

# Venturing Forth

## A Three-Step Guide to Planning a Business

### The Road to Self-Employment

The road to self-employment involves hard work and creativity. The way is risky, but it offers you the opportunity to be in control. Before you take off on this journey, you will need to ask yourself many questions about your business idea and your market. There are many places you can look for answers. The time you take now to plan and research your business idea will be time well spent. Lower your risks. Plan for success!

To begin, you may not fit these profiles exactly. For your business to grow and succeed you may need to develop these characteristics.



### The First Step: Know yourself

Are you the kind of person who can succeed in a small business? Not everyone can be an electrician, a nurse, a mechanic, a teacher — or a business owner.

#### Do you have the business spirit?

Studies show successful business owners have certain personality characteristics. How do you measure up to these profiles?

#### A Successful Businessperson is:

- √ a doer and a planner
- √ an organized leader
- √ an optimistic problem-solver
- √ a responsible decision maker
- √ a flexible leader
- √ a persistent goal reacher

#### An Entrepreneur Has:

- √ self-discipline — the ability to work long hours at tasks both pleasant and tedious.
- √ self-determination — trust in her own judgment and inner wisdom.
- √ self-interest — the ability to act on her own behalf, for the good of the business.
- √ self-reward — pride in doing a job well, independent of others' opinions.

This tip sheet was originally developed by the Maine Centers  
for Women, Work & Community.

Check out their website at:  
[www.womenworkandcommunity.org](http://www.womenworkandcommunity.org).

The following statements fit the profile of someone with a business spirit. Check the statements you believe to be true. Think carefully before answering and be objective.

### Who am I?

- I am a creative problem solver.
- I take initiative.
- I have high self-confidence.
- I work well alone.
- I am a competent risk-taker.
- I am a good decision-maker.

### Why do I want to start a business?

- To be my own boss.
- To market my special skill or product.
- To create a job I like.
- To use my experience running someone else's business to run my own.
- To make myself feel worthwhile.
- To be financially independent.

### Why do I think I can succeed?

- I have business experience in sales, management, bookkeeping and/or public relations.
- I have a creative idea for my business.
- I am financially responsible.
- I can set and achieve specific goals.
- I expect to work long hours.
- I have sufficient assets for a year.

**The Department of Labor and the Small Business Administration joined up to create a site, which offers free, useful resources for women entrepreneurs.**

**Check out: [www.women-21.gov](http://www.women-21.gov)**

## The Second Step: Know Your Business

Before you get started ask yourself:

### What is my business?

Are you offering a product or a service or a combination? Can you explain your business to someone who knows nothing about what you are planning to sell?

### How do I deal with:

Making and managing money? Making decisions, accepting responsibility, setting goals and priorities? Balancing personal and professional roles? Directing, supervising, hiring, and firing? Assessing, managing and taking the risks to keep your business alive and growing?

### Where will I do business?

How much space does your business need? Do you need space to produce goods, display products, store inventory, and meet customers?

Can you operate out of your home? You will need to check your town's zoning laws. If you rent your home, make sure your landlord knows what you are doing and agrees.

### Who will own the business?

There are three basic forms of business organization.

**Sole proprietorship** - you are the only owner/operator. You have full responsibility. This is the most common form of business ownership. It is also the simplest way to begin and end.

**Partnerships** - two or more people share ownership.

**Corporation** - one or more stockholders own the business and share and control the profits. It is the most complex kind of business to begin. A corporation is considered a separate person in the eyes of the law.

There are tax, legal, and financial benefits and drawbacks to each form of business ownership. Talk to a small business lawyer and accountant to help you decide which makes sense for your business.

### **What will be my role?**

At first, most self-employed people must do many things — they have to be producers, managers, sales and marketing directors and bookkeepers.

What do you do best? What do you enjoy the most? What do you know and what will you need to learn? If you need and can afford employees, what will they do? As an employer, do you know your rights and obligations under state and federal laws?

### **What will it take to run my business for the first year?**

Estimate your projected expenses for office space, bills, supplies, licenses, taxes, insurance, promotional materials, legal and accounting fees.

How much money can you make? How many items will you have to sell at what price to cover your costs and to earn a profit? What is the least amount you need to make to break even; what is the most you could expect to make?

