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ChangeAbility
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Welcome!

You are reading ChangeAbility, a newsletter published by Business Coach Urs Koenig MBA, PhD.

ChangeAbility brings you actionable, hands-on tips and cool resources for starting or building your business on a bimonthly basis.

In each newsletter, you will also find threads of my passion for endurance sports. I will provide you with business lessons learned from the world of competitive sports.

I would love to hear from you. Each email will be responded to. Simply reply to this newsletter.

Want a friend or colleague to read ChangeAbility? Please forward this issue with a brief personal note. Thanks for your support!

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I The Five Most Common Pitfalls of Start-Ups

1 Wanting to Do Too Much Too Quickly

Most company founders are highly energetic and highly impatient. They want it all by yesterday, thank you very much. They often end up doing too much, too quickly, too soon, all at once.

This often results in tons of unfinished projects and an owner who feels overwhelmed, constantly trying to catch up and to tie up loose ends.

If this sounds familiar to you, consider planning for 'plateaus'. Work hard on one key project and then plan to allow for a rest period ('plateau') in the development of your venture. Having achieved that goal, circle up, celebrate, rest, and only then gear up for the next climb.

2 Lack of Focus

Many entrepreneurs are full of ideas and often find it very difficult to focus on one thing at a time. In the very early stages of a venture, it is particularly easy to get distracted and side-tracked. We face a constant balancing act between focusing on our original business idea and being open for new opportunities.

Having said that, it has been proven over and over again that a business can't be everything to all people. In order to really serve our clients well, we need to live and breathe the world of our clients/customers and yes, even be a bit obsessed with them. But how can you do that if you are trying to sell too many products to too many different client segments?

Focusing requires a lot of discipline, mainly the discipline to say 'NO' to a seemingly interesting project.

However there are great upsides; clients will know you for your specific expertise and what you stand for. They will find it easy to refer you to others. If you are very focused, you are also able to command a premium on your services (ever wondered why highly specialized medical staff can charge as much as they do? Answer: Focus!).

In your business, ask yourself:

- What do you do really well?
 - Where are you superior to the competition?
- =>FOCUS on that and drop the rest!

3 Failure to Monitor Cash flow

The stats are sobering. Only two-thirds of all new ventures in the U.S. survive the first two years. Only 40 % make it past six years.

The most common reason for failure: lack of financial viability. More often than not, it is a lack of cash that gets businesses in trouble. This is not only true for small but also for large businesses. Many of the high tech companies that went bankrupt over the last 2 years, simply ran out of cash.

The vast majority of failed start-ups have a poor financial reporting system in place or even lack a system altogether. Consequently, the owner only finds out about the poor financial state of the company once it is too late.

A detailed and thorough cash flow forecast is therefore absolutely imperative for every start up. Once the business is up and running check in on at least a monthly basis on how you are doing in regards to the projection and make the necessary adjustments.

For your business: Do you regularly review your financials? Do you know RIGHT NOW how profitable you were last month? Do you know how much cash you have in the bank and how much you will need over the next three months? Do you understand (and have you planned for) the major drivers of your cash flow (e.g. length of payables, timing and size of your orders)?

4 Failure to delegate

Our business is our baby and many of us find it very difficult to let parts of it go. Recruiting staff for small businesses and the search for a perfect partner to outsource tasks to has rightfully been compared to the search for a spouse. Many business owners will tell you that the relationship with their business partner has a lot in common with a marriage. No wonder we find it difficult to find the right people to delegate to!

There are no quick and easy answers to that one. What IS true though: If you are serious about growing your business, you do need to delegate!

You need people who carry your vision, people who are 100 percent committed to your product or service and people you can relate to easily.

Importantly though, your staff needs to complement your skills and interests. Put bluntly, you need staff who is compensating for your weaknesses! The great British entrepreneurs Sir Richard Branson (Virgin) is mastering the art of surrounding himself with people who are making up for his weaker points.

