

7.2. More F.A.I.L:

7.2.1. Fail in preparation

Fail in preparation is usually due to organisational shortcomings generated by carelessness of the entrepreneur.

7.2.2. Fail in start-up.

This may happen due to incapacity to convince investors that the idea is worthy. Also, this kind of fail can be determined by the lack of material or human resources in the area.

7.2.3. Fail branding

It can be the result of the incapacity to identify the proper market segment; to understand the needs, expectations and culture of the market segment; to use the proper channels to address this segment; to cultivate the proper brand; to legally protect the brand, etc.

7.2.4. Fail generated by the lack of domain specific business knowledge

Some entrepreneurs venture into fields outside their expertise and believe that only their intelligence will compensate this significant gap. They should take advice (friendly or contractual) from specialised experts. It is preferable to start a business where you have expertise and you are passionate about.

7.2.5. Fail generated by the overestimation of the market need

Negligent entrepreneurs rely only on their “feeling” and believe they understand the market, when they actually don’t. Classic examples:

[Sinclair C5](#); and

[Webvan](#)

7.2.6. Fail generated by the underestimation of the competitors

Entrepreneurs should be careful regarding competition, because competition has already conquered a large segment of the market, has a deeply understanding of the customers and, in most cases, has a large amount of funds for “battle” that the entrepreneur hasn’t.

7.2.7. Fail generated by poor knowledge of the target group, resulting in poor marketing

Today the customers are more sophisticated than they were decades ago. The products that possess only high functional features are not successful by themselves. They should possess also high ergonomic features and be supported by meaningful brands.



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7.2.8. Fail generated by lack of passion and commitment in the founding team

The typical entrepreneur distinguish himself/herself from other people by vision and commitment to his/her idea. The passion for his/ her business and the communication inside the team that develops the business are two very important factors for a successful business.