

# The Effects Of **Debt** On Entrepreneurs

— & —  
9 Steps To  
Get Out  
Of It.

By Twapewa Kadhikwa



Debt is Demonic. Yup, I said it! Being indebted feels like having a chain wrapped around your neck that is slowly sucking the air out of your lungs and if you do not take charge of your narrative on what you believe and tell yourself you will start to lose your breath, your identity and ultimately lose your mind.

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***you are not a failure and you are definitely not a criminal. You need to know and believe this because no one else does***

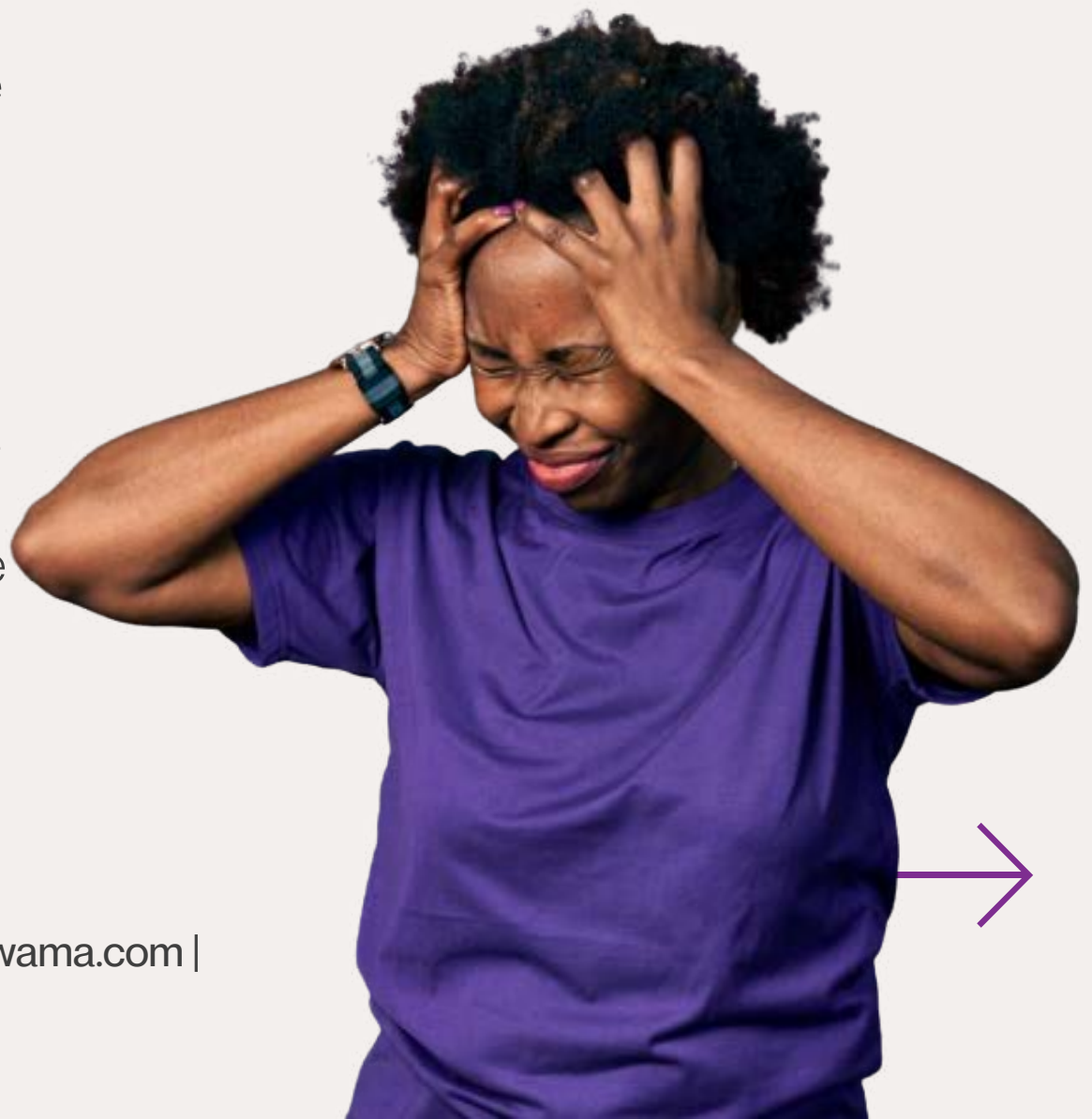
If you went into a trap of debt because of your business, this does not mean that you are a failure and definitely not a criminal, despite what your bank manager makes you feel and what the intrusive thoughts in your mind keep telling you. I want you to know and believe this because no one can do this for you. Truth be told, at this stage, your bank manager thinks you are irresponsible and have squandered their monies, your creditors think you are lying to them when you say you are experiencing cashflow challenges, your suppliers are nervous, your family members, not all, but some, are laughing at you, your employees doubt you and your competitors are just sitting and waiting for your downfall like vultures.



