



TOM CORSMEIER TAX SERVICES

MORE THAN JUST NUMBERS

10 POINTS TO CONSIDER BEFORE GOING INTO BUSINESS

Running a business can be rewarding, but it is not for the faint of heart. It requires commitment and perseverance. Although going into business is an appointment thrust upon some, it remains primarily a choice for the majority.

Whether life's circumstances bring you to a place where becoming a business owner is no longer an option or not, below are 10 points I have identified that you should consider before diving headfirst into business.

1) WHY?:

The reason why to start a business is paramount to your success—knowing the reason why will sustain you through tough times. Ask yourself this question: Is this a business I will like or enjoy? If the answer is no, it is best not to engage. Conducting business and treating it like a job is a recipe for failure.

2) RISK:

We get motivated hearing the success stories of people in business. However, the reality is that there are more failures in business than successful ones. Unfortunately, most people know this, but discount that failure will ever happen to them for some reason.

There are always risks associated with going into business. However, identifying and meeting them with preparedness reduces our chances for failure.

3) KNOW THYSELF:

Newsflash! Not everyone has what it takes to be a business owner. In the immortal words of Clint Eastwood, "A man's GOT to know his limitations." Business is unpredictable at times, and if you are the type that can't easily say no, or are indecisive, or a shy worrying type that is highly security-driven, this can stand in the way of your success.

4) ACCOUNTING AND TAXES:

Seeking the counsel of a good accountant before starting your business is advisable.

Dedicating an account to keep personal and business transactions separate from each other means you are off to a good start. Doing so will save money and headache down the road and will also show mercy to your accountant.

Successful businesses make money. Therefore setting aside funds to make provision for tax obligations is prudent.

5) KNOWING YOUR MARKET:

I remember a story about a father who told his son that the key to success and getting ahead in life was working hard. The son took his father's words to heart and then went out and proceeded to dig a bunch of holes in the backyard. When the day was over, it was evident that his son worked hard. However, the problem was that his efforts weren't worth anything.

What is the point, you may ask? We may think our product or service will have good demand in the marketplace, when in fact, it may not be as envisioned. By the time we realize this, we could be like the father's son putting in a lot of hard work with little to no pay-off.

6) SOFT SKILLS:

Are you likable? You may be the best at your trade, but if people don't like you, they probably won't be too excited to do business with you. Regardless of your best efforts, there will always be someone that will test your resolve. Better to learn how to deal with this sooner than later.

7) SELLING:

Can you Sell? There is a saying that if you can sell, you will do well. Therefore, selling is the lifeblood of all business, for, without it, a job awaits you.

8) PLANNING:

A very successful business owner I worked for repeatedly used to say, "what gets measured, gets done." Taking the time to formulate and document a business plan can mean life or death to a business. Business plans always take time to prepare and need continual review and revision, but they will keep you focused on what is most important.

9) PRODUCT OR SERVICE:

A product or service is the backbone of all successful businesses. However, the person who said "find a need and fill it" as a formula for business success probably wasn't a businessman. Consider how many things people purchase they don't need. North American households are full of things people don't need. Let this sink in and become a motivator for you.

10) RESOURCES:

There is no such person as James Bond in business. No one knows everything or can do everything (or at least well). We all have areas we excel in and areas of struggle. Setting yourself up for success in business includes surrounding yourself with excellence. Having a mentor, a champion that can challenge your thinking and provide needed encouragement, is essential.