

# 4 tips to guide you on your way to becoming a successful entrepreneur

Issued by [Business Partners Limited](#)

6 Oct 2022

For some, the prospect of taking a risk and stepping out into the sometimes complex maze that is the South African SME sector, is too daunting. And for others, it is a golden opportunity that is not to be missed. If you fall into the latter category and are raring to go, consider these four ways to set yourself up for entrepreneurial success.

## 1. Practice accepting constructive criticism

As an entrepreneur, you'll often be reminded not to 'take things personally', although that is seldom accompanied by guidance on how to do that practically. What many do not realise is that learning to accept feedback without feeling like it's a personal attack, takes lots of practice.

You can start by asking for feedback often and preparing yourself mentally and emotionally to practice active listening. What this entails is listening to someone else's perspective with an open-mind and doing so in a way that internalises what's being said instead of preparing yourself for a rebuttal.



Ben Bierman

Of course, not all criticism will be constructive, but you'll be able to discern helpful advice from discouraging remarks by identifying whether the feedback is unbiased, balanced and inclusive of practical examples and actionable solutions.

## 2. Include competitor research in your business plan

You'll find a number of templates and guides online on how to draw up a business plan, a great example is the SA SME Toolkit website. A thorough, data-intensive and insight-rich business plan has the ability to unlock networking, funding, support and mentorship opportunities.

One vital component that every business plan needs to include is an outline of your competitor landscape. You'll need to conduct thorough research on how market share is divided amongst the existing players in your industry, the unique selling proposition that your competitors are leveraging and what the prevailing public sentiment is about what your competitors are doing right and what they are doing wrong.

## 3. Explore the best small business funding options

One of the most important decisions you'll need to make as an entrepreneur is how you are going to fund your business. Most entrepreneurs entering the market for the first time have a relatively limited view of the available funding options and may assume that applying for a business grant or bank loan are the only viable solutions. There are in fact several alternatives that may serve your unique needs.

Business funding can be categorised as either equity or debt funding. Equity funding is provided in exchange for a stake in the business. In most cases, equity funding is fairly flexible and will require sharp negotiation skills to seal the deal. The advantage is that SME owners gain access to useful expertise, guidance and knowledge from equity funders which include risk financiers such as Business Partners Ltd, venture capitalists and angel investors.

Debt funding will require entrepreneurs to borrow money from an institution or individual and pay that money back according to specific terms and with the accumulation of interest. Debt funding comes in the form of term loans or working capital loans such as overdraft facilities.

#### 4. Lean on your trust network

Motivational speaker and serial entrepreneur, Jim Rohn said: “You are the average of the five people you spend the most time with”. This statement is particularly true of entrepreneurs.

The connections you make over the course of your business journey and the people within your immediate network will become your greatest source of advice and assistance. Your network of trusted confidantes and business advisors will also provide you with the safety net you need when you make mistakes, and the outside perspective that will help you to avoid potential roadblocks that lie ahead.

Never underestimate the influence that your business community will have on you in both a personal and professional capacity. Surround yourself with positive influences that will serve as a source of upliftment, encouragement and sound advice.

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