

Seven Formulas For Business Success

by Brian Tracy

VISUALIZE YOUR GOALS

There are seven formulas for business success. Number one, set a specific goal and visualize it as a reality. Play the picture of your goal as already realized on the screen of your mind over and over again. Number two, look for a problem you can solve with a product or service that is high quality and good value. All successful businesses are based on products or services that are high quality and good value. Number three, start small and learn your business thoroughly. Be patient. Invest time rather than a lot of money.

1. BOOTSTRAP YOUR WAY TO SUCCESS

One of the best ways to build a business is to start off on a bootstrap. This means that you start off with very little money and you grow your business with the money that you earn in the business, rather than outside financing, borrowing, loans from friends and so on.

2. TEST, TEST, TEST

Number four, test every major move before you invest in it. Test, test, test. Don't plunge into a business. Move ahead carefully, one step at a time. Number five, expand on the basis of your successes, out of your profits, as you move along. In other words, only expand your business on money that you've earned in the business, not on borrowed capital.

3. PICK YOUR PEOPLE CAREFULLY

Number six, carefully select the people to help you expand and grow. The biggest mistakes you'll ever make will be in picking the wrong people to work with, so be very, very careful in picking the people you're going to work with in your business.

4. USE FINANCIAL LEVERAGE

And number seven, use financial leverage. Financial leverage is business borrowing, lines of credit from the bank, which are based on the cash flow from your successful business. The whole aim of starting a business is to develop a consistent, predictable source of cash flow in excess of cost and expenses and then to hold on to the money. Banks will lend you all the money that you can service as debt with your cash flow.

5. START OFF PART TIME

One final thing that you can do, and I've recommended that many people do this over the years, is if you're starting off with no money, go to work part time for a business in a field that interests you. It's a valuable form of on-the-job training. Work evenings or work weekends. Or work on your holidays if you like. Sometimes a business that looks tremendous from the outside will look terrible once you start working for it. But sometimes when you start working for a business, you start to get an intimate understanding of how it works and you get insights on how you can improve it.

6. LEARN WHAT YOU NEED TO LEARN

Remember this, though: Most businesses fail because of managerial incompetence. So take the time to learn what you need to know to succeed. Be patient. The time you invest before you start will pay off over and over again in the months and years ahead.

7. ACTION EXERCISES

Here are two things you can do immediately to implement these formulas for business success:

First, be prepared. The number one reason that people succeed in starting their own businesses is that they have the knowledge and experience, in advance, that they need to succeed. Do your homework.

Second, start small. Some people think that they can be successful faster by putting all their savings at risk at the very beginning. The opposite is true. Start small and grow out of your cash flow from successful operations.