



15 Reasons Why Some Businesses Fail and Some Succeed

WHITE PAPER

Many people dream of starting a business, but one thing stands in the way: fear of failure.

Many discouraging statistics exist about the rate of survival for startups. *But thankfully, discouraging statistics don't tell the whole story.* While starting a business isn't for the faint of heart, success is absolutely possible.

Here are 15 reasons why some businesses fail, and some succeed



1. Ability or inability to prioritize

Trying to do it all is the temptation of most small business owners. After all, it's this same willingness to jump in and do whatever it takes that started the business in the first place. But knowing and keeping your business priorities in place is crucially important. Delegating is your friend.

2. Adequate or inadequate inventory management

According to the Small Business Administration, inadequate inventory management—having too much or not enough product—is one of the leading reasons new businesses fail. Having the right amount of product is critical.

3. Clear or unclear mission statement

Having—and knowing—your mission statement isn't just busy work. Write it down!

4. Defined or undefined customer

Who's your customer? Knowing this answer transforms everything from how and where you market your business, to what you sell, to where you set up shop. Knowing this answer literally changes everything.

5. Good or poor differentiation

What differentiates your business from the competition? If you don't know the answer, neither will your ideal customer. Get as clear as possible on what sets your business apart from everybody else trying to do the same thing.

6. High or low sales

At the end of the day, meeting or not meeting your sales goals will make all the difference in the success or lack of success of your business. While sales goals aren't the only priority, they are a pretty big one.

7. Personal or professional use of funds

In short: Your business funds aren't your personal funds. Keep them separate. Don't make exceptions.

8. Presence or absence of a business plan

While creating a business plan may be as enticing as getting a root canal, a business plan—writing out the goals for your business and timeframe for achieving them—is what will set you apart from your competition. This is the place to be honest about what you want to business to accomplish.

9. Right or wrong partner

More than just choosing somebody you like, choose someone who will bring needed skills and experience, who shares your values, and who has resources and credibility.

10. Strong or weak leadership

Your leadership must make good decisions most of the time. From managing employees to keeping the books, a business rises and falls on the shoulders of strong or weak leadership.



11. Sustainable or unsustainable growth

Learning to say “Yes!” and “No” are two of the most important skills you can acquire. Either taking on too much work—or being too selective—will bury your business.

12. Understanding or misunderstanding customer behavior

Good word-of-mouth marketing is your best resource, and it happens as a result of knowing your customers’ behavior. Having a “cash only” payment system in a place where customers prefer to use credit or debit cards, for example, can tank your sales. It’s critically important to know what your customers want.

13. Usable or unusable data

Quite simply: The more useable data you have, the more likely it is that your business will succeed. Gather as much data as you can about your customers, your competition, your product, and your market.

14. Valuing or devaluing administrative tasks

As unglamorous as it may sound, much of running a successful business comes down to completing administrative tasks. Administrative tasks take up a large part of each workday—by necessity—and valuing or devaluing them can make or break a business.

15. Willingness or refusal to pivot

Good old-fashioned flexibility is the key to business survival. In fact, unwillingness to pivot is considered to be in the top three reasons businesses don’t succeed.

Bottom line: Starting and maintaining a thriving business is hard work—no question about it—but it is possible, and you can do it. Keeping these 15 reasons in mind will put you well on your way to success!

