

Steps to Consider Before Starting a Business-Submitted 5/20/09

As the economy continues to shed thousands of jobs, many people have, or are considering, the idea of starting their own businesses.

Owning your own business is an amazing accomplishment and achievement, though somewhat risky.

If you are considering starting your own business, many questions must be answered in order to proceed with your dream.

Please consider these top 10 elements before moving “full speed ahead” and becoming an entrepreneur!

1. Look at yourself. No matter how much money someone else makes, if you don't enjoy the business, and not proud to show others what you are doing and how you are doing it, then don't do it. If you run a business you don't like or don't believe in, even if you have temporary success, it will, more than likely, not be successful. Have a passion for the product or service!

2. Assess consumer needs. The easiest business to run is one that produces products or services that people already need. You don't have to convince them they need what you sell. You can focus on why you are the best source to satisfy their need.

3. Choose products or services that you can make a profit from. If the difference between your cost and selling prices is too low, you will have difficulty growing the business. When profit margins are too low, you won't have enough money to hire employees, pay for rent, advertise more and do other things needed to expand.

4. Make realistic estimates of your expenses. Most new businesses either forget about marketing, overhead costs, income and self-employment taxes or greatly under estimate them. Inquire about business loan possibilities.

5. Be honest to your customers and prospects. Don't promise what you can't deliver. Don't exaggerate the benefits of what you sell and always deliver a quality product or service. Word-of-mouth marketing has always been one of the primary ways small businesses find customers. The Internet and social networking sites spread the word well also.

6. Understand how important marketing. The world won't beat a path to your door just because you have a better product or service than someone else. To get customers, you will have to market your products or services effectively.

Consider becoming a member of the Chamber of Commerce or other City networking venues.

7. Treat your vendors and service providers with respect. They are an important part of your team and your success. Your success relies heavily on your ability to nurture, manage and maintain these relationships.

8. Embrace the internet. No matter what you sell or to whom, there's a good chance your customers will turn to the web in one way or another to make their purchase. If customers can't find you in their queries, they are likely to give their business to one of your competitors. Make sure your website is "optimized"!

9. Moderate your expectations. Yes, people do make money in their sleep or while they're away on vacation -- the Internet makes that possible. But only after they've invested a lot of time, effort and money in building the business and team that keeps it going and growing.

10. One is a risky number. One product, one service, one main client, and all your records stored on one computer hard drive, is a recipe for failure. If you only have one product or service, you're missing out on the chance to profit by selling more things to people who already know and trust you. If you have only one main client, you could be in trouble if you lose them to another vendor. And if all your records are on one computer, a hard drive crash could destroy your business.

If you feel confident in your ability to start your own business by taking into account these scenarios, then go for it!

Ron Daratany is a nationally recognized career and organizational consulting expert. He is the President/Founder of DMR Global, Inc., a Coral Springs based Regional, National and International professional career consulting/outplacement and executive recruiting firm.

Please send questions to rdaratany@dmrglobal.com or visit www.dmrglobal.com.