Are you a great visionary but find important details slipping through your fingers? Solution: Hire a business manager who is really anal! Are you a great ideas person but don't really enjoy dealing with clients? Solution: Hire a great sales person who loves to schmooze!

Who do YOU need to hire in order to take your business to the next level?

5 Failure to Execute

The success of a business is determined 5 % by the quality of the business idea and 95 % by the ability of the founder to execute the idea.

My advice to you if you want to execute the above four points: Take care of yourself first!

Successful execution often means pushing things through against the odds. It means to keep going when all the signs are bleak! Our ability to do exactly that, is greatly driven by how much reserve energy and how much stamina we have.

How do you make sure you have enough reserve, enough energy, and drive when it comes down to it? I personally get it from some of the below:

- Regularly scheduled times and places to get away from it all
- Relaxing, socializing and recharging with family and friends
- Daily exercise and periodic endurance races

What are some of the ways YOU can build up your reserve and make sure you have enough stamina to execute?

II Colin Powell on Leadership

Consider what the U.S. Secretary of State has to say about keeping your door open, and being open to your staff's problems:

"The day soldiers stop bringing you their problems is the day you have stopped leading them. They have either lost confidence that you can help them or concluded that you do not care. Either case is a failure of leadership.

If this were a litmus test, the majority of CEOs would fail. (...) The corporate culture they foster often defines asking for help as a weakness or failure, so people cover up their gaps, and the organization suffers accordingly.

Real leaders make themselves accessible and available. They show concern for the efforts and challenges faced by underlings, even as they demand high standards. Accordingly, they are more likely to create an environment where problem analysis replaces blame."

Even though Powell is mainly talking about larger corporations here, there are lessons to be learned for your own small business:

In your business:

- Is your staff bringing you their problems?
- Do you know what is bothering them?
- Do you know what challenges and worries your staff face?
- Is the culture in your organizations such that people can openly admit their weaknesses and have your support in overcoming them?

III Client Success Story: Book published!

Freelance writer and client Shannon Perry had a big dream and last month she made it happen. Her children's book "Marietta and the Creeping Nasties" has been published and is selling in bookstores around the Pacific Northwest (and can be purchased online too).

Shannon had to think and act out of the box in order to achieve this life-time dream. Instead of going the traditional way of trying to find a publisher, she formed a partnership with a friend and set up a small, independent publishing company. This enabled her to establish the funds necessary for the publication.

The last year was very busy for Shannon: Besides setting up the company, she finished the manuscript and worked on the layout of the book. She developed a marketing plan, developed a website, and a

newsletter and kept her enterprise moving even when it all seemed too much!

I have read Shannon's book cover to cover. "Marietta and the Creeping Nasties" is intended as a book for children; however, it is also a wonderful book for adults! The well-flowing and easy-reading text mixes fantasy with a great sense of humor. Check out the website to find out more and order the book at: www.mariettaandthecreepingnasties.com.

IV Meet the Coach

For Seattle subscribers:

BUSINESS START UP WORKSHOP - 'THINKING OF BECOMING YOUR OWN BOSS?'

If you are thinking of, or are in the process of, starting your own business or if you want to learn how to run your business better, please join me for this three hour workshop at: Centerpoint, the Northwest's leading center for life and career renewal, based in downtown Seattle. For more information, please send me an email or for more information go to:

www.centerpointonline.org

The workshop will be offered on:

- February 25th 2003 6pm and
- April 8th 2003 6pm.

The fee is \$54 for non-members and \$45 for Centerpoint Associate Members

POWER CYCLING CLASS

If you enjoy a good cycling work-out, please join me for my weekly, indoor power cycling class:

- Mondays from 12 noon to 1pm at the Sound Mind and Body Gym - Seattle's premier gym for power cycling classes. (www.smbgym.com) on 1165 Eastlake Avenue. For non-members: \$10 per visit or \$80 for a 10-visit punch card.

+++++LET ME KNOW WHAT YOU THINK+++++

Simply reply to this newsletter. I would love to hear from you.

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