

Why Most Small Business Owners Quit Or Wish They Could

We've all heard comments (or probably even made these comments ourselves):

- “I’m just swamped here in this business”;
- “I haven’t had a real day off in weeks (months, years, etc.)”;
- “I probably could make just as much, without the stress and hassles, if I went to work for someone else”;
- “I just can’t seem to get ahead”;
- “I can’t find employees that I can trust”;
- “It’s impossible to find anyone who wants to work”;
- “If I could get my customers to pay a little bit more...”;
- “If I could get more customers, I’d be doing great”

And the list could go on for days. The point is there is a ton of frustration out there for the vast majority of small business owners.

In fact, the frustration level is so high that, given the chance, most small business owners would probably quit if they could. If they could find someone to “take over” their business, pay off any debt, and “break-even,” they’d be out of there.

But why is that? It doesn’t really make any sense.

After all, owning a business should be the ultimate “job”. The owners of each and every small business have the opportunity to integrate their life goals, their lifestyle goals, and their business reality into a perfect blend. They’ve got the unique opportunity to create their Dream Life. To be totally satisfied and happy.

But that rarely happens.

And that’s because, in most cases, the many small frustrations that are a natural part of owning and running a business are ignored. The owners aren’t quite sure how to deal with these frustrations, and how to work at removing them. They accumulate over time, and the irritation level from each one reaches an ever-higher level of pain.

Each little frustration is like a drop of water into a bucket. Each one, by itself, is almost insignificant. It’s really easy to ignore because it’s impact is so minor, by itself. But over time, a steady stream of “drips” starts to fill the cup. It continues to fill until the water level is actually slightly higher than the top of the cup (you know, when water kind of “bends” in a cup). There is a point when the next drop causes the cup to overflow.

Your business will create the same kind of situation if you let it. Only the business will be the faucet, creating a steady stream of “drips”, and you will be the cup. Your business will drip, drip, drip a steady stream of things:

- Decisions about advertising
- Dealing with customers
- Handling customer complaints
- Getting some actual “work” done
- Trying to hire a new team member
- Trying to motivate your existing team members
- Selling your products and services
- Dealing with your suppliers
- Trying to collect money owed by your customers
- Dealing with your banker
- Dealing with salespeople who call on you
- Dealing with your family demands and desires
- Dealing with the ringing phone
- Trying to replace the team member who just quit
- Keeping up with your bookkeeping, invoicing, and record-keeping
- Dealing with payroll
- And on, and on, and on

You very quickly “fill up to the brim”. You get to the point where you start to “overflow”. Things keep dripping onto you, but you can’t handle it all. It’s no fun. You can’t keep up. It feels like you’re trapped with no way out.

But there’s some really, really great news for you!

Over the years, through the hundreds of small business owners I have worked with in both my accounting, and my consulting practices, I have realized there is a definite pattern to these frustrations. All these frustrations are caused by 7 “failures”. And by becoming aware of what these 7 “failures” are, you can quickly start removing your frustrations. You will be able to regain control over your business, remove those frustrations, and start really enjoying your business.

This guide will take you through those 7 “failures”. And more importantly, it will give you action steps you can take to start removing them from YOUR business.

REASON
1 | **Lack Of Proper
Vision**

Why did you get into your business?

What is your business supposed to accomplish?

Not sure how to answer that question?

Welcome to the group called the “vast majority of business owners.”

If you can’t answer that question quickly and easily, it’s a sign that you have not developed a clear Vision for your business. And a clear vision is a **necessity** if you are going to create a business that serves you.

A business that “serves you” is one that is **completely** under your control. YOU decide how the business should look, how it should act, and how it should feel to you, your customers, and your team. YOU decide what results you want your business to provide your personal life.

Your business **obeys** you, and is a faithful and enjoyable companion.

Vision statements have gotten a lot of press in the last several years. In fact, there’s so much talk about them, and so many people who do it wrong, that vision statements have gotten somewhat of a bad rap lately.

But that reputation is not fair, and really cheats business owners out of reaching their potential.

What is a Vision?

