4 Steps to Take as an Entrepreneur When the Going Gets Tough



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When things get tough, other people may surrender – but not you. Not after this. You can expect tough times at any stage of your business, most especially when you're just starting out. Making it out alive means learning how to get on top of these bumps in unorthodox ways. When you find yourself in a tough spot, here are four simple steps you can take to get through it:

1. Become a contrarian

As an entrepreneur, it's your job to be smart, make good decisions and not just follow what everyone else is doing.

However, you don’t want to become too far out there that you lose touch with reality. It’s about making sure what you’re doing is sustainable and not just a “hustle.”

Here’s how you can become a responsible contrarian thinker in business:

- Look at your industry as if it were a big, complicated puzzle. What are the pieces? What makes them work together? How can you change them to make the picture look different?
- Identify something that’s been held up as a rule for too long, and challenge it. If everyone is doing it one way, maybe there’s a better way to do it.
- Look at the demographics of your customer base, and see if there are any patterns that seem like they might be worth investigating further.

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2. Buckle up, and stay focused on your business

It’s easy to spend money when there is plenty of it, but as an entrepreneur, you always need to live within your means.

During tough times, start by cutting down on unnecessary expenses. This can be anything from eating out to buying a new car. There’s a fair chance that you’re not maximizing your profit if you’re spending more money outside of your business.

Also, try to review employee salary and benefits package if possible. If you aren’t making enough money from the company’s profits, maybe consider lowering salary rates for the time being or revising your benefits package so that it fits within your budget.

3. Extend run rate by borrowing

When you're in a slow period, it's tempting to hold on for dear life and not make any decisions. But you should always try to keep your revenue growing. If you can't afford to pay for new staff or supplies, then borrow money. And if you need more than one round of funding, don't be afraid to ask for it!

You might be surprised how many investors are willing to take a chance on you if they see that you're doing everything possible to keep your business afloat during a rough patch. However, not every investor has this kind of outlook. If your company is having financial problems or isn't performing as well as expected, investors will want their money back right away.

Furthermore, you shouldn't expect banks to give you as much credit as they used to. In fact, they'll probably give you less than they would have just six months ago. And that's because banks aren't being very generous with lending during tough times.

The best way to attract banks to lend your startup money is to be a good credit risk. If you have a good track record of paying back other loans, or if your company has a lot of assets (such as real estate), then banks will be more willing to lend you money.

4. Invest in your well-being more than ever

Despite the tough economic times, it is important to invest in yourself and your well-being more than ever. Your stress is not only a personal issue, it's also a business issue that can affect you and your company in profound ways – and it's time to start treating it as such.

You need to embrace the fact that stress is an unavoidable part of life, and it can be for good or bad depending on how you handle it. The key is to learn how to manage your stress before it takes over your life and negatively impacts your health and productivity.

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Important Takeaways:

- Stand out from the crowd, and attract new customers who want something different.
- Don’t let your emotions get in the way of making smart decisions that will keep your company afloat.
- Find ways to fund short-term cash flow issues by borrowing money or selling assets.
- You’ll have a better chance of succeeding if you’re relaxed, calm and focused on solving problems.

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