

WHITE PAPER BY DARREN HARDY

THE 8

TRAGIC MISTAKES MOST ENTREPRENEURS MAKE - AND HOW YOU CAN AVOID THEM

BY DARREN HARDY

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THE ENTREPRENEUR ROLLER COASTER: WHY NOW IS THE TIME TO #JOINTHERIDE

66 PERCENT OF SMALL BUSINESSES FAIL- AND IT'S NOT FOR THE REASONS YOU THINK¹.

Why do they fail?

That is what success mentor Darren Hardy set out on a mission to discover.

What he found was startling. All the previously reported reasons and assumptions for the failure rate (capital, location, credit, inventory management, and competition) were wrong.

Failure was not due to outside factors but to an internal one. And it wasn't economic—it was emotional. **The unexpected and terrifying emotional roller coaster an entrepreneur experiences is the greatest factor in why most new business owners quit and ultimately fail.** But it doesn't have to be that way. There are eight tragic mistakes most entrepreneurs make that cost them not only their businesses, but also their belief in their abilities and long-held dreams.

The truth is they are capable and their dreams are possible. They simply made one or more of these tragic mistakes. Darren compiled this exclusive guide to help you avoid the same pitfalls, learn from others' mistakes, and speed up your success!

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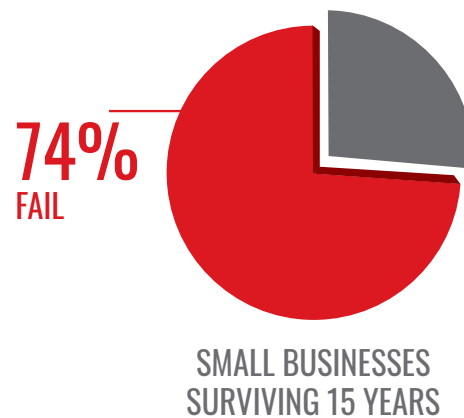
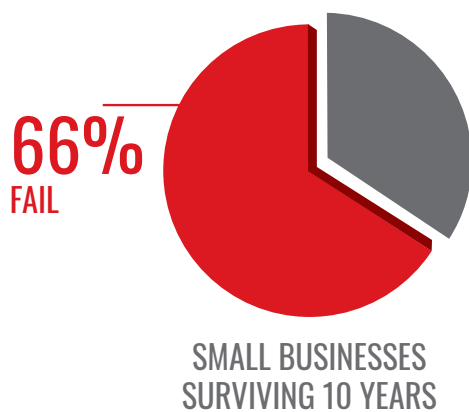
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¹ Source: U.S. Dept. of Labor, Bureau of Labor Statistics: 34 percent survive 10 years or more, and 26 percent survive 15 years or more.

ABOUT DARREN HARDY

Darren is just like many entrepreneurs. He started out afraid, nervous, and without a clue what to do or what to expect as an entrepreneur. He had no experience, training, or guidance. He did it mostly wrong, which is how he figured out how to do it right. His life has been a living laboratory of trial, error, failure, and success. Darren wrote *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide* to help save you lots of unnecessary pain and to significantly accelerate your success—by helping you do it right the first time!

Through his first “real” business, Darren was earning a six-figure annual income at age nineteen. Five years later, he was a self-made millionaire, and by twenty-seven, he had a business generating over \$50 million in revenue.

For the past two decades, Darren has been a business leader in the success and human achievement industry. He was the visionary force behind *SUCCESS* magazine as its founding publisher, which gave him unprecedented access to interview, study, and draw out the insights of the most successful achievers. This allowed him to uncover their unique secrets to success, which he shares to empower entrepreneurs around the world.

Darren also mentors many of today’s top-performing CEOs, advises large corporations, and sits on the boards of several companies and nonprofit organizations. He is a *New York Times* best-selling author, media contributor, and highly sought-after keynote speaker.

Darren wrote the book *The Entrepreneur Roller Coaster* to prepare you for the wild ride of entrepreneurship. It will warn you (of forthcoming fears, doubts, and the self-defeating conditioning of your upbringing and past), inoculate you (from the naysayers, dream-stealers, and the pain of rejection and failure), and guide you (as you build those underdeveloped skills of independence, self-motivation, and self-accountability) safely past the landmines that blow up and cause the failure of 66 percent of all new businesses. Access your ticket to *The Entrepreneur Roller Coaster* book here: www.RollerCoasterBook.com



INTRODUCTION

EUREKA!

