

## **The New Business Health Check;** *A special focus on entrepreneurs of Services Businesses*

**Attention Service Business IT Entrepreneurs: “How’s is New Business?”**

*So many smart, well-intentioned business owners and entrepreneurs, fall victim to “Developer Disease” and the “Build-It-and-They-Will-Come-Syndrome.” Here’s a word to the wise about ways to avoid these dreaded–sometimes fatal–afflictions.*

**Have You Seen These Symptoms...**

When we met the patient for the first time, he was suffering from acute sleepless nights and anxiety attacks. He told us all about his new web-based service and it was, indeed, a very cool idea. He said with caffeine-induced rapid-fire conversation that the new product functions beautifully, exceeds expectations and meets all technical requirements for secure cross-platform performance. But, no one is buying. He has no sales. Our bright entrepreneur is stumped and stymied and just about out of cash to finance the new business. More than just his financial pulse is weakening.

We quickly diagnosed a raging case of Developer’s Disease—a common ailment among those who have enticing technology ideas and drive them to the first version of the product or service. Something happens to their otherwise quite impressive brain cells at that point and they begin to hallucinate that revenue will “just happen.” In the worst case, Developer’s Disease has weakened the immune system to the point that a full-blown case of Build-It-and-They-Will-Come Syndrome is being experienced. Those patients experience severe delusions and run amuck spouting platitudes like “well everyone will need this” and “this thing will sell itself.” In some cases the affliction is so advanced as to be fatal. It’s sad. We’ve witnessed too many funerals.

**Health Check for the Successful Services Entrepreneur...**

Besides eating right, getting enough sleep, and doing regular exercise to stay in shape, entrepreneurs have to meet a “higher standard” for maintaining health. After all, you are now responsible for the life of a new business, and/or a new service and that takes real diligence and healthy know-how as well. Here are the most common business health pitfalls that lead to cash-draining illness and early death. You *forget to*:

**Fund your revenue generation plan, too.** Sweat equity and capital for development do not lead to the end of your new business readiness—that just takes you to the “real beginning” which is going to market, to generating revenue, to producing leads, a sales pipeline and, eventually your first sales.

**Pick your new business targets very carefully.** Get several uninvolved friends to candidly help you answer the question “*who cares*”...about your new business, product or service. Not, who you think “should care” but really “who does cares”. Focus all business development efforts on *exactly* who you need to reach. What’s the pressing business problem your potential clients have? If you were one of them, (and you’re not!) how would you want to lean

about what you have to offer? What difference will it make? When? How much? How risky? If you are not 100 percent certain about your target market, and the answer to these related key questions, your limited capital and scarce resources will disappear very quickly and without producing any results. By comparison, it can make the cost and complexity of development look like child's play.


**Communicate early and often.** How often is too often to reach a prospect you have targeted well? Once a year? Once a week? If you have something worthwhile to say, there is nothing wrong in contacting them often. Email, newsletters, seminars, direct mail, speeches, articles, phone calls, surveys, white papers, etc. Each of these vehicles is a part of the revenue production plan that will turn your targeted prospects into clients. Stay in touch. When your new business or product or services is presented the first time, does mean the need the time is right for the potential buyer. Find inexpensive ways to stay in touch—low cost touch points can be the key to long term successful revenue generation.

**Develop and live by a business development and revenue generation plan.** Decide what you want to get done over the time period of at least a year and how you will do it, what is possible, and how much you will need to spend (time, dollars, and people resources) to generate “enough” revenue. Develop some simple metrics for measuring progress (how many leads do you need, of those what percentage represent qualified prospects, how many prospects do you need to fill the sales pipeline adequately to produce the monthly or quarterly revenue required to operate the business, etc.)

**Be realistic about your expectations.** Consider the time, effort and budget required to develop enough consistent revenue to really build a new business. Many successful business builders are so absorbed in what they're doing they will forget to tell you that it actually takes a fair amount of patience—a lot of planting and patience before the harvest. Your revenue ramp up and client base will take time to build—usually longer than impatient entrepreneurs want to acknowledge and plan for. You may be displacing current relationships that clients have with other providers before your revenue goals come to fruition. You may have to reach a certain point of market penetration before new business revenue becomes predictable and forecast-able. Think the problem through as though you are a third party consultant to your own business—or find one to help you figure it out.

**Build a group of savvy advisors.** You may think you do not want or need advice and that would be a real mistake. If you're fortunate enough to connect with those who have “walked the road before you” and they will talk with you about your business thank them, pay attention and take notes. Better yet, convene a one a month or once a quarter advisory group to help you take a stark, clear, impartial and externally focused view of your business. Ask professionals who have skills and experience that very different than your own to be advisors. In the early stages of your new business or introduction of new products and services pay particular attention to their ideas about for ways to attract more business and ramp your revenues. Than way you live to fight another day—to grow and improve your business.

**Make revenue production everyone's priority.** Actively working to bring in new clients should be a priority for all employees in your business. Everyone can do something like writing articles, delivering speeches, participating in seminars, and contributing in other ways to sustain successful revenue production.



**Do not give up.** The decisions and actions you start now, if well planned, targeted, and patiently pursued will produce results—good revenue production and the means to achieve profitable growth. Don't get discouraged by under-whelming immediate results. Stay the course and remain realistic about what's required to build a successful business.

**Maintain your diet and remember to do the things on this “New Business Health Check”**

There's no wonder drug to control Developer's Disease and no sure cure for Build-It-and-They-Will-Come Syndrome. But, these recommendations can keep your business healthy and well on the way to profitable growth.

### **About Marketplace Partners**

For more than a decade we have successfully served B2B Services Business organizations in the greater Chicago area. Our business consulting and marketing services are designed specifically for business owners and executive teams committed to accelerating the profitable growth of their business. Leveraging our proprietary and on-going research with C-level buyers of services, we propel our clients into new services, new markets, more sales, better margins and timely results. We assist our clients in closing the gap between their business plan and the strategic marketing and practical performance required to effectively grow their business.

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