

# Getting ready to start your own business?

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Are you thinking of starting your own business? Congratulations! Starting a new business is both exciting and rewarding, and it is also full of challenges. You should not underestimate the level of commitment that you will need.

The success of your business will partly depend on your attitude and skills. This means being honest about a range of issues - your knowledge, your financial status and the personal qualities that you can bring to your new business. To increase your chances of succeeding in your business it is a good idea to develop an understanding of what it means to run your own business, as well as reflect on your personal and business skills.

Some things to consider are

- The day to day reality of running a business. Talking to people who are already running their own businesses or professional practices will help you get a feel of the day to day reality of doing so.
- The early stages of setting up and running a business require considerable physical, emotional and, depending on the business, financial investment. How ready are you?
- Shouldering the full responsibility for the success of the business can be a lonely affair, yet being your own boss is a gratifying prospect.
- If you are moving from salaried employment, you may need to give up several perks until your business picks up. Be prepared for this, and, prepare your family as well.

Other things to consider include your entrepreneurial qualities and business skills.

## Entrepreneurial Qualities

A typical entrepreneur will have the following key qualities:

**Self-confidence** – do you have a self-belief and passion about your product or service to win people over to your ideas?

**Self-determination** – do you own the idea that the outcome of events is down to your own actions, rather than based on external factors or other people's actions?

**Being a self-starter** – running your own business requires the ability to take the initiative, work independently and develop your ideas.

**Judgment** - how open-minded are you when listening to other people's advice, while bearing in mind your objectives for your business?

**Commitment** – you will need to make personal sacrifices through long hours and loss of leisure time.

**Perseverance** – there will be setbacks, financial insecurity and exposure to risk. How ready are you to carry on despite all this?

**Initiative** – running your own business calls for you to be resourceful and proactive, rather than adopting a passive 'wait and see' approach.

It is also a good idea to assess your own business skills, so that you decide whether you need to get some training or coaching, or whether you will delegate or outsource some aspects of the business to someone who has the necessary skills.

## **Key business skill areas**

**Financial management** - This includes having a good grasp of cash flow planning, credit-management and maintaining good relationships with your bank.

**Product development** - The ability to make long-term plans for product development and to identify the people, materials and processes required to achieve them. In order to make such plans you will need to know your competition and your customers' needs.

**People management** - This includes managing recruitment, resolving disputes, motivating staff and managing training. Good people management will help employees to work together as a well-functioning team.

**Business planning** - The ability to assess the strengths and weaknesses of your business and plan accordingly.

**Marketing** - A sound marketing approach will help you set up and oversee sales and marketing operations, analyse markets, identify selling points for your product and follow these through to market. You will do well to write a marketing plan, and to conduct some marketing research.

**Supplier relationship management** – How do you identify suppliers and manage your relationship with them?

**Sales skills** - Sales ensure that your business survives and grows. You need to be able to identify potential customers and their individual needs, explain your goods and services effectively to them and convert these potential customers into clients.