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12 Tips To Avoid Pitfalls When Starting A Business In New York

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Entrepreneurship is a constant process of trial and error. However, too much error may lead to significant pitfalls, or even failure. About 50% of small businesses fail in their first four years, according to data compiled by the Bureau of Labor Statistics. Main causes of failure included incompetence and lack of experience.

While trial and error is certainly always involved, some errors are clearly more costly than others. So, what are the best ways for aspiring entrepreneurs to avoid such painful pitfalls when starting their business, especially in markets where competition is especially fierce? Below, 12 members of Forbes New York Business Council provide their best ways to avoid potential pitfalls while starting out.

1. Be Like Warren Buffet

Warren Buffett only invests in a business if it's a long-term strategy. I'm shocked to see how many people start a business with one foot out the door. You need to jump in with two feet. If you want to become a successful entrepreneur, it needs to be a long-term investment and you need a do-not-quit attitude. Failure is OK, as long as you fail fast and pivot to get back on the road to success. – Philip Smith, PJP Marketing, Inc.

2. Find A Balance

Remember that competition is a good thing. Pay attention to what your competitors are doing and find ways to elevate your offering that resonates with your core values. Do the best you can to find the balance between maintaining focus on your business and staying ahead of trends. I guess that means to consistently check your ego and don't get caught up in the hype. – Morris Levy, The Yard

3. Hire The Best Advisors You Can Afford

When it comes to setting the foundation for your new business, it makes sense to establish proper fundamentals from the onset. This is why I believe it's imperative to hire the best accountant and business attorney to fit your budget. Doing things correctly from the start establishes a solid foundation to build upon and you'll avoid the headaches of having to restructure later. – Denise Caron-Quinn, In Order to Succeed®

5. Start With The End In Mind

It's easy to get so caught up in the day to day that you pick your head up and realize you are working constantly in the business and not on the business. Starting with the end in mind helps you create systems and processes to be replicated by people who work with you later. Going from a one-man show to a team is a difficult transition as you grow, but made much easier by planning properly. – Steven Libman, Integrity Holdings Group, LLC

6. Be A Disciple Of Data

We all have a million ideas. Unfortunately, most of them are terrible. We can believe in something to the depth of our soul, but if there is not a market for this idea, the belief needs to change. When building a business, do not let emotion or conviction drive your strategy — hubris and ego, when not offset by the humility of data, can drive you right off a cliff. Look to the numbers. – Monica Ferguson, SoleMates, LLC

7. Start Small

Don't quit your day job right away. Use it to propel you to the next level. Start small. If you are selling a product, do it online. If you are selling a service, do it on the nights and weekends. Find out if it's a viable business move or just a passion project/hobby. – James Giacomelli, Giac Capital, Inc & Giacomelli Accounting and Tax Services, LLC

8. Fail Early

There are numerous things that can go wrong when you start a business. Worry less about how to avoid them, and more about how to tackle challenges with a positive mindset. There will be some failures, but it will be easier if you can face a few challenges early on that teach you how to grow and pivot. – Ludovic Huraux, Shapr

9. Go With Your Gut

It's not possible to avoid every failure or bad decision, no matter how much planning or effort is put into it. Go with your gut! Pick yourself up, dust yourself off and keep it moving. Growth happens in those moments where we make the wrong choice or bad decision. Embrace the learning process. All true successes are backed by a laundry list of failures. – Hoda Mahmoodzadegan, Molly's Milk Truck and F'in Delicious Beverages

10. Be True To Yourself

My advice would be to say no if a project or client doesn't feel right. Early on in starting a business, you'll take any project or client willing to pay you money. And to some extent, it's a necessary evil of starting out. But be careful. Promising to deliver something way outside of your expertise can get you into some extremely uncomfortable situations and potentially damage your reputation. – Tom Conlon, North Street

11. Make Sure Someone Has Your Back

It is imperative to have a strong network of advisors and mentors in your corner. Nobody is expected to know everything, even when it is your business. Having an advisory team in place will allow you to make good decisions even in rocky waters. We are very lucky to have met a great group of entrepreneurs and finance experts through our time in Startup Bootcamp and Silvertch Ventures. – Yana Zaidiner, Token Payments, Inc.

12. Endure With Passion

We all have ideas of how to solve problems and make the world a better place. One mistake is to overly focus on a business idea that you would be a customer of. The pitfall is not focusing on the daily tasks that will become your new life. To avoid this, ask yourself if you are excited about the daily execution. If you love the journey, your passion will shine and business will endure. – Jonathan Amoia, Sandhill Investment Management