ease into retirement.', or, 'you are redundant, and we are no longer hiring!', have become all too familiar in today's working environment!

In many ways, our traditional quality-of-life has improved tremendously in the West, thanks to vast improvements and progress in the technological field. And, more interesting, technology is at least helping to provide access to many new.... never thought of... opportunities.

That some of these opportunities serve only as the 'back office' of administration and do not manufacture or create any real wealth for the masses, they also add to the cost of doing business.

For example, giving people the ability to apply for a job on line may allow a million applicants to apply for the same job, but actually decreases the chances of any one of those job advertisers to get back to you.

No one person could possibly go through the list of all applicants and make a decision to hire you. Simply too many...and too much information to sift through, on the part of the job advertiser.

In China, India and other countries in East Asia, huge State Owned Enterprises are shedding workers in their thousands and the battle for survival is unfolding rapidly.

In China, potential supervisors actually bid the price of their 'jobs' downwards in an effort on the part of workers, to remain competitive.

The Western world is speedily 'progressing' in light of vast technological advances. Here, technology affords 'individuals' the opportunity to become self-employed... literally by themselves...with very little human contact.

In Asian countries self-employment occurs mainly in the context of 'relationships' and 'connections', which they see as a vital part of entrepreneurship.

In Japan, many publications on 'working without managers' have been printed and circulated. That trend is also increasing in China. Entrepreneurs are create inside organizations.

As the workplace changes, and the concept of the job becomes more aligned to entrepreneurship, so a new trend is emerging across the globe. Entrepreneurship and going into business for yourself is exploding.

Baby boomers and new job market entrants, specially, are embarking on new ventures.

The definition of the word 'job' is rapidly changing to 'self-employment'. In a way, self-employment and entrepreneurship is leading the way to put food on the table and to pay the bills.

In fact, in the year 2004, millions of people were already telecommuting, working part-time businesses and struggling in their first endeavor as a small entrepreneur.

In no way is this report intended to disillusion you in your attempt of becoming an entrepreneur, but to point out that our new, globalized business world is becoming more competitive by the day. It is a path that has to be accurately investigated.

It is always your task, as entrepreneur, to ensure that your first business turns into a success and does not become a statistical failure.

This report merely serves the purpose to give you more background knowledge about entrepreneurship and self-employment, on a back drop of some economic reality!

What are some of the most common mistakes for starting your own business?

The reasons for starting a business, for the most part, aren't very sound or very well-researched. Often, people start up a new business just to get away from, what they perceive, to be their 'pain-level' of frustration.

Frustrated with their working conditions... frustrated by their lack of 'progress' inability to grow as a person, and so on.

They may have spent many years working for one employer, feeling stressed, unmotivated and view self-employment as the solution to all the promises of a better 'life'.

The lure of 'hyped' up sales pitches and promises of instant wealth, also remains a strong attraction.

They start out going deep into debt, way beyond their debt servicing levels, only to find the stress increasing as the debt obligations pile up!

Ultimately, desperation starts taking its toll, and hasty decisions are made, often with grave results for their small venture.

Whereas most young entrepreneurs seek immediate alternative income, they frequently overlook the value of taking a good long rest and time to research their new venture thoroughly.

Many have too little savings to carry them during the research and investigation period.

Not only that, after working for many years for one employer and never being exposed to any business related decision making processes, they find themselves 'stunted'. Their decision making ability simply layed dormant for too long!

Most, find themselves with no time to take any courses that could expand their knowledge about what it takes to become an entrepreneur. Many, from their work related experience know where their skills gaps are, but see time constraints as a limiting factor. Big mistake!

For instance, preparing a proper business plan and researching the market currently is not executed in an appropriate manner. People get impatient and see everything as 'time related'.

Their haste and lack of preparation and information are one of the leading reasons why their startup business fails.

In many instances, people are just not suited for entrepreneurship or self-employment. They have done very little, if any, introspection regarding their own character, personality and desires so as to gauge their 'readiness' for entrepreneurship.

In the absence of understanding their own motivations thoroughly, they often are ill equipped to plunge into the risky world of self-employment.

