

The #1 Mistake Entrepreneurs Make

March 20, 2013

Posted by: Michael Lazerow



- Focus -

I've started 4 companies and have invested in 25 more. And I can say, with supreme confidence, that I have made or seen almost every mistake possible.

I've hired the wrong people. And fired the wrong people.

I've raised too much money (yes, it's possible). And too little.

I've launched products that not one person used and have pivoted so many times I'm still dizzy.

None of these are fun to live through, I assure you. But they are not nearly as fatal to a young company as **the #1 mistake entrepreneurs make – FOCUSING ON THE WRONG THINGS.**

Successful entrepreneurs focus exclusively on efforts that matter and are able to tune out the rest. **People who focus succeed. It's that simple.**

A critical difference between a startup and a large company is resources. Specifically, time and money. And having little of both is oftentimes a godsend and leads to some of our best work. Just look at your favorite indie movie!

Google can give its employees 20 percent of their time to pursue their crazy ideas. If Buddy Media had done that, we would have been out of business.

Focusing is not a natural exercise for many entrepreneurs. More ideas pop into my brain during my morning shower than many people get in a month.

So in order to focus, you need to build your “focus” muscle and train your brain to focus and stay focused.

Volumes have been written about how to do just this. One of my favorites is [“Organize Your Mind, Organize Your Life: Train Your Brain to Get More Done in Less Time”](#) by Dr. Paul Hammerness, a Harvard Medical School psychiatrist and Margaret Moore, an executive wellness coach and codirector of the Institute of Coaching.

But you don't need to read books to bring focus to your entrepreneurial life. Here is an exercise I use with entrepreneurs I have invested in to make sure they are truly focusing on the right things.

I ask a very simple question: What are the top 3 things you need to accomplish in the next 6-12 months to give the company the best chance of long-term success?

I push them to be specific. And rank the responses in order of importance.

Is creating the best product most important? How about locking down distribution? Are those both more important than monetization? How about hiring the right people? How about raising money? Is business development important to the business this year?

Most entrepreneurs I speak to can't name their priorities right away. And if they can, they aren't written down anywhere and they haven't been communicated to the rest of their organization.

If an entrepreneur can't name their top 3 priorities without hesitation, how will the rest of the company know? It's bad enough for an founder to work on the wrong projects. But if the entire company is not focusing in the right areas, game over!

Without focus, young companies can FEEL like they are accomplishing a lot while in reality accomplishing nothing. They solve problems that never existed in the first place. And launch products with no market.

With the right focus, entrepreneurs can change the world. I've seen it so many times, up close and personal.

If Mark Zuckerberg had not focused on the photo-tagging feature years ago, Facebook would not be the world-changing company it is. If Twitter had not focused on 140 character messaging, it would never have survived. Where would Apple be if it decided to focus on watches instead of phones? Or if it focused on selling the most number of units rather than designing the best products and profitability? You get the idea.

The single most focused entrepreneur I have ever met is [Marc Benioff](#), CEO of Salesforce. He has [an epic and well-documented process and tool called the V2Mom](#) that has helped him build Salesforce into [Forbes' most innovative company](#) in the world (two years in a row!).

In one of my first meetings with Marc, he told me that everything he has written down over the past 14 years has come true. Does he have a secret genie granting him wishes? No. But he has been able to get his entire company focused on core priorities over and over again.

I encourage all leaders (of companies, of divisions and of small teams) to write down the top 3 areas of focus somewhere visible in the organization and communicate them to the entire team.

By doing so, you are not only able to focus on what is most important, but you are also able to eliminate distractions, which is the biggest gift you can give as a leader.

Posted by: Michael Lazerow *I'll be writing about how to be a successful founder and more. Follow me at <http://www.linkedin.com/in/lazerow>.*

Marc Benioff's V2Mom Tool: How to stay focused on what matters.

