

First Steps to Steps to Getting Your Business Up and Running



Q: Having recently lost my job, I am forced to think about starting my own business. I have watched some video and read a few articles, but honestly, this is all new to me. Could you just give me the broad overview of the steps involved? Thanks for your time. — Brandon

A: It is no secret that these have been tough times for everyone. Yes, starting a business may sound daunting and expensive, but it need not be either. In fact, what it can also be is interesting and exciting, especially if you know what to expect and what you are doing. Here's a good path to follow:

1: Personal evaluation: Begin by taking stock of yourself and your situation. What skills do you have that are transferable and what industries do you know best? Consider too:

- Whether you might want to sell a service or a product
- How much money you are willing to risk
- What do you love doing so much that you would like to do it every day?
- Your answers to these sorts of questions will help you focus and pick a business. If you don't know what sort of business you want to start, here are a few tricks of the trade:
- Drive down the street and notice what businesses catch your eye
- Go to trade shows
- Read the business section of the newspaper
- Google an industry of interest and see the many sorts of businesses are out there

What you are looking for is something that would be interesting to you, which utilizes your skills, that is not too expensive, and which has potential for growth. Make a list and narrow your choices down.

2: Analyze the business: Once you have some idea of a business that fits your goals and lifestyle, the next step is to analyze your idea. Who will be your customers? Who will be your competition?

3: Make it legal: There are several ways to form a business:

- It could be a sole proprietorship

- It could be a partnership
- It could be a limited liability company (LLC)
- Or it could be a corporation.

Generally speaking, the latter two options are preferable because they limit your personal liability and create a business that is separate and apart from you. You will also need to get the proper business licenses and permits from your city, county, and/or state. Start with your city business office and see what they recommend.

You should also check out your insurance options, and find a good accountant and lawyer to be on your team.

4: Draft a business plan: If you will be seeking outside financing from friends, relatives, investors, or a bank, a business plan is a necessity. But even if you are going to self-finance the venture, drafting a business plan will help you figure out

1. How much money you will need
2. What roadblocks to be on the lookout for
3. How long it should take before becoming profitable
4. It is like a pilot's flight plan – a business plan helps you figure out how you are going to get from here to there.
5. Get financed: Most small businesses begin with money from savings, credit cards, personal loans, help from family, friends, and do on. You should also check out Small Business Administration (SBA) guaranteed loans. These loans, administered by banks, offer great terms.
6. Set up shop: This is the fun stuff:
 - Find a location
 - Negotiate the lease
 - Decorate
 - Get phone lines and the Internet installed
 - Have your stationary printed and website developed
 - Hire staff
 - Throw a "Grand Opening" party

7: Trial and error: It will take awhile to figure out what works and what does not. Make a mistake and learn from it. Follow your business plan, but be flexible. Advertise and market, and then do it some more. You have to let people know you are out there.

Most of all, have fun. Running your own business is one of the great experiences in life!

Today's tip: One thing all small business people like is saving money. That said, can you actually get anything of value for only five bucks? Apparently the answer is yes. A new website has posted more than 150,000 different things people will do for you or your business for only \$5 – everything from doing commercial voiceovers to holding a sign that advertises your business. Check out Fiverr, at [fiverr.com](https://www.fiverr.com).