

Three Pitfalls of an Entrepreneur That Kill Your Business



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How Does an Entrepreneur Kill Their Business?

The entrepreneur is an individual who has the unique ability to turn big dreams into a reality. Most entrepreneurs will succeed, but many will fail. Surviving the first year does not mean a business is out of the woods although it's an advantage afforded to only a select, highly competitive group of entrepreneurs. At this point, these former startups are now burgeoning businesses with a team of employees and they're on the cusp of an even bigger breakthrough moment. Yet, many entrepreneurs inadvertently kill their business at this point due to three major pitfalls. Learn how to evolve and change, then watch as your company achieves its breakthrough performance.



What's Killing Your Business?

Three Pitfalls of an Entrepreneur

- 1** Ego Tripping
- 2** Chasing Sexy
- 3** Distrusting Trust

Ego Tripping

That first taste of success produces euphoria that feeds a burgeoning ego. As the startup becomes sustainable and scalable, it's time to shift your thinking from "me" to "we". You, the business owner and thought leader, are no longer the center of attention. Instead, focus on the business, your team, and your customers. This entails learning to delegate and, more importantly, giving up some of your day-to-day responsibility in order to instead focus on leading and strategy creation.



Owner Who Successfully Changed from "Me" to "We"

Steve Jobs

He was actually fired from Apple thanks to his ego. On his second go-around at Apple, Jobs proved that he could grow as a leader as he moved away from micromanaging and conquered his ego.



Owner Who Let His Ego Run Rampant

Dov Charney

Founder of American Apparel, Charney led the business through an explosive growth phase, only to let his ego get in the way once the company faced huge losses, overreaches, shocking sexual misconduct and funds mismanagement.



Chasing Sexy

Entrepreneurs find it thrilling to think of the next big idea. However, once the owner's attention is taken from the current business to something that doesn't even exist yet, the real, actual business falters. Even more, 'sexy' probably isn't around the corner. Don't become disengaged from the task at hand. Focus on nurturing your company so it has the chance to grow.



Companies That Maintained Focus

Morris & Garritano Insurance



Located in the Central Coast of California, this family-owned insurance company has thrived since it opened in 1885. By keeping focus, Morris & Garritano is able to provide consistent, quality products over decades of business.

Valspar



Founded in 1806, this ubiquitous paint company focused on expansion through scalable growth. They made a point to buy complementary companies to expand their product line to focus on sustainability.

Company that Chased Sexy

Starbucks



After rapid growth and a new store on nearly every corner, the recession hit Starbucks hard. They lost their focus on their coffee, and instead expanded into other products. After owner Howard Schultz came out of retirement to retrain every barista – which resulted in every single store closing for a three-hour period in 2008 – the store found its footing again by focusing on what it knows best: the coffee.

Distrusting Trust

As your company grows, the number of employees does too. At a certain point, it's necessary to trust your employees to do the job that you hand-picked them for. It's not your job to do their job for them! Learn to delegate and trust in your team to get things done. Evoking trust goes hand-in-hand with creating a clear, strategic growth vision. When you know what you must do every day, your employees will too. Not only will this give you the opportunity to think bigger, but it gives your employees the motivation and inspiration to get the job done.



CEOs who Trust in Trust

David DeWolf,
3Pillar Global



As DeWolf made the rounds among his 600 global employees at 3Pillar Global, a product lifecycle management and software product development company, he found numerous instances of communication issues due to lack of trust between teams. He worked hard to identify the issues, became accountable for his role, created a culture to address the problem, and created a solution to rebuild trust..

Company Crumbled Due to Lack of Trust

Do Won Chang,
founder of Forever 21

FOREVER 21

A lack of trust so severe at this American fashion retailer resulted in employees' bags being searched for stolen merchandise -- and a class action lawsuit. Employees report a poor work environment, which could ultimately affect sales and growth.

Bottom Line

The growth from entrepreneur to leader is a steady climb that will take some time; old habits are hard to break. However, as you determine your company's strategic goals and next steps, keep in mind the pitfalls many entrepreneurs face. As you change your way of leading, you'll be able to ensure the scalability, success, and sustainability of your company and achieve your next breakthrough opportunity.



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