You did not use that money for personal joy, recreation or immoral conduct, and should not be so hard on yourself. But if you did, then we need to deal with that immediately!

In all honesty, you got into the trap of debt because something did not work out well for you in your business. In business, things go wrong. We face a lot of challenges, some of which we have control of and others not. We operate in an economy that is characterized by factors, micro and macro that you have little or no control over.

You did not create the severe drought that Namibia experienced in 2018, you did not cause the economic recession, you certainly did not create Covid 19 and all else and sadly, some creditors want to recover their monies casting a blind eye to these realities. What a tragedy. It has taken me a lot of time and introspection to reconcile with these realities and ultimately pen this piece.



The most painful one is that the society we live is so unfriendly to defaulters. It judges you, concludes that you are irresponsible and not trustworthy and this affects you and your business moving forward. As an entrepreneur, trainer, author and mentor, I am approached daily by other entrepreneurs, start – ups and existing ones battling with this demon and I want to provide support, counselling and guidance out of this muddy place you found yourself.

The main effect of debt in the life of an entrepreneur is that it corrodes your confidence and you begin to feel a lot of shame and self-doubt. Do not wallow in this as it is a dangerous and an unfriendly place to be in. I

***Debt...corrodes your confidence and you begin to feel a lot of shame and self-doubt. Do not wallow***

I have laid out these pointers as 9 Steps to get out of debt, engage them, endorse them and see you at the end of this dark, lonely, fragile and frustrating journey.



9 Steps To  
Get Out Of

**DEBT**



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# 1 Acceptance

It is hard, but accept that you are in debt. Accept it as soon as possible so that we can start to address it and walk our way out of it. You cannot start addressing your debt if you have not accepted it as a reality.



# 2

## Forgive yourself and forgive others

When you are in a trap of debt, its very easy and common to blame yourself and others. You need to forgive because you need your energy, if you do not forgive both you and others, this drains your energy and you need it in order to focus and revive your business. I did that for a while. I blamed my bank manager, blamed the system, blamed former employees, former business partners etc. It took me a long time to forgive myself but when I did that, a huge load of pressure came off my shoulders. You are not going to repay your debt because you feel guilty or blame someone else therefore you need to bounce back emotionally and mentally first before you bounce back financially.



**3**

## **Adjust your lifestyle, quickly!**

Things must change, in order to get new results, you must do different things. Unfortunately, you can't keep on going the same way, there may be a need to adjust your lifestyle, change your priorities, change the way you manage your money, change how you spend money and redefine your financial personality.



# 4

## Beware of the trap of desperation.

Sadly, when we go into debt, we become so vulnerable, even our prayers change and one prays that you get a huge break to repay this debt. You stand the risk of getting into the trap of get rich quick methods, running to all meetings that promise quick and high returns, joining shady pyramid schemes and scoping for opportunities that give you a massive income at once so that you can pay your debt. Those deals often do not materialize because you are desperate. You are doing it from the energy of desperation.

