

## 8 Deadly Wastes That Every Entrepreneur Must Avoid

Every entrepreneur I know is short on resources, including time, money, and skills. The last thing they can afford is to waste any of these, but in my mentoring and coaching activities, I see it happening all too often. Waste in a startup is any activity that absorbs resources, but creates no value or competitive advantage in the eyes of customers.

Much has been written about this subject in the world of manufacturing, stemming primarily from the 1990's work by Taiichi Ohno, called the [Toyota Production System](#) ("Lean"). More recently, the concepts have been applied to the general business management context, in a new book by Certified Turnaround Professional, Thomas H. Gray, titled "[Business Techniques for Growth](#)."



While his book goes well beyond controlling waste as an element of growth and success, I was struck by how relevant the waste points are for every startup and every small business. Thus I am morphing the points here, with specific focus on the entrepreneur, who would never think of themselves in the context of automobile manufacturing:

1. **Offering too many products and services concurrently.** In the startup world, this is often seen as a lack of focus. Trying to do too many things with too few resources, usually means the startup will not shine at anything, and will not survive the competition. That's a deadly waste you can't afford. My advice is to keep it simple, and do it well.
2. **Inventory and features added too soon.** Inventory is money sitting idly by, adding no value. For market changing products, build first a minimally viable product (MVP), and never build products for sale until you have real orders in hand. More features and inventory added early will be wasted as you will need to pivot to match the real market.
3. **Bottlenecks to team productivity.** Time utilization inefficiency is wasted time. Make sure you are not the bottleneck for your team. Many entrepreneurs insist on making every decision, and spend too much time working in the business, rather than on the business. The result is lower productivity all around. Hire real help and learn to delegate.
4. **Lack of communication.** Communication is the fuel that controls the speed of startups. Delays in sharing, or lack of communication from the top, result in time and effort wasted, adding no value to the business. As an entrepreneur, you need a visible business plan and weekly team meetings, so everyone is working on current issues and real goals.

5. **Poor or too many business processes.** Business processes can be your biggest time saver, or your biggest waste. Productive processes start with a plan, and end with metrics that measure value delivered. Entrepreneurs have to embrace creativity and change, yet move quickly with trained teams who can deliver repeatable processes.
6. **Focus on activities rather than results.** Too many entrepreneurs confuse action with momentum and results. Focus on the 20% of your important tasks that will deliver 80% of the results. Judiciously apply 20% of your energy where it will achieve 80% of the momentum you desire. Then always measure customer results, not work.
7. **Defective products and services.** Poor quality products and poor customer service are doubly deadly wastes. You lose the customer you paid to acquire, and the unhappy customer spreads the word to potential customers that you are spending marketing resources on, but will never win. Recovery efforts are wasted resource which rarely succeeds.
8. **Underutilizing people skills.** When people can do more than they are asked or motivated to do, the money spent on others doing that work is waste. The solution is to maximize your own staff productivity first. Recognize and reward the people who excel, provide training, and challenge the team to invent new methods for significant change.

Entrepreneurs and small business always operate on the edge. There is no cushion. Waste means death. Are you as an entrepreneur really ready to deal with the new technology, new regulations, and a new workforce schooled in the digital age? How much time have you spent learning to use the practical techniques and new tools available? It won't be wasted.

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