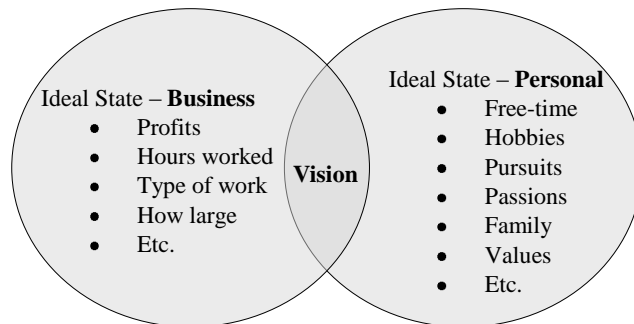
Simply put, your vision is a summarized statement of the way you see your business in its Ideal State.

Many articles, books, and seminars are somewhat misleading when they talk about creating a Vision. They focus exclusively on the business, and creating a vision that

deals only with it. And that’s great if you are a huge corporation, with many shareholders, it’s useless for the small business owner.

They’re useless because, as the owner of a small business, it’s imperative that YOUR vision takes into account how your business will interact with your personal life, in its Ideal State. That’s because when you own your own business, your business has one purpose – to serve your personal life, and integrate with it.

Think of your Vision like this:



Your Vision, as the owner of a small business, must incorporate the area where ***your personal life Ideal State and your Business Ideal State Intersect.***

Your vision needs to answer the question, “Where do I want to end up?”

A vision needs to be something that is a stretch for your business to achieve. If it’s not a stretch, then it merely becomes a goal. Goals are important. But a vision continues to

drive you forward, and lets you know when to set new goals, and what those goals should be.

To create your Vision, you first need to set aside some time. It doesn't really need to be a lot of time to get started. After all, if you don't have a clear Vision for your business, you're most certainly "running" too fast to have much time for any "planning." You're too busy fighting fires, and dealing with crises.

But if that describes you, then take that as a warning sign that you need to change how you do things. And change soon.

Make the time!

Only a couple of hours will do for a start.

Once you've set aside the time, you must get back in touch with how you really want your business and personal life to look. Ask yourself these questions (and record your answers):

1. How large do you want your business to be?
2. How many locations, outlets, offices, etc. do you want your business to have?
3. How many employees do you want to have for your business?
4. How much money should your business make for you?
5. How much money should your business make for your team?
6. What is your role in the day-to-day operations?
7. How much time will you be taking off?
8. How often will you be taking time off?
9. How much will you work?
10. What "fun" things (hobbies, passions, dreams) will you do?
11. How much time will you spend with your family and friends?
12. Where will you work from? (i.e. while motoring across the country, from a ski chalet in the Rockies, from Europe, or from right inside the business)

Then, using your answers to these questions, create your Vision. This is a summary that describes how your business, and your personal life will look in their absolutely Ideal State.

REASON

2

Lack Of Clear Goals

A Vision, alone, is not enough to move your business toward success. It's too “far out there” to provide any “daily” structure. Your Vision is a long-term commitment about what you are going to create. To actually start moving toward that Vision, you must develop clear goals, in the proper way.

There is a correlation between business owners who are stressed, unhappy, and unfulfilled, and those who don't have clear and powerful goals for their business and personal life.

You see, humans are “goal-setting machines.” We're wired to seek goals. Whenever people can't make a connection between what they do and the impact of those actions, they very quickly lose their motivation.

For example, consider a person going to go “shoot some hoops” for fun (and this would be a LOT of fun if you were a basketball fanatic). But when they get to the basketball court, there is a screen that hides the basket from their view. They could still shoot the ball over the screen toward the net, but they would have no way of knowing the result (impact) of each shot. How long do you think this person would continue to play this game?

Not very long, even if they were the most fanatic basketball “nut” around. They simple would very quickly lose interest in the game.

Goals are what provide us with the connection between what we do, and the impact of those actions. So setting some great goals is a key element in a successful business.

To create goals that work (and inspire and motivate action) you must spend time looking at the Critical Success Factors (CSF's) for your business. These are the things that you must get “right” if your business is going to make progress moving toward your vision.

Then set concrete goals that target growing your business, improving it, and increasing the level of fun and free-time you get out of it.

For example, one of your goals might be, “I will not work more than one weekend per month, starting September 1st.”

