



So, You're Ready to Fly? Let's Test Your Wings!

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A 2-minute snapshot of starting a business from someone who's done it.

How little I knew in 2003 when I decided to leave the corporate world and start my own marketing agency. While I knew marketing inside/out, running a business was not my expertise. So, my first piece of advice is 'do your homework thoroughly'.

From trying to do it all myself, to not pricing at a profitable level, to taking on clients with dreams but no money, to putting 'all my eggs in one basket' – I made a lot of mistakes. But, when I look back, I've come a long way and so has my company; however, more preparation before I started would have eased the stresses of a new business and increased profitability immeasurably.

To hopefully help you avoid some of my errors, here are a few questions to ask yourself before starting any new business:

- ❖ ***Is this my passion? Do I have a strong desire – not just ability – to do this?*** Having a business is not easy. If it isn't something you love, there will come a time when you burn out. Life is just too short to spend in captivity to a dream that becomes a nightmare. Even when you love it, your relationship with your business is a bit like any relationship. Sometimes you're in love, sometimes you want to walk out the door. Only if you are in a *committed* relationship built on a strong foundation will it survive the ups and downs that **will** come.
- ❖ ***Do I have a vision: 1 year, 2 years, 5 years?*** You've heard it before, if you don't know where you're aiming, you have very little chance of hitting the target of a healthy, profitable business. Take the time to think this through. And, even though you're just starting, think about your exit strategy now. That will help you set up your business correctly from the start.
- ❖ ***Have I prepared a business plan – does it make sense and do I truly see this as a profitable venture?*** Preparing one can seem time consuming, boring, just a lot of words. Why not just DO it? But it's essential for ensuring you've looked at all aspects of the market and how you fit. A great resource is SCORE counseling. These are current and retired executives and business owners who will listen, advise and, best of all, it's a free service.

Do I understand financials? Can I read a P&L or Balance statement and know what that means to my business? Setting up your books correctly at the start will save a great deal of time, money and stress. Get the help of a CPA and perhaps a bookkeeper, but never relinquish decisions and control of your business finances. Believe me, this was a hard lesson-learned.

- ❖ **What's my IT plan?** Computer issues can paralyze a small business, so be sure you have someone who can step in to take care of problems immediately. Invest in a backup system – on premises and/or online - that gives you and your customers peace of mind.
- ❖ **How will your customers/clients know you exist?** Marketing your business is not just printing business cards and hoping the phone will ring. To brand your company for its best chance of success takes research, strategy, a strong identity, sales materials and, in most cases, a web presence. This is rarely a do-it-yourself project unless marketing IS your business.
- ❖ **What are my insurance needs: health, equipment, liability, life . . .?** This may be the biggest obstacle you'll face. It is impossible to match the quality and cost of health insurance provided by large corporations. If you're not in a group, there may be stipulations for pre-existing conditions or you may be denied coverage. In any event, the cost will surprise you. Research this thoroughly before voluntarily leaving a position that provides your coverage.
- ❖ **Do I have the capitalization to start this business?** Insufficient financial backing is the death of most new businesses. Whatever expenses you think you'll incur, they will be more. Equipment, software, furniture, office lease, utilities, insurance, salaries, marketing, services, phones, sales taxes . . . the list goes on and on. Be prepared for the unexpected always.
- ❖ **And have you considered . . .?** There's so much more to think about: external office or home, hired staff or outsourced, incorporation or sole proprietorship, associations to join, government paperwork.

Does all this sound daunting? Good. If you're not prepared for the many decisions you'll face as a new business owner, you're set up for failure. But, if you have done your homework, prepared a solid plan and consulted with others who are successful and have the ability to advise you, you'll never regret your decision to spread your wings and fly!

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