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Lessons for startups: The five foundations required to create an outstanding business

ALAN MANLY - JULY 15, 2022

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So, you've managed to survive your first year of running a startup. Congratulations, you've made it further than most. Unfortunately, your journey is far from over and it's time that we had a bit of a reality check, writes [Alan Manly OAM](#), CEO of Universal Business School Sydney (UBSS) and author of *The Unlikely Entrepreneur*.

By now, you've likely learned that running a business is nothing like what we see in the movies and far less glamorous.

Luckily, there are plenty of people who have done it before you and we can use them for guidance when it comes to setting the foundations to create a lasting business.

Arguably the world's most successful business owner of the last 50 years has been Bill Gates. While Gates and his exploits need no introduction, he has famously [noted a series of life lessons](#) that we can look at to gauge just what it's going to take to transition your startup to the next level, by creating foundations that will ultimately lead to success.

Here is a guide from an innovative master adapted for a humble year two startup.

5 foundations every business needs for true success



Lesson 1:

You will not make \$60,000 a year right out of high school. You won't be a vice-president with a car phone until you earn both.

In startup land, you will be lucky to make money in the first year. By this time in your journey,

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you've likely already discovered this reality of starting a business. There's a time for saving and a time for spending. It takes time to generate clients or customers, build revenue and become profitable.

What's critical is that your spending is always done wisely with a view to the long term. It's important to balance the upfront cost with the long-term potential for revenue.

Lesson 2:

If you mess up, it's not your parents' fault, so don't whine about your mistakes, learn from them.

In business, all mistakes come at a commercial cost. Learn fast or go broke.

In some ways, there's no better education than starting a business and being forced to learn all aspects of what's required on the job. Ultimately, the buck stops with you as the founder and CEO, so always be prepared to accept responsibility for all parts of the business and any mistakes along the way.

Lesson 3:

Before you were born, your parents weren't as boring as they are now. They got that way from paying your bills, cleaning your clothes and listening to you talk about how cool you thought you were. So before you save the rainforest from the parasites of your parents' generation, try delousing the closet in your own room.

Successful people are not just compulsive obsessives that need your understanding. They have the mental capacity to focus on any details and the drive to fix things.

Join them or hire them ASAP.



Lesson 4:

Your school may have done away with winners and losers, but life has not. In some schools, they have abolished failing grades and they'll give you as many times as you want to get the right answer. This doesn't bear the slightest resemblance to anything in real life.

Winners have positive cash flow. Losers have negative cash flow. Try borrowing from a stranger and tell them they will lose their money.

At the end of the day, for your business to survive and thrive you need to be profitable. Your goal should be to get to that point as quickly as possible.

Lesson 5:

Television is not real life. In real life people actually have to leave the coffee shop and go to jobs.

In startup land, focusing on the customer and providing a service that they will pay for is all that counts. That includes the boring repetitive bits of business and life left out of the TV shows.

Most businesses are not glamorous and some of the most boring are the most profitable. By now, I'm sure you've learned that success requires turning up seven days a week and working hard.

That's not going to change in year two, but it is setting up the right type of foundation for your business to ultimately succeed.

This article originally appeared on Flying Solo, read the original [here](#).

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Alan Manly

Alan Manly is the founder of Group Colleges Australia and author of the book, "The Unlikely Entrepreneur". To find out more visit www.alanmanly.com.au



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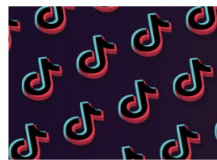
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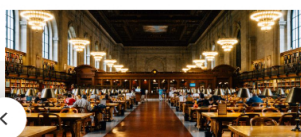
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