

# Starting Your Own Business –101–

*So you want to go into business? Step 1: read this article...*

There are no magic tricks, easy shortcuts or quick fixes to bring about success in business. There are no guaranteed recipes to follow or formulas to apply, although there are certainly basics that you must know and use. Reputable and honest business advisors all agree on one thing – despite all the advice and knowledge you may glean from books and experts, at the end of the day, success generally comes to those who are willing to “do the hard yards” – that is, to apply what they know with understanding, persistence, common sense and guts – and when they realize there is something they cannot figure out how to do, seek advice and help from a trusted advisor.

This means working smarter rather than working harder, although long hours, stamina and much physical and mental effort will often be called for. Success also requires “working *on* your business”, to make it better able to survive and succeed, rather than just going to work each day to work *in* your business.

*Before you even think about going into business, the following question needs to be very seriously considered ....*

*“Do I really have what it takes to run my own business right now?”*

Going into business is one of the most important and exciting decisions you’ll make in your whole life, and relying solely on ‘gut feeling’ is not the way to approach it.

The consequences of making a wrong decision can be disastrous so the purpose of this article is simple – to help you reduce the possibility that you will make a bad decision about going into business – a decision that can have traumatic and long-term consequences for your health, wealth and family. The article will provide you with some questions that require serious thought before you make the decision to go into business on your own.

Your Consulting Accountant can provide you with active knowledge and practical understanding of all the issues you’ll face when going into business on your own but the first stage of preparing to go into business is a very personal one.

It concerns and involves you, your family and your closest friends and advisors. It requires a great deal of ‘soul searching’ and candid assessment of your abilities, strengths, weaknesses, and motivations. The results of this process may be either painful and disappointing, or rewarding and challenging. But it is a most essential part of the whole process of going into business. Before you start spending serious sums of money, or get too far into the thinking about products and customers, a business location or a business name, or doing all the other things necessary to get the business started, you must first decide if *you have what it takes*, and whether you are suited to owning and running a small business.

Here are some critically important things you must consider before starting your own business. You must:

- Be fully aware of the importance of thoroughly and honestly evaluating your own personal ability and motivation to undertake the role of owner/manager of a small business.

- Know the essential questions to ask about going into business, be able to get the answers when you need them and weigh them up objectively.
- Know what running a small business involves, in broad but practical terms.
- Be fully aware of the dangers of getting into small business, especially doing so without adequate preparation.
- Understand the value of getting all the help and advice you can from others, both before starting your business and once you have it up and running.

You will then need to be able to:

- Sort out what needs to be done to move your original idea, dream or scheme to the point where it can be seen as an achievable and realistic goal.
- Compare the benefits and costs of your emerging business idea and plans against such criteria as your personal and family life goals and priorities, your personal values and vision for life, the inherent risks associated with self-employment and the major responsibilities involved.
- Assess the likely level of your commitment to the new business.
- More objectively consider your personal motivations for going into business, and your expectations from doing it, and be able to compare them.
- Rate yourself in terms of the essential skills needed for small business ownership and management.
- Decide broadly on the type of business most appropriate to your experience, skills knowledge, ambitions, interests and the kind of person you are.
- Assess how suited and prepared you are to go into the type of business you are considering.
- Make the best possible decision, be it (1) to proceed, (2) to not proceed, (3) to put the idea on hold until more experience is gained or (4) to get more advice and help.
- If your decision is to go ahead, start to formulate and evaluate your broad business idea as the first stage of putting the business together and draft an action list of things that need doing with time frames and 'do-by' dates.

In summary if you are:

- Looking at self-employment as a better alternative to being unemployed or working for a wage or salary in a job that you dislike and/or which has little future.
- Wondering whether owning and running your own business is the best course of action for you and your family, all things considered.
- Trying to decide whether you have 'what it takes' to be successful in your own business.
- Not really sure what skills and abilities are needed, or whether you have them.
- Wondering if you have the necessary drive and motivation to make it all happen.
- And concerned about the widely reported 30 per cent of businesses that fail within the first year and 75% that fail within the first 5 years;

You should consult with your Consulting Accountant before making any business ownership commitments. He or she will help you answer all of these questions and reach a decision that is right for you.

If your Accountant is a member of the Principia Alliance they are specialists in working with business startups and have a toolbox of resources designed specifically to help you answer the questions in this article and many more. They will help you formulate and implement a small business strategy for success and will dramatically enhance your chances of business success.

# Support Resources

Our firm is a member of the Principa Alliance, a global network of business growth consultants who are focused on helping small to mid sized business owners build better businesses.

We can help you formulate and implement a small business strategy for success and will dramatically enhance your chances of business success.

Learn more about we can help you grow your business profits by calling us today.