You have an idea for a new business. You are sooo excited that you start telling your friends and family about it (**mistake**). You are confident this product solves a big problem in the market (**mistake**). You make a vision board and start drafting your business plan (**mistake**). You recruit some family members and an enthusiastic friend to work with you on it (**mistake**). You know you are ready and prepared (**mistake**) and willing to do whatever it takes to make this work (**mistake**).

I know all the above sound like good things, but that is your biggest mistake. On their own, they're not, and you'll only discover why when it's too late—when you're hanging upside down in a loop-de-loop of your roller coaster ride and realize you didn't secure your safety harness. Uh oh! Now your business is dead, like the businesses of 66 percent of all the riders before you.

Even businesses with great visionary ideas, revolutionary products, and passionately committed founders usually fail.

Why? They made one of eight tragic mistakes.

But not you. Not now. Read, study, and implement the preventative measures that will ensure your eureka moment doesn't go bust and will turn your roller coaster ride into an entrepreneurial success.

MISTAKE NO. 1

BEING A BIG THINKER...

And trying to dent the universe.

No eventual revolutionary leader started out imagining their likeness in a bronze bust and attempting to dent the universe. As universe-denter Sir Richard Branson said, “When my friends and I started the first Virgin business 40 years ago, we had no master plan—especially not one for a group of companies that by 2011 would number more than 400 businesses around the world and employ 50,000 people. Had we tried to plan for such a future, we would certainly have messed it up.”

If you start out with illusions of grandeur, you'll likely never start, or as Sir Richard said, you will mess it up. Why? Because you will overestimate your projected sales, you will overbuild and overspend on the perfect “scalable systems” and while you are dreaming of your contribution to human progress, you will miss payroll—then it's game over.

Learn to start small. Start where you are. Ship what you've got. Sell something today. Then improve.

I asked my friend and legendary leadership guru John C. Maxwell what his big goals are these days. He said, “I'm just trying to get better every day.” He explained that when he was a young man struggling as a pastor, he could never have set a goal for the life he has today—it wouldn't have even been conceivable to him and most certainly he could never have written a plan to get here. By focusing on just getting better every day, versus some imagined, lofty goal, he far surpassed any goal he could have imagined.

Now, I'm not telling you never to set goals. In fact, if you don't give yourself some direction, you'll wander aimlessly into bankruptcy. But on a day-to-day, practical basis, thinking too big paralyzes you and keeps you from doing anything at all. You figure if your product or service isn't revolutionary yet or you're not changing the world, you have a convenient excuse to wait, delay, and continue to aim, aim, aim rather than work, work, work.

You've heard it before, “The journey of a thousand miles begins with a single step.” Think small. Think about today's step. Then with each step you take, work on growing and getting better. In due time, you will look up and realize you're much further along than you could have even seen over the horizon from where you first started. You might even travel so far in your constant and never-ending day-to-day growth and improvement that the world feels your step and is slightly dented by it. It can happen!

MISTAKE NO. 2

BEING EXCITED...

Learn how to find what matters (really), what your (true) passion is, what your unique strengths are, and how to ignite your superhuman motivation. [Read Chapter 1: The Height Requirement—What it really takes to survive and thrive in business in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*](#)

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And expecting those around you to be excited for you.

Someone once asked me, “How successful do you need to be?” I replied, “Ah, I guess, as successful as you can be.” He said, “No, just more successful than your brother-in-law.” Meaning, your wife will be happy with you and her life as long as it’s better than her sister’s.

Like it or not, people are constantly comparing themselves to each other. We only know how good or bad something is by contrast—it’s good, compared to what? It’s easy for people to read about celebrities and other superstar achievers and have a tinge of envy while attributing their success to great talent, genius, or upbringing that’s out of reach for most people. But if someone in their immediate circle, someone they know, someone just like them, breaks out of the herd of mediocrity, it eliminates all excuses. And they don’t like it, one bit. Most people have become quite attached to their excuses. You could say that their set of excuses has become their identity. When you overcome similar obstacles and succeed, you’re making them look bad and feel bad. Your success disturbs their status quo, and their ego becomes vengeful.

