

BUSINESS FREEDOM 365

Month Twelve, Week Three:
Avoiding Mistakes

Topic

Avoiding Mistakes

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This week, we're concluding our discussion on avoiding mistakes and saving yourself from falling into some major business pitfalls.

PART 3

MISTAKES TO AVOID:

8. Don't Chase Shiny Objects

- When you're in business, focus is important.
- Don't chase a bunch of different opportunities at the cost of focusing on **REAL** opportunities.
- Because entrepreneurs tend to be fundamentally optimistic, when an opportunity pops up they see the optimistic side of it.
 - » Find themselves chasing all these different things and never being able to achieve one thing.
- There are different levels of shiny objects: large, medium, and small.
 - » Large and medium are easily seen, and hurt a lot when they go wrong, but the small ones are just as dangerous.
 - » Small shiny objects could be:
 - A project
 - A poorly timed meeting
 - Social media, YouTube, etc...
 - With these things, you often don't realize you're doing them, and they take up tons of time.
- One of the best things you can learn as an entrepreneur is to avoid shiny objects and get focused on the core things in your business.



9. Chasing Other People's Money



- This isn't about customers or bringing in more business, this is all about chasing investors, government grants, government loans, etc.
- There is a time and a place for that, but it is often a mistake to bother trying.
- When you start chasing other people's money, you fall into two problems:
 - a. You're spending a huge amount of time chasing their money.
 - If you take all the hours you spend filling out paperwork, and you go into the saleroom, you work on the marketing, you will make the money you're seeking.
 - b. Once you're dealing with other people's money, you become dependent on other people, you have to report to others, and you give up a level of control to other people.
- Chasing other people's money has its place, but BE VERY CLEAR ABOUT THE DECISION before you do it!

10. Focusing on Profit Rather than Cash



- This is a very common mistake with new and startup entrepreneurs, especially if they aren't running really tight accounting, or if they don't have a good accountant.
- They find out they have a given month that they were very profitable, and they think they have more money to spend than they actually do.
- Then they have another month, and they think they have more money to spend.
- **WHAT YOU HAVE TO REMEMBER IS: Profit is often on paper, cash is a reality.**
- Get clear on your budgets and maintain them!

Homework

PART 1

Your homework this week is to go back to the accounting week, go over it, and check in to see if you've been keeping it up-to-date.

You really want to get in the habit of checking the cash in your business, no matter what the profit says.

It is entirely possible for a very profitable business to go out of business because they run out of cash.

