

# 6 Business myths you need to get over

CRAIG RODNEY DISPELS BUSINESS MYTHS THAT ARE HOLDING BACK SMALL BUSINESS OWNERS.

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In 2002, 26-year-old Craig Rodney founded his first business, Emerging Media (a tech PR company). A year later, after being flown business class to London, he took Mark Shuttleworth on as a client and has since added Google, Oracle and Symantec to his long list of clients.

It was over a round of golf in 2010 that he decided to merge his business with Cerebra, a social communications agency run by his good friend Mike Stopforth. By 2011, he was voted one of the 40 most influential South Africans under the age of 40.

Today he remains a managing director and shareholder of Cerebra, but is taking 2017 to focus on himself, prioritise his two young boys, and offer one-on-one business coaching to small- and medium-sized businesses, based on his 15 years of experience.

“PUT TIME ASIDE EACH WEEK OR MONTH TO STEP BACK, GET PERSPECTIVE AND ASK YOURSELF HARD QUESTIONS.”

## MYTH

THE BUSINESS SHOULD BE YOUR TOP PRIORITY

Business owners often make the mistake of prioritising the business' needs over their personal needs. They often sacrifice family time, health, holidays and leisure time, and fail to realise that working on being the best version of themselves will lead to even better versions of their business.

Larger businesses have larger support networks and it's easier to delegate

## TRUTH

YOU SHOULD BE YOUR TOP PRIORITY

responsibilities. Running a small business requires a lot of time, energy and financial capital, but you can't spend the entire year feeding all your energies into your business, without replenishing your energy supplies. You'll run out of stamina to fix and improve your business if you don't invest in yourself. You are more important than the business.

## MYTH

MARKETING EQUALS BRAND BUILDING

Marketing is often perceived as brand building. In reality brand building happens when you deliver your product or service. Your brand is determined by the work you do, not by the marketing you do. Your brand value is what your first customer says about your business to your second customer.

For small-to-medium businesses, marketing should be about lead generation and creating opportunities for sales. Invest your budget in marketing activities that lead to contacts with people and companies that need your products or services. Sales isn't a passive consequence of marketing, it's an active, hands-on process of creating opportunities that you can pursue and close.

## TRUTH

MARKETING EQUALS LEAD GENERATION

## MYTH

WORK FOR YOUR BUSINESS

## TRUTH

WORK ON YOUR BUSINESS

Everyone should work both for and on their business. When you work for your business, you're an employee carrying out responsibilities like admin, sales, marketing and customer care. When you're working on your business, the business becomes the customer.

Put time aside each week or

month to step back, get perspective and ask yourself hard questions. Don't do things out of habit or because that's how it's always been done. Question the changing landscape of your industry. Ask yourself: are there better ways of doing something, does this offer value, is my business

correctly geared for the next five years? If you read something in a book, but see it's not getting the results you're after, scrap it. Don't be afraid to try new things, use trial and error, and always remember to be open to feedback.

## MYTH

VALUE  
DETERMINES  
PRICE

## TRUTH

PRICE  
DETERMINES  
VALUE

When pricing products, many business owners believe the value of the product should determine the price. They'll calculate the material production costs and add a mark-up. Small businesses often undercharge because they need the work and there's a misconception that you have to be busy to be successful. But don't overlook the opportunity to use the price you charge to influence how the product is perceived by the customer.

When you undercharge you're teaching your customers to not value your product. Price often determines value – the higher your price, the more valuable the customer perceives your product or service to be. If you've got a good reputation for quality work, you can price yourself on the higher end of the scale. You may have fewer customers, but you will make the same amount of money while investing less time and effort.

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YOU NEED  
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## MYTH

YOU CAN  
BUILD YOUR  
BUSINESS'  
CULTURE

## TRUTH

THE BUSINESS  
OWNER IS THE  
BUSINESS'  
CULTURE

Businesses often believe they can create a business culture based on textbook definitions and examples, through team building exercises, incentives or a culture officer. What they fail to realise is that the culture always follows the business owner. The business' culture is a mirror reflection of their approach to the business. You need to live the culture you want to see in your business.

Remember that your business' culture needs to support your business' purpose. Not every business is going to have the same business culture as, for instance, Google, because that kind of business culture may not be beneficial to your business. Do what works for your business.

## MYTH

THERE'S A  
MAGIC  
BUTTON TO  
FIX CASH  
FLOW

## TRUTH

CASH FLOW  
WILL ALWAYS  
BE AN ISSUE

Entrepreneurs need to approach starting a business with the understanding that there will often be cash flow issues. There's no book, business course, or software that can magically solve it. They may help, but only strict and consistent focus on cash flow will keep you afloat.

It's about solid business practice and habits. Have legal, contracted terms with your suppliers and customers and be willing to enforce them. Be aware that by delaying payment to you, customers often solve their own cash flow issues.

Second to the contract, maintain leverage by withholding work or final delivery pending payment because once the customer has received their goods or services, non-payment becomes your problem. If your contract prevents you from withholding work, your cash flow management system becomes grit and persistence. Phone, chase, nag and remind as often as is needed to get paid.