**40 schoolboy errors start-ups make**

**The basics**

1. Assume 'everyone will want this'. Everyone won't. Target everyone and you end up targeting no one - a massive turn off for investors and banks and a guaranteed way to waste money when marketing. Identify your target customer then get close to them. Read our section on market research for more help with this.

2. Can't sell, won't sell. There is no business without sales. Consider joining forces with a partner who's sales driven - but don't shy away from it. If you believe in your business, prove it. Read books and our section on sales.

3. Lose focus. Resist diversifying too early, no matter how alluring the opportunity. Instead, establish a healthy customer base from the products you have spent months researching and refining before branching out and diluting your core strengths. Stick to your plan.

4. Quit your job too soon. Do as much as you can while you're still being funded by someone else. Don't burn any bridges and be careful not to infringe non-competition clauses in your contract (see our guide on when to quit your job for guidance). Avoid telling colleagues about your venture. The gossip will invariably reach your boss.

5. Don't understand the industry. Industry experience isn't essential, but industry knowledge is. Keep abreast of competition and developments by reading trade mags and websites and attending plenty of networking events. You'll get closer to your competitors, suppliers, customers and potential partners.

6. Don't tell everyone you can about your idea for fear it'll get nicked. Now this is one's up for debate, but we say: tell everyone. The more people know what you're doing, the more useful contacts friends will refer you to. You shouldn't fear idea-nicking. If your business is any good, other people will always copy.

7. Think a great idea alone is enough. Plenty of genius ideas have died sorry deaths in the hands of creators who forgot about less innovative functions such as sales, cash flow, and marketing - even a plan. A great idea without any of these is a project, not a business.

**Planning**

8. Haven't accounted for late payments in your budget. Late payments are enough to kill a business. In fact, 40% of failed businesses attribute their demise to tardy payment. Always chase late payers and make sure you have enough cash to see you through for up to four months of overdue payment from each client, if not more.

9. Not enough market research. Fatal but sadly classic error. Don't ignore the hard numbers of your idea in an attempt to convince yourself it's viable. Is there definitely a market for your product? Are you sure? Prove it to yourself before anyone else. Check out our section on market research.

10. Bad name. You need to be findable on- and offline, and set the right tone through your name. Check out our mind map on choosing a business name for advice.

11. Make pie-in-the-sky forecast figures. A massive turn-off for investors and banks, and potentially lethal. Make everything tangible and explainable. Anticipate spending twice as much and making half of what you hope. See our mind map on how to make a sales forecast to make sure you stay grounded.

12. Think your sales forecasts are accurate. No sales forecasts are accurate. Don't over-rely on what you've predicted. Create best, worst and middle-case scenarios and always have a contingency fund should things go worse than planned.

13. Think big but don't think about scale. Got ambitious growth plans? Great, but be clear and realistic about how you're going to get there, and when. Think about infrastructure and choose IT systems, suppliers and distribution channels that can scale with you.

**Pre-launch**

14. Don't register your business trademark early enough. This is more important than patenting as it confirms you can use your chosen name and logo. It's vital to do this before printing out all your stationary, or you risk having to re-do it at a cost of hundreds or thousands. Here's our advice on trademarks.

15. Forget to think up consistent stationary and signatures before starting. Getting everyone to use the same email signature and consistent branding across correspondence makes you look professional. It's quick and simple to decide on, too.

16. Don't user-test. Test everything. Make sure your target customers actually like the way it looks and works, and find out how much they'd pay for it. Your family and friends are not customers, by the way: they'll sugar-coat. You need people you don't know. Trust us.

17. Don't set targets. Having a vision focuses your efforts and creates structure. Your ambitions may well change but having a starting point helps immensely. Read about how to set business targets.

18. Agonise over minutiae. Does it really matter whether you use Arial or Calibri font on your invoices? Prioritise ruthlessly. Look at how many sales a piece of work is likely to bring in, and allocate your time and resources accordingly.

19. Pay thousands for a website you don't need. Developers know that most people don't understand what they do, and some exploit it. Don't get talked into an all-singing, all-dancing show pony of a website if it's not what you and your customers need. Depending on your requirements, an off-the-shelf basic website or 10-page site for under £500 could well do. Be clear what you want, write a clear brief, agree a price and stick to it. Read this case study and this one to see what we mean.

