

12 Business Skills You Need To Master

By Terry H. Hill

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Developing a small business into a successful enterprise demands more than passion. Unfortunately, facts speak for themselves. Over half of new businesses fail mainly because the entrepreneur is unable to translate their passion into practical business skills. Success demands more than hard work, resilience, and expertise in your field. In order to succeed, you need to understand and to become proficient in a set of fundamental business skills.

Running a small business requires that you become a jack-of-all-trades. It is important to know early on which skills that you have and those that you will have to learn or delegate to others. When it comes to the skills that you lack, you can learn these skills over a period of time by yourself, you can hire employees who are strong in specific areas, or you can engage the help of a [professional business advisor](#).

Here are the essential soft skills (people skills or anything that is not a technical skill) that you will need to learn or import to help you to succeed in your business:

- **Delegation Skills** -- Delegation involves assigning responsibility to other people for the completion of work. The ideal position that you want to obtain is one where your staff carries out all the routine activities of your business. Effective delegation involves achieving the correct balance between effective controls and allowing people to complete their job effectively. The key element is knowing how to make your business work, rather than your business working you!
- **Communication Skills** -- Communication is an important part of life and is one that is often taken for granted. When you think about it, almost everything you do requires improved communications. To be effective in business, you have to communicate well. When you hire a new employee, good communication skills help you select the right person. When you communicate with your various stakeholders, you need to be clear about your expectations and to be sensitive when dealing with problems. The key is to know how to effectively communicate your vision with passion and conviction.
- **Negotiation Skills** -- Almost everyone negotiates informally on a daily basis without even being aware of it. Formal negotiation is a skill that can be learned through experience and practice. People who negotiate frequently tend to be more skilled at it than people who have not participated in many formal/informal negotiations. Experienced people are more likely to know what to say, when or when not to say it, or when or when not to make concessions. The key is to know how to develop a win-win approach in negotiations with all parties, but at the same time keeping in mind that you also want to obtain the most favorable outcome possible for yourself.
- **Strategic Planning** -- [Strategic planning](#) is a very important business activity. Strategic planning is a process of defining your company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project your company's future performance, within a three-to-five year framework or more, supported by your [well-defined business plan](#).
- **Leadership Skills** -- Leadership is a process of getting things done via people. Leadership, a critical management skill, is the ability to motivate a group of people toward a common goal. Leadership is also the ability to take charge, assemble, mobilize, and motivate teams. The key is to know how to forge long-term relationships with prospects, customers, suppliers, employees, and investors.
- **Team Building Skills** -- Team-building and teamwork skills are essential for an entrepreneur in today's workplace. People working at their potential in teams generate better solutions and more productivity than individual members working independently. The key is to know how to build teams of employees, partners, advisors, and investors that will help you take your business to the next level.
- **Analytical Skills** -- Today's workplace is becoming more technologically advanced and complex. With this rapid increase of technology, the need for analytical thinking also increases. Analytical thinking is the ability to objectively assess the present state of your business, to determine where you want to be in the future, and what to do in order to close the gap between the present and the future growth of your business.

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The key is to know how to gather, review, and evaluate data that is necessary to formulate and express compelling arguments.

- **Sales and Marketing Skills** -- Establishing successful sales and marketing methods and policies - from pricing and advertising to sales techniques - are essential in growing your business. The ability to analyze your competition, the marketplace, and industry trends are critical to the development of your marketing strategy. The key is to know how to craft and communicate a compelling message to the right target audience that generates new business, and in turn, builds profitable revenue streams.
- **General Management Skills** -- Management involves directing and controlling a group of one or more people for the purpose of coordinating activities that will accomplish a goal. Management encompasses the deployment and direction of human resources, financial resources, and technological resources. The key is to know how to develop and implement a workable management system that will manage daily operations, nurture stakeholders, and support business growth.
- **Cash flow Management Skills** -- Cash flow is generally acknowledged as the single most pressing concern of the small and medium-sized businesses. In its simplest form, cash flow is the movement of money in and out of your business. Cash flow is the life-blood of all growing businesses and is the primary indicator of business health. The effect of cash flow is real, immediate and, if mismanaged, totally unforgiving. The key is to know how to monitor, protect, control, and put cash to work.
- **Financial Management Skills** -- The activity of finance is the application of a set of techniques that individuals and businesses use to manage their money, particularly the differences between income and expenditure and the risks of their investments. The need for timely [budgeting and reporting](#) of financial performance is of the utmost importance. The key is to know how to interpret and analyze your financial statements, in such a way, as to identify the items that are adversely affecting your profitability.
- **Time Management Skills** -- Time Management is a set of related common-sense skills that help you use your time in the most effective and productive way. Time Management is a very important skill to master. Learning this skill will empower you to achieve more and to use your time wisely. The key is to know how to manage your time efficiently and to focus on the activities most likely to deliver value to your business.

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