**Remember: anything you do from the energy of desperation does not work out for you! The Law of Quantum Physics says desperation creates repulsion. The more you run to something, the more it runs from you!**

Desperation shows you have not accepted the situation and your reality. Accept your situation and forgive yourself.

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# 5

## Communicate with courage

Make a list of the people who you owe money to, set up appointments with them and go and see them, one by one. With courage, dignity and humility, apologize for the inconvenience caused and share your plans with them. Honor those plans and if you get stuck, communicate again, tell them you are not a criminal neither are you dishonest.

Ask for the required time you need to repay your debt. The other person may become aggressive or pushy, but you need to stand strong. If you are to repay your debt, you need to remain focused, composed, strong and authentically negotiate for the required amount of time you need in order to now use your energy to refocus and pay back their money.



# 6

## Become financially literate

It is no secret that society at large has poor financial literacy skills, especially in the black communities. It is worse with entrepreneurs because many don't even understand the financial lingo and how this affects the different areas of their businesses. Many don't understand terminologies like:

- - Cashflow
- - Turnover
- - Profit & Loss statement
- - Management accounts
- - Interest rates
- - Banking products
- - Loan terms etc.

If you are going to get out of debt and pursue financial freedom, you cannot rely on the knowledge that you had when you got into debt, you need new knowledge.

You need new knowledge that will give you new enlightenment towards your new journey. Remember, New levels – New knowledge! Attend a course, seminar, workshop, conference on financial literacy and new financial habits.

Hosea 4:6 says:

*My people perish for a lack of knowledge!* Do not perish, seek new knowledge!

The ability to acquire, retain and utilize knowledge is the new economy



# 7

## Focus on rebuilding your business based on your strengths

It is not opportunity that makes you money, it is capability. This is the time to take stock, do a complete SWOT analysis of your affairs and identify your competencies. Do not rebuild your business based on hearsay, rebuild it based on facts, your competencies, using your experience and leveraging on your network.



# 8

## Repay your debt - but not from everything that you earn.

You cannot repay your debt from everything that you earn, despite how desperate you are. You need to live too, of course within the right means. Many entrepreneurs out of desperation and frustration commit all their income to servicing debt, this is dangerous and you will be back in the debt trap very soon. I advise that you keep a part to repay your debt, and keep a part to live on.

Debt repayment is more psychological than financial and most entrepreneurs are already traumatized and frustrated at what they are going through so they want to throw every dollar they get to servicing their debt, leaving absolutely nothing to rebuild the business with and live on. Give yourself a second chance to live and rebuild.



# The *Formula*



**1/3 to repay the debt**  
**1/3 to rebuild your business**  
**1/3 to live on**



# 9

## Learn Your Lesson

What a pity it will be to have gone through all this, the emotions, the negotiations the stress, embarrassment and frustrations and walk away without wisdom? I hope you learned your lesson or lessons.

