THE MOST COMMON MISTAKES STARTUPS MAKE.

AND HOW TO AVOID THEM..

Startups are springing up like mushrooms. But many are gone just as quickly as they came. Why is that? We compiled a list of the most common mistakes. And we provide recommendations to prevent making them – without any guarantee of immediate success.

1. THE FOUNDERS.

Often it is the founders' fault that a company is unsuccessful. But the reasons are as diverse as the founders themselves.

A sole founder might lack sparring partners, criticism, and friction. The lone wolf often gets carried away, or is, understandably, in over his head doing all the work alone.

Of course, the opposite case can also occur: Too many founders. And therefore too many opinions, too many rounds of voting, too little productivity. If the group is larger, the processes are more dragging, and conflict becomes more likely. What brings us to the next point – quarrelling. It can always happen, and sometimes so seriously that the startup goes down with the brawlers.

The last reason involving founders: The founders are no founders. There is a lack of commitment, perseverance, competence, skill, or sales talent – in the worst case all of these combined.

> Our recommendation:
> three to five people with different competencies who are ready to roll up their sleeves, who cover all areas, and who complement each other well – professionally and interpersonally.

2. THE IDEA.

Every startup needs an idea, an innovative product, or an unheard-of service. Ergo: Do not deliver anything that already exists or no one needs. The fact that this happens over and over again is another reason for many startup failures.

> Our recommendation:
> There are already enough copies in the world. The idea is crucial. Now you just have to come up with it.

3. THE STRATEGY.

No company should be established without a clearly developed business plan. The target group, the competitors, and the market need to be analysed in detail. One should only give green light when the approach is clear. Many startups make this mistake regardless.

> Our recommendation:
> Create a detailed business plan and consult experts for a final check. It is clever to benefit from the experience of others.

4. THE MONEY.

A point to be expected. There are startups that have so little money that they are unable to make necessary investments. And there are startups with lots of money that they do not use well or not at all. In both cases, there is only little return.

There are even cases where too much money was raised. Sounds funny, but it's true. A lot of money means a lot of pressure to reach short-term goals – over which long-term goals can be forgotten.

> Our recommendation:
> Find investors and pick them carefully. Do not just focus on money, but especially on contacts and expertise. The startup then needs to conscientiously put the raised money where its mouth is. As they say, don't spend it all at once.

5. THE TIMING.

Some companies take so much time launching a product only to find that the targeted niche is already occupied by a competitor. Others hit the market too soon. This can have fatal consequences for two reasons. Either the product might not yet be ready for the market, or the market might not yet be ready for the product.

Many young entrepreneurs think that startups always have to go through the roof immediately. It is true that it often happens quickly, and that there is a certain day of initial ignition. But it's not always day one. It might be day 1498, in some cases.

> Our recommendation:
> Be quick. Be thorough. Be patient. And always keep an eye on the market.

6. THE STAFF.

A friend knows his programming. The cousin of a former fellow student is great at photoshop. And the best friend used to paint the prettiest mandalas in kindergarten. Well that's all very nice. A startup however does not get founded to supply friends and family with jobs.

If the quality of the work is not right, a stranger is easier to dismiss than a friend. Which takes us to the next point: If the staff is unreliable or simply bad, it is time to separate – however cheap the worker may be.

> Our recommendation:
> Do not scrimp on staff. Rather do it one time with a professional than five times with amateurs. In the end this saves time, money, and especially nerves.

7. THE REPETITION.

The classic: Making the same mistake twice – or even more often.

> Our recommendation:
> Learn from your mistakes – as hackneyed as this may sound.

8. BAD LUCK.

Sometimes you just have bad luck. Even if everything was considered and implemented, startups can fail.

> Our recommendation:
> Keep at it. Carry on.

9. THE BRAND.

Cheaply produced advertising materials, no compelling brand identity, or poor naming. These sources of error bubble relentlessly. Many things get done homemade, „quick and dirty". Undercooked dishes are on the menu – but those do not go down well.

People trust brands – or they don't. This is why convincing and consistent brand communication is so important.

> Our recommendation:
> Schindler Parent. Startups burn for their idea. Together we turn this fire into a brand that stays on people's minds.