

A guide to beating your business fears



Are you a typical entrepreneur?

Understanding & overcoming common fears

Olympian Roger Black on how to face your fears

Beating your business fears

“Whenever you see a successful business, someone once made a courageous decision.”

Peter Drucker, management guru.

Running your own business takes guts, no doubt about it. But if you have fears, you are not alone. According to research by Business Link in 2011, fear is preventing one in three people from starting up on their own.

It's perfectly natural to worry about running a business, however small. Every successful entrepreneur has to contend with doubts and fears. And everyone, from Richard Branson to James Dyson, freely admits they have made mistakes. The crucial thing is to learn from them.

Fears about starting up a business are not irrational. But if you manage them correctly, they can actually help you to fulfil your ambitions.

Common fears

- What if I fail?
- Will I be able to make it work financially?
- Have I got the right skills?
- Will I be able to manage all the red tape and administration?
- Have I got the confidence to sell myself?
- Will running my business take over my whole life?

These questions are certainly valid but are they providing you with list of excuses to stop you taking the next step?

Every successful entrepreneur has to contend with doubts and fears.



If only **1%** of these UK workers overcame their fear and seized the opportunity to start up in their local area, the UK economy could receive a boost of more than **£33 million**, if each individual made a profit of £1,000.

Is it the right time?

One of the biggest fears of all is timing. And worries about starting following a recession are common. However, many people start a business after redundancy and they often say it's the best thing that has happened to them. So adversity can be a great motivator.

Do you have what it takes to run your own business?

Running your own business is not for everyone. Ask yourself the following questions. If you don't answer yes to almost all of them, then your fears may be justified - and running a business may not be for you.

- Are you prepared for hard work and long hours?
- Do you cope well under pressure?
- Do you love being in control and making decisions?
- Are you flexible enough to change your strategy when necessary?
- Are you willing to roll up your sleeves and multi-task?
- Are you passionate about the type of business you plan to launch?
- Do you have determination and persistence?
- Are you willing to take calculated risks?

Starting a business when the economy is recovering is a good way to make sure your business model is robust, and you'll reap the rewards as the economy continues to pick up.

Are you a typical entrepreneur?

Many people don't get past the idea stage because they don't think they are the entrepreneurial type. But you don't have to fit into a particular mould to run your own business. Entrepreneurs come in all shapes and sizes - they have different personalities and are driven by different ambitions.

Here are some different types of entrepreneur:

- **The idealist:** Anita Roddick (The Body Shop), John Bird (The Big Issue)
- **The visionary:** Bill Gates (Microsoft), Steve Jobs (Apple)
- **The creative genius:** Nick Parks (Aardman Animations), Walt Disney
- **The inventor:** James Dyson (Dyson), Thomas Edison
- **The adventurer:** Sir Richard Branson (Virgin), Sir Stelios Haji-Ioannou (Easyjet)
- **The opportunist:** Sir Alan Sugar (Amstrad), Duncan Bannatyne (Bannatyne Group).

Overcoming fear

You can learn how to harness your fears and channel your energy into creating a successful business. Every new business venture is a journey into the unknown. Simply ignoring your fears is not a good idea - some of your fears may be groundless but others will need addressing. But with careful planning, you can minimise the risks and maximise the rewards.

Understand your fears

Just like pain, fear can be a warning sign. It can stop you from taking dangerous risks. But while some fear is good, too much anxiety can paralyse you. So it's important to be honest with yourself. Is the thought of being out of your comfort zone holding you back?



Face your fears of failure

The prospect of failure means two things to most people - looking bad and losing money.

Worrying about losing face is a sure-fire way to stay stuck in a rut. Peter Jones of Dragons' Den says: "If you want to be successful, you need the courage to risk failing. Doing nothing means you'll avoid failure, but it will also mean you'll avoid success."

And James Dyson says, "The fear of going bankrupt is a good motivator. It keeps the adrenaline running."

Ask yourself, what's the worst that can happen? If you do have to wind up your business, you may have to go back to a 9-5 job. Life will go on. You'll have learned a lot of valuable lessons. And remember, that's the worst-case scenario.

Manage your finances

Of course, no one wants to lose money and there are ways to protect yourself when you start your own venture. Many successful enterprises have been started with tiny pots of cash and keeping costs low should always be one of your main objectives. You can also structure your business in such a way as to limit your liability and protect your personal assets.

In the early days of any business, revenue is likely to fluctuate. It's wise to start with a cushion so that you can give the business a chance to get established.

You don't have to be a financial wizard to run a business (although it helps) but you will need good advice from an accountant and a lawyer to help you with issues such as tax and business law.

Accounting software will also help you to keep on top of your finances.

