

## **Business Failure – Companies in Danger**

There are many companies that are in danger of business failure.

These include:

- Small start-up or one product companies. These lack the necessary financial, human and marketing resources.
- Centralised or top heavy companies. These have huge fixed costs.
- Rapid-growth companies. Cash is king and without adequate financial analysis and modelling usually run out of cash.
- Companies in transition from entrepreneurial to professional management. The owners get caught in the founder's trap and the company usually implodes because the owners won't let go.
- Companies in decline or where the business is changing. This requires a responsiveness to change and immediate action which is usually lacking.
- Private companies with no external directors or mentors. The result is group think which can lead to inward looking and lose touch with the market place.