

# BUSINESS MADE EASY<sup>!</sup>

A man with short, light-colored hair, wearing a blue and white checkered button-down shirt, is smiling broadly. He is sitting in shallow, clear water, with his arms resting on the edge. The background is a bright, slightly hazy outdoor setting.

**Episode 55**

## **When Things Go Wrong In Business**

Full Episode Transcription

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Good day. Good day and welcome to the Business Made Easy podcast where we make business easy. Jason Skinner, you host here for another week of the podcast which is all about putting more money in your back pocket and giving you more time and a better life as a result. So thank you so much for joining me and that's what I wanna do for you today when we talk about our topic that we're going to talk about.

But before I get into it, don't forget to hit the subscribe button if you're new to the show. Hit that subscribe button in iTunes or, or your relevant listening app of choice. That will make sure that you get each weekly episode as I bring it out to you. It comes out every Friday and that'll make sure that goes straight to your inbox and you won't miss an episode. We cover everything on the show from marketing, the latest in social media or on SCO and websites and finance and um, accounting of, of all things.

We try not to talk too much about numbers but they're necessary and also we talk about um, management and anything to do with business at all that, that's gonna help you. If I can come across any tips or tricks that I can share with you to make your business life that much better and uh, and make you that much, you know, make your business more profitable then that's what I wanna do and that's what the podcast is all about. So thanks so much for joining me. Thanks so much for listening in.

Now, today, we have an episode that just me talking about, I wanna talk about the subject of when things go wrong in your business. We, listen to so much commentary and so much content out there around, things going right and do this in social media and grow your business this way and grow your finances this way and, and we'd all love nothing more than to just have this rosy business that

was ticking along nicely and nothing ever went wrong. But the fact of the matter is, it's business and things are going to go wrong from time to time. They just are.

It's a fact of life. The sooner we accept it, the, the better, better outcomes we can have from it but uh, you know, we, we, I see some uh, terrible things happen to, to various businesses through no fault of their own sometimes through fault of their own and sort of different problems that can come about as a result of that, of, of the um, the problems that come out in, out in business force.

So today I wanna talk to you about the types of problems that can arise and how we can best deal with them. To get the best outcome of them. Accepting that things are going to go wrong, you know, we are going to lose a, a good customer from time to time. We are going to, to lose a staff member from time to time. We are, you know, going to suffer some, some form or financial uh, difficulty in, or cash flow difficulty in a particular circumstance.

As I said, some of them are avoidable, some, some not so much so let's just talk about the avoidable ones firstly. The avoidable ones are the the avoidable problems that crop up are usually the ones that go, "Well, I learnt a really big lesson from that." And how many times have you heard people say that? Well, I'm talking to business owners all the time and you could ask somebody, if, if they're in business, you said, "What's the biggest lesson you've learnt in business? That's usually the biggest problem that they've had at some point, it's along the way because it's true those problems that because we don't know what we don't know, right?

Now I guess that's the way it is. We don't know everything. None of us are all born with this superpower knowledge of, the business that's in running a

business. So, a lot of us fall into the role. A lot of us are sort of finding our way and that's why I love, coaching people in business and being a mentor for people in business to help them grow and help them not make those mistakes. Most importantly, I like to help people to see the problems before that they actually arise.

So they're a good problem to have if you see a problem down the road and you can fix it before it hits you then that's a great problem. It's usually less expensive and a lot less stressful as well. So they're the tops of problems that we, you know the lesson learned type problems and we talked a fair bit about those in episode fifty-two it was. We were talking about systems and processes and procedures and they're important. They're the things that stop or help us to not have those mistakes and issues come up along the way.

The other thing that, can help with those types of problems are risk mitigation process and I'm actually gonna do a podcast episode on this and I might even do next week on it. But risk -- I've got a model that I work through and I'll provide the templates and things for you as well but there's a technique to mitigate risk. And it actually takes some active planning and you sit down and you actually knot out all the things that could possibly go wrong with your business and then you work out what level of exposure, et cetera, you have to those problems arising and then you workout or what other, what other plan base or what other, things that we're going to implement to mitigate those things and, reduce any impact on the business.

