A Model for Why Small Businesses Fail: Problems and Solutions

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A Model for Why Small Businesses Fail: Problems and Solutions

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Abstract
Failures among small businesses are quite common yet it seems that there are no readily available solutions. The aim of this research is to provide a wealth of knowledge in one place so that it could be easily accessible to businesses at risk of failing. Solutions discussed include how to overcome lack of differentiation and understanding the need for any business to change with the times.

Crossing the Chasm
Lack of marketing.

- Innovators- Seek out new products.
- Early Adopters- Quickly understand the benefit of new products.
- Early Majority- Practical minded consumers.
- Late Majority- Wait for a product to become well established.
- Laggards- Are not interested in new products.

Change Management
Owners object to change.

- Motivate the elephant- What looks like laziness is often exhaustion. Make your audience feel the need for change.
- Direct the rider- What looks like resistance is usually a lack of clarity. If the Rider doesn’t know where to go, they spin the Elephant in circles.
- Shape the path- What looks like a people problem is often a situation problem. Make it easy to embrace the change.

Marketing Meta Analysis

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<th>Successful Businesses</th>
<th>Innovative Initiative</th>
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<tr>
<td>IBF Foods</td>
<td>Community with your Community</td>
<td>Temple with your Community and their members will support you.</td>
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<td>Apple</td>
<td>Crossing the Chasm</td>
<td>Repay with your Community. We introduce the first “sustainable” MP3 player into the market. Yet, they are the ones that redefined the music industry.</td>
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Recommendations for Successful Businesses

- The Anatomy of Buzz
- Up the Loyalty Ladder
- Create word-of-mouth marketing.
- Turn curious prospects into enthusiastic advocates.
- Doing the new thing might not be the right thing.

References