Then, after making the decision to go on their own, they stumble across, what they believe, to be a great idea. The marketing psyche says...it only depends who you hang out with.

They fall in love with a plethora of moneymaking opportunities, only to respond to some, very shaky business proposals.

One of the most common mistakes made, is that employees who would like to break out on their own, have very little exposure to the business world from beyond the limits of their own workplace or environment.

As such, they simply are not aware of what it takes to run a successful business.

Now, in the light of these common mistakes, their places of work also contribute to giving them sufficient reason to want to strike out on their own... if not forcibly ... then prematurely... to their skills sets.

Companies and the reality of economic hardship.

As we have seen, most reasons for starting a business are not very sound, and often the small entrepreneur gets an untimely nudge from other small businesses that are going through a cycle of economic hardship.

In a recession and when companies start to suffer, or technology changes, no 'job' is safe.

As we know, economic cycles come and go but, it is the down cycles that create the real 'pressures' for change. Either companies need to 'scale back', or employees need to be nudged to consider moving on their own.

In the wake of such sudden change, most new startups will be created out of desperation.

These acts of desperation, then often cause people to run headlong into ill-conceived actions as planning goes onto the back burner.

In fact, the current down turn (early 2008) is causing one of the biggest surges for entrepreneurship in our modern period.

Young people are faced with a bleak and changing future, despite their education and training, and need to recognize the opportunity and challenges for 'making it on your own'.

The real training they actually need for their uncertain futures is not more knowledge for the sake of knowledge, but to gain exposure and knowledge about the concept of entrepreneurship.

Many employers, if they are forward think enough, may just be creative enough to redefine the role of their employees as 'CEO's of their own jobs' and then to allow these 'incumbents' to participate in 'knowledge transfer training' to other similar companies or industries. Be they customers or suppliers.

There are many opportunities for cross training and the cross fertilization of ideas... between industries.

For many employees, years of experience in their jobs, often makes them realize that their employers were not particularly competent in the first place. They need to see the signal for moving to greener pastures!

Incompetent employers.

Many workers decide to go on their own, because they realize that their employers are not particularly competent, or have not demonstrated any leadership for their rapidly changing environment.

Some get tired of working under these conditions and feel that they have the experience and the ability to strike out on their own. Running a business will definitely be a unique experience, not necessarily a good one if you're not prepared for changes.

The transition of exchanging one hat for another is often very difficult to make.

Saying Goodbye to the Boss can be difficult.

Being told what to do is not enjoyed by most people. When you are your own boss, you are the only one responsible for all decisions.

There is a certain pride in saying that I am self-employed, going into business on my own. No more time clocks. No more scheduled tea breaks

Those first time entrepreneurs make terrible mistakes in the startup stage. The image of being a wealthy entrepreneur and business owner, blinds them to the day to day realities of running a business.

In the absence of having a boss, one requires a massive amount of self-confidence and self-motivation! This is a major responsibility and one that not too many people want to accept.

For example, who shoulders the blame when things go wrong? Of course, it's you! It's a heavy burden to place on yourself! Being a procrastinator simply won't cut it in the entrepreneurial world.

Commitment to your goals and follow through are at a premium when you are an entrepreneur.

Stress of More work less pay.

Of the many workers that have been forced to accept wage freezes, or only minor increase in the past 15 years or more, many of them believe that, by going on their own, they will somehow leapfrog away from stress.

Wages have not kept pace with the cost of living, and the average family is having to adjust its spending habits to conform to meager wages.

The prospect of a scant second pay cheque often is not worth the stress and this is a major causal push for people to opt for self-employment.

If your business is well planned, it can be successful...after a couple of years of hard work. But, if you don't plan probably you will work even harder than a salaried person / position, and maybe even make less money.... and more stress!

Constant Job Threats today

The financial pressures of starting businesses are passed on to existing staff. In many instances entire divisions are closed down and the jobs exported to places like India, Mexico and China.

This often leads to a trigger for considering self employment and starting a new venture.

