

It Wasn't Meant To Be This Way - Why Creative Businesses Fail

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Now we don't want to put a downer on things, but the reality is that if you're a creative freelancer or entrepreneur who's already got a few battle scars, or an artist who's looking to kick off a new endeavour, you're likely to have had a few sleepless nights worrying about messing things up and failing. Hey you might – like us – even have actually messed up on a few occasions.

When you're in the thick of it – when the orders are piling up say, or when you're on tour and don't know what day it is or which town you're in – it's really easy to lose sight of that big picture that's so important. So, as part of your business planning process it's always worth stopping and thinking about why creative businesses sometimes fail. Doing so is part of your belt and braces process – a way of making sure that your planning is covering all the bases.

Here's some we – and maybe you – made earlier: some common mistakes

To help you be prepared, we've listed a few of the most common reasons people sometimes trip up... And yes, before you ask, we've definitely made a few of these mistakes ourselves, so we know what we're talking about, but importantly we learnt from them and it means we can share them with you now!

They didn't deliver real value

It is that you think about what your customers or audiences need and want, and shape what you make or provide in response to that. In brief, that's about delivering real value for your target audiences or customers. If you're not providing something they value, then you may as well shut up shop now, because no one's going to come calling.

They didn't connect with their target audience

If you can't or don't connect with your target audience, there's no doubt your business will fail. Not only will you not be able to sell to them in the future, it's likely that you won't even know what they want or need. Regardless of how creative we are, none of us can get anywhere if we don't get this right, so get to it! You might find our [The 4 Ps](#) and [AIDA](#) exercises a useful reminder or place to start.

They didn't convert awareness into sales

It's not enough that people know about you or your business; you also need to make sure that you're seen and heard above the noise and convert potential customers or audience members into people who actually part with their cash to buy what you're offering. In marketing terms that's about getting inside what's called the 'customer journey'. You might want to take a look at our [AIDA model exercise](#), which is all about converting initial Awareness into Interest, Desire and Action.

They didn't control their costs

Turnover is vanity, profit is sanity. This is one of the financial realities you need to understand if you want you yourself want to stay sane as a creative freelancer or entrepreneur. It doesn't matter if your turnover (income) has gone up 10% if at the same time your spending has increased by 20%. We know that most creatives aren't massively motivated by money (the same is true for us), and that a lot of us really hate the money stuff, but it's still really important to keep an eye on your costs and your profit margins. If you don't, you could be working yourself into the ground but not seeing any benefit financially. If you find all this a bit daunting do check out our [Money, Money, Money](#) module for introduction to financial planning.

They ran out of cash

We know. It's boring. But a good cash flow forecast might be the most important single bit of business planning you do. All that plotting and designing will have been for nothing if you don't have enough money to pay your bills. If you're allergic to this kind of thinking do check out our [Cash flows are The Way Forward](#) quick read, and if you don't know where to start why not use our [Cash is King template](#) to kick things off.

They weren't prepared for peaks and troughs

So if you're a maker, the chances are that Christmas is going to be busy for you. The same goes for musicians. If you're an outdoor production manager, then come summer the chances of getting much sleep are probably low. Working out how to prepare and financially plan for not only your known peaks and troughs, but also having a contingency plan for the peaks and troughs you can't anticipate (you know, like a global pandemic), is essential if you want to have a resilient career or business, and not also test your personal resilience. After all, having a balanced set of books means you're much more likely to have a balanced mind. And that's what this whole toolkit is about...so if you need some help with the mind stuff, don't forget to head over to our **Balance Your Mind** modules.

They didn't have a proper plan!

Well, we would say that wouldn't we?! But that saying 'Fail to plan, and plan to fail' is often true. Yes, in the short term you can get by without a plan – sell a few pieces of your work, do a few gigs – but ultimately if you want to go the distance you're going to need a plan. They help you figure out your next move, be better prepared for whatever might happen next, and – this is the best bit – really help you figure out what success is, and when you've nailed it. They also make the whole running a business or being a creative freelancer easier on your mental health. But you're here, looking around our Balance toolkit, so you know that already right?