Starting your own business is a brave step, but saying a fairly fond farewell to the stable 9-to-5 comes with its own set of challenges. Even the most successful entrepreneurs can identify with common challenges that come with operating in an unpredictable economic and industrial climate. As a young entrepreneur, it’s easy to make mistakes and some of these can be avoided if you learn from the mistakes that other people have made.

**Under or overestimating your market**

Entering entrepreneurship is great – you’re following your dreams, right? However, entrepreneurs need to beware of being caught in the undertow of their passion. Just because you developed a convenient device that helps you put your sock on without bending over it doesn’t mean there’s a large market for it. It’s important to conduct thorough research on new product developments, even if it means walking door-to-door asking people if they truly need assistance wearing their socks.

**Research provides you with the numbers you need in order to determine market viability. I’ve spent time building an expensive product with little research and this resulted in a complete waste of time and money.**

**Related:**[**What are the most common business plan mistakes to avoid?**](https://www.entrepreneurmag.co.za/ask-entrepreneur/business-plans-ask-entrepreneur/what-are-the-most-common-business-plan-mistakes-to-avoid/)

**Missing opportunities due to lack of confidence**

Entrepreneurship challenges you to approach people or organisations that can fund your initiative or projects. You need to be prepared to do what it takes to get through to a funder and you also need to always keep an ear to the ground for opportunities to grow your business. Be wary of not having the confidence to do one thing in your business that can generate funds right now.

**Not understanding operational costs for the entire business**

Each business decision is likely to have a financial implication; if you want a fancy office in an affluent business park, then understand the entire cost implication. Furthermore, small businesses tend to undercharge for their products and services to retain clients but this doesn’t consider the bigger picture nor does it support the vision. Don’t shoot yourself in the foot by under-pricing your products, make sure that you take *everything*into account.

**Wasting money, instead of reinvesting it in the business**

As your business grows it’s easy to spend money on frivolous things and convince yourself that ‘you worked for it.’ This is great, however the long-term implication of splurging on a brand new Mercedes can be damaging for your business. It’s wiser to reinvest your money into your business or save your money in a high-interest account instead of buying depreciating assets. It is best to reward yourself by setting a salary and paying yourself every month as an employee of the company.