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Questions to Ask Yourself Before You Start Your Own Business

by Alan Shaver

Many of us dream of starting our own business, of freeing ourselves from our current job and doing what we want to do. It's a great dream and many manage to turn it into reality. If it is your dream there are, however, questions you need to ask yourself before taking the plunge.

- **Do I really love doing what I want enough to turn it into a business?**

Many of us have activities, perhaps hobbies that we love and to which we devote countless hours. But, do we love it enough to do it 12 hours a day, 6 or 7 days a week? Whatever your idea for a business may be, it is vital you like it enough to spend many hours each day, each week, each month and each year doing it. If you do not enjoy doing it, it will be harder and harder to push yourself to do it, and the likelihood of being a success will steadily diminish.

- **Am I a risk taker, and can I afford to take a major risk?**

Starting your own business requires taking a very large risk. Not only may you be giving up your current source of income, you also may be cutting yourself off from the usual occupations or trades in which you have previously found employment. This will not only affect your income, it may also seriously disrupt whatever career you currently have. It may be difficult to get back "in", once you have stepped out of your present occupation.

- **Do I have the initiative and self-discipline running my own business requires?**

There won't be a "boss" telling you what to do, or what to do first. You will have to set your own priorities, push yourself to do the things that need doing, particularly those things you do not particularly like to do. For example, you may have to push yourself to do the marketing required to develop new sources of business; you may allow yourself to be distracted by work you presently have to do. Putting off this vital task could result in drying up your source of orders and sales.

- **Am I willing to ask for help to secure the knowledge I need to make a success of a business?**

For example, if you do not know much about accounting, are you willing to expend the time, energy and resources required to secure at least a working knowledge of financial accounting and recording? Are you prepared to go to a SCORE counselor to learn the "nuts and bolts" about starting your own business that you will need? Most SCORE chapters offer workshops on various aspects of starting and running your own business. You will need to seek out and take advantage of these educational opportunities.

- **Will I be discouraged by rejection and reversal?**

Getting started in business, particularly pursuing the initial orders and sales very likely will require you to engage in “cold calling” of likely prospects. Many of these initial efforts are likely to be rebuffed, politely or not so politely. You will need a personality sturdy enough to absorb such rejection and move on to the next likely prospect. If you can’t do this you will not get the orders and sales you need. It will also be hard, particularly in the early days, to have hours or even days go by with little or no business. Will you be able to push yourself to do what will be necessary to generate business?

- **Do I have the drive and discipline to make myself do the parts of the business I don’t like?**

There are aspects of any business less enjoyable than others. For some people, financial accounting is a drag; for others, marketing and sales are hard; and, for even others, thinking strategically about the business is not within their experience. When you start a new business you will have to do all of these things, and more, even if you don’t like them. No one else is going to do them for you and if you don’t do them they will not get done. The business will suffer as a result.

- **Do I have the support of my family and spouse?**

Starting a new business is very demanding and stressful on the business person, and it will ripple out into his or her personal life. The understanding and support of spouse and family are vital to success. However, not only must spouse and family provide the emotional and psychological support, they must also be prepared for and endure the financial burdens of getting a new business off the ground. There may have to be belt tightening, reductions in standard of living, going without some accustomed purchases. Even if you are prepared for this, is your family?

- **Can I adapt my lifestyle to available income from the new business?**

A new business takes a while to get going, and the income stream is likely to grow slowly. In that initial period money to sustain your accustomed life style is likely not to be available. Are you able to make the changes that will be required to get through this time without exhausting your financial resources? Your banker, among others, will be particularly concerned about this.

- **Can I confront hard choices and make difficult decisions?**

As you start a new business you will be faced with some tough decisions and hard choices. Avoiding or deferring decision on such matters will only weaken your business efforts and lessen the probability of success. Can you confront these choices and make the tough decisions, or will you try to avoid them or put them off? The “devil is in the details” is particularly true when it comes to these matters. Your business can flounder while you dither to avoid these decisions. Perhaps the hardest decision will be to discharge an employee you can no longer afford, particularly if he or she is a friend or family member. Can you make yourself do it?

- **Do I have the capital, or at least access to the capital I will need to get my business going?**

Getting a new business started requires investment, capital, not only to buy what is needed but also to carry the business through the initial startup period. Most new businesses fail because of a lack of sufficient working capital. Do not underestimate what will be required, particularly if your business is likely to be seasonal. Arranging a revolving loan with your bank, or bringing in a partner may be necessary to assure adequate capital for the business.

- **Finally, do I have the energy and health necessary to work as hard and long as necessary to make my business a success?**

This is an important issue. New businesses have failed when the owner's health or energy failed at a key time. It is likely you will have to work long hours every day, six or seven days a week, week in and week out for several years before your business has been established on a sufficient basis that you can afford time off. Be sure your health and energy are adequate to the challenge. If you have any doubt perhaps you need a partner.

Starting your own business is a challenging but exciting endeavor. Do not underestimate either the problems or the difficulties. The most important issue will be your own readiness and ability. On this will rest the success or failure of your effort.

Moreover, do not be misled by the common myths associated with running your own business. Contrary to what many want to believe, you will not get rich quick. Even Bill Gates needed some years to get Microsoft onto a solid basis. Neither can you achieve success on a shoe-string. Adequate working capital is vital. And, do not expect to make a success by working at it part-time. Getting a new business successfully started will require all of your energy, time and attention for a very significant period. There are no short cuts.

Alan Shaver is a counselor with the Portland Maine chapter of SCORE. With a background that includes stints as corporate attorney in a Fortune 500 company and executive owner and partner in franchised multi-unit auto service business, Alan understands the challenges and opportunities of small business ownership.

The national SCORE Association is a nonprofit organization dedicated to entrepreneur education and the formation, growth and success of small business nationwide. SCORE Portland is one of 389 chapters throughout the United States, with over 11,000 volunteers nationwide. SCORE is a resource partner of the U.S. Small Business Administration.

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