

10 Requirements for Business Success

Being a business owner requires you to wear many hats as you deal with customers / clients, staff, suppliers..... However as you go through your business cycle there remain ten core requirements in order to make your business a success.

1. **Passion**

Having the entrepreneurial spirit, desire and dedication to consistently be a student of entrepreneurship. Bringing passion to your life and your business will determine how fast and what direction you grow. Reading or listening to at least two business books and four business publications each month are vital to keeping your mind thinking like an entrepreneur. In addition, it's extremely important to keep your physical body in shape as well. The two key areas to keep passion in your life are the amount of mental and physical activity you do. You should constantly keep brainstorming new ideas and ways to improve upon all aspects of your business. With the proper amount of exercise to your brain and body, you will have plenty of creative juices flowing to keep your business and your life ahead of the curve.

2. **Capital**

Have a clear plan to access capital and credit for future needs of the business. Always expect more than you plan for. Having a reserve of capital is critical to building a business. There can be many times during the first few years of a business that cash flow runs low. By having a source to tap into when needed, will make the difference between failure and success. So don't spend all your money or resources getting started. In addition, having access to the right amount of credit without destroying your personal credit is just as important. Using credit in your business can improve cash flow and bring more opportunities to the business. By creating credit under the business name you can save your personal credit and create a solid image for your company that is separate from you.

3. Structure

Have the proper entity, compliance, and research completed as to not cause future problems due to lack of planning. In most cases, we recommend that every business starts out as a limited company. Some tax advisors suggest otherwise, however they are only looking at the tax aspect of the business. If you consider all areas: asset protection, personal liability, credit, taxes, image and even more, there is no other answer then to incorporate your business. Before you choose a structure to do business in, you have to do research that will show you what other companies are using your business name and what licenses and forms you are required to file.

4. Support Team

Build a team of advisors, mentors, suppliers and staff that share your values and vision. Surround yourself with those that share your desire and level of success you aspire to. Limit your association with people that are content with the status-quo or low economic goals. At the same time know who you are friends with and be sure that you share the same values. You must first start by knowing your own. Actually taking the time to write your own values and vision you have for your company and your life will go a long way in building your success for the future.

5. Marketing / Business Development

Develop multiple sources for lead generation and sales while developing a trusted brand for your business. Using only one method of marketing to generate sales is the reason for failure for many businesses. Marketing is an area of your business that needs constant attention and new ideas. Using the same methods of marketing year after year will only allow the competition to catch up and in most cases, surpass your business. Developing new products and services is also another way to charge up your marketing. If you sell a specific product, why not create a video on how to use that product or a book. Something you can sell to your existing client base without having to create new clients, is definitely worth considering.

6. Value

Create value in your products and services that you are able to deliver and your clients are happy to pay for. The number one request we receive from our clients wanting to learn more about, is How to Create More Value for their customers. Adding more value to what you provide will differentiate you from your competition.

7. Freedom

Don't go it alone, always look for ways to leverage your time, money and other resources in the business in order to enjoy your life. Are you going to have a job or be an entrepreneur? Many business owners believe they are entrepreneurs but are only employees of their own business. If you work IN your business you are not a true entrepreneur. Just creating a business so you have a job is not the reason most people start a business. The reason most start a business is to have the freedom. Freedom comes with leverage. Leverage is defined in the dictionary as "Positional advantage; power to act effectively." By using leverage in your business you will gain a competitive advantage and act more powerfully on a day-to-day basis. Several businesses have failed the day the business owner is no longer able to keep up with the day-to-day activities only because they didn't take the time to leverage their resources.

8. Financial Reporting

Have the ability to manage the business by looking at financial statements and make decisions that will positively impact the future success of the company. If you are unable to read a financial statement, or don't know what one is, you find yourself amongst many small business owners who have failed in their first year in business. Knowing if your company is profitable on a yearly, quarterly, monthly and even daily basis is vital to the survival of your business. By reading financial statements, you will know where your business is at all times, and know where to make changes when necessary. Knowing how to read the financial statements will also stop anyone from trying to rip you off from a sale of the business or partnership in the business.

9. IT Systems & Procedures

Create operational systems that the staff follow, so they are not making up their own rules as the company grows. Systems are vital for any business with employees. It's so easy when you first start out to do everything yourself. You know exactly what you want, when you want it and where it goes. When an employee is hired to now do a job you once did, how do you know they are doing it the way you want? When people don't know the rules, they make up their own. Having a written method to every task in your company will save you frustration, time and money.

10. Exit

Have a clear direction and plan for the company. Then develop an action plan to achieve it in a specific period of time. Developing business and life plans will determine your direction. The majority of businesses operate without a plan. Imagine yourself playing golf in the dark – if you can't see the tee, what have you got to aim for! The majority of people operate without a plan. Could you imagine the Directors of Coca-Cola addressing their investors in a shareholder meeting with, "Sorry no plan this year?" How would their stock price react to that? Yet, businesses and people neglect this vital point everyday. Business owners in many cases, also neglect to write out their exit strategy for the business. What happens to you if you are not on this earth tomorrow? Do those around you know what to do with the business? Do you know why you are in business in the first place? Do you want to build a legacy for your family, go public or just run a small little shop? Without having an exit strategy, how will your employees be able to share in your vision?

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