



The DIY Virus – Small Business Killer

The DIY Virus is insidious and often leads to the death of a small business and many personal difficulties. It invades our bodies, minds, and businesses and we often don't even know it is there until it is too late. It leads us to believe we can do virtually anything even when we know we don't have the skills and/or knowledge for the task. When our friends and mentors advise us not to proceed, the DIY virus leads us to discard their advice. What do they know? I can do it. Many years ago my Aunt Bet took me to a ranch near Tuscon, Arizona where we did some horseback riding. I had ridden before but very seldom. After several days of riding, I felt adventuresome and signed up for a trotting ride across the hot dry desert that included a little galloping. As I was grooming the horse after the ride I commented that I was

looking forward to a dip in the pool. A 90-year-old cowboy standing nearby overheard me and simply said “I wouldn’t do that.” No explanation, just his warning. Since I was infected by the DIY virus and could do anything, I jumped in the pool and felt no ill effects that day. But when I woke up the next morning I couldn’t move. My back, which wasn’t used to that kind of riding, was literally frozen solid. I couldn’t sit up. I’ve been stiff before after a strenuous tennis game but this was a whole new level. I used my arms to roll out of bed on to the floor and then using my hands and arms, I pulled myself upright.

What is this horrible DIY virus? It is believing you can **Do It Yourself** even when you don’t have the training, skills, or knowledge. I once tried to do my own plumbing to save the cost of a plumber. Bad idea. Bad outcome. Expensive.

How is DIY a business killer? Most businesses are started by people who know how to do the work – operations. But doing the work and running a business are two different skill sets. FYI, restaurants and trucking companies have the highest failure rates. Just because someone can cook doesn’t mean they can manage, recruit and supervise employees; handle marketing; understand and monitor accounting; deal with legal issues; etc., etc. As a small business owner you have all the same functions as General Electric. The only difference is that you have to do them all yourself.

Why do we allow the DIY virus to take root? The most common reason is to save money. But are we really saving money in the long run? Bad accounting can lead to poor decisions and financial collapse. Not understanding your target market can lead to insufficient customers to make your business

viable. We will tackle the most common DIY mistakes in future issues of Gator Bites.

DIY Mistake #1

The most common DIY mistake is trying to do your own accounting. When your business is small it is hard to afford hiring these services. When you try and do everything yourself, not only is it often done wrong, but it creates future problems. Additionally, when you try to do functions for which you aren't qualified, it takes time away from the operation of the business inhibiting growth. But Roy, I do my accounting at night or on weekends which doesn't interfere with the operation of the business. Doesn't that take time away from your family and spiritual life? Recognize there are some things you need help with and find people who can help

You often hear that inadequate financing is a leading cause of business failure. But what is the cause of inadequate financing? Poor or inadequate planning! Inadequate financing usually stems from a lack of understanding all the costs involved in a running a business. You may have a good grasp of the operational expenses related to your product or service but what about all the administrative, marketing, legal, and tax expenses. You may not be able to anticipate every expense but you can certainly minimize the unexpected. As Ernest Yu, Chairman, Erlina Pty Limited, Melbourne, Australia said in his review of *The Alligator Business Solution-Small Business Competitive Advantage*: **“Better to be aware of the alligator than trying to manage by crisis.”**

DIY Mistake #2

A common marketing failure is failing to fully and accurately understand your target market. Just because you think it is a great idea doesn't mean there are enough potential customers to make a viable business. Get help with understanding the market for your product or service. I interviewed Tom Zombik, founder of Hilton Head Glass, for *The Alligator Business Solution-Small Business Competitive Advantage*. He moved to the Hilton Head Island, South Carolina area from Massachusetts. He knew the glass market in Massachusetts but not South Carolina. Tom found a job with a glass company and studied the market for four years before founding his own company, Hilton Head Glass. That research paid off with a successful and growing business for over 30 years.

DIY Mistake #3

Another DIY mistake is with HR or Human Relations. There numerous legal and practical issues when you start hiring employees. Failure to comply with IRS regulations and state and federal labor law can end the business. Are you properly classifying workers as employees or independent contractors? Are you in compliance with OSHA requirements? Have you properly recorded payroll withholding taxes and forward that money to the IRS?

In addition to regulatory compliance, there is the job of finding the right people and knowing how to manage and build a great team. Finding employees is tough these days. The economy is essentially at full employment. But you don't want just any warm body. The wrong person can harm your reputation and poison other employees with their bad work habits and attitude. You want employees who have the right experience and skills and who FIT your organization. *The Alligator Business Solution-Small*

Business Competitive Advantage explains how you can improve your hiring process and find the right employee and how you can retain your star employees.

We aren't born knowing how to manage people and lead a company. Some people seem to have a natural aptitude for leadership and management but these are skills you can learn. While nothing takes the place of actually leading a team and making mistakes, you can learn a lot from studying other leaders. Ultimately you need to adopt your own leadership style and philosophy. An excellent book on leadership is *Extreme Ownership* by Jocko Willink and Leif Babin.

Find a good HR consultant to help you navigate these complex issues.

DIY Mistake #4 – Part-Time Manager

I often hear people say “I’m going to start this business and then sit back and rake in the money as my employees do the work.” Sorry, it doesn’t work that way.