

A BETTER WAY

Before You Jump In: **Deciding to Start Your Business**

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So you think that the best boss in America would be the man or woman who stares at you in your mirror each morning. So you think you can build the better mousetrap, provide the better service, create the better way.

How do you decide to give up the security of working for someone else, that your business can and will provide for you and your dependents, that you will succeed? You want to satisfaction, the freedom, the rewards. But how do you know you can jump in? Consider both the personal issues and the business benchmarks.

Assess your personal characteristics for business

Not everyone is “cut out” to be a business owner. Launching a business from the ground up can take a tremendous amount of time, energy and self-discipline. Especially in the early stages, some businesses seem to run almost solely on dedication, perseverance and the owner’s own optimism. And there are very real financial hurdles to jump – turning a profit can take some time and both the business and its owner be provided for financially during that delicate start-up period.

Whether through on-line searches, visits to a local library, or meetings with coaches and advisors, you should figure out the characteristics of successful business owners, both generally and in your specific field. Write them down. And then ask yourself and your advisors the hard questions: assess yourself on each characteristic. Be sure you can conclude that you have a passing score.

Now commit your assessment and plan to paper.

After you believe that you have sufficient personal characteristics to pursue your dream, then get concrete with the business elements. These include identifying your objectives, defining your business idea, researching and writing your business plan, devising a realistic budget, securing capital, and determining your exit strategy.

Clarify your personal and career objectives. What are your reasons for wanting to start a business? What aspects of business ownership appeal to you most? Long-term, do you see your business as a sideline that you run alone from your home, or do you envision yourself as an emerging CEO with a large staff and several bases of operation?

Identify and refine your business idea. What talents and skills do you have that are most marketable? How large or small a market exists for this service or product? What is the competitive framework? Is there an “unmet need” you could fulfill or some other way you could set your business apart from the competition?

Research your idea. Look on the Internet or in reference materials at our excellent local libraries for trade or professional organizations in your selected field. Discuss your idea with others to obtain a better understanding of the pluses and minuses of the job.

Determine funds needed for the business. Research start-up costs for computers, goods, equipment, daily operating expenses and any other aspect of your business. Factor in regular

living expenses you will need to cover until your business can turn a profit. Put your budget on paper or a spreadsheet.

Test the concept. Talk to potential customers to determine interest in buying your product or service. Test several prices to determine what the market will bear for your business.

Develop a business plan. Sample business plans are available through various trade and professional organizations, and local colleges offer both courses and professors available for consulting. Reference books in libraries and on-line also can provide background for drafting a solid business plan.

Secure financing. Discuss needs for additional financing with your financial advisor. Be sure you have adequate financing committed before pulling the trigger.

Plan your exit. Decide what your business will do if you die too soon, hit your goals early, miss the goals altogether, or any number of other “what ifs”. While failure may not be an option, consider various scenarios for passing or selling your business to others, safety nets, and other alternatives.

Henry Ford is reported to have said that the longest journey begins with a single step. It's great to plan, yet once you start your business, your real work begins. Set yourself up for success by making a plan, challenging it, and regularly comparing your actual experience back to your plan. It can be a wonderfully satisfying experience.

* **Tim Leighton** is a lawyer and Certified Financial Planner™ who helps business clients plan for building their enterprise and providing for its continuation after they stop being in business.

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