

Our Handbook for Business, the Bible

Growing wise in business

Last financial year, some 1,100 businesses started every day in Australia.

Sadly, within 3 years, 60% or more of them will have failed.

I used to run workshops to help people assess their business ideas. We focused on a simple calculation: **how many sales were needed every day for their idea to succeed.**

One bloke I remember wanted to start a BBQ chicken shop...until we did the numbers:

...His income & profit target was \$100k plus \$240k operating expenses giving \$340k Gross Profit

...At an average \$7 Gross Profit per chook (cost \$6, sell \$13), he had to sell 130 every day

...No way he concluded, especially with two chicken shops already operating in town.

Apart from a lack of money & sales, I've discovered THREE critical mistakes startups make:

First, the WRONG ASSUMPTION: Being skilled at the technical work is no guarantee of business success

Second, the WRONG ADVICE: Friends & family may be supportive but they have no idea what it takes to build a successful business

Third, there's NO real MARKET NEED for the product or service they want to sell because customer demand is already being met.

My counsel for intending business owners:

Step 1: Your first decision is not WHAT to sell, but WHO exactly is your ideal customer

Step 2: Identify the MAIN PROBLEM these people want fixed...and your UNIQUE SOLUTION

Step 3: Calculate your DAILY BREAKEVEN SALES in \$ and units

Step 4: Realistically, assess the market to prove your sales targets can be met.

The bottom line: growing wise in business begins before you even open the door!

The Bible, our Handbook counsel for today, Proverbs 19:20, Common English Bible...

"Listen to advice and accept instruction, so you might grow wise in the future" Common English Bible

Other Scriptures (NKJV):

Proverbs 24:27, *"Prepare your...work, make it fit for yourself in the field; and afterward build..."*

James 1:5, *"If any of you lacks wisdom, let him ask of God, who gives to all liberally..."*

Proverbs 4:7, *"Wisdom is the principal thing; therefore, get wisdom. And...get understanding"*

Proverbs 12:15, *"The way of a fool is right in his own eyes, but he who heeds counsel is wise"*

Proverbs 18:15, *"The heart of the prudent acquires knowledge...the wise seeks knowledge"*