The Entrepreneur’s Survival Kit

Given the complexity of today’s business world, it has probably never been harder to start your own company. However, more people than ever are taking the plunge – so what advice can be given and are there any sure fire ways of getting it right?

Les Green, author of “Small Companies, Big Winners”, has ran companies of up to 300 staff, public and privately owned, and has also built and sold from scratch two companies of his own.

In the following sections, Les answers some questions posed about launching and running a new company:

Is there a panacea to guarantee success?

I have never believed that there is a panacea for success. In fact, I think it is necessary to turn matters on their head and consider how to minimise your chances of failure!

The failure rates for new companies are staggering (30% in the first year, 75% by year three and 90% by year five), so you need to consider ways that will get you past year five by putting in place the right basic structures.

So what are the most important factors?

No doubt everyone will tell you that sales are the most important; and to some extent it is hard to disagree. However, I have always believed that cash is king. In fact, I can name several companies that were selling well, making a profit (on paper) but went out of business because they didn’t manage their cash flow!

Dunn & Bradstreet figures show that, on average, PLC’s take up to 46 days to pay smaller company invoices with over 20% taking more than 60 days and a staggering 1½% taking over 200 days! So you see why I think you need to make sure that the company you are dealing with will pay their bills on time – and that you closely monitor the situation (every day) to make sure you’re getting what’s yours.

Remember, a sale is not a sale until the cash hits the bank account.

What about the direction of the company?

I use a three stage approach (the three S’s) to get the company off on the right tracks.

The first S is for Strategy. Specifically, I suggest writing down the goals and objectives you have for the company, i.e. how will you judge your successes over short-term (say the first year) and medium-term (say the first three years). List at least 10 for the first year and at least five for the first three years. Make them difficult to achieve – but clear and measurable. Also, decide what your company will stand for; this will pay dividends when the going gets tough!
The second S is for Structure. Decide how the company will be organised, how much you will do and how much you will delegate to other employees or third party suppliers. There are many companies now that will outsource the key functions of your business leaving you much more time to get on with other important matters. So give this careful consideration.

The last S is Systems and Processes. If you know where you are heading (Strategy) and you know how you will get there (Structure) then this layer determines how you will manage the daily operations. It is essential to put this final layer in place last so that they will support your objectives for the company and work in harmony with the structure.

**Why did I write the book?**

I have worked with entrepreneurs for many years and have been associated with starting many different companies. I have a deeply held passion for the entrepreneurial sector and wanted to put something back for others that may be going down this route for the first time or needed some general advice.

Starting out on your own is great fun; but it comes at a price. You never really have anyone to turn to and it can be a lonely experience. I hope the book helps to dispel many of the myths surrounding running a new business.

**Do you present the material?**

I try to give several presentations per month on a variety of subjects and in different formats ranging from breakfast briefings to evening seminars. Talks can last anything from 30 minutes to an hour and can be with or without visual aids.

Recent topics have included: the role of Innovation in building a successful company; the Entrepreneur’s survival kit; swimming with the sharks; the keys to launching a new business; and a new networking master class.

**Les Green**