

10 common mistakes that startup and small companies make

Creating and growing a successful start-up is challenging enough without making “rookie mistakes” that can slow you down or knock you out of the game altogether. Blogger David Lavenda, of “Fast Company,” notes that start-ups have “small margins for error” and offers this list of 10 common mistakes:

- 1. “Drinking Your Own Kool-Aid”** — Overestimating the enthusiasm for your product/service — thinking it is more special than your customers perceive.
- 2. Not Validating Market Demand** — Thinking that your product/service is a “winner” before making sure you get a solid base of people who agree
- 3. Starting to Work with Customers Too Late** — Only engaging with customers when the product/service is ready for sale.
- 4. Underestimating the Difficulty in Penetrating the Market** — Not expending enough effort to reach customers and to get them to try the product/service.
- 5. Overestimating the Product/Service’s Uniqueness** — Related to “drinking your own Kool-Aid,” this refers to not taking competition into account.
- 6. Underestimating the Effort Needed to Build the Product/Service** — Start-ups are notorious for promising to get to market and then disappointing.
- 7. Hiring the Wrong Kind of People** — Hiring “big-company types” who are used to having a support staff to help them do their work.
- 8. Not Focusing** - Being tempted by side projects and spreading yourself too thin to focus on developing your company’s main value proposition.
- 9. Not Pricing Correctly** — Under- or over-pricing the product/service may inhibit adoption.
- 10. Not Having a Long-term Vision That Scales** — Having a “one-trick pony” that does not lead to future sales.

In the entrepreneurial spirit of “under-promise and over-deliver,” here are two more mistakes young companies make:

- 11. Never Finishing the Product** — The “never time to do it right, but there is always time to do it over” syndrome. Constantly re-doing the product/service but never finishing it.
- 12. Not Offering Employees Enough Fun** — Sadly, a common quality of many start-ups — despite what you read.

“As the veteran of six start-up companies (two that were successfully sold), these are mistakes I have seen time and again,” notes Lavenda.

Source: [Fast Company](#)

Posted September 29th, 2009 under [Intellectual Property Marketing](#)