Very, very important process and unfortunately nobody does this or very few. It's usually the big end of town, the corporate, the larger corporate uh, type companies, that the report to shareholders and things like that. They have to

have risk committees and things like that to, mitigate risk for the shareholders. But we, in business, even if you're a sole trader, if you're at home blogging, if you're running a business blog at home or if you're running a larger business you know, with the physical premises or own a shop and those sort of things, you really should be sitting down and working out a risk model or risk plan as to all the things that could potentially go wrong in your business.

And I'll talk about that, I won't get into that too much in today's episode but I will talk about it coming weeks for you because I really do feel this is an important part of um, of planning. But even with all these in mind, with all the planning and process in all, in, in place and all the lessons learned and all those sort of things along the way, there are still problems, there are still issues that can arise that are just totally outside our control and they're the problems I wanna talk about today.

There are things that can just turn up in business that you can -- I'll use as, an analogy in the second, where you, you go to work and everything seems to be ticking along nicely, you know? Staff are happy, cash flows flowing, customers are happy, everyone's busy, it's all working along nicely and then, bang, something will happen. And that could be a complaint from a customer, could be a call from the bank, it could be anything and you go, "Wow, why did that happen?" It could be the economy takes a downturn. It could be the government changes.

We've been having a lot of political turmoil here in Australia at the moment with the prime minister's being ousted overnight and all that sort of stuff going on, that has an impact on business and the economy as a whole and I can't control that. I, I can plan all I like. I can make reserves and savings in my business for if

there is a downturn in the economy but I can't control that problem arising. Your landlord, might turn up one day and say, "I'm putting the rent up in next review and it's going to be double." And that's totally outside your control. You can fight it but it's totally outside your control. So you have an option you gotta move or what's the cost of moving you know and you're gonna look at all that.

So these are things that, they're problems that can come up. You might have a staff member that steals from you which I've seen that happening in clients that I've worked with. You know, money is leaking out of their business and they, can't find out where, you know? They trust everyone and nothing seems to be going wrong but all of a sudden they find that this has happened. You know, suppliers might fail to deliver. You might have a backlog of orders, you know, waiting for, for suppliers to deliver to you and, and all of a sudden a major supplier fails to deliver and goes broke on you or something like that or a customer may not pay you. They promised to pay you and they ask you to help them out.

We have that situation ourselves in business. you know? We had a long-term client running to some hardship. I lost many thousands of dollars and said, "Look, I'm good for it, I'll continue to pay you off and, and I'll pay you know, so much a month if I can, just to help me through this hardship, owed us, you know, many thousands of dollars and said, "Look, I'm good for I'll, I'll continue to pay you off and, and pay so much a month, if I can just to help me through this hard, hardship." And, we took it on board, I mean we had a long-term relationship with them but next thing we get a letter from the trustee in bankruptcy saying that, they've gone into insolvency and you're not gonna get that money anymore.

Well, we've paid for the work and -- so things can go wrong all the time and you know, it is outside, a lot of it is outside our control. And some not; some, some is but a lot of it is outside our control.

So what do you do when that happens in your business? What steps can you actually take, you know? And it's, I believe it is how we deal with the problem, accept the problem, deal with the problem and come out the other end of the problem, that actually makes us the leaders, the good leaders in business that we strive to be because at the end of the day, maturity and responsibility come in here and you have to step up at that point and go right. And this -- I'm talking to everybody in business and not just, the manager of a company. I'm talking about as a sole trader, or as any when something goes wrong, you know?

If you're -- just an example for a sole trader like you might have a website or e-commerce store that's really pumping along nicely that, is going well and you wake up one morning and Google algorithm is changed and all of a sudden you're, traffic has more than halves, you know?

