

Sergiy V. Kryvoruchko

**KEY AXIOMS
OF BUSINESS:**

**The Basic Rules
of Starting and Developing
a Successful Business**

KEY AXIOMS OF BUSINESS:

The Basic Rules
of Starting and Developing
a Successful Business



Mr. Sergiy Kryvoruchko, Ph.D. in Technical Sciences, Associate Professor, Honored Innovator of Ukraine.

Expert in System Analysis, Business Administration, Business Economics, and HR Management.

Education: Technical (Radio Engineering), Economic (Business), and Diplomatic (Diplomatic and Consular Service).

Work experience: Science and High Education (Vice-Chair of the University Department), State Expertise and Science Council (Academic Secretary), State Military Analytical Foreign Affairs Center (Head of the Direction), Military and Diplomatic Activity at the Embassies of Ukraine in the USA and Canada (First Secretary). Over 20 years of entrepreneurship experience (Chief Executive Officer, President).

Founder and owner of a group of successful companies.

Sergiy V. Kryvoruchko

**KEY AXIOMS
OF BUSINESS:**

The Basic Rules
of Starting and Developing
a Successful Business

KYIV – TORONTO



lat&k
publisher

2021

UDC 65.01+658.8

K82

Sergiy V. Kryvoruchko

K82 Key Axioms of Business: The Basic Rules of Starting and Developing a Successful Business. KYIV: LAT & K, 2021. – 24 p.

ISBN 978-617-7824-33-5

In this brochure the author sets out the key axioms and written and unwritten rules of starting and developing a business based on his personal experience in successful business development.

The brochure is designed to assist those interested in the issues of successful business practice.

In case of a full or partial reprint of the monograph materials, the reference to this publication and the author's name is required.

UDC 65.01+658.8

ISBN 978-617-7824-33-5

© Sergiy V. Kryvoruchko, 2021

© Publisher LAT & K, design, 2021

KEY AXIOMS OF BUSINESS:

The Basic Rules of Starting and Developing a Successful Business

Every professional occupation is subject to its own unique rules and customs. Entrepreneurship, as a type of professional activity, has written and unwritten rules, and even axioms. The axioms set forth here have been developed over nearly 20 years of successful business experience by the author of this book and have helped him achieve seven-figure profits.

These rules apply to launching, developing, organizing, and running your own business, irrespective of the industry, direction, and type of business. Adhering to them will guarantee, to a certain extent, success in business. At the same time, these rules should be used as basic provisions rather than unalterable laws. They will require each entrepreneur's thorough consideration and relevant supplements and refinements in order to reflect, among other factors, the business type and industry, the major national customs of the business's location, and the different objective or subjective aspects of implementing the business projects.

1. Most people dream of becoming wealthy. Most wealthy people dream of retaining their wealth. No one dreams of being poorer.
2. The majority of people ask themselves (either sooner or later, profoundly or superficially) whether they should launch their own business.
3. Only those who actually try can succeed. No one can achieve success with an imaginary business—they must launch their own business in practice.
4. Most people do not start their own business not because of any objective factors, but simply because of their conscious or subconscious uncertainty in their own capability to begin a business.
5. Money should not be the ultimate purpose of business. Money is only the means of achieving vital goals, which are different for every entrepreneur.
6. Without a doubt, each vital goal has a certain cost. Entrepreneurs must understand this cost in order to achieve the goal.
7. Without the minimum required skills and knowledge, it is next to impossible to achieve success in your own business.
8. If a new business survives for 9 months and earns at least a small actual profit, it will very likely survive and develop successfully.
9. If a business fails to reach at least minimum profitability during the initial 12 months after launching, further successful development is very unlikely.
10. Most entrepreneurs have some knowledge of the storms they will face when they set out to sea as a business owner. Few, however, can honestly say that they have the captain's abilities to overcome such storms.

11. Every entrepreneur should possess certain social and psychological characteristics for running a business, and these should be consistent with the social and psychological characteristics required to succeed in the chosen business field.

12. The initial unavailability of startup capital should not stop anyone from launching a business; the startup capital can always be found.

13. Entrepreneurs should be prepared to feel like everything is unraveling at some point in the first 3–6 months of their business. It may seem like the business is sure to go bankrupt, your idea is a failure, and so on. This is normal. Virtually all successful entrepreneurs have experienced such feelings, to a greater or lesser extent.

