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(Customer Service Benchmark Report, 2017)

Have You Got Rotten Eggs in Your Entrepreneurship Basket?

They spoil your business success recipe!



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Undoubtedly, you can be an innovative and committed entrepreneur; you have invested your hard earned money in your business to achieve higher goals; business is gradually taking shape; you can see its improvements. But, are you experiencing heavy stress related to business operations? Do you really feel that what you are trying to project about your business to the outside world is different to the inner situation? In addition, are your employees leaving the company for various reasons? Is the number of employees who have been with you from the inception is very few? Are you taking steps to expand your business without remedying the asthma already set in your business? If “yes” or “to a certain extent”, all these can be symptoms of prevalence of a silent killer disease in the business.

The causes of such business diseases lie with the entrepreneurs / CEOs in many cases. Yes, you can be an innovative and clever entrepreneur who built your business from scratch. But, still many of such promising entrepreneurs carry at least a few “ROTTEN EGGS” in their entrepreneurship baskets. These rotten eggs set the foundation for silent business killers. If you investigate, you can observe that some champion entrepreneurs who have been awarded “Best Entrepreneur” titles by eminent panels using jaw-breaking criteria are struggling hard to sustain their businesses. Rotten eggs available in their entrepreneurship baskets have started working!

This brief article discusses about three key bad practices of promising entrepreneurs.

By reading this article, you can evaluate yourself to understand whether you also have these bad practices. You are well aware that understanding the problem itself brings you a fifty percent of the solution. When you are not aware, you are at “unconscious incompetence” level with regard to these bad practices. When you understand about it after reading this article and evaluate your position, you reach “conscious incompetence” level. Although you cannot apply any solutions immediately, at least you are aware of the situation. Next level is “conscious competence”. You can reach that level easily with your entrepreneurial cleverness, by avoiding the killer practices.



Insensitivity to swelling debts and liability base

Many businesses are burdened with debts, and other business-related liabilities, including overdue bills, unpaid salaries, unpaid EPF/ ETF etc. Despite this condition, majority of them are still struggling to borrow more money to improve operations, expand the business, or to start another business, illogically assuming that future profits from new investments can be used to settle the current debts and liabilities. This becomes a vicious cycle for a considerable cross section of such businesses, leading them to close down their businesses with debts and liabilities. In some cases, we don't have surveyed statistics on certain things; but, the fact is obvious. This is practically happening in many businesses behind the curtain.

Taking risks is a good entrepreneurial quality. But, applying basic financial literacy is an essential skill. If you have basic financial sense, you'll know when to stop borrowing and how to implement a debt / liability settlement plan. But, in entrepreneurs who carry the rotten egg of insensitivity to swelling debts, the basic financial sense is overshadowed by pseudo-entrepreneurial approaches. They feel confident that moving forward for more loans/ facilities will solve the existing problems and the newly improved situation will bring them prosperity. But, when it is done without mindfulness and appropriate considerations, they will realize soon that they are in a grave trap.

If you want to avoid getting in to the above trap, follow the Golden Rule of Basic Financial Consciousness of an entrepreneur. This golden rule has four simple steps.

First step is to take all ethical actions to improve income / net profits with lean costs.

Second one is to make arrangements to recover receivables.

Third step is to pay undisputed attention to maintain a healthy cash flow, especially avoiding "ego-satisfying" expenditure streams.

The fourth step is to borrow money with the precise understanding about the level of debts your business can carry and a forward looking loan settlement plan.

Smart entrepreneurs implement a "Debt Policy" in their businesses to overcome this issue.

Habit of transforming hired talents in to the shadow of the owner entrepreneur

This is a bitter truth. Owner entrepreneurs hire talents on full-time basis or contract basis through deep interviews, ensuring that the hired personnel have professional

capability, and relevant business exposure. But, the unfortunate side of the story is that the entrepreneur expects the hired person to agree with his decisions and strategies and to implement them. Ultimately, the competent talent is not extracted in to the business for its success and the entrepreneur maintains them with higher perks merely for task implementation.

Growing enterprises need practical business development competence in all cells in the business. Owner entrepreneur generally can meet many requirements at the initial stage, but he would need external talents for certain specific areas, especially during the growth phase. This section refers to such human resources whose strategic competence can be used. What the entrepreneur should do is to use the hired talent in full scale. It doesn't mean to say that he should blindly allow each and every approach of the expert employee. But, "he - should - do - what - I - want" mindset of the owner entrepreneur should be kept aside, allowing the employee to perform the task demanded by the growing enterprise. At the same time, entrepreneur needs to know that professional employees are not always correct. Ability to understand whether the talent is in the correct track or not is a part of entrepreneur's responsibility.

Smart entrepreneurs are equipped with smart habits of getting the best out of such hired talents. They value the professional capabilities of hired talents, use "talent engagement" tactics, put them on the correct path when they are off the track, offer the freedom to unleash their expertise and apply it in the business, and appreciate the successes while keeping the sharp "eagle eye" on what is happening.

The practice of treating customers as robots is visible in many businesses. Entrepreneurs, employees and the procedures of these businesses are not customer-friendly. The tagline "Customer is the king" does not have a meaning to these entrepreneurs and employees. They have ignored even the first lesson of customer care school.

Viewing customers as Tiny Robots





The first lesson
of customer care
is offering an
invitational smile
to the in-coming
customer.
Invitational smile
represents
respect, greeting
and welcoming.

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It is so simple. When the entrepreneurs and their employees ignore this simple practice, whatever they offer as customer service in the middle do not vibrate meaningful connecting messages to the customer. Customers will be happy about the middle treatments when they are in the store, but after they go out, they don't feel a difference between that store and the other in the bazaar. Most of the entrepreneurs not only ignore the first lesson, but continue the ignorance to the end.

At the same time they spend time and money to attract new customers which costs five to nine times than retaining existing customers. Poor customer retention has many negative impacts on the business.

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Studies have also revealed startling facts pertaining to the value of customer-centricity in businesses. As per study findings, only 1% of customers feel that enterprises consistently meet their expectations. This is a major disconnect in general and common for many businesses striving to grow. If this is the situation in average companies, what would be the fate of enterprises which fail to understand even the first lesson of customer care? Remember, Marketing research experts say that every year, an average company loses 20 to 40 percent of its customers, due to various reasons and entrepreneurs' failure to understand the value of customers plays a giant role among them.

It is worthwhile for you to look in to your business with regard to this practice. Are you and your employees follow the first lesson of customer care? In fact, it is not sufficient. Customer care is a broad collection of approaches, practices, and procedures essential for business growth. If the above weakness is visible in your business, it can gradually deteriorate your business growth. Therefore, assess the real situation in your business and ensure that you have established a culture and environment where the customer is cared satisfactorily, treated with respect, provided with solutions and is given the best possible customer experience. You need to ensure by evaluating the customer mind that you have given the due position to the customer in your business.