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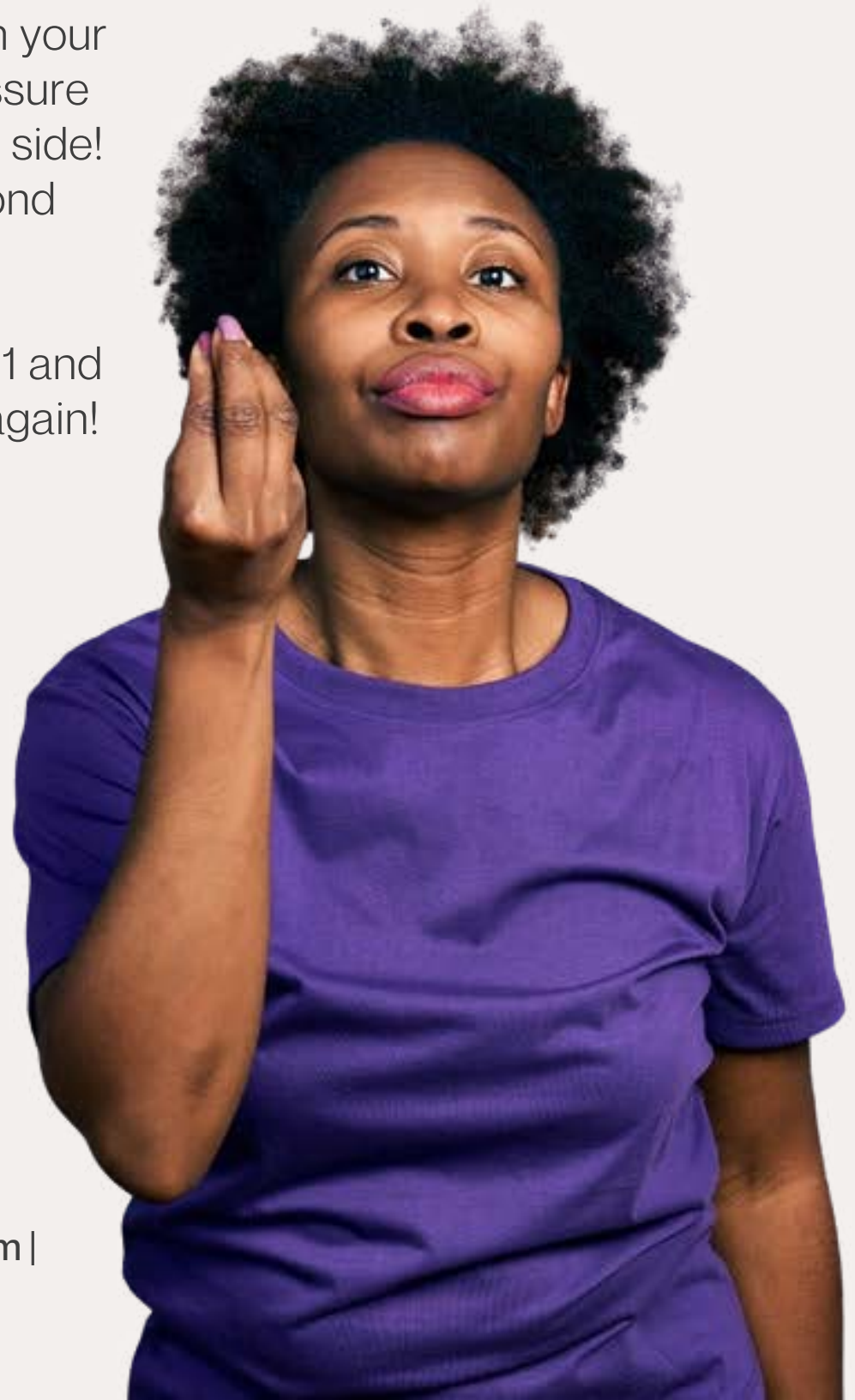
***There are always two sides to a story and regardless of how you got into the trap of debt, you also had a part to play in it.***

There are always two sides to a story and regardless of how you got into the trap of debt, you also had a part to play in it. So, learn your lesson. Improve your skills, change your habits, adjust your lifestyle and start to rebuild your life and your business. No experience is wasted and there is a lesson to be learned, always. Sometimes the lesson is to utilize money more diligently, or not to trust too easily, or to do what is in alignment with your values and competencies while you manage your money with balance.







Lastly, remember, being in the trap of debt makes you lose your confidence and joy. I encourage you to preserve your joy, at all times! Do not wallow in shame and take charge of the negative and intrusive thoughts that come in your mind. Action these 9 steps and I assure you, you will come out on the other side! After all, everyone deserves a second chance.

Claim the promise in Jeremiah 29:11 and start to rebuild your life and shine again! Our creator has good plans for us.



# Thank You For Reading

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