



## Entrepreneurship & Small Business: Getting Started

*Becoming an Entrepreneur is stressful. It will strain you, your relationships and your finances. To make sure you are right for the job, please take a few moments to review this quick check list summary and then consider taking an online personality and/or risk-aversion assessments.*

### 1. Ask yourself: Are you an Entrepreneur?

Owning your own business may sound great in theory - odds are that you'll like your new boss, you can make your own schedule, and you will be in charge of your own destiny - but what does that really mean for day-to-day living?

First of all, your new boss will really be the marketplace and your customers—not you. If you are not in-tune with what the market wants or needs, you're fired. Second, making your own hours may imply flexibility (which business ownership may offer), but that does not mean that you will like the hours you work. If you are not prepared to spend 50 to 60 hours per week working in your new business, then you may want to get back to your day job.

Finally, being in charge of your own destiny is a double-edged sword. You may be willing to reap the benefits of a profitable business, but more often than not you may be on the brink of manning a sinking ship (particularly for the first few years). If you are not fiscally prepared to give up your steady paycheck, then you aren't ready to start a business.

### 2. How well do you fit your business?

New business owners are far more likely to succeed when they stick to what they know. Having experience in the field that your new business/product is in greatly enhances your ability to generate financing for your venture, anticipate your market, and generate sales. If you do not have experience in your prospective market, you may want to re-think your strategy.

### 3. Is there a market for your product? How do you know?

Many entrepreneurs feel that they have a great idea that everyone is going to want. Your idea may be great, but it is more than likely that not everybody is going to want it. You need to think about your product/service from the perspective of a consumer. Does your product/service really fill a need? Is there anything out there that is already filling this need? How easily can your

product/service be replicated? How do you know? Market Research is a vital part of starting your new business. Understanding whom your customer is, what your customer wants, and who / where your competitors are will help you to make an informed decision on whether or not to proceed with starting a business.

#### **4. Have a Plan.**

“You fail to plan, you plan to fail”; “Luck is where preparation meets perspiration”; “Look before you leap”.....are all time-honored clichés that exist because valuable lessons learned. Simply stated, planning and preparation are the keys. While it may seem that all entrepreneurs must be, at their core, risk takers (willing to put themselves out there financially, physically, emotionally) it is important to know that a successful entrepreneur’s risks are calculated. Proper preparation, through the process of conducting Feasibility Studies and the preparation of a Business Plan, goes a long way towards achieving the goal of running a profitable business. Most importantly, the lack of a business plan is an “all-stop” to financing: No Plan, No Money.

#### **5. You can’t start a business on O.P.M. (Other People’s Money)**

No one is going to play on your team unless you put skin in the game. Financing is provided to businesses based on a solid Business Plan that includes realistic financial projections, owner equity / collateral, and the owner’s credit history. If any pieces of that puzzle are missing, traditional financing will be hard to come by. In some situations, micro-lenders may lend a hand, but they, too, have stringent qualification standards. And, while there are Angel Investors out there, don’t expect them to part with their hard-earned money lightly.

The key to obtaining financing for your venture is a stellar track record and a solid financial base. One of the main reasons new businesses fail is because the owner did not have enough cash on-hand from the start. If you are strapped for cash, now is not the time for you to enter into a new business. Learn more about financing your business venture.

#### **6. What about Grants?**

Unfortunately, the myth about business grants being available to businesses and start-ups is mostly just that—myth. Most grants that are available are focused in very specific industries, or specifically fund business plan assistance and workforce training. For additional information, contact the [Alliance](#).

#### **7. You don’t need to know everything, but...**

Most new business owners are very good at the core of their business--the product or service that they offer—however, many need support in the equally vital areas that fall outside their talent base. Not everyone needs to be an accountant, lawyer, or insurance broker, but everyone in business must have a strong relationship with these key individuals. Hiring out these services, or at the very least, including them in on your venture’s advisory board, will keep you on top of your game.

#### **8. What is an Advisory Board?**

New business owners can often benefit from bringing together a coalition of volunteer business advisors to help with their new venture. Including your

accountant, marketing professionals and lawyers in on your board will help to ensure that your business venture stays on the path of growth. If you are unsure of how to bring a coalition like this together, you can start by joining local networking groups such as Inventor & Entrepreneur Clubs, your local Chamber and/or Young Professional (YP) organizations. If you're not sure where to begin, contact your local [Chamber of Commerce](#) and/or the [Rock County Development Alliance](#).

**9. How do I find qualified Business Service Providers?**

The Rock County Development Alliance website has a [B2B](#), which provides contact information for over 200 organizations and businesses that provide services. In addition, it is a good idea to connect with other entrepreneurs and small business owners and ask for recommendations. Learning about the experiences that other business owners have had is a great way to make an informed decision about providers. Before you commit, interview three or four service providers to make sure that you choose the provider that offers the best fit for your specific needs.

**10. Do your homework.**

There are a variety of resources to offer assistance: some free, some may charge a fee. To obtain additional information, please feel free to visit any one of the following service providers.

- [Edward Lowe Foundation](#)
- [Kauffman Foundation](#)
- [Small Business Administration](#)
- [UW-Whitewater Small Business Development Center](#)
- [Other Entrepreneurial & Small Business Links](#)