

5 Points to Consider When Starting a Business

– Video Transcript

Thinking about starting a business? Owning your own business can be challenging and unpredictable, but for many successful entrepreneurs, the professional freedom is worth every bit of effort.

Here are five points that can help you get started.

First, think about your entry point. Will you buy an established enterprise, with operations and customers already in place? Invest in a franchise that offers a ready-made strategy, marketing, brand recognition, and support? Or launch a new venture from the ground up? Each choice comes with different costs, risks, levels of creative freedom, and startup timelines.

Next, consider that successful ventures typically begin with a strong business plan. A business plan defines your business concept, target market, marketing strategy, operations, and of course, your current and projected financial statements.

Key documents include a cash-flow statement, balance sheet, income statement, and break-even analysis.

A well-crafted business plan captures your vision for others, including business counselors, potential lenders or investors, and key employees. Moreover, after you launch your new venture, the business plan can be a roadmap to help measure progress and determine if changes are needed.

You'll also need to decide how to structure your business — for example, as a sole proprietorship, partnership, corporation, or limited liability corporation or partnership. The business entity you choose affects how you pay taxes, your level of personal financial risk, and your path to business growth.

Fortunately, you won't need to tackle all of this alone — if you have a team of experts to guide you. A financial professional, lawyer, accountant, and industry mentors can help you navigate complex decisions and prevent pitfalls.

Finally, you'll need funding. Financing your business may involve personal savings, loans, investors, government programs, or a combination of various sources. Carefully assess each option and strive to structure a financial plan with the potential to sustain you through the critical early months.

Ready to take your idea to the next level? Surround yourself with experts, write a strong business plan, secure financing, and you could be well on your way to mastering your own destiny.