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The 5

Most Common Mistakes Entrepreneurs Make

Seductive traps that mislead smart founders



Michael Burcham

Author, *The Art of Startup Failure*

Executive Partner, Shore Capital Partners



WHERE THIS STARTS

A woman I could not pay back changed my life.

“You’re a smart young man. Are you going to rot in this little town, or are you going to make something of yourself?”

MRS. BEARD · MY HIGH SCHOOL CHEMISTRY TEACHER

I grew up poor, using humor to mask feeling less than everyone else in the classroom. It was the first time anyone convinced me I even had options.

HOMETOWN

Booneville, Mississippi

THE WAY OUT

Academic scholarship. The Army. French horn.

WHAT THIRTY YEARS OF BUILDING BUSINESSES & INVESTING HAS TAUGHT ME

I can sit with a founder for ten minutes and name the 3-4 patterns already taking root.

I want you to be able to do that for yourself.

30

YEARS BUILDING COMPANIES

20

YEARS TEACHING AT VANDERBILT

23

CHAPTERS IN THE BOOK

THE FOUNDER'S JOURNEY

More young companies fail from **a lack of customers** than from product development.



YOU, WITH AN IDEA



THE SEARCH FOR CUSTOMERS

**Successful
company**

WHAT'S AHEAD

Five traps that feel right in the moment

01	Saying yes to every opportunity	FOCUS
02	Chasing volume	CUSTOMERS
03	Pricing ahead of your proof	PRICE
04	Handing off the numbers	CASH
05	Carrying it alone	PEOPLE

WHY THEY WORK

Every one of them is a good instinct taken one step too far.

**Generosity. Ambition. Confidence.
Trust. Strength.**

You do not fall into a trap that looks like a trap.

01

MISTAKE 01 · LACK OF FOCUS

Saying yes to every opportunity

Rather than to the thing you are building

It feels like **Generosity**.

MISTAKE 01 · THE STORY

The charcuterie boards that became three businesses

She made beautiful food boards. A hobby, until people started asking. An event planner said he would buy boards if she also ran his events. A man with four Airbnbs asked her to stock them. She said yes every time.

“She built a job, not a business.”

BY THE NUMBERS

3

Unrelated business lines, each one a yes

Food boards

Event planning

Airbnb stocking

0

None of them the one she loved

The thing that made her special became a commodity.

There is a difference between being scrappy and being scattered.

MISTAKE 01 • THE CHOICE

The undisciplined pursuit of more.



Every yes adds a blade.

*None of them make it
a better tool.*



A WHAT MOST FOUNDERS TRY TO BUILD
A tool for every possible request.

B WHAT MOST OF THEIR CUSTOMERS WANT
Simplicity is the ultimate sophistication.

MISTAKE 01 · WHO GOT IT RIGHT

Mignon Francois



FOUNDER

The Cupcake Collection

HER TITLE

Chief of Joy

FOUNDING INVESTMENT

\$10 of boxed cake mix

SHE SAID NO TO

Weddings, catering, dessert tables

DO THIS INSTEAD

*Define who you serve.
Then protect it.*

1 Name your one customer

Not a category. A person with a problem worth paying to solve.

2 Build it so it repeats

If every sale needs more of you, you own a job.

3 Put yourself in the story

Her customers were not buying dessert. They bought a moment.