14. Your subjective confidence in your success is proportional to your ability to successfully withstand and overcome long-standing difficulties and stresses faced by the business.

15. Your objective confidence in your success will be proportional to your actual success.

16. Entrepreneurial self-confidence fuels the entrepreneur's determination in achieving success.

17. In most cases, business success depends on thorough business development and implementation by the entrepreneur, rather than on the industry and the type of business.

18. Even with the maximum accuracy and prudence in business planning, entrepreneurship is always a risky activity that depends on various degrees of exposure and probability of product, marketing, production, and financial risks, as well as on the entrepreneur's personal appetite for risk.

19. Every entrepreneur has an inherent risk appetite, but the degree of this appetite is unique to each individual.

20. Whether you are a novice or experienced entrepreneur, only place your money and property at risk if you can afford to lose it with no fatal consequences.

21. The probability of failing in business cannot be excluded. By entering into the relevant agreements of risk event insurance, entrepreneurs may be able to protect their business from fatal losses and damages.

22. Entrepreneurs' personal business tastes should be consistent with general tastes in the chosen business area.

23. Choosing the right industry and business is like choosing the right spouse for a long and happy life—"for better, for worse; for richer or poorer; in sickness and in health; in joy and in sorrow." Choose wisely with this long-term commitment in mind.

24. It is fair to say that there are no fools among successful competitors. Thus, if a certain market segment is not occupied by competitors at a certain time, it does not mean that no competitor has ever attempted to operate there. Similarly, just because an idea is seemingly new or unique does not mean that no one else has tried it.

25. Never underestimate your competitors. All successful competitors are smart.

26. Most business partnerships break down for one of the following reasons: different approaches to profit-sharing among partners (most often); different leadership ambitions of the partners (less often); and different approaches to business development (least often). Partnerships practically never break down because of family or friendly relationships among business partners.

27. Developing a business plan is an inevitable prerequisite for every successful venture. Pursuing business without specifying its goal is like sailing in fog with your navigation system turned off—it will be virtually impossible to get any-

where. A minimally successful business built with no preliminary business planning would certainly be more successful with such planning. Even a bad business plan is better than no business plan at all.

28. A business plan is a developed theoretical model of business, but it should not be viewed as a set of unchangeable calculations and analytical documents. An entrepreneur should be prepared to admit that practical steps aimed at business implementation may require corrections to the plan, and may even result in a review of the selected directions and types of business or, in some cases, a review of the list of partners.

29. A catchy, attractive name will not necessarily make the new business successful. Rather, a successful business makes its name attractive and well-recognized.

30. Every entrepreneur should undoubtedly have a sense of intuition, and decisions based on this intuition should be taken seriously. However, bear in mind that the accuracy of an intuitive decision is directly proportional to the decision-maker's practical experience as an entrepreneur.

31. In contrast to more experienced competitors, novice entrepreneurs can have the advantage of "fresh eyes," giving them an unbiased view of the industry.

32. Any business—whether new or existing, or even very successful—will always have certain advantages and also relative disadvantages in comparison to other businesses in the market.

33. Be specific in the plan. If the business plan requires \$1,000 to achieve a certain goal, \$999 will not be sufficient; if \$999 is sufficient, that means that the business plan was made incorrectly.

34. The main financial goal of any business is to maximize profits by maximizing business revenue while optimizing

(but not minimizing) costs. Focus on earning as much as possible while spending wisely.

35. Insufficient attention to cost optimization can cause irreparable damage to the business and, ultimately, bankruptcy. Entrepreneurs must learn to internalize and follow the rules of cost optimization, especially at the initial stage of business implementation. Think twice before making any additional purchase for the company to ensure it is really necessary.

36. Regularly monitor all current expenses and proceeds to ensure the sustainability and safety of your business. Similar to a medical examination of the human body organs, all components of the business should be regularly examined to determine its overall health.

37. Official registration of a business is not the same as business success; it simply signifies the right to achieve success in the business that was officially registered.

38. Each employee's professionalism is a combination of (a) the level of the employee's knowledge in a certain area and (b) the degree of that employee's personal responsibility for direct performance results.

39. The business's professionalism is revealed through the professionalism of its staff.

40. The axiom of "maintaining employee successfulness" says that any employee who has previous experience in a given profession will usually repeat the same professional performance in the future. Every employee has a purely individual "professional portrait."

