

STOP GUESSING

And Improve Your Chances of Success



BY ERIC EGELAND

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Entrepreneurs and business people love to use their intuition, experience and “gut” to make important decisions. That’s how we do it, right? The leader says, “What do we do?” and everyone in the room starts tossing opinions around like free darts at a carnival balloon popping stand. Startups often do the same thing, with the entrepreneur following his or her dream and figuring it out as they go.

There are multiple studies pointing out that half of all businesses fail. That statistic is interestingly similar to the odds of flipping a coin. In a recent poll we created, half the respondents said shooting from the hip cost them between \$10,000 and \$20,000. The other half said it cost them even more! Guessing and luck are obviously flawed, but so is experience and intuition. They can be tainted by the individual’s teachings, emotions, personal interests, feelings, etc.

So why do we make decisions that way? Some do it because they are too lazy to research and plan or it’s just more fun to start shooting without aiming. Others know they should seek the answers and direction in a more formal way, but are too cheap or strapped to pay someone to help them. But most do it simply because that’s the way they have been taught.

SO HOW SHOULD IT BE DONE?

The only way to start a business without being half-cocked is to do a feasibility study. This forces you to answer the tough questions about your business. It requires research and uncovers the hidden bombs and improvement opportunities so you can adjust your plan to insure success. A situational analysis is used in a similar way to provide a fresh look at an existing business. Other methodologies like Harvard Case Study and Six Sigma are used to uncover and select the best solution to a problem.

You can Google all these methodologies, but the common value to them all is they systematically uncover, quantify, and vet things. For instance, you can hope there are no competitors or you can check. You can assume there are enough customers to open or expand in a new town or you can look up the demographics and compare them to your current location. You can hope that your chosen solution will solve the problem or you can test all possible solutions to see which is really the best.

THE VALUE

Doing it right the first time will save you time, money, aggravation and embarrassment. You will emerge prepared to handle the challenges. You will be prepared for the things that pop up instead of being surprised. You will be calm and in control instead of twisting your guts every night worrying. You will have the next closest thing to a crystal ball for your business. You will be empowered in knowing EXACTLY what to do and WHY.

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“ I thought my business was doing well until we had Capacity do an assessment. I had no idea of the potential we were missing. ”
-John A.

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