02

MISTAKE 02 · CUSTOMERS

Chasing overall volume

Rather than the customers who come back

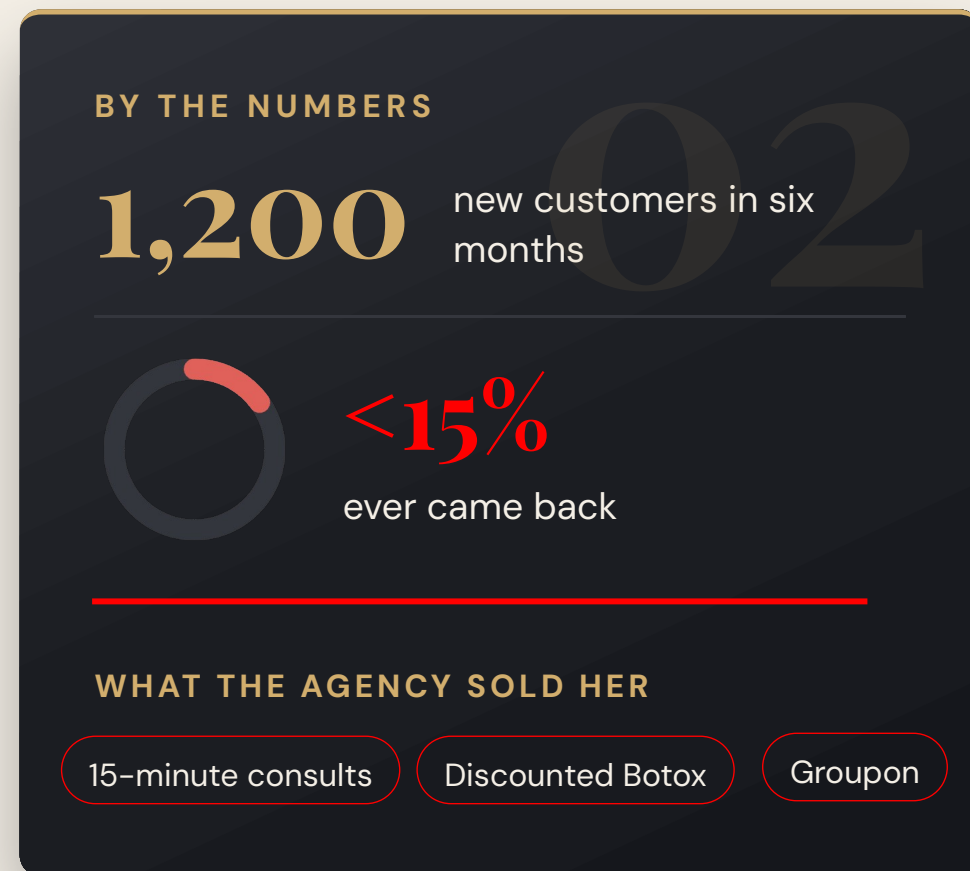
It feels like **Ambition.**

MISTAKE 02 · THE STORY

Twelve hundred customers and a dying business

A boutique MedSpa with forty-minute appointments and loyal clients, not quite breaking even. An agency told her to cut consults to twenty minutes, discount the Botox and run Groupon. That agency was paid on volume.

“I have more customers than ever, but somehow I feel like I’m losing my business.”



**Not every customer is a good customer.
Serve everyone and you serve no one well.**

MISTAKE 02 · WHO GOT IT RIGHT

Tammy Hawes



FOUNDED VIRSYS12

2011, at her kitchen table

USER ADOPTION

Over 95%

FUNDING

Self funded, cash flow positive day one

CLIENT SATISFACTION

4.8 out of 5

DO THIS INSTEAD

Go deeper with the right customers.

1 Become ruthlessly irrelevant

To everyone who is not your customer. On purpose.

2 Give value before you ask

She worked free for nonprofits while she sharpened the craft.

3 Measure who comes back

Not who arrives. If they do not return, you never had them.

03

MISTAKE 03 · PRICE

Pricing ahead of your proof

Rather than earning the price first

It feels like **Confidence**.

MISTAKE 03 • THE STORY

The luxury box that was not luxury

A premium subscription box for pets at \$79.99 a month, against a \$35 competitor. Inside the beautiful packaging was what the competitor shipped. Two toys and two treats.

