

The Big Thing Holding Back Small Businesses

Small businesses stay small either by choice, or because they start chasing growth in the wrong places.

When you strip away the layers, it all comes down to **darts**.

Imagine a dart board with a bull's eye and around it is a series of wider and wider circles. The bull's eye is where the people just like you hang out. They are the people (or businesses) who feel the problem your company set out to solve. They are usually your first customers and raving fans.

The further you go outside of your bull's eye, the less these prospects feel your exact pain.

Why do entrepreneurs go outside their bull's eye? When you're a self-funded start-up, you're scrambling — just trying to bootstrap your way to a company. You don't have a lot of money to invest in formal marketing, so you rely on word-of-mouth and referrals, which also means you're often talking to people outside of your bull's eye.

These prospects may experience the problem you're trying to solve, but they are slightly different (that's why they're not in the bull's eye). They like your product or service but want a little tweak to it: a customization or a different version. You don't see the harm in making a change and start to adjust your offering to accommodate the customers outside your bull's eye.

Your new (slightly-outside-the-bull's-eye) customer tells her friends about how great you are, and how willing you are to listen to your customers, and she refers a prospect even further outside your bull's eye who again, asks you for another tweak.

Making these changes to your original product or service to accommodate customers outside your bull's eye seems innocent enough at the time, but eventually, it undermines your growth.

Why?

To grow a business beyond your efforts, you need to hire employees (or build technology) that can do the work. As humans, we are usually lousy at doing something for the first time, but can master most things with enough repetition.

Think about teaching a toddler how to tie his shoes. The first few attempts are usually rough. It's a new skill and their tiny hands have never had to make bunny ears before.

You break it down for the child and show them how to master each step. It can take weeks, but eventually they get it. As adults, we don't even think about tying our shoes — we've mastered the skill by repetition.

The same is true of your employees. They need time to truly master the delivery of your product or service. Every time you make a tweak for a new customer outside your bull's eye, it's like changing the instructions on tying your shoe laces. It's disorienting for everyone and leads to substandard products and services, which customers receive and are less than enthusiastic about.

Having unhappy customers often leads the owner to step in and "fix" the problem. While some founders can indeed create the customized product or service for their new, outside-the-bull's-eye customer, they are making their company reliant on them in the process.

A business reliant on its founder will stall out at a handful of employees when the founder runs out of hours in the day.

The secret to avoiding this plateau, and continuing to grow, is to be brutally disciplined in only serving customers in your bull's eye for much longer than it feels natural. When you want to grow, the temptation is to take whatever revenue you can, but the kind of growth that comes from serving customers outside your bull's eye can be a dead end.