**Day-to-day business**

20. Rush into a deal before properly evaluating whether it's worth it. You can't do every deal offered to you, no matter how good the opportunity. Carefully evaluate how much time and cost a deal would incur and assess its impact on your core business.

21. Get intimidated by what the big boys are doing. They may be able to undercut you on price, but they lack the personal touch. You can out-value them on customer service, innovativeness, attention to detail, response time and a whole plethora of other competitive factors. Don't resort to slashing your prices - you can't win that battle and your whole model will be undermined.

22. Don't keep in contact with potential clients. Keep in touch regularly so they keep you in mind for future business. A 'no' might be a future 'yes'. Keep records of conversations and personal details so you're not starting from cold next time you speak. Bring them into your social media conversations so they can see other customers benefiting from your business.

23. Hard sell. Nobody likes being aggressively sold at. It's off-putting and distances people. Give people space and show how you can help them as well as take their money and you'll have a far better chance of that happening. Here are a more tips on how to sell.

24. Don't take negative feedback graciously. Try not to be defensive. Use criticism to refine your offering and make your business stronger. All feedback is positive feedback if it's used in the right way. Thank people for it.

25. Explain your business in 10 minutes rather than 10 seconds. You should aim to describe your business is as brief a time as possible. If you can't describe it in a sentence you need to work on your proposition. The most compelling businesses have bold mission statements and clear propositions.

26. Stick too rigidly to plans. You need to be flexible in business. Rewrite the business plan as and when is needed to accommodate unforeseen obstacles and market shifts. Read up on business planning for more info.

**Money**

27. Don't have a numbers person on-board. Whether it's an accountant, an FD or a partner who knows their onions, you need to have someone who can unravel the numbers for you if you want to make money.

28. Don't look after cash flow. The No.1 start-up killer. Never lose sight of how much cash you've got in the business and beware of overtrading too. Read our advice on money management.

29. Don't draw up a contract when borrowing from friends, family or fools. Pre-empt future disputes by getting it in writing. Read our feature on borrowing startup capital from friends and family.

30. Forget to include something major on your budget. Inevitable, so always have a contingency fund!

31. Travel excessively when you could do things remotely. It's important to meet people face-to-face, but spend time establishing whether you really need to first. Use emails and conference calls.

32. Overspend on office space. Do you really need an office yet? And if so, do you have to have a swanky city-centre set-up? Don't move out of home until you absolutely have to. Getting an office is a hassle, and takes extraordinary amounts of money and often a 12-month commitment. Toptable founder Karen Hanton had a team of 12 in her kitchen before she got commercial premises.

33. Rely too much on your accountant. Sure, an accountant can guide you through the complicated bits, do your tax returns and make sure everything is in order. But you have to understand what's going on, every day. Update your accounts at the end of each day. Get accounting software early on to help. Read up on accounting help.

34. Ignore the advice of your accountant. The flip side to overdependence on an accountant is thinking you know better. Listen to them when they say you're overspending or your profit margins aren't enough to sustain the business. They're trained to spot trends you can't.

35. Forget to bargain on everything. We mean everything! Trade your skills or products with businesses whose professional services you need rather than paying in cash. Always ask for a lower price.

36. Take investment too early. Bootstrap on your own for as long as you can, then borrow when you've proved your model and are ready to grow. You'll use it better then.

**The team**

37. Try to do everything and control everything. This absorbs far too much of your time, risks frustrating staff and slows everything down. Delegate and focus your time where you're most effective.

38. Recruit too soon. Avoid fattening up unless you can quantifiably prove that person will bring more money into the company than their salary costs you. Consider virtual PAs and freelancers as alternatives to full-time staff.

39. Don't sack quickly enough. You can tell when someone's dragging things down. It rots a small team. Make sure all new contracts have three-month trial periods and get the deed done before then.

40. Don't share the vision. Staff won't share your enthusiasm unless you invite them to share the vision and the rewards. Incentivise staff to help you meet your objectives.