That's a lot of dollars out the door so this can happen to everybody. Another thing, an example might be your site's being hacked overnight. Wake up and all of sudden there's ransomware on your system and you're being held to ransom. That happened to our medical center here in Australia where they, they all came into work one morning and turned on their computers and there was flashing red screens going um, "Warning, your machine is now under our control unless you pay us six dollars." And imagine all the patient's records and all the, all the data. The sensitive data that's potentially exposed there so and the history of the practice. So these things can go wrong anywhere and at any time and are going to be largely outside our control.

So we do have to deal with them and there's a story that, Australian share. It sort of a bit of a bushman story but, it's a bit of a thing that says, "what was the first thing that an Australian, in Australia when you, you're out in the desert and you're driving along in your car and you get bogged down the road, in the sand or in the, in the bush and the, the bushman all tell us the story that you really should? " the very first thing you should do is sit down and make a cup of tea and sit under a tree and think about it and I, I like that story.

It's pretty true. I mean, most people when they get bogged, I'm not sure if you've been bogged, I've been in cars where we bogged. I bogged my father's nice four wheel drive on the beach one time and I won't get into that right now, another the story, my backside still reeling from the pain. But when you do get bogged or something happened, something goes wrong, your very first reaction and it's we're going to this flight, this protection flight, sort of mode as humans and the first thing we do, start to do is panic and, and you know, just this moment of realization, "Is this really happening? Like is this a dream? Like what's going on?"

And so we panic and we tend to make rash outbreaks and make rash decisions, you know? If -- something goes wrong, and we just react and try and fix it straight away then we could be really making the problem worse. So you know, in business, it's the same sort of thing. If something goes wrong, our first reaction is to flare up and to panic and you know, respond in a reactionary sort of way that's gonna take away that pain away quickly but you know, like the bushmen story of sitting down and having a cup of tea, and thinking about, the idea of that is that you sit down and take the emotion out of the situation and discharge the situation and relax a bit about it you know?

Get, some acceptance around it and understanding around it and some clarity around that problem that's arisen in your business. And this could be as I say, a major customer leaving. That's gonna be you know, have a detrimental impact on your business. Now, that your first, thought might be to pick up the phone and you know start getting desperate with that customer or start burning bridges with that customer or might get angry.

I know of business owners that if they lose a customer they get angry at them. As if they have some, life right to that person's custom in their business. It's crazy. So we really wanna take the emotion out of the situation and take the energy. Just try and take as much energy out of the situation as possible and sit back and assess really what it is that is the impact of this business, on the business. And during that time, I guess that period of assessment and look, this is not easy to do. A lot of this but I'm telling you but it's just a framework I'll be giving you to help you process when things go wrong.

Take the energy out sit back. Um, In all seriousness, I get angry, might things go wrong in my business I get angry, the first thing I wanna do is grab a bottle of wine and sit down and talk about it and stew over it and, and what not. I tend to do that but that's sort of my cup of tea. I guess I sit and relax and talk about it. I'm very fortunate, I have a wife and she's in the business with me so we can talk about what's going on.

If you are on your own, If you're a sole trader, or you don't have that person that you can bounce, that trusted person, you do need a trusted person that's got your interest at heart when you do this -- so I've got to stress that -- then you need to find a mentor or find a person that can be that person or as close to that person as possible for you. So it is a good idea to have someone who also a

colleague that's in the same industry as you that understands what you're going through. Um, you could have a business coach or business mentor such as myself.

You could always give me a yell and I'm more than happy to give you an ear and, let you, get it off your chest. But, you know, you need to find that pers -- you need to find that person to sit down under that tree, have that cup of tea or glass of Sauv Blancs -- as I, as I prefer -- and actually just talk about what is it that's actually happened and what does it mean, what does it truly mean for the business?