Oh, sure, they’ll say they’re happy for you. They’ll say they support you and your dreams of becoming richly successful, living an enviable lifestyle of passion and freedom, being able to send your kids to the best schools, traveling the world in luxury, and contributing lavishly to charities. But secretly (maybe even unconsciously), they are hoping you will fail. They are hoping you will prove them right, that the fears that are holding them back from also becoming a successful entrepreneur are valid. They may even (and most likely will) engage in covert tactics to sabotage your ambitions with weapons of doubt, teasing, mockery, sarcasm, and innuendo to ensure they are right and their ego is once again secure.

It’s natural to feel excited about your possibilities and potential, but don’t get carried away. Remember, most entrepreneurs fail not because of market or economic factors, but because of emotional factors. Prepare yourself for what’s ahead on your roller coaster ride, including the negative voices of the people in your life.

Make yourself emotionally bulletproof before you start your grand entrepreneur journey. Learn how in **Chapter 2: Secure Your Shoulder Harness—You will be thrashed about (severely at times)** in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 3

BEING IN LOVE WITH YOUR PRODUCT...

And not your client.

You started your business because of your great product idea. You are passionate about your product. You have spent countless hours working on it to make it excellent—the best there is. The unfortunate reality is the quality of your product doesn't matter (that much) to the success of your business.

The No. 1 selling product in any category is probably not the best product. Look around you. What's the No. 1 selling restaurant in the world? How about automobile, beer, wine, bottled water, insurance product, franchise, hair product, or face cream? The best-selling brand is rarely the one with the very best product. In fact the majority of the most revolutionary, amazing, problem-solving products ever invented you've never even heard about.

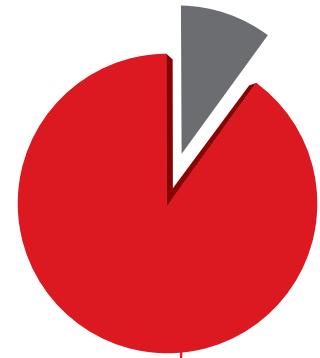
Why? Because their inventors didn't know how to market and sell. Every time, the No. 1 selling product in every category is owned by the person who is the best marketer.

Like it or not, the success reality of your business is 10 percent product and 90 percent sales and marketing. I am hereby putting you on notice: You are not in the restaurant business, the flower business, the dry cleaning business, the insurance business, the mobile app business or whatever business your awesome product is in. You are in the sales and marketing business (period), one which just happens to sell the product you have to offer.

This is a very critical distinction for you to get clear about—and quickly. If you want your revolutionary product to succeed, you need to become an expert at sales and marketing.

The first step? Fall in love with your prospective client. You must learn how to get in the head and heart of your prospective client—to feel their desires, their hopes, their fears, and their problems. Learn how to transmit your love for them in your sales and marketing communication, and connect with them heart to heart.

Only when your sales and marketing are on board will your clients get on board. Then they will beat a path to your revolutionary product and fund your big dreams.



90%
SALES AND MARKETING

Learn the essential sales and marketing skills every entrepreneur needs to master in order to succeed in today's brutally competitive marketplace. There are nine steps to building your sales muscles. Find them in [Chapter 3: Fuel for the Motor—Shut your mouth \(and other sales essentials\)](#) in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 4

BEING CHEAP...

And not investing enough in people, marketing, and learning.

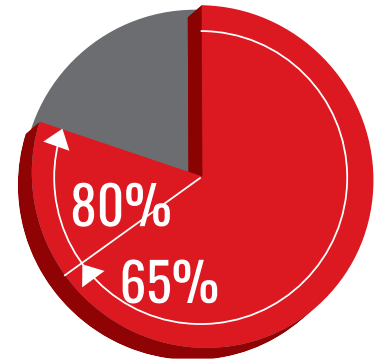
Adages become adages because they are true. “It takes money to make money” is a perfect example. In growing your business, there are a thousand ways to spend your money, but there are three that matter most: people, marketing, and personal growth (learning). We’ve talked about marketing in mistake No. 2, and we’ll talk about learning in mistake No. 8. So let’s focus on people here.

As Jack Welch said to me during an interview, “No matter the innovations and changes in the marketplace, the one thing that hasn’t changed is: The team who fields the best players wins.” In today’s dynamic and highly competitive marketplace the main battle is for talent.

