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# ***"The 26 Greatest Business Mistakes Of All Time"***

**Special Report**  
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## **At last! "The 26 Greatest Business Mistakes Of All Time Revealed!"**

Success can take many forms. Some feel that being a good parent or being a good driver is being a success and they would be right.

It is a person's perception of what success is that determines success for them.

Because there are thousands of variations, for this article we will assume that success is related to business or financial success. The person in this context will have:

- **The desire to be successful.**
- **An idea of the type of success they want.**
- **Abilities equal to a normal, capable person.**

We also have to consider another fact when determining how success is achieved. If it is financial success, let's relate it to business. Statistics show that about 75% of businesses fail within 3 years and only 5% of businesses remain after 5 years.

Although unquantified, these statistics can also relate to any success, and whether or not one is successful.

It's clear that people make mistakes when entering the business world. People start building a business without knowing what to do and make costly mistakes.

They should protect themselves by learning all the common mistakes first, in order to curb failure.

The mistakes people make in business are the same over and over again. It's a wonder that someone hasn't listed these mistakes so that interested people can avail themselves of this knowledge prior to going into business.

So, whom should you listen to for the right advice? Well, it should be someone who has failed in business a few times and then succeeded to an exceptional standard by duplicating their success more than once.

I've made mistakes and have learned from them. The advice I have for people who make the same mistakes over and over is to get a successful mentor. For this article, I will act as if I am that mentor. More about me.

[http://www.commandobusiness.com/pdf/Financial\\_Review\\_of\\_Telco.pdf](http://www.commandobusiness.com/pdf/Financial_Review_of_Telco.pdf)

## **Mistake #1 Not having a plan.**

Most people don't take the time to see the end before they begin. In other words, they don't plan. Benjamin Franklin said, "By failing to prepare you are preparing to fail."

### **Advice:**

Planning allows you to look into the future so that you can strategise how to overcome perceived roadblocks. When you plan you can successfully avoid or work your way through mistakes more easily.

I call this technique, "Looking Glass to the Past". You picture yourself already having achieved what you want. Then visualise the step prior to attaining that position, identifying what you had to do to get there. Duplicate this for each step prior until you go back to the present day. This is the master planner method.

For example: imagine that you are sitting in your chair admiring your vision of success. You are looking through your imaginary looking glass to the past and you want to determine how you achieved the 10,000 subscribers or prospects that you now have (In your mind) on your database.

This technique will tell you how you did it (in this case how you will do it) to be able to sit where you are now. If you can't come up with a scenario to accomplish the 10,000 prospects you had better review your plan to proceed in business. A great place to start is here.

<http://www.nt.gov.au/business/documents/general/BUSINESSPLAN.pdf>

## **Mistake #2 Putting the cart before the horse.**

Many people don't follow the right process when building their business. People don't realise that building a business or becoming successful is a process. They will spend money, energy and time setting up what they think is important, such as websites, shopping carts and stationery. They do this because they want to sell their products and services to make money straight away.

### **Advice:**

Business people need to understand that the best process when building a business is not to sell first but build rapport with your prospects so they accept your recommendations because of a relationship built over time. This step must come first otherwise you won't keep your prospects and not make as many sales.

### **This process is as simple as ABC:**

**A** stands for **attract** prospects, subscribers or customers.

**B** stands for **belly to belly**. This means looking at ways of communicating with your subscribers and prospects?

**C** stands for capture and **cash** in on sales. To do this you need products and processes, a reason to contact, credibility and added value before you ask your prospects to buy anything. Do you know how to do that? You could consider the information here to help you.

[http://www.goldstarmember.com/pdf/How to Develop.pdf](http://www.goldstarmember.com/pdf/How_to_Develop.pdf)

### **Mistake # 3 Wasting money on brochures and business cards.**

#### **Advice:**

Brochures and business cards will cost you more money than they are worth. You're far better off concentrating on your sales plan and getting it working effectively. Printed material won't help you sell. Often people use the excuse of asking for a brochure if they want to put you off when they're not interested in what you have to sell.

Sure, when you are in a better financial situation and have the money, you can invest in brochures. I grew my business from zero to \$50 million without a brochure. Save your money and invest it into a marketing plan. It will pay you more dividends.

### **Mistake #4: Over-preparing and delaying before starting your sales plan.**

#### **Advice:**

Activity is not productivity. Too much preparation to make sure everything is just right before you actually start work is folly.