To be effective, your goals must meet 5 criteria:

1. **They must be specific;** if your goals are not specific, there’s no way to track your progress toward them. The other four criteria cannot be met, either, if your goals are not specific enough. Getting specific also increases the effectiveness of your goals as a motivational tool. The more specific you can get, the more “concrete” you make your goals. And this helps you focus on them and see why they are important to you, and your business.
2. **They must be measurable;** If your goals are not measurable, it is impossible to get an objective indication of whether they are being met or not. For example, setting a goal of “having more fun”, is admirable. But it will be difficult to measure. A better goal, in this example, might be, “we will achieve scores of 7 or better, on our employees’ fun surveys”.
3. **They must be achievable;** If your goal is simply not going to be achievable, it won’t serve any useful purpose in your business. If you set a goal that is not achievable, then it’s really just a wish. And you can’t control whether or not you get a wish. You’ve given up control.
4. **They must be realistic;** Your goals must be things your are both willing, and able to work toward. If a goal doesn’t have both those elements, it is not realistic. For example, I might set a goal of becoming a professional ballet dancer, but it’s not realistic. I would not be able to develop the athleticism and training I’d need, and I wouldn’t be willing to wear those tights. Not a realistic goal. Goals that are not realistic serve to actually de-motivate, and cause frustration. Because you just can’t get there.
5. **They must be time-bound;** Putting a deadline for achieving a goal provides a required “sense of urgency”. It keeps your focus on achieving the goal, and keeps applying pressure to keep working on it. Without a deadline, it simply becomes too easy for procrastination to set in, or for more urgent “fire-fighting” to simply consume all your time and energy. And your business never moves with intention toward your vision.

REASON

3

Vision And Goals

Not Linked

Business owners often don't consider the linkage between their Vision, and the goals they set.

It's much harder than it sounds. It's harder because the goals that will take you to your Vision are often goals that are difficult to set. They're difficult because they might appear "counter-intuitive." These goals may involve making some hard decisions. They may involve starting to say "no" to things.

Too often, when business owners do try to do a goal-setting exercise, it's because they've read about the power of goals. Or it's because they've attended a seminar that talks about how important goals are (and they really are).

But just "going off" and setting goals, without making sure they are firmly tied to your vision is like running out to build a house without making sure what you are trying to get done matches up with the plans created by the architect.

You might achieve the goals you set. You might even find that they really motivate you, and create a lot of ambition. But chances are good that those goals might not have any relevance to actually creating the house that the architect wanted built.

It's obvious that this approach won't get you anywhere near where you'd like to be. It will only waste a bunch of your time, effort, and talent. In the end, it will create more problems, and crush your hopes.

Consider your Vision to be like the engine in your car. That's where all the power will come from. The power that can drive you anywhere you want to go.

Consider you Goals to be like the tires on your car. They take the power supplied by your engine (your Vision), and apply it in a way that propels you forward. If the tires aren't properly aligned and balanced, or they lack traction, all that power gets wasted.

If your Vision is a "true" statement of where you really want your business to be, you must remain faithful to that Vision. You must ensure your goals line up with it. Even if that means your goals are different than the goals you "think" you should make. (your

goals are for you, and your business. Not for someone else to think what a swell person you are).

To help ensure your goals are in alignment with your Vision, and to make sure there is a relevant link between them, ask yourself these questions, and be honest with your answers:

1. Does achieving this goal move me (us) closer to our Vision?
2. Is this goal the **best** use of my time, effort, and resources?
3. How does this goal move me closer to my Vision?
4. If I don't achieve this goal, does it **really** matter?
5. Can I **realistically** achieve this goal?

REASON

4

Failure To Focus On Dream Customer

If a stranger called you at your home, or showed up on your doorstep, would you just let them in?

That’s a silly question, I know. The answer is a definite NO.

But why wouldn’t you let “just anyone” into your home?

Because you’d be concerned whether or not that person was someone you could get along with. Someone you would feel comfortable around. Someone who respected you, your home, and your family.

But once you get to know a person, and realize that they are someone you “click” with, they tend to become a friend. And friends are generally welcomed whenever they feel like they want to visit.

That’s just human nature. We know implicitly that we should be wary of “talking to strangers.” We are wary of creating any type of relationship until we get to know what someone is like.

