

Financial training For non financial staff



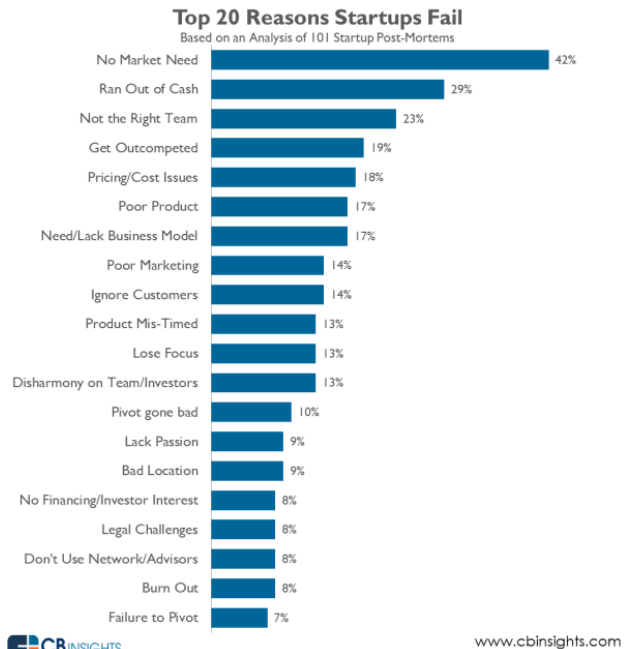
The financial training specialists

Biggest cause of business failure (planning)

CB Insights published an analysis of the causes of failure cited by 101 insolvent companies. Several companies must have cited more than one reason, as the numbers add up to more than 100%.

I expected financial issues to be on the list (numbers 2 and 5), but was surprised by number 1. 42% of failed business cited “no market need” for their product or service as a key cause of failure.

Financial success is about achieving our objectives cost-effectively, whether we’re a company, charity, department or team. (It’s also about cashflow, but I’ll focus on cost effectiveness here).



It would be daft to start a business when we knew there was no commercial need for our product or service! And it would be daft to waste time and money doing things that don’t need doing.

But too often we focus on what we’re doing, rather than why we’re doing it.

For example, my marketing objective is to find more clients. Within my marketing I do lots of things – this blog is one of them. But some of my marketing processes are more effective than others.

If I can identify what’s ineffective (no market need) and do less of that, I’ll have more resources to do what’s effective, and will get more out of my marketing budget.

So instead of your “to do” list, think about your “objectives” list. What’s your team doing that has “no market need”? Don’t be in that top 42% of reasons for failure!