

# Entrepreneurs' Top 10 Mistakes

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There's no magic formula to running a business. It takes a lot of work and focus. Still, there's going to be a learning curve.

If you're trying to build a business, there's no getting around making mistakes. The stories I hear from entrepreneurs are all different. Yet despite the industry or size of a business, whether they're running a sole proprietorship or a business with as many as 200 people, there are some similarities and trends.

There are some common threads and very specific reasons why entrepreneurs make big mistakes, such as growing too fast or trying to be all things to all people.

Here's my list of entrepreneurs' top 10 mistakes:

**1. Lack of planning:** Without a plan, there's no road map that bridges good times and bad. Too often, day-to-day distractions take away from a small-business owner's ability to access new opportunities.

**2. Not seeking help:** Business owners tend to not develop an advisory board or a relationship with a mentor or not invest in professional services.

**3. Hiring family and friends:** They're an obvious choice, but too often they become a drain on the business. Owners tend to take an entirely different approach with them than when addressing challenges involving a non-family member.

**4. Lack of access to capital:** Cash flow is king. Not incorporating a funding strategy in your overall plan -- whether it's traditional or nontraditional financing -- often creates a ripple effect of problems. Making decisions based on lack of capital tends to have adverse effects.

**5. Being in business with partners with different values:** It's not just about asking obvious questions like who is going to be the customer and how the business will be marketed. Business partners need to question leadership styles and have an understanding of what's expected of each other.

**6. Relying too heavily on a few clients:** Diversify your portfolio.

**7. Lack of market research:** Whether it's a corner restaurant, a new product release or a professional service, you have to know where your customers are. Depending on the outcome, a marketing plan could be a mix of networking, traditional media and social media -- or it could mean focusing primarily on one channel.

**8. Trust:** Business owners fall prey to both sides of this equation. They either trust too much or too little in employees, clients and vendors. Contracts are binding and failing to do your due diligence based on somebody's word often leads to despair.

**9. Admitting that they're wrong:** Pride won't tell you. Employees won't speak up, and confidants sometimes won't acknowledge it. But you have to own up to what you don't know and hire and respect employees for their expertise.

**10. Not anticipating failure:** Entrepreneurs are natural risk takers and optimists. Too often they don't spend enough time exploring the "what ifs."

Every problem presents an opportunity for growth. That is, if you're flexible and willing to make changes.

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