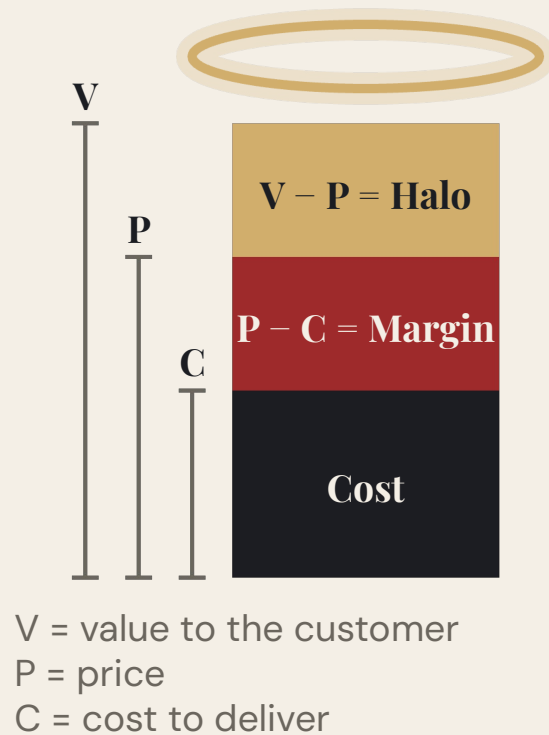
“Their price tag said luxury. Their contents said standard. The customers walked.”



“Charge what you're worth” is the most common advice you will hear. It is also incomplete.

THE IDEA I MOST WANT YOU TO KEEP

The Halo



*Imagine a halo floating above your product. It grows when customers feel they got more than they paid for. **It shrinks when they feel nickel-and-dimed.***

THE HALO GROWS WHEN

- Results they can point to
- Service that shows up
- Peace of mind
- More than they expected

IT SHRINKS WHEN

- A price that outran the product
- Nickel-and-diming
 - Annual increases with nothing new
 - Promises you have not earned yet

Raise your price every year without adding value and eventually you have no halo left.

u engage Metre, we listen to your needs and build a plan to help
goals. Simply, we can:



MISTAKE 03 · WHO GOT IT RIGHT

Robin Davis

STARTED AS

An administrative assistant

BEFORE METRE

700+ RFPs, \$500M+ in new business

WON FOR CLIENTS

Over \$18 billion in revenue

REPEAT BUSINESS

95%

DO THIS INSTEAD

Earn the price before you charge it.

1 Test willingness to pay first

Before you build the thing you plan to charge for.

2 Sell the outcome, not the effort

They are not buying your hours. They buy a result.

3 Raise the price when value rises

Not before. Never just because a year went by.

04

MISTAKE 04 · CASH

Handing off the numbers

Rather than owning them yourself

It feels like **Trust**.

MISTAKE 04 · THE STORY

The profitable company that ran out of cash

An in-home care company that kept patients out of the hospital. Profitable on paper. Then an insurer offered five new states, twenty-five percent growth overnight, and she said yes on the spot.

“Nearly three million dollars going out before a single dollar came back.”

THE MATH SHE SKIPPED

150 days of cash out the door before the first payment



Training caregivers

Service

Payer lag

~\$3M in payroll commitments
40 caregivers at \$70,000 and up

Revenue is what you earn. Cash is what you have. Only one of them makes payroll.



MISTAKE 04 · WHO GOT IT RIGHT

Liza Graves

FIRST BUSINESS

City Wraps Cafe, at 24

BUILT IN 2019

Three revenue lines, one roof

FOUNDED STYLEBLUEPRINT

2009, in the recession

REACH TODAY

5 million readers a year

DO THIS INSTEAD

Sequence your growth to your cash.

1 Know your runway like your mission

How many months at today's burn? Check it weekly.

2 Sequence growth to the cash

One state at a time. Get paid. Then turn on the next.

3 Diversify before you need to

Three revenue lines in 2019. Then 2020 came.

05

MISTAKE 05 · PEOPLE

Carrying the work alone

Rather than building the bench

It feels like **Strength**.

MISTAKE 05 · THE STORY

The founder who proved she could not do it alone

A chef launched a meal service for people with dietary restrictions. The food was loved. Word of mouth was real. She had nobody to think with.