The single most focused entrepreneur I have ever met is [Marc Benioff](#), CEO of Salesforce. He has [an epic and well-documented process and tool called the V2Mom](#) that has helped him build Salesforce into [Forbes' most innovative company](#) in the world (two years in a row!). by Michael Lazerow

So what's helped you keep focus?

Marc: I write about this in the book. We have an internal tool that I use and a communications cadence to help me to stay focused – because [I can be the kind of person that needs help staying focused](#). That tool is called a V2MOM (acronym that stands for Vision, Values, Methods, Obstacles, and Measures) and [there's five questions that I'm constantly asking of myself](#). I do that basically every six months for the company. I ask the employees to do it once a year, to publish it and make it transparent for all the other employees. To take those five questions and constantly think about where we are positionally. Here's how it generally breaks down:

Vision: write it down in 10 to 15 words. When I meet with entrepreneurs, I'll say to them: what do you want? That'll be my opening question to them.

Values: What is most important about that vision? What are the values of the vision? Is it growth, is it quality, is it excellence? Write those things down and prioritize them.

Methods: The question is, how are you gonna get it? What are the actions that you're going to specifically take? In priority, write them down.

Obstacles: What is preventing you from having that vision – achieving that outcome – right now? Write it down.

Measures: And finally, how will you know if you're successful? What are the measurements of success? Write it down.

Then get ready to recreate that on a continual basis. For me that is a focusing exercise, and then I will present that back to the company on an annual basis. I will show them where I'm going, what I want to do, and I will ask them to do that back so that it's a collaborative exercise. I think that if you're an entrepreneur you need to over-communicate and over-share those things. The leader needs to set the organization forward so together we can get what I call alignment. That is a huge challenge. But it builds a lot of trust in the organization if your employees can see that this is what you're doing. Of course, you've got to walk your talk. If you're gonna write it down and say you're gonna do it, you better do it – or your employees are gonna walk out and say I'm going to find somebody to follow who's going to actually get this done. Transparency builds trust. And collaboration builds trust. These are kind of modern values that we need in the entrepreneurial organization.

I have these entrepreneurs who somehow end up in my world and I work to facilitate the V2MOM with them – and it's tough for them. We'll go through the exercise and then I'll send them away and they'll come back. We'll start off and they're all over the map. Then I send them away and they come back and present it to me. Then maybe two or three weeks later they'll say: we're working on x, y and z, and I'll say, how does this relate to your V2MOM? And they'll be like, well it doesn't, and I'll be like, maybe it should be brought in then or maybe it shouldn't because I think they have an issue of disfocus. So you have to swing them back in line on purpose and vision.

How Does Your Business Stack Up?

9 Key Elements To Small Business Success

by Jonathan Raymond, EMyth Coach

May 16th, 2013

Business owners who followed these best practices had 59.4% greater odds of hitting their profit targets.



Here they are: You don't have to get all these elements perfect. And you can't do it in a day – these are “roll up your sleeves” systems to work on every day!

1. A **Written Vision** for what the business will look like, act like, feel like and perform like when it's treating customers how you want it to, every time.
2. A **Clear Set of Values** that come from your heart, and inspire a team of people who share your priorities and won't fight you on the definition of great work.
3. A deep understanding of your **Ideal Customer**, so you're spending those precious marketing dollars speaking to their needs, and not wasting energy trying to reach everyone.
4. **Position Agreements** for your employees – think of them as Job Descriptions 3.0 – that are focused on results and values, not tasks and policies.
5. A **Revenue Plan** that is both realistic and stretches you – so you stay in control while you have something for you and your team to reach for.
6. A **Marketing Plan** that isn't scattershot, but rather is designed to meet your ideal customer where they are with what they need.
7. A **Repeat Sales Plan** driven by powerful customer experiences.
8. Visibility into how you're doing through a system for **Tracking Your Marketing** efforts, so you have actionable data to maximize your impact.
9. A simple dashboard of **Key Business Indicators** to track your progress towards your vision, so you can course correct in real time.