To start the sales process, you have to sell the first product. So action the sales plan and execute it. If you still haven't sold anything, you have successfully determined what does not work. It's time to change the promotion.

### **Mistake #5: Slowing down on the marketing when sales are coming in.**

#### **Advice:**

The key to success in business is to never stop marketing. Ensure people think of your business first when they have a problem. With so much information relayed to your customers from competitors today, you have to be first in their minds.

I've said this many times. You should, have to, must create and manage a self-generating lead system that will feed you qualified buyers consistently day in and day out.

Don't, ignore this advice. You do so at your peril.

### **Mistake #6 Failure to attract prospects will send a business broke.**

It's no good having a great web site or advertising plan with all the bells and whistles if the business doesn't have traffic coming to it consistently. Thinking about how to attract prospects and build relationships is the priority.

#### **Advice:**

You should create, what I call, Octopus Arms  
[http://www.commandobusiness.com/octopus\\_system.php](http://www.commandobusiness.com/octopus_system.php) (channels) to generate leads or prospects to buy products. You need at least 20 channels by which to attract leads. This system should also be self-generating.

When the octopus arms have been created the prospects must provide what I call the **CPR** of business. The prospect has to Come, Pay and Refer in order to save the life of the business.

To help you further click here and here.

[http://www.commandobusiness.com/turn\\_a\\_knob.php](http://www.commandobusiness.com/turn_a_knob.php)

### **Mistake #7: Believing "If You Build It, They Will Come"**

#### **Advice:**

No one has a product or service that sells itself. Your customers will not usually seek you out if you do not market to them.

The day you open for business is the day you put on your "marketer's hat". Never take it off. To stay in business you must profit. To profit you must sell. To sell you must market.

Define your niche market and USP (Unique Selling Point) and at least 10 points of difference to your competitor's product. Develop a marketing action plan and strategy incorporating this information to reach your niche market.

The next step is to create a Generation Lead and Duplication (**GLAD**) method of distribution. Everyone isn't skilled in selling. People may think they are, but the only way to tell is by examining their sales performance ratios.

To increase sales one should consider automating a channel of leads that will feed them with prospects interested in purchasing their products.

Assuming they already know how to sell, the only problem they will have is handling all the leads ready to buy.

By using the GLAD system in your selling career you will achieve all your dreams in sales. GLAD runs on autopilot. You set it up once and it will feed you for life.

You will receive calls from people wanting your product. Best of all, you will have leads waiting for you each day before you start work. What a difference that will make!

GLAD compliments the Octopus System. I used these two systems to turn a beginner in sales to a veteran within 8 months of learning how to sell.

They were also the systems I used to go from zero to \$140 million in 18 months in one business and to \$10 million in another with less resources and salespeople.

My business changed the day I started to use both the GLAD and Octopus Systems. They enabled me to duplicate myself and multiply the results by a factor of 78.

In other words, I discovered how to turn sales revenue made once, into 78 times that revenue over a 12-month period. Revenue you make continues each and every year from then on in addition to any new sales whilst that customer remains with your business.

If you want to make a lot of sales rather than just surviving, you can do this permanently and effectively.

### **Mistake #8: Relying on Networking to Generate Sales Leads**

#### **Advice:**

Joining networking groups are great for long-term slow generation of sales but will rarely generate substantial sales leads. You may be able to make some valuable contacts for future ventures and promotions, but it is time consuming and results are unpredictable.

Initially, you will require instant sales to make money while you are building your business. Although many dislike it, cold calling is a great way to get you started.

### **Mistake #9: Not Targeting a Specific Market**

### **Advice:**

You will struggle to attract people to buy from you if you believe your market is "everybody". People want to go to a business that understands their specific concerns, needs and wants.

Make sure you ARE that business by targeting a niche market. Understand the differences your customers desire in your particular service. Confirm this by conducting surveys from time to time.

- **Find out:**
- **What they like about your product**
- **What they want to see improve**
- **What they dislike about your product**
- **How they value what you have?**

For more information about research and surveys or how to market to your customers go to the best marketing Methods in the World.

[http://www.commandobusiness.com/create\\_more\\_sales.php](http://www.commandobusiness.com/create_more_sales.php)

### **Mistake #10 not making decisions on time won't hurt them.**

#### **Advice:**

Procrastination is the death of success. So many opportunities pass people by because they aren't prepared to either commit or make a good decision to seize an opportunity when it presents itself.

