

Starting Your Small Business: An Entrepreneur's Guide

Objectives

1. Explore the possibility of starting your own business.
2. Identify resources, understand potential challenges, and gain an understanding of the process of starting your own business.

Are you Ready to Start a Business?

Consider the following statements as you decide whether you are ready to start a business. Check off those you agree with. The more items you check off the list, the more prepared you may be to begin the process of starting your own business.

- I am a good planner and can pay close attention to detail.
- I am a self-starter and am willing to spend 12 hours a day, 6 or 7 days a week, to make sure my business succeeds.
- I am good at making important decisions even while under pressure.
- I can use advice and criticism from others to help me succeed.
- I have the self-discipline needed to make and follow a set schedule.
- I am adaptable and able to change and grow in unexpected ways.
- I have enough expertise or experience in a particular field or can provide a unique product or service that others would be willing to pay me for.
- I have discussed this idea with my family and/or significant other, and they understand that running a business will make great demands on my time, attention, and financial resources.
- I get along with all kinds of people.
- I know there is a good chance that my business will fail, but the potential benefits outweigh the risks and I still want to try (roughly 50% of small businesses fail within the first five years).
- As a business owner, I understand that I need to be able to build relationships with a variety of people: customers, vendors, staff, consultants, bankers, lawyers and accountants.



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Small Business Association Assessment Tool

The Small Business Association (SBA) provides a tool to evaluate your readiness to start your own business. It evaluates your general business knowledge, personal characteristics, skills, experience, and training. It also directs you to resources such as free SBA online courses, access to online counseling, and targeted links to appropriate resources. The assessment may be found on the Small Business Association website at: www.sba.gov/tools/business-plan/1

Small Business Facts and Trends

There are an estimated 27.5 million small businesses in the U.S. Together they have generated 60% to 80% of net new jobs annually over the last decade. Currently, they employ 50% of the country's private workforce and represent 97.5% of all the exporters of goods from our country and generate a majority of the innovations that come from U.S. companies.

Some additional facts to consider:

- 1 out of 2 of the nation's businesses are operated from home.
- About half of all small employers either worked in another small business or operated their own venture immediately prior to entering their current enterprise.
- More than 6-in-10 owners used their own money to start their business.
- Minorities own 21.3% of all U.S. businesses and 99% of these firms are small businesses.
- On average, small-business owners work 40 hours per week or more.
- 59% percent of small business owners sought the services of an accountant in the last year.
- 66% of small-business owners have one person with whom they are likely to consult before making a critical business decision.
- Minority-owned businesses have increased more than 45% within the last 5 years.
- Survival rate for business startups with employees:

5 years	49%
10 years	34%
15 years	26%

References for this information include:

- IDC, *U.S. Home Office 2004-2008 Forecast 2004*
- *US Census Bureau*
- Wells Fargo/Gallup Small Business Index
- Small Business Administration
- www.411sbfacts.com/aboutnfib.html

Business Plan Outline

Successful businesses do not just happen; they need a plan behind them. Writing a business plan will help you set down your goals for the business, assist in analyzing the feasibility of a new business, define your customers and competitors, and point out your strengths and weaknesses. While a business plan is a complex document, this outline can get you thinking about how you want to run your business.

1. Summary

- Business Description
 - » Name, location, and description
 - » Product/service
 - » Market and competition
 - » Management experience/expertise

- Business goals
 - » Mission, vision, value proposition
 - » Summary of financial needs
 - » Sources of funding
 - » Earnings projections

2. Market Analysis

- Description of total market
- Industry trends
- Target market
- Competition

3. Products or Service

- Description of product or service
- Comparison with competitors' products or services

4. Marketing Strategy

- Overall strategy
- Pricing policy
- Method of selling, distributing, and servicing products or services

5. Management Plan

- Form of business organization
- Board of Directors/Advisors composition
- Officers, organizational chart, and responsibilities
- Résumés of key personnel
- Staffing plan/number of employees
- Facilities plan – where will the business be located
- Operating plan/schedule of upcoming work for two years

6. Financial Data

- Personal financial statements (previous 2-3 years), if seeking a loan
- Two-year financial projections
 - » Income statement (profit/loss statement)
 - » Balance sheets
- Explanation of projections

Summary

This guide provides some initial information to get you thinking about starting your own business. As the number of Americans who own their own businesses continues to increase, you may find this option is something you want to pursue. Extensive research and planning must be undertaken before you start a business if you expect it to succeed. The resources included in this guide can be an important first step in that process.

Additional Resources

Select Career Center Library Resources

Be Your Own Boss.....IIB 11-1021.03 D8
The Road to Self-Employment.....IIB 11-1021.02 N6
How to Succeed as an Independent Consultant.....IIB 11-1021.03 H6
How to Start and Run a Successful Independent Consulting Business.....IIB 11-1021.03 H61
Opportunities in Your Own Service Business.....IIB 11-2021-02 M35
Opportunities in Retailing Careers:
Careers in Venture Capital.....IIB 13-2051 W41
Opportunities in Culinary Careers.....IIB 35-1011 D6
Opportunities in Building Construction Careers.....IIB 47-0000 S9
Careers for Crafty People & Other Dexterous Types.....IIA CF-C7
Finding Your Perfect Work.....IA E3
Everything Alternative Career Book.....IIA M3
Start your own Business.....IIB 13-0000 E5

Select Online Resources

Local

- The Jim Moran Institute for Global Entrepreneurship (FSU)
jmi.fsu.edu
- Small Business Development Center at Florida A&M University
sbdcfamu.org
- The Greater Tallahassee Chamber of Commerce
www.talchamber.com
- Economic Development Council of Tallahassee/ Leon County
taledc.com

Florida

- Starting a Business in Florida
www.myflorida.com/taxonomy/business
- Florida Small Business.com
www.floridatrend.com/small-business

Other

- U.S. Small Business Administration
www.sba.gov
- Internal Revenue Service (IRS) Starting a Business
www.irs.gov/businesses
- Entrepreneur.com
www.entrepreneur.com
- The Riley Guide: Considering Self Employment
www.rileyguide.com/self.html
- Minority Business Development Agency
www.mbda.gov
- Women Business Networking in Tallahassee
<http://www.meetup.com/topics/womens-business-networking/us/fl/tallahassee/>
- The Small Business and Self-Employment Service (Office of Disability Employment)
www.askjan.org/entre
- Veterans Corporation
www.veteranscorp.org

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