

Title:

Why My Early Business Ventures Failed

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Summary:

When I was in my 20's I had a buddy who was a budding entrepreneur, and he had such an infectious enthusiasm for starting his own business that I'd often be persuaded to join him in his entrepreneurial exploits. For some reason we didn't know at the time we never actually became the millionaires we believed we could be, and looking back now I can see why.

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Article Body:

When I was in my 20's I had a buddy who was a budding entrepreneur, and he had such an infectious enthusiasm for starting his own business that I'd often be persuaded to join him in his entrepreneurial exploits. For some reason we didn't know at the time we never actually became the millionaires we believed we could be, and looking back now I can see why.

All of our business ideas centred around dealing in used cars, as we both worked in the automotive repair industry and knew the market, so that wasn't why we failed. But when I look back at what we didn't do I now know why we did. So here I'll retell the story of our failed business, and maybe you will see where we went wrong.

It would always start with a phone call from my friend to tell me of a car the chief buyer at the used car lot he worked in had found at a bargain price that we could buy. We'd pool our resources, and buy said car, and spend the next week cleaning, fixing up and making good our business investment. We knew the resale value of every vehicle we bought and always had the opportunity to turn at least 50% profit, and we'd rub our hands together with visions of our profits. We would advertise the car in the top used car ads paper in the area and even pay the extra for the papers professional photographer to take some pictures. When the paper was published on a Thursday we'd sit by the telephone and wait for it

to ring.

Usually by Saturday we'd had few calls and decided our price was too high, and lower it for the next weeks listing. Looking back this was our second business mistake, the first was our ad copy in the paper, it sucked and that's why we didn't get any calls, not because the price was too high. So once we had lowered the price we did get calls, and viewers for our now bargain priced car. Almost without fail these potential buyers would come and offer us a much lower price than we'd advertised, because they were mainly small traders who knew the business better than we did, and had spotted the same car listed two weeks, and the price drop, and knew desperation when they saw it.

Invariably by the third week of poor ad copy, price drops and failed haggling we would drop the price to the point where we would only just break even. Someone would get a bargain, which usually would turn up on a sales forecourt for even more than our first price, or worse for our battered egos back in the same paper we'd used for a higher price than we'd even dared to hope for, but would not be for more than 2 weeks.

And this was repeated many times over several years, with the same results for our grand auto business ideas, no sales, no millions and still repairing vehicles for someone else's gain.

Here's where hindsight shows up our business mistakes.

1. Poor ad copy, we had no hope of getting any calls on our great cars with our very basic and uninspiring ads, even with a picture. The words just didn't sell.
2. Price dropping, when you start dropping your price, your potential customers will see you don't believe in your businesses products or services enough, and if you don't believe why should they?
3. No business plan, although we had tons of enthusiasm we had no solid plans, even if our first car had sold we would have bombed because we had nowhere planned to go forward to.
4. Lack of professionalism, as well as poor ads in the paper our business suffered from the fact we were two enthusiastic amateurs, with no telephone manner, and poor salesmanship, we also lacked in confidence to hold up our prices and stick till it was sold.
5. Impatience, I firmly believe this is our biggest business mistake, and one I see all too often in online entrepreneurs. Impatience will stifle your business.

The budding entrepreneurs that were my buddy and me didn't want to wait for our profits, we wanted instant results, and that just doesn't happen. Ask any "overnight success" and they will tell you they only achieved overnight success after years of trying.

6. Doing the same thing, and getting the same bad results. We never changed our routine, it didn't work, but we kept following the same steps, and failing in the same ways. We should have been testing, and tweaking our sales techniques, instead we used the same ad format, in the same paper, and dropped the price in the same way every time.

So take a step back, and look at your business practices, can you see yourself making any of these mistakes?

Are you expecting instant riches from your business? Do you believe that dropping the price will get you more sales? Do you need to improve your ad copy? Does your business portray a professional image? Are you doing the same thing every time but expecting different results?

Be honest with yourself, look for the mistakes you might be making and don't keep making the same mistakes every time. Hopefully you can learn a little from my business mistakes and turn your own business around to be what you want it to be this year.