From the Handbook of Business, the Bible

12: First plant your fields, then build

Many people dream of starting their own business. There are any number of reasons for this but achieving financial independence seems to be the main one; in other words, to make money.

But it's a tough gig; statistics indicate around 60% will fail before their 3rd birthday. According to a recent Xero-Accenture, there's a boom coming in the Aussie small business sector; over the next decade **3.5 million** startups will be created. Sadly, that means about 1.8m of them are likely to fail.

Imagine the financial cost to these families…and on average, 52% of them will be Christians!

Is there a Bible verse we can apply to this phenomenon?

There are many; for today - **Proverbs 24:27 -** *"First plant your fields; then build your barn"* **Amplified**

…To '**plant'** requires preparation of the soil - ploughing, fertilizer, equipment, labour, then seed
…The '**fields**' are the industry & marketplace/niche the startup enters
…To '**build**' suggests the profit can be re-invested in the business (a barn) or outside (e.g., home).

That's the right way to do things! But so many startups base their decision on the wrong research.

If you're intending to start a business, what should you NOT DO?

1. Don't ASSUME because you create great pizzas, you'll create a great pizza business
2. Don't EXPECT the marketplace to beat a path to your door; right now, they don't need you
3. Don't IGNORE the point-of-difference you will take to market to attract customers.

…And what should you DO?

1. CLARIFY your vision - how you will make the world better, forcing you to put others 1st
2. IDENTIFY what problem people have that you are the solution to, NOT your problem
3. RUN Peter Fitz's Chook Test - here is an **example** for a buy-sell and a service business…

Your proposed starting date: 1 July 2022	**Buy & sell product**	**Sell time**	**YOURS**
Key variables - your 1st 12 months	Retail - BBQ chooks	Tradie	
How much do you want to make (wages + profit)	$100,000	$ 60,000	
Plus, Operating Expenses (excludes trading stock)	$120,000	$ 60,000	
= Your target GROSS PROFIT	$220,000	$120,000	
Divide by average gross profit per unit sold	$10/chook	$100/hour	
= Number of units to be sold in the YEAR	22,000 chooks	1,200 hours	
= Number of units to be sold WEEKLY (52 weeks)	423	23	

…Then put on your market research hat - realistically, can you sell this number of units?

If 60% are likely to fail it would seem they don't research these kinds of issues!

Correct. They assume success without preparing; the truth is, they fail before the doors even open!

* I've been involved in two failed businesses for exactly the above reasons!

In terms of the Proverb, they don't prepare the field properly; they just launch into the building phase, meaning less than 50% chance of success. As Christians we need to be better than that!

…GO TO www.themarketingspirit.com.au On-Radio tab: today's notes and do the chook test