



Business Pitfalls

1. Not examining the feasibility of what is being planned.
2. Under estimating the time and money it will take to get it done.
3. Not being clear about who owns and owes what. Plan the dissolution or sale of the business before you start. Don't be too trusting. Put agreements in writing. Consider partners, investors, members, contractors, designers, landlords, employees, customers, and suppliers.
4. Not understanding, protecting, and owning what is valuable to the business. This could include locations, accounts receivable, bank accounts, and intellectual property such as your website, logo, name, invention, ...
5. Characterizing employees as contractors and/or paying "under the table." Doing someone a favor can be costly. Business owners get caught. They can owe big \$\$\$\$. The IRS can close down a business.
6. Failing to delegate.
7. Not pricing the product and/or service to pay for all business expenses.
8. Not keeping up with or not understanding the finances. Embezzlement is common. You need to know your numbers to make decisions and get financing. Giving a shady lender or lessor access to your bank account could shut you down.
9. Not playing by the government's rules.
10. Not working with a good attorney, CPA, and SBDC consultant: idahosbdc.org

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