41. The axiom of "retaining employees' interest in job offers" says that there are no employees who are not interested in securing new, better job offers; rather, there are only job offers that do not appeal to certain employees. Employees will always be ready to consider other job offers,

including those from other businesses, whether or not they are content with the character and conditions of their current employment.

42. The axiom of “staff irreplaceability” says that every employee who has a high level of professionalism is, to a certain degree, irreplaceable in his/her field. The higher the level of professionalism that the employee has, the more irreplaceable he/she is.

43. The axiom of “permanent insufficiency of remuneration” says that, in most cases, any amount of remuneration paid to an employee will eventually be insufficient compared to the remuneration that employee expects.

44. The axiom of “employees’ permanent readiness for a job change” says that the majority of employees are always ready to consider offers concerning a change of their current job for a similar job at another company, provided that their salary will increase at least 15–20%; however, this axiom only applies if all other employment conditions (including professional, career, social, and psychological aspects) are at least equal between the two companies.

45. The optimal employee remuneration should be consistent with the market remuneration for the same category of employees.

46. In most cases, it will take 6–9 months for a new employee to fully adapt to the company’s environment and develop his/her own optimal work routine. Only then can the employer accurately judge the new employee’s professional ability and future potential.

47. To refill a vacancy typically requires an entrepreneur to receive and review more than 50 applications and hold interviews with the 5–10 most suitable employees before finally choosing one new employee.

48. Employees should not be trained for the sake of training only. Rather, they should be educated and trained on the matters that are most likely to translate into profits for your business.

49. Employees should not be motivated for the sake of motivation only. Motivate each employee with the clear goal of making profits.

50. Only retain those employees who bring real value to the company and for those funds they are worth. No employees should be employed or retained for any other reason.

51. When it comes to hiring employees for vacancies, novice entrepreneurs are not always prepared enough to create a list of input knowledge about the candidates that they can use to make a decision regarding the hiring (this is the “input mistake” of employment).

52. Always ask for references. Novice entrepreneurs rarely request potential applicants’ (written, or at least verbal) references from previous employers (this is the “reference mistake” of employment).

53. Make use of psychological recruitment tests to test potential applicants and gain a better idea of how they will fit into the company. Novice entrepreneurs rarely use psychological recruitment tests for candidates (this is the “psychological recruitment mistake” of employment).

54. Always confirm the professional success of potential applicants. Novice entrepreneurs rarely check the level of previous candidates’ success (this is the “successful previous job mistake” of employment).

55. A lack of knowledge or incorrect interpretation of the law does not relieve an entrepreneur from any liability arising there, including fines and penalties. Consequently, entrepreneurs and their employees should have very detailed and up-to-date knowledge of any legal

requirements (and amendments thereto) regarding the business.

56. It must be emphasized that guaranteeing optimal expenses while adhering to the goods and/or service technologies and manufacturing standards would mean, in practice, that no unplanned production expenses arise due to the optimal use of production resources, raw materials, and other inputs.

57. Optimal use of business technologies, technology discipline, and accurate compliance therewith are some of the most decisive factors of business success. Adherence to the technology discipline and strict compliance with the developed technologies of product promotion are vital to success in your business.

58. Entrepreneurs should build a clearly elaborated system of sales in order to achieve the goal of effective sales.

59. To a certain extent, the process of creating an enterprise can be viewed as creating a living organism with its chromosome program (a business plan), skeleton (the system of sales channels), muscles (the system of product promotion), nervous system (the system of controls), circulatory system (the financial system), digestion (the system of costs and expenses), and many other vital organs and arteries.

60. The end customer's demand for a certain product should be viewed, in most cases, as a constant or variable value in the short-term or long-term interval, correspondingly.

61. If an end customer expresses an interest in purchasing the product, it does not mean that he/she will in fact purchase it. Similarly, if a customer expresses no interest in purchasing, it does not mean that the customer does not in fact need the product, nor that he/she will never buy the product.

62. The philosophy of the system of sales means that an entrepreneur ensures sales through timely delivery of the complete and accurate information about goods and/or services to the end customers who have a demand for such goods and/or services.

63. Excessive persistence and pressure on a customer to purchase a product may result in the opposite reaction (i.e., customer's rejection of the product) and could potentially result in losing the customer altogether.

