

# The Titan Times Newsletter

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## Masterful Quotes

*"Quality is the best  
Business Plan."*

~John Lasseter

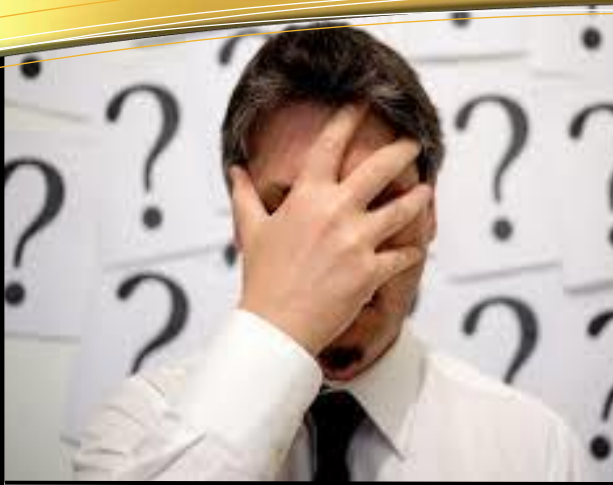
*"We didn't set out to  
build a product. We set  
out to solve a problem."*

~ Naval Ravikant

*"Once you have figured  
out what to do, be  
unstoppable about  
getting your small  
handful of priorities  
accomplished quickly.  
I have yet to meet a  
slow-moving person  
who is very successful."*

~ Sam Altman

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## 8 BIG Small Business Mistakes

Here's an interesting notion: Do you realize that there are mistakes you can make at various stages of your business' growth that can be slowly killing it for months or even years if you don't watch for them?

Well, these mistakes do exist, and they are not just reserved for the rookie companies. Many working businesses, including those you might think are "successful" because they've been around for 10+ years, are often still making them... and are possibly losing a lot of money and/or wasting a lot of time in the process.

Although some of these big and sneaky mistakes seem aimed more at service type companies, they really do fit the bill for almost any type of industry.

1. **Underestimating Project/Service Time.** This is a big one and it pertains to service companies as well as companies that sell a product. This is a service company's bread and butter. If you don't estimate your time to perform each and every service in your repertoire, you will get burned and there is little you can do about it but bite the bullet and learn from it. The best way to estimate time is to do it once yourself or watch your best employee do the task and then throw in a little fudge factor on top of it. For product companies, time becomes an issue with logistics so be aware!

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## Remaining 2021 Federal Deadlines

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



## 2. **Not Knowing Your Company Numbers/Incorrectly Setting Prices.**

Notice I emphasized the word “your”. It’s a common mistake to use a competitor’s as your pricing gauge without actually knowing why they use those numbers. Think about the nightmare you will get yourself into if you take a competitor’s price, cut it by 10% and then start selling. What if the competition has a bad pricing structure and is barely making money or even losing money? What if your costs are more than theirs? You can use competitors as a starting point, but you can’t base your whole strategy on it.

## 3. **Not Charging for All of Your Time & Costs.**

This seems like a silly statement to some, but I bet most business owners will admit they have given away too much of the farm at times. There is nothing wrong with giving a little extra here and there to show you care. But either way, that’s not what I’m talking about here. What concerns me are those who put a lot of quality into their work or products or stores and do not cover the cost for it. As an example, say you run a service company and your competitors don’t do a certain standard service that you do. You can’t just undercut their price to steal a job; you need to have that cost covered in your rate and advertise the fact that it comes with the price upfront. Stores undermine themselves, for example, when they put more people on the floor for customer service but don’t charge for it. These things cost you money and when your competitors don’t do them it costs them less money.

## 4. **Not Getting Paid Fast Enough/Cash Flow.**

That’s right, the old cash flow issue. As long as you are actually making enough money to pay the bills, this problem can be solved, prevented, or at least made to be not as bad as it could be. Here’s the deal:

Bill customers promptly. It is very common for a small business to not have the procedures or systems in place to get invoices generated and out the door in a timely fashion. Again, this would seem unlikely since that’s the reason why we are doing the work - to get paid. But it is very easy for the people responsible for getting this info to the billing people to be too busy to get it there or not have enough organization to give it to them the right way.

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The second part to slowing down or stopping a regular cash flow is to make the quickest payment deals possible with customers and the slowest possible with vendors and employees. If there is any way not to pay employees any more than twice a month, you should consider it. Contractors always have an issue with this.

