


# Top 7 Myths About Starting a Business

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Categories:

## Entrepreneurship

From our experience consulting to entrepreneurs, start-ups, and small businesses over the past ten years, we've gained much exposure to the realities of starting and growing businesses. We thought it would be interesting -- and hopefully instructive -- to lay out some of the myths and assumptions of aspiring entrepreneurs.

**7. It Is All Dependent on Hard Work.** Hard work is an absolutely necessary, but not sufficient, condition for starting and growing a business. It is the given, but without a solid business plan and compelling value proposition for customers and partners, all of the hard work in the world will be for naught. The world is filled with over-worked, over-stressed, and not terrible successful small business people who struggle not because of lack of appropriate effort, but rather for lack of appropriate planning.

**6. If Your Product or Service is Compelling Enough, Customers Will Beat a Path to your Door.** Unless you are building a business based upon intellectual property and/or technology that provides and creates such a competitive advantage and compelling customer value proposition, the early success of your business will be based as much on your ability to market and sell your product and service as it will on the product or service offering itself. Remember: in a capitalistic marketplace there is NO distinction between value and perceived value.

**5. If Your Product or Service is Compelling Enough, Investors Will Beat a Path to your Door.** Those that identify themselves as prospective investors in earlier-stage, small companies are mostly INUNDATED with investment opportunities. As such, no matter how good and unique your business opportunity, there is always a strong, initial prejudice AGAINST investment that needs to be overcome.

**4. It Is All About You.** The myth of the charismatic, "do and be everything" entrepreneur is just that -- a myth. Any and all companies of value are great teams much more than they are the by-product of a highly talented individual. The best entrepreneurs and business leaders inspire the mission, values and philosophy of a company by their own example. This inspiration is then communicated to all of the business' stakeholders -- employees, customers, investors, partners, vendors, and its wider community.

**3. The Government Is Your Friend.** We are constantly astounded by the regulatory and paperwork maze that a startup company needs to negotiate and constantly monitor to both start and maintain a business. It is a significant time, money, and energy drain that detracts from the main value creation intent of a new business. Our best advice in this regard -- as resources are available -- is to find competent legal and accounting counsel, to both advise upon and outsource the regulatory burden, so you can focus on business-building.

**2. The Government Is Your Enemy.** Having said the above, in the mixed economy in which we live, government revenue opportunities, on a local, state, federal, and international level, have never been greater for small business. While slow, meandering, and confusing to approach, governments have much to recommend them as clients and customers, not the least of which is that once sold, government clients pay well and are not bad debt risks. A somewhat trite but very important credo to remember when selling to governments, even more so than in business, is that "it is not as much what you know but who you know."

**1. It Is Only Worth Doing If You Become the Next Google.** The vast majority of small businesses will always remain just that -- small businesses. The odds of starting a business and have it become the next Google or a publicly-traded company are very, very small. While we would never discourage entrepreneurs for aiming for the stars, it is also important to have success metrics grounded in probability. An expectation of a minimum of 2years of very, very hard work with little financial return but with a lot of learning (and some fun hopefully as well) involved is a good starting point. From this first milestone, then and only then should there start to be an expectation of significant wealth-building. Find that balance between the long term vision and the Monday morning action plan -- and success, while not guaranteed, is very likely.