At first, it's probably gonna mean like oh the end is here and the world is here but it's not. There are ways around everything and I'm a firm believer that well if you have choices you're in front of the game. Well, if you can make choices, it might not always be choices you wanna make and it might be choices that you're forced to have to make but they're choices nonetheless that give you options, that you can see your business one way or the other in the right direction.

Now, if we make a rash decision, if we jump in and just react, we might take the wrong choice. So that is why I, I really believe, again, sitting -- I'll, I'll call it sitting down under the gum tree. Sitting down under the gum tree, having a cup of tea and thinking about exactly what it is that's going on. How's it going to impact the business overall? And then what are some options now that this has happened and how can we mitigate the fall out from that?

Now, take the example of losing a good customer, a large customer. One of the things that you could do to mitigate that in the first place, would be first, make sure that you never have a customer that is too large of proportion of your

business. So that is a problem that can arise that is in your control. You can steer the ship along the way. We can get excited when we have a large customer come on board because it means, "Oh look at all the sales and look at all the revenue we're gonna get from this one source." But if something happens, that's high risk, you know? It's high gain, high risk. So you need to be able to mitigate that before it happens.

But sometimes that doesn't always happen and, you've now lost this big customer and you've built up this big business around it and you need to mitigate, you need to mitigate that risk. It's the same if Google, you build your business on the back of Facebook, for instance, Facebook ads.

You build your business on the back of Facebook ads and all of a sudden uh, Facebook changes their algorithm tomorrow. There's your business suffering and your revenue suffering and your income and lifestyle suffering. So we want to be mitigating this risk all time but when it does happen, it's how we come back from that. And I really wanna stress that we don't wanna jump in and, react.

The first thing I would do as I want, the second thing I would do after I've had that cup of tea under the tree and of being angry and I've let it all out and that sort of thing, is knock it down about it. We can't change it. We can't change what's going wrong. What we can change is the next day and the next minute we have and how we respond and, and react to that, to that situation. Once the past has happened we can't change that. So that things happened we have to deal with it and we have to get up as leaders and, face the music whatever that looks like and then start to put in place the remedy and the course of action to do that.

We had a situation recently in our business -- and again, this has happened to us as well -- where we were all ticking along nicely as a team and one of our, one of our team members, key team members resign from the practice and that's okay. I mean that, that what the circumstances for doing it but for, for my wife and I that was a shake-up, you know? That was a shakeup, that, "Hey, hang on, it's time to make some changes here. You need to make some changes and you need to mitigate this risk going forward and you need to, I guess look at it as an opportunity to make our business better again on top of that. " A little bit like when you prune a tree, kind of branch off a tree and then all of a sudden more branches come of it and it flourishes, the tree flourishes again.

Similar thing with your business. You can't get stale, you have to stay dynamic and so the second take away for that is really just looking to put in place I guess a course of action and steps that you can implement to deal with and mitigate that risk further affecting your business. So if it might have affected your business now what can we do to stop it affecting the business further?

You know, the customer example that I said where you've lost the customer, after cooling down from talking with the customer, you might get reach out to that customer that's left and go and have a bit of a session with them to say, "Hey, um, I appreciate you're leaving but would you mind me asking, what it was the caused that to happened or what it was that, led you the cause of changing from us to somebody, to a competitor? You've been a valued client or customer for a long time, how could we improve or you know?" And have a, conversation around that and get to know the reasons. Knowledge is power.

When we understand why these things happened we can put in place remedies to stop that from happening again. We certainly can't do anything about the

economy but you know but if that goes wrong or something like that, something that really ends like that but you can learn from it and you can put savings away for when the economy does go bad or you can change your customer mix so that, if the economy changes, you've got a more stable customer basis.

There are lots of things you can do to mitigate fall out from economic conditions and things like that. So once you understand, get understanding and clarity, also don't ever burn your bridges. Keep the relationship open with that customer. They may get to where -- they may get to where they, they think it's gonna be rosy or better and it's not, and all of a sudden, if you've gotten them burnt your bridges then you've just closed off -- that's another mistake -- you've just closed off any potential to heal that loss.