But when most business owners go into their business, they throw all that “common sense” out the window. They let anyone who shows up, calls in, or says they want to do business with them, into their business “home.”

But, ironically, the risk of doing that is almost as high as letting a stranger into your home. If you are not extremely selective about who you allow to become your customer, you are going to very quickly find your business “overrun” with people who don’t respect you and your team, who you don’t particularly enjoy dealing with, and who don’t actually make you any money.

You’re in control of your business. YOU decide who gets in. And the people who do get in should only be the ones that will move you toward your Vision.

Once you’ve taken the time, and put in the effort to create an exciting and motivating vision and goals, you need to focus on your customers. What type of customer does your business need to attract, delight, and retain in order to move toward that Vision?

Who is the customer (or type of customer) that would be an **exact** match with the type of customer you’d love to deal with?

You have the luxury of deciding who gets to “get in”. You should really take advantage of this luxury because, if you take advantage of it, you can mold your business into one that matches your personal passion and vision.

It’s a simple fact that not everyone **deserves** to become a customer of your business. You’re in control of who gets in the door. Make sure that the people who do “get in the door” are ones who really deserve to be there.

Every business owner has had the experience (and usually more than once) of having to deal with a customer who was not really a good “fit” with the business.

Don’t fall into the trap of accepting any customer. You will end up choking your business with customers that drain your time and resources, and will reduce your business to the lowest common denominator – price.

Determine what kind of customer your business needs to make your Vision a reality. How often would this customer use your products and services? How much would they be willing to pay for a delightful experience? How will you find these customers? Why would they be coming to your business, and not someone else’s?

Now, with that vision of what type of client your Dream Business (the one in your Vision) needs to attract and deal with, you can actually set out your “ground rules.”

Your ground rules should explicitly state how your business will conduct its operations, and how it will interact with its customers. What will your business do to deliver a consistent experience for customers and prospects? What specific experiences can your customers and prospects expect? How will you expect your customers and prospects to interact with your business? What “hard rules” will you have regarding customer behavior that will absolutely NOT be acceptable?

You’ve now moved a very long way toward focusing your business on your Dream Customer.

If someone is happy to interact with your business in the way you’ve set out in your ground rules, then they are in. Hold open your doors for them. Welcome them in with a warm smile, and give them your best hospitality.

If they don't want to, or can't, meet your “ground rules”, they don't get in.

As you continue to focus on your Dream Customers your business will start to feel a little bit like a “party”. The people inside (you, your team, customers, prospects) will all interact in a way that makes your business a fun, happening place to be.

Even better, as the customers who get in start to cultivate a relationship with you, your team, and your business, they will start to refer people to you. And those referrals will be people just like them.

You will end up with an incredibly rewarding and fun business, with a continual stream of new referrals (of the type of customer who will help you realize your Vision), and an ever-increasing profit spiral or repeat sales.

REASON
5 | **Lack Of
Systems**

Systems are a crucial component of getting your business under control. Systems are what will allow you to purposely move your business toward your goals.

They will allow you to create a business that is truly capable of achieving your aims, whether you are working in it, or not.

But BEWARE. Systematizing can be dangerous.

Systematizing parts of your business that don't mesh with your Vision, your goals, and your Dream Customers is pure insanity. It just wastes resources on doing the “wrong things” better and faster. It's like stepping on the gas pedal in your car while you're zooming down a steep hill where you need to stop at the bottom. You hit the bottom faster, and it's much harder to stop when you get there.

Proper systems will permit your business to **consistently delight** your Dream Customers. The customers your business needs for it to fulfill your Vision. **Systematizing the right things** is the key element in creating an “owner-independent” business. When you've got the right things systematized, you are freed-up to focus your energies on moving toward your Vision, taking time off, and enjoying your life doing whatever it is you want to do.

To systematize properly, you must follow these steps:

1. Identify your Critical Success Factors (CSF's). These are the relatively small number of things that you absolutely must get right in order to delight your Dream Customers.
2. Identify each process that underlies each CSF for your business
3. Map out each step, in each of those processes, so you can see every step in the “cycle of interaction” for each one of those processes
4. Identify how each step **should be**. If it was running perfectly, how would each step look?
5. Document the exact steps that need to take place in each of the processes impacting a CSF

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Profit and Cash Flow in Your Business”***
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Following these five steps makes developing systems that will create a business you love is quite simple. It's simple. But it's not easy.