You cannot pay too much for the best. In fact, A-level talent is not only inexpensive—it’s free. A-players will always produce above the wholesale price you are paying. But B- and C-players are very costly, in so many ways.

Considering that 65-80 percent of all your operating costs will be consumed in salaries and wages, it is critical that you get team-building right. As Jim Collins will tell you, “The single most important thing you need to do is pick the right people and keep them. There is nothing more important than this.”

Just one bad hire can sink you and your business. The cost of hiring a poor performer is not simply what you paid them when they were with you. It’s much higher. When you consider the time and resources you’ll spend to replace them, the value of lost opportunities, and the chemotherapy your organization will need to undergo to stop the cancer they usually spread, **the cost of a poor-performing team member is 6 to 15 times their annualized salary.** Invest up front in quality people or pay through the nose around the bend.



OPERATING COST IN SALARIES AND WAGES

Learn how to recruit, keep, and get maximum performance out of A-level players. As the leader of your business, this is your key job role. It is one of the greatest factors to whether your baby (your business) lives or dies. Read, study, and master **Chapter 4: Filling Your Empty Seats—Find the best or die with the rest (choice is yours)** in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 5

BEING LIKE YOUR FATHER...

And repeating the leadership sins of the past.

If you haven't looked around recently, the world has changed—dramatically and fast! Because technology has reached several tipping points, we are the only humans who have lived through the transition from a state of linear progress into the speed and pace of exponential change.

Ray Kurzweil describes this phenomenon in his essay, “The Law of Accelerating Returns.” He says, “We won't experience 100 years of progress in the 21st century—it will be more like 20,000 years of progress (at today's rate).” Put it this way: We'll be developing the skill set to captain the Starship Enterprise rather than holding the reins on a horse and buggy.

Additionally, the patriarchal, top-down, “do it because I said so” leadership style will not work in the 21st century. This the first time in human history when we will have five generations in the workforce at once. In addition, far more are women, and the minorities are the majority.

These were not the challenges of your father. Unfortunately, his way is the only way we know how to be a leader—he and the other authority figures also from the 20th century. Thus we are unconsciously repeating “the sins of the father” based on what we saw, experienced, and learned. Then we're wondering why we can't get people today to do what we want, be motivated, and perform at their best. It's not them; it's you and your archaic leadership style.

You need to learn how to become a 21st-century leader by developing four qualities. Study them in **Chapter 5: Riding in the Front Seat—Leadership: stepping up without screwing up** in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 6

BEING AMAZING...

And trying to do it all.

Our culture celebrates those who try to do it all by checking off sprawling lists of tasks every day. We exclaim how busy, stressed, and overwhelmed we are as if it were some badge of honor. It's not. It's failure and it will cost you everything—your life, your business, and all of your dreams.

In order to grow a business, you have to allow it to grow beyond you. This is the opposite of when you went through college or had a job. You did the work and were paid the wage or given the grade. But you are no longer an employee. You must transition from a mindset of labor to one of leadership. You need to do less and lead more.

Think of yourself as the head coach. Your job is to draft the game plan, recruit the players, and get them trained and equipped to perform at their best. Then watch from the sidelines. If you jump in and start throwing, catching, blocking, and tackling, your business will never win the Super Bowl. Imagine Bill Belichick running to catch a pass during a game!

Ninety-nine percent of the things you can do and want to do, you have to stop doing or you will ruin your business. When you do it, you bottleneck your business and you become the constraint to its growth.

Think of yourself as the great talent broker. You are paid to bring everyone together and help them work well together, so they can do the work. It's your job to recruit A-level talent, the best joint-venture partners, the wisest advisors and consultants, the highest-quality vendors and suppliers, and then stay out of their way.

As the leader and chief rainmaker, you have vital responsibilities. Vital as in, if you don't master these, it can cost you the life of your business. Stop trying to do it all, or you will undo it all.

Learn how to discover and monitor your vital functions, vital priorities, vital metrics, and vital improvements. They're outlined for you in [Chapter 6: Picking Up Speed—Become insanely productive without losing your mind](#) in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 7

BEING SUCCESSFUL...

And avoiding failure.

The entire universe is built on duality. Just as you cannot have day without night, up without down, or good without evil—you cannot have success without failure. It's not possible.

