

# The Titan Times Newsletter

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## Masterful Quotes

“If your actions inspire others to dream more, learn more, do more and become more, you are a leader.”

~ John Quincy Adams

“Chase the vision, not the money, the money will end up following you.”

~ Tony Hsieh

Anything that is measured and watched, improves.”

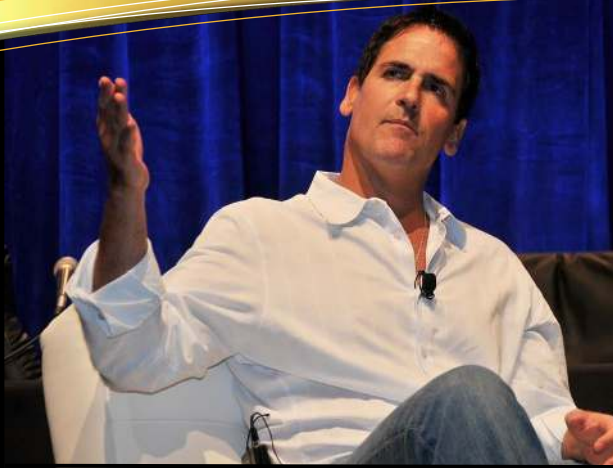
~ Bob Parsons



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## The Top Three Mistakes Entrepreneurs Make According to Mark Cuban

You may know Mark Cuban as the Owner of the Mavericks, perhaps your exposure to him may be as a technology company billionaire, or you may be more familiar with him as an investor on the hit show *Shark Tank*, where entrepreneurs pitch their business ideas to a panel of investors in an attempt to get one or more of them to invest their expertise and money into their venture. Along his career, Mark has seen many entrepreneurs who have made some serious missteps. This article accurately identifies three of those.

### **Not understanding some of the basics of business.**

A prime example, according to Mr. Cuban, is when entrepreneurs “don’t know the difference between a product and a feature.” Before an entrepreneur begins looking for investment money, starts producing a product, even before research and development, they need to have this fundamental understanding. For example, if a competitor sells only blue shirts, and your shirts are blue and red, you’ve merely created a feature. Products or services solve problems and people want to purchase them. Features are characteristics that add value to products.

### **Thinking competition equals validation.**

Falling under the spell of believing that just because you have competition, or that competition moves into your space, that your business idea is valid, is a mistake and tempts one into a false sense of security. As difficult as creating something from nothing is,

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## Remaining 2021 Federal Deadlines

Aug. 10, 2021: Deadline for employees who earned more than \$20 in tip income in July 2021 to report this income to their employers

Sept. 10, 2021: Deadline for employees who earned more than \$20 in tip income in August 2021 to report this income to their employers

Sept. 15, 2021: Deadline for third-quarter estimated tax payments for the 2021 tax year

Sept. 15, 2021: Final deadline to file partnership and S corporation tax returns for tax year 2020, if an extension was requested (Forms 1065 and 1120-S)

Oct. 12, 2021: Deadline for employees who earned more than \$20 in tip income in September 2021 to report this income to their employers

Oct. 15, 2021: Final extended deadline to file individual and corporate tax returns for the year 2020 (Form 1040 and Form 1120)

Oct. 15, 2021: Deadline for taxpayers who earned \$69,000 or less in adjusted gross income (AGI) for tax year 2020 to use Free File to prepare and file their returns

Nov. 10, 2021: Deadline for employees who earned more than \$20 in tip income in October 2021 to report this income to their employers

Dec. 10, 2021: Deadline for employees who earned more than \$20 in tip income in November 2021 to report this income to their employers

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convincing people that your service is valuable and that they need it, or your product, often requires much more effort. What you should do when you have competition, is to embrace the feeling of uneasiness. “It means you are in deep trouble unless you can out-innovate and outsell them,” Cuban says.

### Hinging your success on one “star employee”.

Too often, business owners believe that “their next hire will solve their biggest problem,” Cuban says. “Hiring the best marketer in the industry doesn’t mean you’ll magically figure out how to sell your stuff and everyone will live happily ever after.”

Don’t put all your eggs in one basket. If your star employee leaves or fails, then so does everyone else. Growing a successful business requires all hands on deck, meaning everyone on the team needs to be pulling their weight—together.

What would you add to this list? A useful exercise might be to sit down and think of your own list of top five or so mistakes entrepreneurs make, put it aside, then come back to it and make a brutal, honest assessment of your own company’s operations, practices, and philosophies regarding the items on your list. You may be quite surprised by where this exercise takes you.

