

Lessons learnt from a failed business

 By [Jimmy Tembo](#)

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I recently got a call from Mapula (not real name), a hard working lady that worked for me until my business closed.

When the restaurant business closed about two years ago, I lost contact with her until she called saying that she had not found a job as yet, luckily, she may have called at the correct time because I successfully referred her to a friend who employed her. So the call I mentioned earlier was of her wanting to thank me.

Hence my article, when Mapula worked for the restaurant, or need I say failed business. She earned about enough to take care of her baby and a few next of kin. So when the business closed, she may have optimistically thought that she would get a job easily, her income level may not have allowed her to save as much. So she went on and started to borrow, first within the household and ultimately from neighbours and those friends from afar, all in faith that she would get a job soon.

Unfortunately it took her two years to, and, with the debt incurred, it will take Mapula practically another two years to pay those debts, assuming that she tightens her belt. Collectively, it means that she will have had four years of her life in an idling mode. Avoid creating many more Mapulas by going through my lessons learnt from a failed business.



Borrow ideas

Fuel prices, rentals, electricity and the overall cost of sales have been going up, yet you are stagnant. You have been doing the same thing every day and expecting different results. I became what I term a vegetative owner, stuck on the point of sale tracking the turnover that never came. Be innovative - one of the best ways is to borrow ideas from a brand that you are not in direct completion with. In my current restaurant involvement, we draw inspiration in car brands and how they remain relevant to the market.

When the going gets tough, it is easier to start doing as everyone says. As the old adage says that, 'to a drowning man even a floating leaf may save their life'. The most difficult thing with that is that you end up losing identity. I visited a Wimpy store where I was reminded that they had been operating for decades, I asked myself if they had never been tempted to serve dinner so that they could compliment day trade. So listen to what the customers say, but find the balance and develop a gut to decide what to discard and consider.

Stats show that Facebook alone is more effective than TV adverts or any other form of media communication, like me then you probably do not have money to pay for a TV advert anyway. So why don't you use social media? The advantage is that it offers not only a platform to advertise but as a source of business intelligence too. Reminder, you can go right around the globe within seconds.

Identify target market

So identify your target market and reach them in no time. FYI content is key, don't be too pure lest they subconsciously fail to differentiate between a TV advert. Be right in the middle between perfection and raw, you will win the emotions of your clientèle. However, do not forget that you are a face to face business and social media is only meant to compliment your activity.

For some time I was obsessed with what my direct competitors were doing, so much so that I did not bother what my plans were. The challenge was that because the grass is greener on the other side, I developed more stress when I perceived those businesses to be doing better. And I was more reactive than being proactive. 10% of the effort should be to know

what others are doing and the rest must be dedicated to your own business.

Be the partner with a positive private cash flow, and you may be disliked by the partner who relies on the struggling business for a stipend because you will be reluctant to draw that. The same happens in reverse; it is therefore important that you talk about such with your partner and you are all on the same page.

Correct attitude

As entrepreneurs, we are also always readily available for the weekly meetings when the business is doing well. I suggest that you avail yourself with the correct attitude even when the chips are down. Better yet, maybe avoid going into business with a person of extreme different personal cash flow with you.

In small businesses, the owner ends up being the HR guy, the accounting guy, the marketing guy and from time to time the plumber. You cannot do everything yourself, concentrate on all these and you will eventually have no plumbing to do. Because the business will have no one to break things, find a person who has since retired but have time to do your books as they may be cheaper. Your duty is to concentrate on things that make the till ring. Without that, there is no reason for anything else.

These were simple but costing lessons I learnt from my business; today I am happier and enjoy watching a business grow than I did when I was a 'failure' (in the eyes of those who refuse to learn).

ABOUT JIMMY TEMBO

Jimmy Tembo is the co-founder of Birdie Media, a marketing company that focuses on campaign marketing in the Mpumalanga area. At a personal level, he consults for franchises and non-franchise businesses. "We have started to see the backside of businesses that believed in national or global demographics, businesses that will excel tomorrow are those who listen to their particular local market" Jimmy Tembo. jimmy@birdiebiz.co.za
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