



How to Start a Small Business

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Starting and managing a business takes motivation, desire and talent. It also takes research and planning. Like a chess game, success in small business starts with decisive and correct opening moves. And, although initial mistakes are not fatal, it takes skill, discipline and hard work to regain the advantage.

To increase your chance for success, take the time up front to explore and evaluate your business and personal goals. Then use this information to build a comprehensive and well-thought-out business plan that will help you reach these goals.

The process of developing a business plan will help you think through some important issues that you may not have considered yet. Your plan will become a valuable tool as you set out to raise money for your business. It should also provide milestones to gauge your success.

Getting Started

Before starting out, list your reasons for wanting to go into business. Some of the most common reasons for starting a business are:

- You want to be your own boss.
- You want financial independence.
- You want to fully use your skills and knowledge.

Next you need to determine what business is “right for you.” Ask yourself these questions:

- What do I like to do with my time?
- What technical skills have I learned or developed?

- What do others say I am good at?
- How much time do I have to run a successful business?
- Do I have any hobbies or interests that are marketable?

Then you should identify the niche your business will fill. Conduct the necessary research to answer these questions:

- Is my idea practical and will it fill a need?
- What is my competition?
- What is my business advantage over existing firms?
- Can I deliver a better quality service?
- Can I create a demand for my business?

The final step before developing your plan is the pre-business checklist. You should answer these questions:

- What business am I interested in starting?
- What services or products will I sell?
- Where will I be located?
- What skills and experience do I bring to the business?
- What will be my legal structure?
- What will I name my business?
- What equipment or supplies will I need?
- What financing will I need?
- What are my resources?
- How will I compensate myself?

Your answers will help you create a focused, well researched business plan that should detail how the business will be operated, managed and capitalized.

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Marketing's Four P's

Making a good product is only the first step. The next — and equally important — step is to sell it. And that means marketing.

These four P's should work together in a new business's marketing mix. Selecting an effective marketing mix takes time and effort, but the payoff will be satisfied customers and business profits.

- 1. Product** The right product to satisfy the needs of target customers.
- 2. Price** The right product offered at the right price.
- 3. Place** The right product at the right price available in the right place for customers to purchase.
- 4. Promotion** Informing potential customers of a product's availability, its price, and its place.

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