5. **Failure to Have Solid Systems and Procedures in Place.** Too many procedures (known as “red tape”) is the reason why many people start their own business in the first place. Unfortunately, having no procedures and systems in place at all is not an alternative. Depending on the type of industry, business owners must come to a happy medium or chaos and the unknown will ensue. Some basic examples where procedures or systems are needed include billing, collections, payroll, hr (interviewing, hiring, vacations, benefits, job responsibilities, etc.), manufacturing, operating equipment, maintaining equipment, inventory, sales calls/visits, and logistics to name a few.
6. **Spending Advertising Money Just to Say You Advertise.** I would almost rather see my clients not advertise then to spend without tracking the results. There is no point in a marketing campaign if you do not put things in place that allow you to measure how well the plan is working. The other wasteful part of marketing that many people make the mistake of doing, is not tracking their previously successful campaigns. Why some people think that just because a \$400 dollar a month ad worked once very well for one busy season, that it will automatically work every year after that is beyond me.
7. **Spreading Yourself Too Thin.** This is a classic mistake made by every entrepreneur. The key is to figure out when you are at that “wearing too many hats” point and start getting some help. The solution here is to know your strengths and to be able to see when you are not performing the duties that demand these skills. If you are the best salesperson in the company, you can’t get caught up in day-to-day operations. If you do, sales will slip and eventually you won’t have any operations to worry about. Think about this to help you figure out if you are spread too thin: Did you really go into business for yourself to work 80+ hours a week?
8. **Not Getting Help Soon Enough.** Set goals to know when to hire people to take over where you are light on knowledge. Not getting help or waiting too long can kill a company. Most people who start a business do it because they are good at the technical end or the sales end. If you know the best way to make a widget, then your strength is in production and that is where your time should be spent. Hire an outside company or consultant to take care of the sales and marketing and then hire inside when you can afford someone full time. Don’t be something to your company that you are not. It will only hold you back.

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## Innovation is a State of Mind

You probably know the myth of innovation as a sudden flash of insight that comes from nowhere. We read about that "aha" moment, or that light bulb turning on in the mind of some inventor or innovator, and this is true to an extent. Einstein really did get flashes of insight while shaving in the morning. However, he was of course, working on the particular problems he had insight into. He didn't suddenly have ideas for new kitchen gadgets or movie plots.

Einstein's innovations, in other words, no matter how "sudden" the original ideas were, came from past and present mental work. It is like a singer who works at his craft for ten years and then becomes an "overnight success." Innovative people only have "sudden" new ideas because they have habitually worked and thought in certain ways for some time. If you want to become an innovative thinker, then, why not start cultivating those mental habits?

### Mental Habits Lead to Innovation

Problems can be opportunities. "Problem" may have a negative connotation, such as being a hassle or stressful, but any problem can lead to an innovation that improves our lives. Not knowing the time leads to clocks small enough to put on our wrists. Nasty diseases lead to sanitary sewer systems. Start looking for opportunities in every problem. Even a mundane problem like not having enough storage space could lead to a new innovation. You may just build a plywood floor in the attic, but you could invent a new type of outdoor storage unit.

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Innovation begins with understanding the key elements. Metal, wood, or glass are not key elements of a door to an innovator. A way to get in, a way to keep others out - these are key elements. Begin with these, and soon you're imagining new ways to make a door. You could design a door that is opened by your voice (nice when your hands are full), or one that shuts and locks itself when anyone else approaches. Think of the key elements in things.

Attitude helps innovation. The creative problem-solving technique of concept-combination involves combining two ideas to see what new idea or product results. The crucial point is that you assume there will be a useful new idea. Starting with that assumption, your mind will work overtime to produce something. A shoe and a CD have nothing to do with each other, but it took just a minute to imagine a CD player with headphones that only plays the music correctly if a jogger maintains his ideal pace. When you assume there is something there, you'll often find something.

Playfulness helps innovation. A playful mind is a creative mind, and while high IQ doesn't correlate with creativity, put it together with playfulness, and you have an Einstein. Remember, he imagined himself riding on a beam of light to arrive at his theory of relativity. Why not start playing with ideas and things, in your mind and in your surroundings. Innovation should be fun.

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### 3 Tips on Determination for Contemplation

1. Your dogged determination is the difference between accomplishing your goals and simply daydreaming about what might have been. Develop your success mindset and get busy to avoid future regrets.
2. Persistence is the powerhouse that compels you to take calculated risks, in order to achieve your goals and dreams. Strengthen this trait by using your self-control to keep going when you feel like giving up. See every task through to completion.
3. There is a difference between giving up on something and choosing to postpone it until a specific, more opportune time. Know the difference between the two. It's ok to give up on something if you don't intend to follow through or really want to achieve the goal.

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