Create a positive attitude

Self-belief is vital for any entrepreneur. You may have to work hard to ignore the insecurities and self-doubts that limit you. Asking others for advice and feedback can boost your confidence. But beware the voices of doom - there are always some people that will pour cold water on your ideas.

To keep the demons at bay, surround yourself with positive people - find a mentor, network with others in your sector and read about other successful people.

Don't be scared of success

It may sound crazy but many people are worried that their business will take off in ways they hadn't anticipated or prepared for. Success can be scary - it means more responsibility and more scrutiny. You may have to live up to higher expectations as word of your success spreads. Don't panic - instead plan how to handle success as well as failure.

Clarify your USPs

Business ideas offer a solution to the end user - a better way of doing something. When you are worried about finding customers, remind yourself what you do for people and how it makes their lives better. Write down your unique selling points (USPs) and your business objectives. The best way to banish doubts is to be clear about what you are doing and why.

Don't get overwhelmed

Small things matter in business. But you have to prioritise otherwise you'll get overwhelmed by endless lists of jobs. You'll feel like a failure if you set yourself too many goals and are unable to meet them all. So focus on a few key tasks and make sure you get them done - especially those you have been dreading.

Handling Fear

Do:

Respect the fear

Is it telling you something important?

Face the fear

Prepare, plan and learn any new skills you need

Channel the fear

Let it drive you forward and make you more competitive

Don't:

Let fear paralyse you

Stop you making decisions

Let fear cloud your judgement

Let fear decide

Let it drive you forward and make you more competitive

Make a plan of action

It's essential to make a thorough business plan. Getting specific about what you have to do can help to shrink your fears and provide you with a blueprint for success. Prepare to succeed and you'll maximise your chances of getting there.

Improve your skills - and get help

Few people know everything about running a business before they start. When you make a plan, you'll be able to identify gaps in your knowledge and areas of weakness. Lots of skills can be learned, such as bookkeeping. It's also worth taking advantage of software aimed at sole traders and small businesses.

You can also delegate certain tasks. Working with specialists such as accountants or web designers can pay dividends - while you can do many things yourself, some tasks are best left to experts.

Expect to learn as you go along

You will encounter challenges and you'll undoubtedly make some mistakes but it's important to see them as learning opportunities. As Duncan Bannatyne of Dragons' Den says, "You can only really learn about business by being in business."

Simply ignoring your fears is not a good idea - some of your fears may be groundless but others will need addressing.



An expert's view

Olympian Roger Black explains how to face your fears.

Whether you are a sportsperson or an entrepreneur, fear can play a key part in driving you forward, says Olympic athlete Roger Black. "Fear, especially in sport, is a great motivator. When you stand behind the line in a big race and you are scared and your heart is pumping that's good fear, you can harness it."

Roger and his business partner, fellow Olympic athlete Steve Backley run BackleyBlack, the business training and development consultancy. "Everything we do in our business is about transferring the experience that we have as high-level performers in sport into business."

But while fear can motivate you, it mustn't be your main motivation, he says. "It's good to be a bit scared in business; it means you don't get complacent. But you have to balance fear of failure against needing to achieve."

A positive state of mind is crucial for any entrepreneur, says Roger. "You can have all the talent in the world but if you've got the wrong attitude you're not going to be successful. Starting a business is not easy. Lots of people want to be their own boss but running your own business calls for a very different mental attitude to being an employee. You don't work regular hours and you have to be 'on' all the time."

For Roger, setting up his own enterprise was a no-brainer. "I can't imagine working for someone else but that is my character type. I like to be in control. Steve and I both love a challenge. But that's

not necessarily right for everyone."

If you are thinking of starting your own business, you need to plan and prepare, says Roger. "Learn, learn, learn, before you take a step," he says.

Roger recommends that any would-be entrepreneur talks to two people before they set up on their own - someone who has been successful and someone for whom it hasn't worked out. "Success leaves clues. Most people are happy to talk about their experiences and it will give you a clearer picture of what is in store. We consult mentors in our business. You can get very focused on what you are doing and sometimes it helps if someone questions your strategy."

Having done your homework, you then have to act, says Roger. "It can be dangerous to over-analyse. In the end you've just got to do it. In athletics there were always people who could talk a good race and who looked great in training but then you'd always beat them in a race."

"It's good to be a bit scared in business; it means you don't get complacent. But you have to balance fear of failure against needing to achieve."



An expert's view

10 ways to overcome your fears

01. Prepare and learn new skills

02. Write a business plan

03. Talk to other entrepreneurs

04. Find a mentor

05. Remind yourself why you are starting up

06. Focus on your core strengths

07. Harness the fear to make you more competitive

08. Develop a positive attitude - prepare for success

09. Take one step at a time

10. Enjoy yourself!

To find out more go to:

sage.co.uk/businessadvice