Not making good decisions or delaying decisions confidence in people around you and has the potential to ruin your business. It's to do with how well prepared you are when it comes to your mental and emotional beliefs.

[http://www.commandobusiness.com/creating\\_power.php](http://www.commandobusiness.com/creating_power.php)

### **Mistake #11 not having a mentor can be suicide.**

#### **Advice:**

Having a mentor is the best business insurance anyone can have. The mentor must be an expert in the area you are gaining knowledge in. When they give advice take it. I have given advice to many in business and in personal life only to see the recipient not take it and fail miserably.

When I asked these people why they didn't take the advice, they say, "I got your advice but I don't have to take it if I don't think it is suitable". True statement! But don't waste your time or money if you engage a mentor and then refuse to take their advice.

## **Mistake #12: Making business decisions for the wrong reasons.**

### **Advice:**

In making good decisions, ensure you only consider the facts. Don't spend money on fads or expensive advertising just to feel good. If the facts show these methods produce the results then you may go that way.

Don't keep unproductive employees because you feel sorry for them when the facts show they are costing you money. Remove emotion out of your business decisions otherwise the business will take the emotion out of you.

There are some rules when it comes to making business decisions. The Chinese are the greatest instigators of strategies and rules and they stick to them strictly.

To view some of their thoughts go to rules for business success (many clients prefer to print it out and frame it).

[http://www.commandobusiness.com/rules\\_for\\_success.php](http://www.commandobusiness.com/rules_for_success.php)

## **Mistakes #13 Don't think you know it all.**

Not listening to advice from those who know is a big mistake. There are literally hundreds of Internet sites willing and able to take your money for business advice.

### **Advice:**

In the first two months of starting my Internet business I spent more than \$10,000 on trying to get the right products and advice.

I learned very quickly that getting advice from a bricklayer about diamonds is a recipe for disaster. So the very first advice to seek is advice from those who know. If you want money, read this.

<http://www.the-richest-man-in-babylon.com/index.htm>

## **Mistake #14 Not having enough basic knowledge.**

Some people think they don't have to know a lot about their field to be successful. They just want to give it a go and hope the rest will come later.

### **Advice:**

You cannot expect people to come to your business if you have nothing to give them. What attracts a prospect or visitor to your site is quality information they desire. You can't regurgitate information from others and expect a visitor to have confidence in you. You need to be an expert on a subject.

Either get the knowledge yourself and impart to others via your site or provide information on how they can access the information elsewhere. You have to research the topic. Doing this saves the visitor their time and effort. That's where the value lies for your customers and they will give you the expert status.

### **Mistake #15 Not Being Persistent.**

You have to be persistent in business even when you think your actions are not getting you anywhere.

#### **Advice:**

John Calvin Coolidge was the 30th President of the United States. He did not attempt to intervene in free markets. He let business cycles run their course. He said, "The business of America is business".

It was also Calvin Coolidge who said, "Nothing in the world can take the place of persistence, not talent, not genius nor education". He said persistence was the most important attribute to have.

People really don't know what is involved when starting a business regardless of whether it is on line or off line. When you start you have to finish or accept the fact that you have lost. It's as simple as that.

### **Mistake #16 Believing you can do it on your own.**

Some believe that it's not important if they don't get along with people. Their business motto is "It's my way or the highway".

#### **Advice:**

It's easy for people to think they don't need others or have to build relationships with others. Relationships and contacts are very valuable in business especially whilst you are on the road to success.

I have been pulled out of the mud many times by people who like and respect me. Getting along with people is a valuable asset to have when running an office and managing staff.

### **Mistake #17 Looking at an unbudgeted expense in isolation.**

It's so easy to make blunders when handling money in business. Every day you can spend money on something you didn't budget for. Taken in isolation, so many unplanned expenses seem OK.

#### **Advice:**

But when I start to make even one or two exceptions a week to my budget, I soon find my budget and profit projection to be just a fantasy. I could talk about my marketing blunders forever, but the bottom line is clear.

Never, ever, spend money on any unbudgeted expense item until you have accounted for it in your budget and made the necessary adjustments. Go to this article [http://www.commandobusiness.com/financial\\_crisis\\_part\\_two.php](http://www.commandobusiness.com/financial_crisis_part_two.php) to see the difference in money management.

