

# THE DONALD COOPER CORPORATION

Speaking and coaching internationally on management, marketing and profitability



## Management tool #A-13:©

### 6 REASONS WHY SO MANY NEW BUSINESSES FAIL:

In my 25 years of coaching businesses large and small, I've discovered that there are 6 main reasons why new businesses fail. If you're in a new business, or thinking of starting a new business, these insights, below, could greatly improve your chance of success.

Place an **X** beside any of these 6 challenges that apply to your situation. For each **X**, what will you do to 'fix' it?

- ☐ 1. The **business idea (what they do) or business model (how they go about it), or both, are a bad idea** in the first place, and doomed to failure. They have no clear and compelling value proposition or extraordinary customer experience that 'grabs' their target customers and clearly differentiates them from their competitors. They're mediocre and the world doesn't need one more mediocre 'anything'!
- ☐ 2. The business is **undercapitalized** and develops cash flow problems. This is often because the entrepreneur is overly optimistic about how much it will cost to get started, and how long it will take to become profitable. So, just as they're starting to get some sales momentum, they run out of cash...and they're gone.
- ☐ 3. The business is located in **too small or too crowded a market**, and no matter how good they are, they simply can't achieve a profitable level of sales.
- ☐ 4. **Failure to market and sell relentlessly and effectively.** They sit and wait for customers to come to them...and it doesn't happen. *"Build it and they will come."* is a myth. The truth is, *"Build it better, then relentlessly market and promote your ass of...and they might come."*
- ☐ 5. They go into business because **they have a particular passion or skill**, but they have little or no understanding of business, marketing, financial and people management. They ignore the 'business' side of it, fail to generate a decent profit...and they're gone.
- ☐ 6. The entrepreneur simply **runs out of 'steam'**. They become physically and emotionally exhausted and can't carry on. Business is a tough 'contact sport'. We need to be both physically and emotionally resilient.

If you're planning to start a business, or are relatively new in business, make sure that you don't fall prey to any of these 6 killer problems.

**Donald Cooper, MBA, CSP, HoF**, has been both a world-class manufacturer and an award-winning fashion retailer. Now, as a Toronto-based international management speaker and business coach, he helps business owners and managers rethink, refocus and re-energize their business to sell more, manage smarter, grow their bottom line...and have a life.

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