



“Some Reasons Why Businesses Fail”

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Many experts believe that the key reason a business fails is money—not having enough capital. Some believe the main reason is poor management techniques while others accredit the lack of entrepreneurial skills by the business owner or founder as a reason for business failure. They believe that many people who fail in business should not have tried to start a business in the first place and should instead have sought employment in a role as a simple employee or technician.

If you think about this clearly, you will conclude that none of these experts are entirely correct. Although they all have good ideas and can offer good input to the problem, they are missing the key factor, which is this: The most important ingredients for a successful business are the customers—paying customers that purchase a company’s services and/or products.

You can be the best entrepreneur with all the capital you need, and have the best education in marketing or business management, but unless you have a customer with money in hand and ready to purchase your products or services, you don’t have a business, and try as you might to start a business or maintain one, you will have a hard time making a significant profit. It’s that simple: you are in need of paying customers.

To take it a step further, most businesses end up closing their doors because they don’t have enough customers. Either they fail to find new customers, or they fail to maintain their current paying customer base. And this is not due to lack of effort; rather, it is more often due to not applying effective and successful customer acquisition and customer maintenance practices. To maintain and grow a successful business, you have to make it a top priority to grow and maintain your customer base.