So again, look for ways to mitigate the fallout and the impact on your business from there. And then, lastly is get up, just you know, you've, you've been angry. You've sat down under the tree. You've thought about it. You've navel gaze. ; you've spoken to other people about it, the situation and options to fix it and all those sorts of things. You've gone to mitigate as much of it as possible. The last step is really get up and get on with and, look to put in place.

I guess systems and processes that are going to adjustments in your business that are going to reduce any of risk of that happening again. And this is the thing, it's how we get up and how we get on that makes us the leaders in our business. You are a leader in your business even if you are a sole trader and don't have any staff. You are a leader in your business if you've got a hundred staff. You, you are leading your business and you are responsible for your business.

So you get up and put a smile on and come out the other side and, build again. Now if, if Google knocks you down with their latest algorithm change, learn about it and where could I've tweaked it and grow again from that.

And I've seen a lot of business, online, business entrepreneurs do that, you know? They're constantly reading what's going on and the good ones will actually if they do get hit, they can't control when they get hit. It's an overnight thing but they get up and re-engineer and readjust and move forward and come out better businesses.

I think you know, talking about the internet, I believe that the internet is becoming a better place for a lot of these changes because it's forcing people to have better content, have better sites, all those sorts of things. So from a sole business, sole trader's perspective, even if you are a contractor you know you might have a large customer that hasn't paid you. You might have something going wrong. You might have lost, a tradesman of sorts, you may have lost you know, builders going broke on you, or something like that.

You can learn from these things and you've got to get up and, how you process it but just know, that things will go wrong in business. They are largely out of our control a lot of the time we have to, it's how you deal with it at the end of the day that makes you the success in business that you deserve to be and for all your hard work and all your energy.

And just remember, find somebody to talk to if you did get stuck you know, find a peer, find a friend, find somebody that understands your business and the way your business operates and really have a good chat and discussion with him about that. But look, it's just so many things, your health can fail you.

I won't list all the things that can go wrong because I'll be here forever in a day, and I think we'd all be a bit depressed by the time we ended up listing all the things that go wrong. But my message today in the show today was really about, how to handle and what to do when we, when we experience severe problems or issues that arise in our business and just remember that swag when sitting under his tree having a cup of tea looking at his car bogged, he was able to work out exactly how he could get various sticks and winches and what not. And leave his car out of the bog with minimal effort but without having to dig it out.

That's really the moral of the story. He was able to sit back, think about how, how to best get it out with the least amount of effort, least amount of damage and impact and that's exactly what he did. So remember the swag when, when things go wrong. And if you do get stuck or if you ever have a big issue in business and you, you're wondering how to deal with it, I'm always here for you.

As I said, just send me an email to [jason@businessmadeeasypodcast.com](mailto:jason@businessmadeeasypodcast.com). I'm more than happy to hook up with you on Skype and have a chat about how business is for you. Alrighty, that's all I have time for today. I didn't want to have a downer of an episode and I hope I haven't made it a downer. I really wanted to just give you some practical things to, the fact, to be aware that things will go wrong. And other than that, I hope you have a fantastic successful week whatever you're up to.

Don't forget to join our Facebook group community, if you haven't already, that you can do that by going to [businessmadeeasypodcast.com/community](https://businessmadeeasypodcast.com/community), I'll be over there to welcome you in. Alrighty, that's it for me this week. Here's to your success and uh, take us out, Mia. All the best, bye.

# Thank you for Tuning In

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We hope you enjoyed this episode.

If you have any feedback or questions about the content in this episode please don't hesitate to drop me a line at [jason@businessmadeeasypodcast.com](mailto:jason@businessmadeeasypodcast.com) I would love to hear from you.

Other things that you might like to help grow your business.

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Thank you again,  
I appreciate you!

*Regards  
Jason*