“I thought doing it all myself would prove I was capable. It only proved I couldn't handle it alone.”

BY THE NUMBERS

5

jobs she was doing herself, every single day

Website

Recipes

Cooking

Delivery

Customer service

12

months from beloved to closed

BELOVED

CLOSED

Your team does not dilute your success. It multiplies it.

MISTAKE 05 · WHO GOT IT RIGHT

Laurel and Diane Orley



THE COMPANY

Daily Crunch Snacks

WHO DOES WHAT

Diane the recipe, Laurel the business

THEY HIRED EXPERTS FOR

Branding, packaging, distribution

ON THE SHELF

Whole Foods and Amazon

DO THIS INSTEAD

Asking for help is not weakness. It is strategy.

1 Name your blind spots out loud

Marketing, finance, operations.
Then go find that person.

2 Build a bench of advisors

People who tell you the truth
and hold you to your goals.

3 Use the room you are sitting in

This ecosystem is not
networking. It is a growth
strategy.

THE PATTERN

Every trap disguises itself as a strength.

THE TRAP

IT FEELS LIKE

DO THIS INSTEAD

Saying yes to every opportunity

Generosity

Name your one core customer

Chasing volume

Ambition

Count who comes back

Pricing ahead of proof

Confidence

Earn the halo first

Handing off the numbers

Trust

Sequence growth to cash

Carrying it alone

Strength

Build the bench

THE PATH TO VALUE CREATION

Building a high-value business.

Phase 01

Prove It

THE ENGINE

Can this business reliably create customer value and make money?

Evidence-backed viability

Phase 02

Build It

THE MACHINE

Can it grow without losing quality, cash, control, or culture?

Controlled repeatability

Phase 03

Scale It

THE ENTERPRISE

Can it scale and endure without depending on the founder?

Transferable enterprise value

THE PROGRESSION: Viability ➡ Repeatability ➡ Transferability

SIXTY SECONDS, RIGHT NOW

Your founder check-up

Score yourself 1 to 5 on each. Then circle your lowest number. **That is next week's work.**

01 I can name the one customer I serve better than anyone else.

1	2	3	4	5
---	---	---	---	---

02 I know what percentage of my customers came back last year.

1	2	3	4	5
---	---	---	---	---

03 My price is backed by an outcome I can prove.

1	2	3	4	5
---	---	---	---	---

04 I know my cash runway in months, without looking it up.

1	2	3	4	5
---	---	---	---	---

05 I have people who tell me the truth and hold me to it.

1	2	3	4	5
---	---	---	---	---

BEFORE YOU GO

The curse of discipline is that every day looks the same.

*The curse of indiscipline is that **every year** does.*

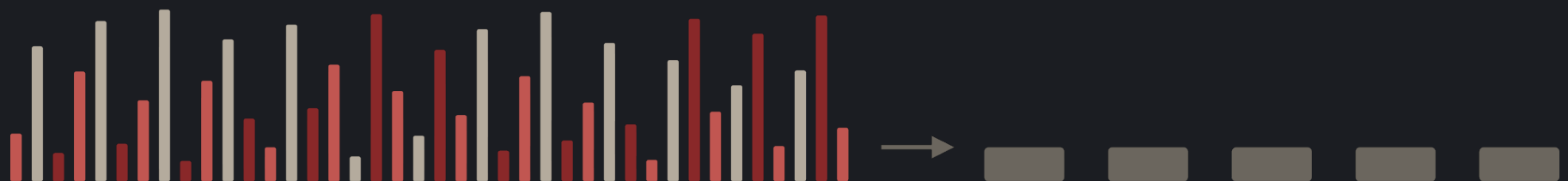
Discipline

Ordinary days.
Extraordinary years.



Indiscipline

Exciting days. The same
year, again.



Stay bold. Stay grounded. Keep building.

Thank you, BrainTrust.

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