

Entrepreneurial Fails: Seven Reasons Why Your Next Entrepreneurial Business Could Fail

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21 يوليو 2020

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year ago July 21, 2020 1

by

Failure in the world of entrepreneurship is neither a catastrophic nor a fatal flaw, in fact, the failure of startups is one of the most common things in the business world. According to statistics, 90% of entrepreneurial projects fail, and only 10% of them survive and take off during the first five years of their establishment

The failure of startups has many reasons, related to the market, timing, conditions, quality of founders, and others. But it can be said that there is a Guideline that often leads the pilot project to failure, regardless of the founder's experience, the efficiency of the idea and the market understanding. Here we explain seven reasons why your next entrepreneurial venture may end up failing

Insufficient capital

Sometimes you set up a very good startup, but you don't have enough capital. It's like building a neat plane, but without a tail. In this case, the plane cannot in any way take off from the ground and start flying without a tail, otherwise the inevitable result is that it will fall or burn

No matter how unique your company is in terms of idea, employees and business style, it cannot take off without sufficient and reliable capital. Many companies start completely dependent on debt, loans or inconsistent capital, which leads them to enter into problems that lead to failure

Lack of proper practical advice

In general, many founders seek to start and run their startup with the "I did it my way" logic that Frank Sinatra hums. In fact, in the world of business in particular, no one does it alone, and you must seek the right practical advice from an expert who will be your guide to your Mentor, or go back to the right book, or resort to the advice of someone with a different and effective point of view

In your field, listen a lot and don't get carried away by Sinatra's vision of doing it alone.

Ask your accountant, lawyer, financial planner, and strategist, get the right experience from them, and make your decisions based on them. The owners of successful startups are

always the people who always seek advice from someone with a greater perspective and broader experience in a particular field, and surround themselves with the right people
.and advisors

bad treatment of people

If you do not develop a suitable personality that people like and are comfortable with. They won't do business with you, you won't get employees who are loyal to your company, you won't get the right partner if you go for it, you won't get an ambitious investor. Personality is a very important part in the business world. You cannot be arrogant, ignorant or cheeky, and then complain about employees escaping from your work, or the !reluctance of investors to finance you, or even the customer leaving forever

Regardless of your personality, you must learn the right professional communication skills, or else you will have hard days in the success of your company. Learn how to properly deal with your employees (the most important asset you have in the success of your company) while they perform tasks that you do not want to do or should not do. Learn how to properly deal with the investor, partner, worker, friend and public, as the matter goes out of the framework of taste and social courtesy, to the framework of the .imperative of upscale dealings with everyone to make your business successful

Failing to adapt to change

You will notice this point specifically in multigenerational family businesses (companies started by the grandfather, then the father, and ending with the grandson), and it will show you how the good grandson fails to adapt to the major changes in his industry. The reason: This is what we found our parents on. This is what my grandfather used to do 80 years ago when he founded the company, and so did my father, and I do the same without .changing

It is essential when setting up a startup that you are able to adapt to the huge changes that are taking place in our digital age. Startups that do not adopt technology or keep pace with the market, their only inevitable path is to fall behind and then decay completely, in .a market where the first rule of play is rapid change

Greed..a shortcut to project failure

There is a huge difference between ambition and greed. Ambition leads to your company growth and distinction, and greed destroys it completely. Greed takes many forms, such as you start defrauding your employees to increase your profit at the expense of their own.

You start dealing with your company as a personal cow that eats and drinks from it and forgets that it is a source of livelihood for others, whether partners or employees. You start overtaking the same customers just because you get other customers to be more generous. You shower yourself, while negotiating for several months with employees only for a slight increase in their wages. Arbitrarily dismiss anyone whom you deem to be !wrong, regardless of their training or evaluation

Companies - especially when they achieve some success - turn many of their owners into greedy pigs, and the transformation into a greedy pig may satisfy greed and desires for a period of time, but it is like a hole in the bottom of a ship that leaks water, and its owners .do not wake up to it until after it has completely sank

Administrative disagreements

Undoubtedly, administrative disputes remain one of the most common reasons for the collapse of companies, due to the deterioration of relations between the main managers of the institution. Take with you many forms of disputes, such as conflicts between family members in family businesses, conflicts between partners , conflicts between .administrative employees. The list goes on

The good companies that survive and survive the collapse are the companies in which there are usually clear agreements between the members of its board of directors and its shareholders, on how to clearly manage this relationship. And have clear policies for dealing with employees, and between employees, in the event of any disputes. Everything must be written, clear and known to all employees within the company, whether at the top .or the base of the pyramid

inexperience

You cannot run a business in which you do not have enough experience. Training and evaluation is definitely a good thing, but long experience in the field of work and its management is important in its early stages, at least, as everything in your company depends on your final decision. You must be experienced enough, otherwise it will turn into a disaster in making decisions and directing the company. You cannot bring a plumber and appoint him as a manager of a company, and you cannot bring a businessman to ask him to fix the plumbing at home. An experienced plumber is responsible for the plumbing work, and an experienced businessman is responsible for .the management work

Briefly

Bad management is the number one cause of killing small and medium businesses. Wrong management in dealing with employees, lack of experience, dealing with cash flow, dealing with expenses, experience management, crisis management. The main evil seed in the failure of companies in all their branches is that there is bad management in them. .Whether it is a company with a great idea, or competent employees

Finally, the final nail in the coffin of the death of small and medium-sized companies is that they are reluctant to seek appropriate advice early in their crises. And when you have to seek advice, it is already too late. They call it "ostrich syndrome", meaning burying the !head in the sand until the problem passes