

Our Handbook for Business, the Bible

Business preparation

According to the Australian Bureau of Statistics, last financial year, about 1,200 businesses started every day. ¹ Sadly, within 3 years, 80% or more will have failed.

If you're intending to startup and want to avoid failure there is a simple test to take - *how many sales are needed for your idea to succeed...yearly, monthly, weekly, and daily.*

Years ago, I helped a bloke who wanted to start a BBQ chicken shop, until he took the test:

...His income & profit target was \$100k plus \$240k operating expenses; that's \$340k Gross Profit

...At an average \$7 GP per chook (buy for \$6, sell for \$13) he had to sell 130 every day of the year

"No way" he concluded, especially with two other chicken shops in town and 3 supermarkets.

Be alert to these THREE common mistakes startups make (apart from a lack of cash in reserve to fund the startup phase, the next 3 months...and then ongoing growth)...

First, the WRONG ASSUMPTION: Being skilled at technical work or selling 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 business.

Third, the WRONG CONCLUSION: For many, there is NO real MARKET NEED for the product or service they want to sell because customer demand is already being met; also, they have no clear & valuable point-of-difference to offer to attract the number of customers needed.

My counsel for intending business owners:

Step 1: Your first decision is not what to sell, but WHO is your IDEAL CUSTOMER

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

Step 3: Create an EXCEPTIONAL and IRRESISTIBLE OFFER to attract buyers in this niche

Step 4: Calculate your monthly/weekly/daily BREAK-EVEN SALES \$\$ & units (the 'chook' test)

Step 5: Be prepared to SEEK WISE COUNSEL to help assess your idea

Step 6: Realistically ASSESS THE MARKETPLACE to ensure your sales targets can be met.

The bottom line: the right preparation begins long before you open the door!

THE BIBLE, our HANDBOOK, counsel for today: Proverbs 24:27, NKJV...

"Prepare your outside work, make it fit for yourself in the field; and afterward build your house [or business]..."

(1) <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>

Other Scriptures (NKJV):

Proverbs 19:20, "Listen to counsel and receive instruction, that you may be wise in your latter days"

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"