

# 10 POINTS TO PONDER BEFORE STARTING A SMALL BUSINESS



## Executive Briefing Series

December 2006

By: Jim Smith, YCHANGE International

**YCHANGE assists start-up and expanding small businesses with the planning and paperwork needed to get going. YCHANGE has the right people, skills, industry resources, business-planning expertise and track record to help your company achieve its business goals quickly.**

## 10 Points To Ponder Before Starting A Small Business.

### 1. Just Lost Your Job or Need to Create Work for Yourself

And you need to put bread on the table. It sometimes takes over a year for the business to start producing enough cash flow to pay the owner a salary. You'll have to live off of savings and if you have none you may want to reconsider starting that business immediately.

### 2. You Just Retired

If you have always thought about running a business when you retire go for it. You have the savings to help bankroll the business and a bank will be more ready to help you with a business loan since you are taking some of the risk. Do your homework first.

### 3. You're Tired of Working 9-to-5

You think that going into business will give you more flexible hours. If you're lucky, you'll be working 14 to 16 hours per day and thinking about the business the rest of the time. In 12 to 18 months, when the business gets off-the-ground, perhaps you'll be able to hire a manager and have your flexibility. But not right away.

### 4 You Want to Work For Yourself

You're tired of bosses and want to do your own thing. Well you'll be doing your own thing except that your customers will be your boss. You won't have just one boss, you'll have many. This can be rewarding since multiple people will be giving you advice and counsel.

### 5 You Hired a Business Advisor and He Recommends ---

If you don't know what business you want to be in, it will be very difficult for a business advisor to link you up with something that is right for you. Do the research along with the advisor and make sure you understand all of the parameters that go into making the decisions. Before signing contracts, talk to others with more experience and review the deal with an impartial third party like SCORE.

### 6. All Your Friends Have Started a Business

So you're flirting with the idea although you have no experience and really never dreamt of going into business for yourself. Do you know how happy and committed your friends really are and if they are making a good living.

Diligent research will help you make the decision whether it is right for you to take this step.

#### 7. You Want to Spend More Time With Your Family

You can if you get them to join you in the business or you contract their services. Working together closely can be good. Think it over and involve them where it makes sense.

#### 8. You're Not Sure of the Business You Want to Open

That's not a bad place to be. Do the research and make sure that you find a niche where you can present a product or service that customers need because of a specific pain that needs taking care of. Sometimes when you think you know what you want you become complacent and don't do the right level of research.

#### 9. You Don't Like Paperwork

Most of us don't, but be prepared for lots of it if you want to run your own business. You'll need a business plan even before you try to make a decision and after you start, you'll need to keep accurate paperwork. In the end this pays off in bigger profits and more time for yourself.

#### 10. You Have Bad Credit (No Credit History)

This is something you'll need to address before going for a loan. Go to the following link for help: ["10 Things to be Aware of before Applying for that Small Business Loan"](#) Spend time cleaning up your credit profile otherwise it will be extremely difficult raising money.

If you do your homework, have a strong commitment, talk to others who have been there before you and paved the way, you have a good chance of being successful

*Jim Smith is CEO of YCHANGE International, a Portland, Oregon, based management consultancy. Jim can be reached at 503-922-0784 or by email at: [jsmith@ychange.com](mailto:jsmith@ychange.com).*