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UGLY TRUTHS

about owning and running your own business

...and 5 reasons to do it anyway

By Mark Allen Roberts

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I have spent the last 25 years helping entrepreneurs profitably grow their businesses. In Addition I have launched my own business Out Of the Box Solutions. Whether as a consultant with my company or as an employee of their organization, I have helped entrepreneurs make their dreams come true. Some of the entrepreneurs I help started the business in the days of “bootstrapping” working full time while launching their business from their kitchen tables each night. Some are the second generation, asked to run Dad’s or Mom’s business. Another group is those who buy a business when in reality what they have done far too often is buy a job. The most recent are “nessity-prenuers”. They lost their jobs, have tried to find work and now they have no unemployment checks so they have to do something.

As I discussed at a recent engagement where I was asked to speak; nothing breaks my heart more than meetings like the following.... (Owners name and business changed)

Martin contacted me through someone in my small group at church. The first cell phone conversations usually all start the same way; “*I hear you help people like me grow their businesses?*” However far too often they calling for help to keep their business from going under. When we meet at a coffee shop very quickly I learn the problem they really want to solve falls into one of the following categories;

- ❖ I just bought this business and it is not producing to the projected revenue
- ❖ I have a great idea and want to start my own business
- ❖ I have a small business and I am in trouble
- ❖ I lost my job and I want to start my own thing so this never happens again

I ask a few questions and then listen. I often here about how; *“I want what _____ (you fill in the blank) has done. Look at him, he’s driving a Benz, has a 6,000 sq ft home in a gated community, kids in private school, a condo in Vale and one in San Diego...I’m as smart as _____ and now its my time. I want to have my own schedule, be my own boss. I want to come and go as I please and only answer to my self. I want to go golfing like _____ did last Thursday. I want to build my business and then some day sell it and retire independently wealthy...”*and they go on, but you get the idea.

The one common thought I always have as I drive from our first meeting’s is ;” who placed these false expectations in their minds of what it is like to start, buy, or run your own business?” Not long ago I shared with a business owner that our “expectations only make us miserable” if they are not founded in truth.

The goal of this eBook is to share **50 Ugly Truths about having your own business**. Some I will expand upon in my Blog: www.nosmokeandmirrors.com . As I close this eBook I will share, why, in the face of **50 ugly truths** I still believe running your own business is very fulfilling if you know what you are signing up for. So buckle your seatbelt, hold on, and what follows are the ugly truths I wish someone would have said to my past clients (me) before...

- ❖ Before borrowing \$250,000 from the equity in their home
- ❖ Before cashing in their 401K
- ❖ Before quitting their day job
- ❖ Before borrowing \$60,000 from friends and family and don’t know where it went so fast

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- 1.** It will be hard work
- 2.** You will work long hours
- 3.** You will need to learn new things
- 4.** You must learn to delegate and outsource
- 5.** You can't do it all
- 6.** You will not know it all
- 7.** You will make mistakes
- 8.** Your friends and loved ones may turn on you
- 9.** Your forecast to be cash positive is too aggressive
- 10.** Your launch will take 2-3 times longer than you forecasted

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- 11.** A dream is not a goal
- 12.** A business without revenue is a hobby
- 13.** You need a unique selling proposition
- 14.** You will need more cash than you think
- 15.** You will burn through cash faster than you planned
- 16.** new customers will take longer than you planned
- 17.** A vision is not a business plan
- 18.** If your motive is personal wealth alone, you will not be as successful as those who set out to serve others, and solve their problems
- 19.** You will need others, direct or a strong network
- 20.** You must be committed to “sharpening the saw” (that would be you)

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- 21.** You must evolve from a “manager” to a leader, there is a big difference
- 22.** You will need a strong accounting system
- 23.** You must measure every expenditure in relation to the return you receive
- 24.** People will try to sell you
- 25.** You need to write a road map
- 26.** You need to learn to say no
- 27.** People will disappoint you
- 28.** Customers will not pay you
- 29.** Your kids may not want to be involved in your business
- 30.** You will have difficulty taking vacations

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- 31.** You will struggle to relax as there is always something to do
- 32.** You will be busy, very busy
- 33.** You need discipline to work unsupervised
- 34.** Think exit before you enter
- 35.** There is not an EBITDA multiple for your blood-sweat- and tears
- 36.** It may place a strain on your relationship with your spouse
- 37.** It may place a strain on your relationship with your children
- 38.** You must understand the value of social media
- 39.** You won't get an order if you do not ask for the sale
- 40.** You will have to plan your taxes

