

Below are the Top Ten Reasons why Small Businesses Fail.

1. **Undercapitalization.** Far too many small-business owners underestimate how much money not only to start the business but also to sustain it through hard times.
2. **Bad Cash Flow.** This is when the incoming cash does not offset expenses and other operational costs.
3. **Inadequate Planning.** This is the reason why undercapitalization and bad cash flow happens. A good business plan is necessary; covering financial issues, marketing, operations, and growth. If you do not plan then you may end up with heartache, failure and thousands of dollars down the drain!
4. **Competitive Edge.** It is so important to have that “niche.” It has to be something that makes your product or service different from your competitors. You cannot simply be “just another company;” to win you have to stand-out amongst your competition.
5. **Poor Marketing.** You may think that you are special but do your customers know that? A good marketing strategy sets you apart from your competition so a customer can see why you should be their choice.
6. **Inadequate Flexibility.** Small businesses must learn to adapt to the times. If a products is not quite right or the marketing campaign is not working too well, do not be afraid to change. Most often, such changes are only small in nature.
7. **Ignoring the Next Step.** Make sure that you and your staff operate above and beyond the customer’s needs. It is often that those little things that you compared to the competition bring back your customers time and time again.
8. **Forgetting there is no red “S” on your chest!** You are not a superhero so do not try to be every part of your business every day. Find a good accountant and lawyer; do not do it yourself. Spending a small amount of money can save you in the long-run.
9. **Great Boss, Mediocre Staff.** This is seen too often today. Make sure your employees are well-trained, fairly compensated and show the motivation that you have for the business.
10. **Uncontrolled Growth.** How many times have you seen a business grow too big too fast? It happens so often. An entrepreneur wants to grow but if it is too sudden then it can actually threaten your businesses’ existence.