There is the constant threat of losing one's job and people with secure positions are considered the lucky ones. Others who find it more difficult to accept the inevitability of change decide to do so any way, ill prepared for a more, uncertain future.

Most employees have suffered job related stress brought about by a change in workplace practices and after many years, there comes a time when enough is enough and people look forward to ANYTHING that could make the pain go away.

This is an emotional reason for jumping ship, and not finding out what the alternative looks like could spell disaster. Going on one's own needs a major shift in attitude and approach toward life.

The explosion of home based business increases.

Recently we have experienced, in Canada at least, an explosion of home based business opportunities. Being embarrassed by saying that 'I work from home' is no longer an issue.

However, the sadness of the tax structure in Canada has positioned home-based businesses in an incorrect light.

Protagonists of the entrepreneurial cause, inadvertently 'promote' only the upside reason for running, or establishing a home based business.

Positioned as a tax write off from Government, they do not sufficiently explain the downside of operating a business from home. This then motivates business startups for the wrong reason

Entrepreneurship...no easy walk to freedom

Becoming a doctor, attorney or accountant has no need if you are dreaming about being a self employed person and being in it for the money alone. You'll be far better off becoming a commissioned sales person.

An entrepreneur displays a passion for the business that he or she intends creating. In pursuit of that dream they display an unquenchable desire to learn, absorb, explore, grow and being of service to others. It is no easy walk to freedom.

Business means hard work, diligence, patience and careful planning. But that does not mean you shouldn't start your own business, what it does mean is that you should start thinking of what lies ahead.

Entrepreneurship is one of the easiest ways to learn and to gain self-confidence. The many entrepreneurs that I have coached over the years have all attested to the fact that it is well worth the effort!

The knowledge and the emotional satisfaction that goes with the territory is one of the single biggest reasons why entrepreneurs start out on their new ventures!

If you love what you do, and you do what you love, the chances of running a successful business increases exponentially.

There is no particular type of person that best describes an entrepreneur.

Inside any company you would always be able to spot an aspiring entrepreneur. They are typically people who have well-rounded talents, capabilities and skills and who would be able to approach a new startup in a positive manner.

Some people thrive on the challenge of entrepreneurship, and some have a natural aptitude. Some need further education and study, others display too much confidence, well over their skill capacity and then come crashing down.

Some MUST HAVE skills for entrepreneurship.

In no particular order, I list a few of the more common traits of being an entrepreneur. Some should be studied... some you would be well-advised to familiarize yourself with. Others you can simply copy and learn from existing entrepreneurs.

Review the list and gauge yourself against these 10 benchmarks

One: Maintaining a positive attitude, even in adverse financial situations. Adversity and prosperity move in cycles. Don't allow these cycles to influence your attitude.

Two: Entrepreneurs are willing to work long and dedicated hours. Their goals are in fact commitments they make to their own success in life.

Three: Express yourself well and communicate with clarity, so that people are interested in what you are saying and would like to know you better?

Four. Do you easily interact with others and can you comfortably converse with them and come across as a person of confidence and competence.

Five: Can you express yourself well in writing? Is your written word easy to understand and interpret.

Six: Your demeanor should be such that people willingly listen to what you have to say, your instructions and your requests?

Seven: Ask yourself whether you can cold call and sell yourself over the phone ... in 30 seconds or less? If you can't...learn this skills FAST!

Eight: You should have sound business knowledge, and how the business operates?

Nine: Do you continuously study and learn those areas in which there is a gap of knowledge or skills ?

Ten: Are you able to be single minded and focused so that you can start a project without being sidetracked?

In Conclusion

Owning a business will not stop you from performing any repetitive tasks. Performing these 'boring' tasks is often the main cause of 'entrepreneur' burnout. As time moves on entrepreneurs get tired.... get old....lose enthusiasm and so on.

One of the single most important strategies to have is to create an 'exit' plan, right from the start.

Set up systems inside the business which are easily transferable and teachable to any new, prospective purchaser.

Don't forget, that you have to position your business 'worthiness' in the best possible light, and provable and replicable systems will be the way to go.

When venturing out as an entrepreneur ensure that you always have an exit strategy.

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