

Why do small businesses fail and how to beat the odds assignment

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Why Do Small Businesses Fail and How to Beat the Odds Daniel P. Quinn

Gwynedd-Mercy College BUS101 ASB 82 Week Two Individual Assignment

Most new businesses fail within the first five years of starting. Some people mistake a business for a hobby; just because you love something doesn't mean you should convert it into a business. Too often businesses fail because the owner feels their passion is shared by others. Other businesses plan poorly; yes, you must have a business plan.

It can be a simple three page plan or a huge 20 page plan. The point is that you've looked at all the aspects of your business and are prepared to handle problems when they arise. Your business plan helps you to focus on your goals and your vision, as well as setting out plans to accomplishing them. Often businesses are very slow to get off the ground, you have to create and use a realistic business budget, and not constantly drain the business income on personal spending.

There are so many roles to play when running a business, from marketing and selling in order to run a business effectively. On top of that, you have to understand the industry your business is in, the skills required to offer your products and services, and the trends in that industry. I think the main cause of businesses going under is poor customer service. Once you have a customer, you have to keep them.

There are two key points to customer service make sure you pay attention to what the customer wants (and how these wants can change over time), and make sure you provide quick return of phone calls and emails, proper billing, problem solving and an overall pleasant demeanor. Competition will kill a

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new business, almost as quick as poor customer service. Customers will go where they can find the best products and services. It's important to know who your competition is, what they have to offer, and what makes your own products or services better.

Putting off tasks that you don't enjoy will sink your business fast. Poor time management and procrastination play a major role as well; you can't afford to waste time on unimportant tasks while critical tasks pile up. All tasks need to be done; if you don't like to do them (or don't want to spend your time doing them), hire someone to do them for you. The last thing a customer wants to hear is an excuse for something that should have been done by the time you promised it. I like to end with a quote by Robert Kiyosaki: "It is not money that makes money, it is knowledge that makes money".