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Eyes Open

Starting a business is sold as freedom and passion. The reality is harder, and most don't survive five years. Going in with your eyes open is the first advantage.

A Moor & Co commercial briefing

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POWERED BY 3DMAI

IN SHORT

Starting a business is sold as freedom: be your own boss, do what you love, escape the day job. Some of that is real, and worth chasing. But the honest figures are sobering, and the reasons businesses fail are remarkably consistent and largely avoidable. This briefing is not here to put you off. It is here to make sure you go in with your eyes open, knowing the real risks, the truth about money, and the few questions a simple plan needs to answer, because the founders who survive are almost always the ones who saw clearly before they leapt.

1. The dream and the data

The pitch for starting up is intoxicating: independence, ownership, doing work you actually believe in. None of that is a lie. But set it next to the numbers. Of UK businesses born in 2019, fewer than four in ten, 38.4%, were still trading five years later. The encouraging part is that most survive the early going, around 92 to 93% make it through their first year, so the popular line that a fifth of businesses fail in year one is simply wrong. It is the longer haul that thins the field. Knowing that is not pessimism. It is the first advantage you can give yourself.

2. The good reasons are real

Do not let the realism talk you out of it. The genuine rewards of running your own business, control over your time and direction, the full upside of your own effort, the deep satisfaction of building something that is yours and doing it your way, are real and worth a great deal. Plenty of people would not trade them back for any salary. The point is not to abandon the dream. It is to pursue it with both eyes open, so the avoidable things do not take it from you.

3. The hard truths nobody mentions

A few realities tend to arrive as a surprise, and need not.

- **You will do every job,** not just the one you are good at, sales, admin, chasing payment, the lot, especially at the start.
- **The income is lumpy,** and for a good while often less, and less reliable, than the wage you left.
- **Cash, not profit, is what kills new businesses.** You can be winning work and still go under by running out of money before it arrives.
- **Passion is necessary but not sufficient.** Loving what you do matters, but what decides survival is whether enough people will pay enough for it.

4. The money truth

Most new businesses do not fail because the idea was bad. They fail because they ran out of cash before the idea had time to work. Three things cause it, and all three are avoidable: starting with too little money behind you, pricing too low out of nerves, and being far too optimistic about how quickly revenue will come. The single most important number when you start is not the size of the opportunity. It is your runway, how many months you can keep going before the business needs to pay you. Know that number honestly, and you have already out-prepared most of the people who fail.

5. You don’t need a forty-page plan

The thick, polished business plan is mostly theatre. What you actually need is honest answers to a handful of questions. Who is the customer, and is there real evidence they will pay, not just say it is a nice idea? What does it genuinely cost you to deliver, all in? How will customers find you? And how long is your runway if revenue is slower than you hope? A short, honest plan that answers those beats a fat document of optimism every time, because the plan’s real job is to find the holes before they find you.

6. A practical response

- **Pressure-test demand:** get evidence that customers will actually pay, before you commit.
- **Price for profit from day one;** do not buy your way in by underpricing.
- **Know your runway in months,** and be honest about how slowly revenue may build.
- **Write a short, honest plan** answering the few questions that matter.
- **Health-check regularly** through the first year, when the ground is least stable.
- **Get a second opinion** before you put serious money at risk.

Starting a business is one of the most rewarding things you can do, and one of the hardest. The founders who make it are rarely the most optimistic. They are the ones who looked clearly at the risks, prepared for them, and started anyway. Eyes open is not the opposite of ambition. It is what gives ambition a chance.

ABOUT MOOR & CO & 3DMAI

Start with your eyes open, and a plan that finds the holes before they find you.

Moor & Co is a commercial advisory for small business owners, built by someone who has started, scaled and sold real businesses, and knows exactly where the early traps are. We help people across North Staffordshire and South Cheshire start well, with honest numbers, sensible pricing and a clear-eyed plan, rather than on hope alone.

The tools behind it run on **3DMAI**, our commercial intelligence platform for UK SMEs. Its Business Plan Builder gives you a guided, owner-friendly plan covering market, financials and competition, and the 90-Day Business Checklist keeps you honest with a structured health check across finance, operations, sales and people, on your own numbers and in plain English, for £19.99 a month. The free tools need no sign-up. If you would rather talk it through first, the discovery call is free and there is no commitment.

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SOURCES

Office for National Statistics, *Business Demography*, UK: 2024 (published November 2025) — five-year survival rate of 38.4% for businesses born in 2019, and a one-year survival rate of around 92 to 93%, which contradicts the widely repeated claim that a fifth of businesses fail in their first year.
Survival rates vary by sector and region and were current at the time of writing. General guidance only — not financial or legal advice.