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*Properly managed finances are key to long-term success for any business. And while you can hire a professional accountant to help with money matters, there’s still plenty of value to knowing a thing or two yourself. Become a more empowered business owner by familiarizing yourself with these accounting terms:*

**Financial statements:** Are records of your business’s financial situation. When you apply for a business loan, most lenders will want to see four financial statements: the balance sheet, income statement, cash flow statement and statement of owners’ or shareholders’ equity.

**Balance sheet:** A document that outlines your business’s financial status at a point in time. It reports assets, liabilities and equity.

**Income statement:** Shows revenues, expenses and profit or loss for a specific period of time. Profit or loss is determined by subtracting expenses from revenue.

**Cash flow statement:** Describes the sources of your business’s money and shows how that money was spent over a period of time.

**Statement of Owners’ Equity:** The statement of owner’s equity shows how the net worth/value (or equity) of business changed for the period of time. This statement includes Net Income (or Net Loss), which was brought forward from the income statement. The ending balance is carried forward to the balance sheet.

**General ledger:** The complete recording of your company’s financial transactions over its lifetime. This includes assets, equity, expenses, liabilities and revenue.



## Adapting to the Pandemic – What Comes Next?

The Covid-19 pandemic forced many small businesses to become resourceful and innovative about how they conducted business. While we are all still on the road to recovery, some of the hybrid business models used to adapt that came from necessity may be here to stay. Below are four ways small businesses adapted in response to the pandemic that may have long-lasting effects on future operations, according to industry experts and small business owners.

### 1. Creative business models

The pandemic forced businesses to find new ways to serve their customers. Now that small-business owners have built out and refined new infrastructure, like curbside pickup and e-commerce operations, they can continue using the new hybrid business models they adopted during the thick of the pandemic.

For example, Keith Wallace, the founder of the Wine School of Philadelphia, was facing possible bankruptcy within a number of weeks of the pandemic shutdowns. Unable to open the doors of his business's in-person-only classrooms, Wallace had to cancel wine classes for thousands of people. Realizing the only way to survive was to pivot quickly and try something more adaptive to the circumstances, he repurposed his office into a recording studio, turned the main classroom into a video studio and taught himself how to produce and edit videos.

By September 2020, the school launched its first online-only Level One Sommelier Course, an eight-week program. By December, Wallace was able to recoup about 30% of the business's income through the online programs. Now, he is working on launching three additional online programs nationally within the next year and plans to keep this change forever.

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## **2. Investment in digital tools**

Prior to the pandemic, many small-business owners used technology as a secondary approach to business. Clark Twiddy, president of Twiddy & Company, a family-owned vacation rental company in the Outer Banks of North Carolina, said “Previously, we were a company that welcomed guests at our front counters with a handshake and a smile”. When the company closed its in-person counters due to COVID, investing in technology enabled them to “deliver Southern hospitality in a way never before imagined.”

The company also started using Salesforce for customer relationship management, scaled up its phone technology to Genesys, a cloud-based system, and introduced an AI chatbot to help customers on its website.

## **3. Reconnecting with the community**

During the pandemic, many small business owners stepped out into their communities to help. As a byproduct, many created generous goodwill and a much larger awareness to all that they are part of the community at large. Many small businesses were able to be there for their communities when the communities needed them the most, and this may, in the minds of many, remain a trend that will continue.

## **4. New opportunities**

An April 2021 Federal Reserve report concluded that we’re unlikely to understand *exactly* how many small businesses have closed their doors since the start of the pandemic until it’s long behind us. But on the other side of that coin: 4.3 million businesses were formed in 2020, according to data from the U.S. Census Bureau. That represents a 24% increase in new businesses from 2019.

Nonetheless, not all the growth over the past year can be attributed to people finding their entrepreneurial spirit. Many employees who were laid off continued to work in their industry, such as real estate, marketing, or accounting. But out of necessity, they became self-employed business owners.

These self-employed professionals have found opportunities by connecting with other small-business owners looking to outsource back-office work they traditionally did themselves. The fundamental shift in the demand curve for new small businesses may well continue to create opportunities.

History has taught us that the greatest challenges often create opportunities. The opportunities that arose by way of innovation and resourcefulness in response to dire and rapid challenges presented by the Pandemic, may well remain part of our landscape.

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