It requires a commitment, on your part, to give up some of your “control” tendencies. It forces you to accept the fact that its okay for you to NOT want to always work in your business. Working a ton is NOT a badge of honor. It's a sign of a business owner with weak goals, an unhealthy business/life balance, and a refusal to confront weaknesses.

So start systematizing.

Just make sure you've taken the time to ensure that you are systematizing the “right things.”

REASON

6

No Measurement & Feedback System

Business is incredibly tough. You have everything on the line. Your health, your wealth, your personal time, your family’s time, and the well-being of your team members.

If I asked you to run “full out” on my treadmill, you might be able to, but only for a short period of time. Why can a 100m sprint athlete run so fast? Because he knows that he only has to run full out for a certain distance. If he didn’t know how far he had to run, it would be really hard for him to convince himself to exert full effort.

Your business is the same way. You have a sustainability problem if you are continually running “full out.” You simply cannot continue doing that forever. You may find it necessary to do that for certain time periods. And that’s okay. But only if there’s a solid business reason for doing that.

Without a measurement and feedback system, you don’t know how far along the road you are. You don’t know if you should “throttle back” because you’re doing fine, or if you need to “pick it up” a little bit to get back on track.

It’s hell if you don’t know.

People have very negative emotional reactions when they are not able, or are prevented from seeing their progress. It’s truly soul-destroying!

If you don’t get a proper measurement and feedback system going, you and your team are going to suffer in a business that kills any motivation, and stifles any ambition.

If you don’t have some physical way of knowing if you are succeeding or failing (moving toward your Vision, or away from it), your motivation will start to disappear. You start to feel like you are ***not in control***.

There are three steps you can take to avoid this crippling, de-motivating situation:

1. Review your Vision and your goals

2. Develop your Critical Success Factors (CSF's) for your business. CSF's are those things that you absolutely ***must get right*** to succeed, thrive, and move toward fulfilling your Vision.
3. For each CSF you've identified, determine a Key Performance Indicator (KPI). A KPI is a measure that acts as a leading indicator to tell you how well your Vision, goals, customers, and systems are lining up. Usually, the best KPI's are non-financial in nature.
4. Measure your “current state” for each KPI. This is the actual value for that KPI in your business right now. This is your starting point.
5. Determine what each KPI needs to be (for a value) in order for your business to achieve your Vision.
6. Start taking action and testing new ideas to improve those KPI's and move them toward the values they need to get to. Test everything.
7. Monitor the KPI's each time you make a change, or test something.
8. Compare each KPI after each change. If the KPI improves, that change should be retained. If the KPI slips, discard that test, and go back to the previous way of doing things.
9. Always develop new tests to continually attempt to improve each of your KPI's. Be relentless in pursuing a constant upward spiral of success.
10. Compare the KPI's to the Vision KPI's to chart your progress toward your Vision.

REASON

7

**Being A “Taker”
Instead Of A “Trader”**

Most business owners I first meet seem to grovel like beggars!

Not to me. They grovel to their businesses.

It’s sad. It must be humiliating for them. But I know why it happens.

You see, most business owners get pretty beat up by their business over the years. They started their business by working very hard, making sacrifices, and doing whatever it took. And that was okay at the start-up stage. No business will ever get off the ground if its owners don’t work real hard to get things rolling.

But somewhere along the way, most owners get lulled into thinking that kind or relationship with the business is okay. That’s “just the way it is.” That it’s normal. They just keep working a ton, making endless sacrifices.

WELL, IT’S NOT OKAY!

These owners have become like the proverbial frog in a pot of slowly boiling water. You know, the one where the frog doesn’t realize how hot the water is getting because the water gets hotter and hotter so gradually. By the time the water reaches a deadly temperature, the frog is helpless. It ends up dying.

Many business owners have been lulled into thinking that they “just need to work a little harder, a little longer” and things will improve. They get into a rut of thinking and acting a certain way. Not realizing that there are some concrete steps they could take to get control of their practice and their life.

They’ve developed a Taker mentality.

They devote a ton of time working in their business. They sacrifice their health, their family, and their personal life. And then, they “take” whatever the business will give them.

