

Top 10 Mistakes Entrepreneurs Make & Ways to Avoid Them

If you have already made some of these mistakes, don't be alarmed! Most of these mistakes are not fatal. Many entrepreneurs and small business owners find ways to work around, recover from, and resolve these issues. If you need help avoiding or recovering from some of these mistakes, please fill out and submit our [intake form](#).

Top 10 Mistakes and Ways to Avoid Them

Mistakes	Ways to Avoid Them
Failing to make the deal clear with co-founders	Make sure to have a Member Operating Agreement or Shareholder Agreement.
Choosing the wrong corporate entity or losing its protections	When choosing the entity type, be sure to take into account important tax issues, follow all record keeping requirements, and do not commingle personal and business funds.
Poor intellectual property strategy	Carefully consider intellectual property protections, such as patents, copyrights, trademarks, service marks, domain names and trade secrets.
Skipping market research	Develop an accurate strategy to pinpoint your ideal customer. Use resources like census data or even hold focus groups to determine that there is a demonstrated need for your product.
Over promising on a business plan	Make an honest appraisal of what's doable and set forth the underlying assumptions so potential investors can judge for themselves, and so you have a valuable working documents with targets and goals to measure your progress.
Failing to comply with state and federal securities laws when issuing stock to family, friends and angel investors	Know the law before saying to someone "I would like to give you an opportunity to invest in our company" or risk a criminal conviction (ignorance is no excuse under the law).
Using sample documents from internet sources without understanding whether they benefit your company	When signing contracts for your business, be sure to read them carefully, and if you use contracts regularly, hire an attorney to develop a standard form contract in favor of your company (consider also a terms of use agreement and privacy policy for your website).
Lack of employment documentation	Good documents to have in place when hiring employees include an at-will offer letter, confidentiality agreement, invention assignment agreement, employee handbook and tax and benefit forms.
Matching prices with bigger competitors	Although it may be tempting to cut prices to match bigger competitors with lower overhead, the best customers will be the ones who value the quality and care that goes into your products at a higher price.
Ignoring social media	Social media can be an effective and inexpensive way to find customers and advertise a business. All business types can benefit from being active on social media and the internet.