

## *Reasons Why Business Fail*

We all know that many businesses fail. To increase your chances of success, you'll want to honestly assess your business – or business plan – look for ways to build on strengths and counteract weaknesses.

**Avoid these common business pitfalls. These tips will help you plan for your success.**

**Your business is not making a profit.**

You can't succeed if your expenses are higher than your income.

*TIP: Know all of your real costs. Keep expenses low and be sure to cover your costs.*

**You don't understand your customer's buying habits.**

If you don't know who or where your customers are, or what motivates them to support your business, you risk losing your customers.

*TIP: Talk with your customers. Get feedback, find out what is working and not working. Research potential customers.*

**You think you can do it all on your own.**

Doing it all on your own is one of the fastest ways to burn out and sabotage your new business.

*TIP: Know when you need help – whether outsourcing, a consultant or technical assistance – and ask for it.*

**Your business is growing too fast.**

While growth in business is generally a good thing, too much growth too quickly can sink your business. *TIP: Remember not to take on more than you can handle or afford. It takes resources – money, inventory and staff – to meet increasing demand.*

**You depend too heavily on one customer.**

Relying too heavily on one customer – no matter how big or lucrative – is setting yourself up for failure if you lose that customer.

*TIP: The more customers you have the better your chances of business survival.*

**You're pricing the product/service too low.**

You must cover your expenses if you want your business to survive.

*TIP: Know your costs and price your product or service accordingly.*

**You start out without enough cash.**

Plan for the start-up costs. You may have to pay up-front for goods and services and you will probably be waiting for money to come back in.

*TIP: Make sure to have available enough cash or access to credit.*

**You are unwilling to react to competition, changes in technology, or changes in the market.**

In order to survive – and thrive – businesses must react to changes in the market, technology and competition.

*TIP: Don't be afraid to experiment and change with the times. Networking, doing research or taking classes can make changes easier and more positive.*