

Startup - Is This Right for Me?

Are you really ready to start a small business?
by Michelle Woodbury, Business Consultant
with the Small Business Development Center

It happens to all of us. When faced with a pressing deadline, rude customer, or impossible project, we find comfort in daydreams of owning our own business.

What could be better than sleeping in late, working in your pajamas, calling all the shots, and getting all the glory?

If, like so many of us, you find yourself seduced by these dreams and are considering branching out your own, please take a minute to consider the following issues:

What could be better than calling all the shots? Actually, what could be worse? If you think the pressure at your current job is bad, imagine being responsible not only for your current position, but *all* the positions in the company. You have to make all the decisions, and there's no one to pass the blame to.

While you may have no "boss", you still have to answer to plenty of people: your customers, suppliers, creditors, employees, and your family. Can you handle all *that* pressure?

But I'll make so much more money! Lots of people are drawn into owning their own business by this common assumption. But before you set out for your own pot of gold, take a minute to seriously plan out your business' financial future.

Do you have all the money you need to start a business? If not, do you have good credit and at least 20-50% of the amount you need to start it? How much are your monthly operating expenses going to be? How many customers will you need to meet your monthly financial demands? What taxes, licensing fees, and other fees will be applicable to your business? How much do you need personally to survive, and will your business be able to provide that amount?

If your business fails, what will happen to you and your family?

If you don't know the answers to the questions above, please don't start a business until you have thought these issues through, as financial problems can be the most tricky to overcome.

So, when *should* I start a business? If you feel passionately about something, take the time to write down a plan for your business: what its mission will be and how much money you'll need to start it; where it will be located; what it will be called and how it will be organized; what the short-term and long-term goals for the business are; and what projected revenues and expenses look like for the next three years.

Taking the time to plan out your business will help prevent you from rushing in to something, only to find out later that it was not as profitable or interesting as you thought it would be.

Next, do a self inventory. Can you make decisions under stress? Can you handle multiple deadlines and tasks? Do you work well with other people? Can you personally afford it if this doesn't work?

If, after examining the issues above and planning your future business, you are pretty convinced that your business will be profitable, and you have at least part of the capital for your business, share your ideas with others your trust and get their opinions, because it could turn out that starting a small business may indeed be right for you.

###

The Small Business Development Center provides Free & Confidential Managerial and Technical Business Counseling from 16 offices throughout South Carolina.. For the Columbia Area Office, phone 803-777-5118 or email uscsbdc@moore.sc.edu.