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- 41.** You will need a relationship with a banker
- 42.** You will travel, very few entrepreneurs sit behind desks (except when everyone else has gone home for the night)
- 43.** You must take time for your health
- 44.** You will be stressed
- 45.** Its about marketing not selling
- 46.** You can't buy your way into the hearts of your market
- 47.** You will live a rollercoaster of emotions
- 48.** You will have enemies, who try to take you out
- 49.** At some point, you will need to hire those more skilled in specific areas than you
- 50.** You may fail

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There are many other ugly truths that I discovered in a poll of micro business owners and entrepreneurs but the above were the most popular.

At any given time, 6 out of 10 American adults are “thinking” about starting their own business. Of those 3 will launch and 90% fail within 18 months. Those are the statistics, raw, frightening facts but they do not shed light on why.

What I have always done when faced with a problem is seek first to understand the “whys” behind statistics. The top three reasons small businesses fail are;

- ❖ Ran out of cash
- ❖ Failed to have a unique sales proposition
- ❖ The owner, they were skilled at a technical discipline, but were never trained to run a business

You still with me? You still want your own business? Now that you know the Ugly truths?....GOOD

Good, because there are five reasons why, if you have the stomach for the 50 ugly truths you should do it anyway.

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UGLY TRUTHS

Freedom

I went to many seminars over the years and one that I will never forget was by the Covey Institute. I can't remember the exact title of the session, I believe it was called: The Power Principle. I will never forget the instructor saying one sentence that connected with me at the core because it was so brilliant; ***"you are not free to stay, until you are free to walk away"***

Owning your own business whether full time, or as a side business at first until it builds the momentum and revenue to support your family's needs, it gives you the freedom the Covey Institute instructor spoke of.

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Bless others and your family

Over 75% of job creations are the result of small businesses. Small business owners who seek to serve the market with their passion and expertise have driven new employment and in doing so hired others who are unemployed to help serve their market.

In the last 9 months, small businesses have created $\frac{3}{4}$ of jobs.

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You will grow

When you run your own business you will be faced with a number of challenges you may or may not have experienced before. Challenges and adversity grow us. You may not understand marketing, sales, operations, site location, accounting, and taxes for your own business, health care insurance.....and the list goes on.

You will need to gain an understanding of all the areas of running a business. Where most new owner's error in is trying to be an "expert" in each. If you try to do this, what I see all too common the reason you went into business in the first place suffers. You are distracted from your mission, your quest in areas that are not your gifts and you lose focus.

I recommend you develop a strong support network to offset your shortfalls. Some are Free! For example SCORE is a tremendous resource and their website <http://www.score.org> is full of valuable resources. I am a big advocate of focusing on your gift and either hiring others with gifts you lack or outsourcing tasks to them on a variable basis.

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You will feel alive

Nothing saps your energy and creativity like working for someone who does not appreciate you. Someone who places you in a defined box that makes them feel comfortable but does not fully take advantage of all your gifts. Not using your gifts at first is just an annoyance and you self justify with self talk like ..." at least I am getting a check that pays my bills." Some will chose to use this self talk and retire. At some time, often 18 months to 2 years later they have a moment of ..." is this all there is? Is this what I put my dreams on hold for?"

- ❖ You have a gift
- ❖ You are destined for greatness
- ❖ If you are on a market leading team that values you and uses your gift to serve your market...stay
- ❖ There is nothing worst than dying with your song still in you
- ❖ You were specifically designed to serve others with your gifts
- ❖ Serving others with your gifts is a freedom unlike anything you have ever experienced

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You will solve problems for people in your market, your customers, and bless them

If you did your homework, and you clearly identified an unresolved problem that buyers in your market have, and there is enough of them, and there are not free ways to fix this problem you are on your way to being one of the 10% who do survive. When you are one of the 10%, if your motivation is to serve others with your gifts you will bless your market and you too will be blessed.

Remember people like to buy things, service that make their problems go away. Be that person.

“Play the game like you have already won, and you will” - *Mark Allen Roberts*

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*Mark Allen Roberts, is an author, public speaker and consultant who has opened businesses and helped other entrepreneurs for the past 25 years realize what he refers to as “**explosive growth**”.*

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