NOTE: Never assume that someone else's marketing program will work for you.

**NOTE: Never assume that an ad agency or marketing expert can guarantee you results-no one can.**

### **Mistake # 18: Keeping sloppy records.**

#### **Advice:**

Good records help you make good decisions. If you don't have accurate records you are cutting your decision-making capabilities in half.

Research and analysis of your records will tell you how and what to sell to your customers. It will also allow you to categorise your customer base into either hot, warm or nurturing groups.

This will enable you to structure marketing, budgets, cash flow and cash management plans. Show me a businessperson who knows how much they spend on the little things and I will show you a millionaire in the making.

### **Mistake # 19: Lowering product prices to generate business initially.**

#### **Advice:**

This normally occurs for a couple of reasons. Either the businessperson doesn't know how to price a product correctly or they believe they have to discount to break into the business market. These are bad habits so don't start.

This strategy will only result in low profits and poor cash flow. You are far better off to sell less and make more profit than to sell plenty and not meet your financial commitments.

To illustrate how this works, do this exercise. Say you have 100 tenants all paying \$80 a week and you want to put up the rent by \$20 per week (providing it's marketable). Assumptions are that your tenants won't be happy about it and some will leave. But how many tenants can you afford to lose to still receive the same income as before the rent rise.

100 rooms@\$80 = \$8000  
\$8000/\$100 = 80 rooms

So you can afford to lose 20 tenants and it still will not affect your income. The side benefits to having less tenants of course is less cleaning, less linen, less electricity, less wear and tear, less staff, less resources, less food and many other benefits too numerous to mention here.

The main benefit is that you can go ahead and give yourself another pay rise and fill the empty 20 rooms. That my friend is the power of increasing profits without discounting.

**Mistake # 20: When starting out in business many view sales as the only important issue.**

**Advice:**

If you think the more sales you make the better your business will be, think again. Nothing could be further from the truth! This mentality and growing too quickly can cause your business to fail fast.

In fact too many sales could force you to close your doors if the purchase costs of the sales are too high. In other words, if you grow fast will you have a cash shortage from keeping up with the purchasing of the goods?

Running a successful business is easy, but it does require some basic business skills. Focus on the whole business, margins on cost, profit over all and cost of goods sold etc.

**Mistake # 21: Many business owners extend credit to customers who pay late.**

**Advice:**

Have a policy in place to collect bad debts. It is the single most important part of your business.

Credit checks are essential if you extended credit. Also, make sure your customers completely understand and agree to your payment terms BEFORE doing business with them. Many slow paying customers like to take advantage of ambiguities in credit policies.

While it may make you feel better to take on as much business as possible, keep in mind that you can stay at home and go broke without working.

**Mistake #22: Not worrying about taxes as you go.**

**Advice:**

Business owners often neglect to seek financial advice before they engage in an activity that may have a taxable effect. This can be very costly in the form of paying more tax than is required. The tax department are unforgiving and emotionless.

Planning is the key to reducing the amount of tax you pay each year. If you are found to be avoiding tax (no matter how hard you disguise it) you will have to pay penalties and heavy interest charges on outstanding moneys from the time the tax was due.

This most critical area is often viewed with apathetic and indifferent attitudes until one is in the situation of being caught (up to many years after the event if they say you avoided the tax deliberately) and then they realise how seriously they should take this matter.

**Mistake # 23: Underestimating the importance of cash flow management.**

**Advice:**

The quickest way out of a business is to ignore the cash flow. Cash is king and cash flow is its queen. Hold reserves of it and don't spend a dollar unless you can be assured that you won't lose it or not make a profit from it.

This is a very complex issue with many things to consider. Rather than go into detail here go to Cash Flow Secrets.

[http://www.commandobusiness.com/cash\\_flow.php](http://www.commandobusiness.com/cash_flow.php)

**Mistake # 24: Not providing good customer service.**

**Advice:**

If you want a successful business, make sure you look after your customers. The easiest way to grow your business is to give customers no reason to leave. By doing this you are planting money seeds that will grow and provide lots of profit.

When you are fronted with a customer's problem follow this simple but effective method. Speak to three people that you know (not close friends) and ask them what you should expect from the company as if you are the customer.

Follow the most common suggestion and you won't be too far off the mark on how you should treat your customer. This should be applied even if you think that it goes against what you think should happen.