The process of success is failure until, well, it's a success. But up until that point, it's a sequence of progressive failures. That's why former President of IBM Thomas Watson advised, "The key to success is massive failure."

If you are only moderately succeeding, it's because you aren't doing much and you aren't growing. My father taught me this on the ski slopes when I was eight years old. I had skied on my own all day. At the end of the day, I ran up to my father, excited to report: "Dad, I skied by myself all day and didn't fall down once!" He looked at me flatly and said, "Well, then you didn't get any better." Sensing my disappointment, he explained, "Look, if you're going to get better, you have to push yourself. If you push yourself, you're going to fall. If you're not falling, you're not pushing. Falling is part of getting better."

The only way to accelerate your success is to speed up your failure. The only way to elevate the magnitude of your success is to raise the stakes of your failure. Stop trying to avoid it. Pursue it—with passion and joy. When you do fall or fail, celebrate it. You've grown and you've given the duality pendulum a shove that will have it soon swinging back on the side you favor.

Here's what I know for sure: The only thing holding you back from realizing your potential and accomplishing any goal your mind can conceive is fear. If you can learn to turn fear into fun—something you pursue rather than avoid—the top to your potential will pop open and out will pour your greatness.

Learn the six brain hacks to conquer fear forever so you can enjoy the terrifyingly thrilling entrepreneur ride in **Chapter 7: Hands in the Air—Terror is part of the thrill (no, really)** in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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MISTAKE NO. 8

BEING SMART...

And not seeking the help you need.

Michael Jordan didn't win a single NBA championship (seven seasons straight) until Phil Jackson was the head coach. Then he won three in a row. Kobe Bryant spent four years trying to win a championship to no avail. Then Phil Jackson became the head coach and Kobe won three in a row. Phil Jackson amassed an unprecedented 11 NBA championships. The difference wasn't the player—it was the coach.

The now-tennis-star Andy Murray had appeared in three grand slam finals without winning a set. Then he hired Ivan Lendl to be his coach. Shortly afterward Murray took Olympic Gold. Then he won the U.S. Open and Wimbledon. As Ivan said, "I took a good player, and I helped him become great."

I bet you are already good. You probably wouldn't find yourself reading this white paper and trying to start your own business if you weren't. But don't let that be your mistake—thinking you are good enough on your own. In order to become great, you need help, as every superstar does.

Invest in your learning and growth. If there is one common trait among every superachiever I've ever met, studied, or presented on the cover of SUCCESS magazine, it's that each one is an avid learner. They are constantly looking for the edge, seeking the insight that will allow them to iterate, improve, and break through their current success ceiling.

As my mentor Jim Rohn taught me, "You cannot achieve beyond your current level of personal development. You don't achieve goals. You grow into your goals." Seek the books, videos, audio programs, and seminars that will help you grow beyond your current level of success. Then use them!

You want to be an idea importer. There are great ideas surrounding you every day. You don't have to originate one of them. You just need to grab them and apply them to your situations.

Even the late, great Steve Jobs was criticized for not really inventing anything new. Jobs didn't invent the mouse or the graphical user interface. The iPod was certainly not the first MP3 player, the iPhone not the first smartphone, and the iPad not the first tablet device. What Steve did was take existing ideas and make them better. He reinvented the way they were put together and how they were inserted into popular culture. As a result, he is considered one of the most genius and creative people who has ever lived.

Bring in experts everywhere. For every problem you have, someone has dedicated his or her life, time, and passion to becoming an expert in that area. The longer you spend trying to originate a solution to a problem, the less time you have to solve other problems and grow your business.

MISTAKE NO. 8 (CONTINUED)

My dad taught me, “You can never pay too much to rent someone’s brain and gain their experience.” While there are no shortcuts in life, there are for success in business. The shortcuts are charted by those who have already been where you are going, and have returned to give you the map of the safest and most expeditious route. This guidance will save you time, energy, money, pain, and anguish. The ones who have gone before you can warn you where there’s treacherous terrain and great dangers so you can avoid them entirely. Their expert and experienced direction just might save the life of your business.

Learn the best strategies on entrepreneurship I’ve ever collected from the most successful people on the planet, covering the four essential skills necessary for entrepreneurial success: **Sales, Recruiting, Leadership, and Productivity** in *The Entrepreneur Roller Coaster: Why Now Is the Time to #JoinTheRide*

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