

Should You Be In Business At All? Here's How To Know ...
By Kelli Hoskins, ActionCOACH MetroNorth

So many business owners beat their heads against the wall, wondering why their business isn't working.

They try everything - new sales scripts, better ads, new products, yet to no avail ... every day they open their doors, they plunge further into debt.

In most cases, the reason things aren't working is very simple - there's not enough business out there to keep them operating.

To illustrate, think about this example - Harry and Barry open up a hardware store. There are 6 other hardware stores in the immediate area, but the boys aren't fazed - the other shops are staffed by 'pimply kids who don't know anything'. According to Harry and Barry, they're experts in the game - and will get heaps of business simply because of that.

They open a store a block down from the big competitor, write a couple of ads with the headline 'Opening Sale' and they're off and running.

For two weeks, things seem to go well - they may be selling the products extra cheap, but they're selling lots. The cash register keeps ringing and things are pumping along.

Soon after though, things slow down. In fact, they almost come to a dead stop - just a few customers a day, buying a hammer here and there.

The boys wonder why.

Whilst they got a few things right - the ads were ok, the customer service was good, the store was laid out well and the products were well chosen, they missed the most important point of all ... whether the business was viable at all.

If they'd done a little research, they would have discovered the following - every year, \$1.1 million is spent on hardware in their area. If each of the 7 local hardware stores had an equal share of the sales, each one would have revenue of around \$150,000 each.

Of course, the stores had wildly different figures. The largest, a nationwide chain had the lion's share at \$475,000 - almost half. The next biggest, a smaller, older store with a loyal client base, had \$260,000.

The 5 other stores made up the rest. Naturally, 4 of them were on the verge of going under. The fifth was Harry and Barry's.

Looking at it from this perspective, the boys' dream of opening a hardware store and becoming wealthy seem a little unrealistic. They'll be lucky if they last the next 6 months.

Think about your situation. How much business is out there, and how much can you actually claim?

If there's only a million dollars worth of sales, and you manage to grab 10%, that's only \$100,000 in sales. Take out basic expenses (not including your own wage), and you'd be lucky to pull \$30,000 profit out of it.

You may as well go and work for someone else - that way, you'll earn more money and have less responsibility. If the business goes down, it's not your house, car and credit rating on the line.

So what do you do if your business is a dud?

Sell - get the heck out before it's too late. "But nobody will buy it," most people say. Wrong - you'd be surprised how many people there are willing to take a business that's just getting by to buy themselves a job and 'make a go of it'.

Take the money and invest in something with more potential. "But I can't do anything else," business owners often contest. Wrong again - if all you could do is sell hardware, or wash dogs, or whatever it is you do, you should avoid business and get a job.

Owning a business isn't about doing something - it's about making money. It doesn't matter what the actual product or service is ... you can easily find people who know how to do the work; your role is to do the business.

So don't flog a dead horse any longer than necessary - you are not bound to your business for the rest of your life. You are free to change direction at any time.

Scared? Good - that means something has stirred. Let that stirring become action, call Kelli Hoskins, the No. 1 ActionCOACH business coach here in Minnesota on (763)444-9812 TODAY, and you'll be taking the first step towards real business success.