## **Mistake #25: Focusing On Acquiring New Customers rather than looking after existing Customers**

### **Advice:**

When you start a business you have to get customers. The least expensive part of a business is making the sale. Once you've made just one sale, you're ready to start looking at other ways you can market to that customer. It is the beginning of your relationship with that customer, not the end.

Develop a referral, joint venture or product bundling program so you can reap profits from your customers. The biggest asset your company has is your customer base. For more information about following up on customers go to follow up or close up business.

[http://www.commandobusiness.com/follow\\_up.php](http://www.commandobusiness.com/follow_up.php)

## **Mistake #26: Not Systematically Following Up on Leads**

### **Advice:**

Once you have a name and contact (prefer email) whether they buy from you or not - you must develop a follow up system that will keep marketing to those interested prospects. A person who has expressed interest in your products and services is far more likely to eventually buy from you than someone who cold called.

I have a Rolodex system in place that converts a cold lead to warm then hot future lead that will buy when asked to. You can duplicate this system by developing a strategy designed to convert a "maybe" into a "yes."

This was so powerful I could hardly keep my excitement to myself when I first learned about this octopus arm. Just think about this!

If you had a list of 3,000 prospects that you knew by name and they knew and trusted you, who do you think they would buy their next Widget from if they knew you sold Widgets? FROM YOU, wouldn't they?

Herein lies the secret. For every prospect you meet and find out their name, you either obtain their business card or write out their details on a blank card. Then you file them under Hot, Warm or Nurturing in a Rolodex (RoloCard) system.

This can also be set up on your computer.

Once you have details on a new prospect it becomes your duty to decide when you will call them and offer a free gift. The gift is just for letting you contact them. Once you explain what you sell, you can then put them into one of the following categories.

**The decision will be based on whether or not they:**

- **Bought your product – (Hot)**
- **Weren't in the market yet – (Warm)**
- **Didn't want what you had to offer – (Needs nurturing)**

The RoloCards who are classes as hot should be scheduled to call back in 3 months time and then every 3 months from then on with their permission.

The RoloCards who are warm should be scheduled to call back in 6 months time and then every 3 months from then on if you have their permission. If they buy they will become a hot prospect. If not, they will stay warm.

The RoloCards (warm prospects) who require nurturing will be scheduled to call back after the nurturing takes place (to investigate this step further go to follow up or close up business) [http://www.commandobusiness.com/follow\\_up.php](http://www.commandobusiness.com/follow_up.php) in 6 months time and then each 3 months from then on if you have their permission.

Each time you contact them you will endeavour to offer free gifts and free advice in the area you are experienced in. This will be the case whether they are a hot prospect, warm prospect, needs nurturing or asks you not to call.

You don't need to contact them personally but by email so they can be contacted without interruption. Do it at set times so your day is managed.

Don't let them forget you. There is a fine line here. You must keep yourself known without being a pest. Keep building this list. The more prospects you have, the more self-generating leads will come your way. Some other ways you can build your list is by creating your own newsletter.

Make it power packed, free and with great content. Make it worthwhile to read. Again, this can be done via email. The tool to do this is called an auto responder available on the Internet. I use Goldbar one.

Auto responders allow you to write your enews and set the time you want your prospects to receive it. All you need is a computer and an Internet connection.

In summary if you can have the strength to take on board this advice and avoiding common business mistakes you will certainly become more successful and in a shorter time frame.

However if you think that this is all you have to do, you are naive. Since you are on the way to achieving your success, I would suggest learning even more on the subject. My recommendation would be to read any or all of the articles at: <http://www.commandobusiness.com/articles.php>

To claim your free subscription for Business and Personal Development Tips visit this site  
[www.commandobusiness.com](http://www.commandobusiness.com)

Anyone who can read can avoid mistakes. It's not hard because you have the information and anyone can do it.

In conclusion, do it by the inch because then it is a cinch. Do a little at a time if you can. You can do it. Print out the information and write a mistake on the back of a business card. Carry one card with you for a week and once you feel you have identified and overcome that mistake start on the next one. Before long you will be a master of avoiding the common mistakes people most often make in business.

**Dan Cavalli**

#### **WHAT TO DO NEXT**

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You can get more advanced advice on How to Improve Business in Record Time at  
[\*\*http://www.leadbuildingsystems.com\*\*](http://www.leadbuildingsystems.com)