### **How much do I have to put into my business?**

Do you have savings or another source of income? Do you own the equipment or tools you will need? If you need to borrow money, you will need a detailed projection of your financial needs and potential earnings. Lenders will want to know your credit history.\*

**\* You may need to establish or re-establish a positive credit record. For more information, check out *Women Work! Tip Sheets Knowing and Fixing your Credit & Credit Cards: Staying Clear of Credit Debt*. Find all Women Work! Tip Sheets on our website: [www.womenwork.org](http://www.womenwork.org)**

## **The Third Step: Know Your Market**

Is there a market for your product or service? Marketing begins by knowing basic information about your community. Ask yourself:

### **What is my market place?**

You will need to know about the economy of your community. Is the population stable, increasing or decreasing? Do tourists visit the area?

Look at other small businesses in your area. How are they doing? Which ones are growing and which have failed? Who are your competitors? What is the market value of your goods and services? What do others charge for them?

#### **Quick Tip**

For a thorough resource for entrepreneurs with true life testimonials, articles, a directory of entrepreneurs, and a chat forum to discuss ideas with others check out [www.zeromillion.com](http://www.zeromillion.com)

### **How will I attract customers?**

You will need to promote your business. Promotion includes everything you do to produce sales.

What will you call your business? Do you need a logo, a sign, business cards, brochure, and stationery? How, when and where will you advertise? How much will this cost? How can you design your store or office to make them attractive to your customers? How will you package your product or service?

You will need to do research. You will need the help of those who have gone down the road before you. When you know the answers to all the above, you will be on your way to having a sound business plan, and ensuring a successful business. Start small, think big. Many businesses begin on a small scale. Successful ones plan ahead for growth.

*Good luck!*

## Additional Resources

**Books.** You should be able to find these books and many others on entrepreneurship and business at your local public library or bookstore. Books may also be for sale online, often at much discounted prices.

*201 Great Ideas for Your Small Business: Revised and Updated Edition*, Jane Applegate. Bloomberg, June 2002.

*Bold Women, Big Ideas: Learning to Play the High-Risk Entrepreneurial Game*, Kay Koplovitz, Peter Israel. Public Affairs, April 2002.

*The Girl's Guide to Starting Your Own Business*, Caitlin Friedman, Kimberly Yorio. Harper Resource, January 2004.

*Kitchen Table Entrepreneurs: How Eleven Women Escaped Poverty and Became Their Own Bosses*, Martha Shirt & Anna S. Wadia. Westview Press, February 2004.

*Minding Her Own Business: The Self-Employed Woman's Guide to Taxes and Recordkeeping*, Jan Nobel. Sphinx Publishing, January 2005.

*The Successful Business Organizer*, Rhonda Abrams. Planning Shop, January 2001.

*Women's Ventures, Women's Visions: 29 Women Who Started Their Own Businesses*, Shoshanna Alexander. Crossing Press, August 1997.

**Organizations.** You can access the following organizations by phone or internet. Your local public library should have computers available for public use.

**Association for Enterprise Opportunity (AEO)** holds an annual conference, which is the largest training and peer exchange program devoted to small businesses. Provides training and technical assistance AEO also publishes resource guides.

Call: (703) 841-7760

Web: [www.microenterpriseworks.org](http://www.microenterpriseworks.org)

**National Association of Women Business Owners.** A diverse organization of women business owners working to promote women's economic growth and transform public policy and legislation. The group offers conferences, advocacy, and networking opportunities.

Call toll-free: 800-55-NAWBO (62926)

Web: [www.nawbo.org](http://www.nawbo.org)

**SCORE/ACE.** Service Corps of Retired Executives and Active Corps of Executives, also sponsored by the Small Business Administration, provides experienced business people as free consultants.

To find a chapter in your area:

Call toll-free: 1-800-634-0245

Web: <http://www.score.org>

**Small Business Administration (SBA)**, an independent federal agency, provides financial, procurement, management and technical assistance to women interested in starting new businesses. It has district offices all over the country, which provide counseling and low-cost training through their Business Development Program. The Business Information Center has research and planning facilities including how-to manuals, computer software and manuals.

To find an office in your area:

Call toll-free: 1-800-U-ASK-SBA (827-5722)

Web: [www.sba.gov](http://www.sba.gov)

**Women Entrepreneurs, Inc.** A group of businesswomen devoted to improving the American business climate for women. The site has many useful resources and networking ideas.

Call: 202- 785-0238

Web: [www.we-inc.org](http://www.we-inc.org)