64. The purpose of promotion, through all sales channels, lies in maximizing business profits by maximizing sales to the maximum number of customers by implementing the optimal technology promotion.

65. Technologies of goods and/or services promotion mean implementing the organized sequence of the relevant steps and measures aimed at the timely delivery of accurate and complete information on the goods and/or services to the relevant customers.

66. Entrepreneurs should optimize the awareness algorithm by delivering high-quality (accurate, complete, and not excessive) information on the product through the relevant communication channels to the maximum number of customers by as many numbers of employees as possible, and further sales within the minimum acceptable period.

67. Making direct contact with the right employee at the customer's office can be a major obstacle. The successful entrepreneur must be able to overcome this obstacle and reach the right person through persistent efforts and confidence.

68. During the initial calls with customers, ask closed-end questions with "yes" or "no" answers; this avoids potentially irritating the customer's employee with long-winded, open-ended questions (i.e., those involving what, how, why, which, etc.).

69. An entrepreneur who can skillfully and, most importantly, efficiently negotiate with a customer will always be successful.

70. Promotional technologies are the heart of a successful sales organization in any industry. Personal meetings with customers, in turn, are the heart of product promotion. For this reason, personal negotiations with customers are often justifiably called the “core of the core” of sales in business.

71. An entrepreneur should have deep knowledge about his/her target consumers.

72. Being late for a meeting with a customer conveys disrespect, making it difficult to earn (or earn back) the customer’s respect.

73. An entrepreneur’s clothes are crucial to a good first impression with customers.

74. An entrepreneur’s professionalism is crucial to a good last impression with customers.

75. During a meeting, the customer is assessing all aspects of how the entrepreneur presents himself/herself, such as voice, mannerisms, gestures, speech content, eye contact, and so on.

76. Arranging a meeting is a clear sign of a customer’s interest in the entrepreneur’s product. Thus, the entrepreneur (or sales professional) should, at this stage, focus on persuading the customer’s responsible employee to purchase the product from the entrepreneur, rather than on convincing the customer to purchase the product at all. Naturally, the likelihood of doing so will be higher if the product (including the conditions of its delivery and the entrepreneur’s business parameters and image) is well-aligned with the customer’s needs.

77. The actual sale is the consequence of satisfying the customer’s demand for the product. Satisfying customer

demand is the primary factor, and the sale is the secondary factor here. Hence, an entrepreneur should think about satisfying customers' demands rather than about sales.

78. The entrepreneur should first think about the effectiveness of the sales presentation (the primary goal) and only after that about the beauty of the content of the presentation (the secondary goal).

79. A sales presentation is a small performance that requires a big rehearsal.

80. Do not make things worse for yourself by asking the customer unnecessary questions.

81. A good entrepreneur should be able to anticipate customers' questions. Reacting to anticipated questions is easier and safer than trying to answer unexpected questions with no chance to prepare an exhaustive response.

82. Listen carefully to customers. Entrepreneurs who fail to hear customers' concerns and needs won't see orders from those customers.

83. If you want to be treated as a professional, you must become a professional and take this responsibility boldly.

84. Don't discuss problems without discussing the solutions. Customers come to an entrepreneur seeking solutions. Your problems should never become the customer's problem.

85. Shifting the responsibility and offering explanations or excuses from the entrepreneurs do not help customers achieve their main goal: to receive the product based on the requirements declared and agreed upon with the supplier.

86. A failed promise means losing face as a professional.

87. Swindling anyone (whether it is discovered immediately or later) is business suicide.

88. Negative information spreads instantaneously, while positive information takes time to grow, like a tree.

89. Responsible (healthy) risk-taking is one of the beneficial vectors of an entrepreneur's business development.

90. If you answer a customer with "I don't know," then you cannot expect anyone to know about your business. "I don't know" is a taboo phrase in business.

91. It's impossible to know everything. Do not be ashamed to admit gaps in your knowledge; it is more shameful to make no effort to learn more.

92. Don't spread false, negative information about your competitors if you don't want to be known as a gossip.

93. Don't ask for anything for yourself from a customer; doing so you will push the customer away from you. You will be chosen if you are needed, but not because you ask.

94. Don't create an awkward situation for a customer. If you do, most customers will simply leave you in the awkward situation you've created.

