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How Entrepreneurs Sabotage Their Businesses

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STORY HIGHLIGHTS

- Beware of fear, self-doubt, overconfidence and more
- Nine blind spots can damage a business
- Entrepreneurs must understand their strengths and biases

Entrepreneurs regularly confront a host of tough challenges such as landing their first sale, growing their customer base, hiring the right employees, managing cash flow and accessing funding, among many others.

But the biggest challenge entrepreneurs may face is either a self-limiting or self-inflated view of their capabilities. Fear, self-doubt, overconfidence, "in-group" thinking, misplaced commitment to a selected course of action, or entrepreneurial myopia can lead an entrepreneur to sabotage his or her business.

Gallup research identified 10 talents of successful entrepreneurs and revealed nine potential blind spots that can hurt their ventures. Here is a brief list of the blind spots:

1. Relentless focus on profitability: Making money is a business' primary objective. But when profit orientation becomes an obsession, customer relationships can suffer. In a "profit first" culture, employees face immense pressure to maximize revenue with little consideration for the customer experience.

Advice: Don't lose sight of the human element in business. Keep customer expectations in mind when making decisions.

2. Overconfidence: Confidence grows businesses, but overconfidence can hurt them. Overconfidence leads entrepreneurs to underestimate the complexity of a situation and to overcommit resources when pursuing an opportunity without first assessing the competition.

Advice: Avoid the "speed trap." When the window of opportunity is narrow, pause and build what-if scenarios before taking action.

3. Unfocused creativity: Intellectual curiosity spurs growth, but too many ideas can be counterproductive. A lack of focus might cause an entrepreneur to launch multiple initiatives at the same time, losing sight of the core business and confusing his or her teams.

Advice: Select ideas that streamline your business and add value for your customers.

4. Need for control: Go-it-alone entrepreneurs can single-handedly get things done in a startup environment. But as the venture grows, their need for control keeps these entrepreneurs from focusing on activities that bring the highest value to an expanding business.

Advice: Hire and train talented people, and then transfer responsibilities to them.

5. Ineffective delegation: Delegation is vital to growth. But setting up an effective delegation process is hard. Often, entrepreneurs hand off tasks to the least busy, and then make the mistake of micromanaging that person -- behaviors that can lead to costly mistakes.

Advice: When delegating, identify the right person for the task, give clear instructions and be patient. Building your team members' capacity takes time and effort.

6. Misplaced commitment to a selected course of action: Entrepreneurs with high tenacity and perseverance tend to stick with a failing strategy, even when the results consistently fall below expectations.

Advice: Set specific milestones to gauge progress on your project. Be prepared to change course if needed.

7. Entrepreneurial myopia: It's not uncommon for entrepreneurs to fall in love with their idea or product. Their closeness to it and their intense desire to see it succeed blinds them to its flaws.

Advice: Be objective about what you offer to the market. Surround yourself with trusted advisers who can help you assess the situation objectively.

8. Ineffective networks: Robust and diversified personal networks facilitate venture growth. But many entrepreneurs fail to build an effective network or are unable to adapt it to accommodate their venture's evolving resource needs.

Advice: Figure out strategies to build your social quotient. Don't forget to refresh and reshape your networks as your needs change.

9. Confirmation bias: Successful entrepreneurs have a highly positive self-image, which leads them to favor information confirming their beliefs and opinions, while discounting information that contradicts their viewpoints. This bias affects their decision-making.

Advice: Interact with people with opposite viewpoints. Allow them to counter your ideas and concepts. This will help you perceive opportunities more realistically.

Your behaviors may or may not be easy to change, but they tell you where to begin. Recognize and understand your most basic qualities. Once you understand your talents, biases and preferences, create a road map to systematically and consistently nurture your strengths and manage your areas of weakness.

Nurturing positive behaviors and finding strategies to manage behaviors that can negatively affect your business will yield extraordinary results. This approach will accelerate your personal development and positively influence your venture's sustainability and growth.

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