They "take" the income their business allows them to take. They "take" whatever fun their business allows them to take. They only take days off, free-time, and vacation when their business allows them to.

This model of owning and running a business makes me think about that classic Charles Dickens book, *Oliver Twist*. There is a scene in this book where the little boys who live in the “poorhouse” with Oliver are practically starving from getting so little gruel to eat.

To prevent them from starving to death, Oliver timidly goes up to the master, holds up his empty bowl, and says, “Please sir, I want some more.”

“What!” yelled the master.

In the next scene, the administrators (owners) of the poorhouse are told, “Oliver Twist has asked for more!” The heads of the poorhouse are horrified at this request.

And that’s how many business owners act. They tentatively hold up their “bowl” and ask for some more. Their business, most often, does not grant their wish.

And on those rare occasions where the business does “allow” them to get a “little more,” it makes them “pay” for it. They pay for it by the hassles, stress, and effort they need to put in to “catch up.”

But it doesn't need to be that way. It’s just that many business owners have never learned that there is a better way. They fall under the mistaken assumption that owning a business demands personal sacrifice. And it does – sometimes. But when personal sacrifice becomes a routine, there’s a sustainability problem. You just can’t keep doing that forever.

What is the “better way?”

Adopt a Trader mindset.

Adopting a Trader mindset will forever change the way you view, and interact with your business. It can transform an “out of control” business into one that you fall in love with every single day.

So, what is “thinking like a Trader” mean?

Webster's Dictionary defines a trader as "Someone who purchases and maintains an inventory of goods to be sold".

Does that have any relevance to you, the business owner?

Absolutely YES!

Because there are two different “to be sold’s” to always keep in mind.

The first “to-be-sold” is obvious. We all know a business can’t survive very long if it doesn’t have excellent products, and services “to be sold” to its customers.

The second “to be sold” involves you. As the business owner, you’ve only got a certain amount of time, talent, energy, and resources (money, staff capacity, the family and personal time you give up).

And since you have only a limited supply of these resources, it is your duty to make sure you’re getting the absolute best return on them.

It’s this second “to be sold” that creates the most potential for your business. But it can also create the most misery if it’s forgotten. And that’s painful. In fact, many business owners aren’t even aware of it. Or if they are aware of it, they seem to lose sight of it.

Consider your time, talent, energy, and resources as your assets; your raw materials. And it’s a physical fact that there is only so much of each available. This creates a “scarcity” problem, as economists like to call it.

And hundreds of years of economics research has time-and-again proven that the best benefit comes when scarce resources are put to their “highest and best use”. This means you must take pains to always make sure you are not squandering your resources in your practice. Squandering your resources will lead to less profit than you desire (and less than is possible), less fun, and less free-time.

After all, your business will take as much as you’re willing to give it. It’s like a sponge, if you let it be.

So it’s up to you to decide how much to give, and what you expect in return.

The best way to get into this mindset is to think about “selling” all these resources to your practice. Thinking in terms of “selling” will force you to determine how much of each resource (remember, your time, talent, energy, and other resources) you are willing to give up.

And more importantly, it will force you to define what you expect in return for providing these resources.

You will actually create your own “price” for your resources.

Here’s an everyday example. If I am going to sell my truck, I need to receive enough compensation that I am satisfied I am getting enough value to make it worth my while to sell it.

I certainly would NOT give you my truck, and just wait for you to give me whatever you wanted to in return.

This is common sense. We all apply it in our lives almost every day. Even toddlers and elementary school kids get this concept.

But that’s not the way business owners think when it comes to the relationship they have with their business.

They fall back into the trap of thinking like a Taker.

But don’t you do it anymore.

Start thinking like a Trader.

And not just any Trader. Be a hard-nosed Trader. One who knows how much your resources are truly worth. And demands fair compensation in return. Don’t “sell” your resources for anything less than their “highest and best” use. Don’t settle for less.

Ask yourself what you are willing to give up, in your time, your family's time, and your energy. And then get clear on what you will accept in terms of profit, fun, and free-time, in return from your business.

Once you’ve got the Trader mentality, you can go to work on making the changes to your business that are needed to fairly compensate you for the resources you’re selling.