95. Good eye contact shows kindness and respect. If you lose good eye contact with a customer at a personal meeting, then you'll lose the customer.

96. Reliability and amiability are an entrepreneur's two trump cards.

97. A customer will always be on the lookout for more and better benefits.

98. Don't celebrate your victory until you actually get your profit.

99. Act like a professional, and you will always be referred to as a professional. If you want to be recommended by other professionals, you must become one.

100. Learn to win with dignity. Entrepreneurs should realize that even if they win a client, doing so means more hard work and ongoing effort, rather than relaxation. Thus, they should welcome customers' orders discreetly, without acting overly grateful or flattering the customer.

101. Learn to lose with dignity. A loss of a customer today is only a temporary delay before winning this customer back tomorrow.

102. In most cases, a customer's uncertain answer implies an adverse answer.

103. You should never relax in promoting your product. An interrupted business is like a halted satellite: it will inevitably fall down and burn out in the dense layers of the atmosphere.

104. There are no limits to business improvement.

105. Pilots take test flights, athletes make trial runs, performers have dress rehearsals, and soldiers prepare for real use of their skills through drills. However, there are no real testing grounds for entrepreneurs: they must fight for customers right away. In this way, business technologies are tested in battle.

106. Mistakes in planning and insufficient efforts in business development are totally attributable to the entrepreneur; therefore, they are only subjective—and not objective—reasons for any failure to build a successful business.

107. If the ultimate goal is significant for the entrepreneur, he/she can withstand any challenges. Sometimes, the real value of the goal(s) can only be measured in practice (i.e., in the course of their direct accomplishment).

If your desire to achieve the goal generates sufficient inner energy, then that goal is undisputedly vital for you.

If you feel that you don't have enough energy to achieve

your goal, it likely means that the goal is not vital for you.

108. You should never sort customers in business. All of your customers must have equal priority.

109. All profits, whether primary or additional, are significant.

110. The axiom of “inevitable mistakes and achievements” says that it is virtually impossible to run a business without making some mistakes (even small ones) and achieving some results (even small ones). Every entrepreneur will do something better and something worse.

111. Business mistakes may be efficiently corrected and business achievements may be effectively developed only if their underlying reasons are correctly identified.

112. Every entrepreneur should know his/her advantages and disadvantages.

113. Successfully promoting a new product to a current customer requires at least as much (and sometimes more) effort as promoting the product to new customers and/or intermediaries. Thus, entrepreneurs should consciously resist their own subconscious tendency to relax in promoting new products to current customers and/or intermediaries.

114. A highly professional entrepreneur can remove and correct possible mistakes and conflicts with current consumers promptly and without any tangible losses.

115. Every new business must compete with the current supplier for customers; this means that the current supplier has to fight in all directions simultaneously. Hence, in some ways, it is far easier to win a customer than retain one.

116. No one can entirely avoid conflicts with customers.

Some will always exist, irrespective of the level of customer service and the quality and price of the product.

117. Meet customers' needs, but don't pamper them—it will turn against you.

118. An entrepreneur's professionalism—i.e., knowledge and ability to take responsibility—is what counts most for his/her success in business. An entrepreneur achieves maximum professionalism by cultivating the deepest knowledge of his/her business area and taking full responsibility for the results of his/her work.

119. Never give up. Everything gets easier with time and practice. You'll acclimatize and adapt to difficulties.

120. Entrepreneurship cannot be unsuccessful as long as the entrepreneur persists in achieving his/her goal—the world is full of successful entrepreneurs. Of course, not all runners finish a marathon, and not all climbers conquer the peak on their first attempt; some drop out before their goal is achieved. However, everyone can make a new attempt, if the motivation to achieve the goal is still strong.

FOR NOTES

FOR NOTES



Editor: Catie Phares

Editing of the translation from Ukrainian to English
by Tamila Karpyk

The translation from Ukrainian to English
by "Exleng" Translation Agency

Technical editor: Victor Bykhun

Design and layout: Andrey Brem

Publisher LAT & K
Leontovicha Str., 9, Suite 18, Kyiv, Ukraine, 01032
Enlisting the subject of publishing in the State Register
publishers, manufacturers, and distributorsof
publishing products.

DK #181 from 15.09.2000

Tel./fax: +38 044 2350009

Cell: +38 050 3102204

E-mail: lk@ukr.net

Circulation 200 copies

