

Avoid Pitfalls On The Road To Boosting Your Business

By Michael Mink, FOR INVESTOR'S BUSINESS DAILY

Launching and running a business is not easy. Hundreds of pitfalls can quickly trip up a company, says John McGee, president of OptifiNow, a cloud-based sales-automation platform.

Businesses should steer clear of common mistakes during their startup and growth stages.

Tips on sidestepping pitfalls:

- **Convey.** You should be able to describe what your business is. "Whether you are communicating via email, in person or over the phone, it is essential to have an easy-to-understand, two- to three-sentence description of what your company does," McGee told IBD.

Likewise, you should be able to tell people why your product or service is important and unique. "Investors, customers and partners will only give you a limited opportunity to catch their attention," he said. "Allowing it to slip by because you are unable to articulate what you do is a fatal error."

- **Differentiate.** Grasping what your unique qualifiers are and how to explain them will boost your firm, McGee says. Those qualifiers could be cost savings, better quality, efficiency and/or technology: "These are all reasons your product or service might be distinct from other similar solutions on the market."

- **Don't settle.** Never tolerate a subpar leadership team, says Robert Sher, author of "Mighty Midsized Companies."

The fastest way to kill expansion is to have executives who are not up to the task of pulling the company to the next level.

If the head man is truly loyal to the company's mission, he "won't fall into the trap of being loyal to leaders who are no longer delivering or who are high maintenance," said Sher. Repair or replace them right away, he says.

- **Focus on winning strategies.** Once you find a great idea that's generating money, stick with it.

Sher points out that chasing after every shiny penny in an unfocused manner can destroy a company's ability to grow. It's a matter of choosing the right and proven things to go after.

- **Jump on infrastructure.** Once you've nailed down those profitable, winning ideas, expand as soon as you need, but in a proper fashion.

When a business grows fast and management doesn't put processes, governance, planning and top leadership in place, "each function becomes disjointed from the others, and chaos can erupt," Sher says.

- **Maximize acquisitions.** Companies must choose only those businesses where solid integration is clearly achievable, says Sher.

- **Stay on point.** Don't let fads distract you. "Just because the business next door or your No. 1 competitor was able to drastically increase sales by running a contest on social media or producing a viral video does not necessarily mean the same tactic will work for your organization," McGee said.

Better, he says, is to have a strategy in place and stick with it to accurately analyze if it's been effective.

"Constantly starting over and pursuing a new avenue of sales, marketing, social media or any other daily operation will prevent you from ever gaining traction," he said.

- **Delegate.** If you have no experience with payroll, spending 20 hours a day getting up to speed is not an efficient use of your time as head of the firm, said McGee: "The business as a whole would be better served by finding someone with more experience to manage that task while you focus on others."

- **See the big picture.** Avoid getting mired down in the day-to-day details and losing sight of overarching goals. "There is no room for micromanagement in the life of a CEO at a startup or small business," McGee said.