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# Ten biggest mistakes by SMEs

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Setting up and running your own business isn't for the faint-hearted. Taking strategic risks can either make or break a fledging business, and some of the most successful business decisions were actually a leap of faith.

However, there is no excuse for making basic blunders, and here are the some of the most common pitfalls, and how you can avoid them.




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## No business plan

Most businesses begin with an idea. Whether this is a sudden epiphany, or a half-baked plan that has been simmering away for the last few years, it's vital to give that idea direction. This will drive your business forward. This direction and guidance is gained by putting together a solid business plan. It will keep you on the right track so that you don't go off on a tangent and lose focus of your goals.

## Befuddled by finances

Keeping a close eye on finances is something you have to do from the start. It might sound obvious but it's the first rule of survival. Allocate budgets, don't offer too much credit and don't overspend – if not, you will soon lose sight of where you're up to and end up insolvent. If controlling the money side isn't your forte, enlist the help of someone who has expert knowledge. It will be the best thing you ever do.

## Not having a marketing strategy

Your business product or service may be the best thing since sliced bread, but it will never get off the ground without customers. You don't have to spend your precious budget on expensive marketing companies; you can do a lot of it yourself for free. Look at how your competition wins business, and there is a lot of research you can do yourself online. Get to grips with social media as this can be a very effective tool, and this is also something which has very little outlay.

## Burning the candle at both ends

You might think you are managing by working every hour of the day, but this is like having a tiger by a tail. What if there is a sudden surge in orders that are too much for you to fulfil? It is important to know what your limits are so that you don't make promises you cannot deliver.

## Employing the wrong people

Having the right team is crucial. Someone who submitted a platinum CV and shone in an interview may simply not fit into the team. An employee's personality is an important factor, so be careful not to commit to a permanent contract until you are sure they can be a valuable asset to the company. Hiring new staff on a temporary basis or having a probationary period can help you assess their potential and avoid a costly mistake.

## Not keeping pace with technology

These days, it seems there is an app or a software solution for everything. Be savvy with what your business needs are and what technology you invest in – only get what you need! Spending money on surplus technology is a waste of resources.

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### **Ignoring your competition**

If you are lucky enough to be completely unique in what you offer, you have a fantastic advantage. However, most of you will have competition in various different guises. Not paying attention to what your business rivals are doing is a big no-no. Make it your mission to find out what they provide, and then you can pinpoint how you differ, and why customers should choose you instead.

### **Being too ambitious**

We all want to aim high and reach for the stars, but it's vital not to overstretch yourself. Biting off more than you can chew can lead to disaster. Make sure you have the means and resources to see a job through properly to the end. Fail to deliver, and your reputation will suffer.

### **Poor customer service**

Always put yourself in the shoes of your customer. Have you given them the service that you yourself would expect to receive? It's not a disaster if there are any glitches, but how you handle putting things right speaks volumes about your business. Accept responsibility if you are at fault, and make sure you address whatever issues came up so that your customer is happy. You will still get positive feedback from clients if they recognise you have done everything you can to rectify any mistakes.

### **Forgetting your passion**

Never lose sight of why you started your business in the first place. It's too easy to get bogged down with the reality of working incredibly hard to keep your dream alive. Try to remember the initial drive and passion you had to get your business off the ground, and this enthusiasm will hopefully rub off on those around you. Building a successful company is a major achievement, and you should be proud of the dedication and work ethic you have shown to make that happen.