

# 1.2 Have you got it?

PRODUCT
DISTRIBUTION
PROMOTION
PEOPLE
FINANCE
RISK
GROWTH

- > *Key questions*
- > *Self-test*
- > *Advantages and disadvantages*
- > *Making the decision*

So you want to be a small business owner! But have you really thought about what this will mean to you and your family personally? Many people just think about being their own boss, working flexible hours and doing something that you enjoy. What about the long hours—often 7 days a week; no holiday or sick leave; the responsibility of making all the decisions; and irregular income?

### **Key questions**

- > Are you starting this business as your sole source of income?

OR

- > Are you starting this business because it gives you somewhere to place your passions, BUT you have other sources of income?

It is important to recognize which of these is applicable to you, as this will influence your decisions about the opportunity.

### **Self-test**

If this is to be your sole source of income, measure yourself against the following criteria, with 1 being outstanding, and 5 being weak:

- > I am self disciplined
- > I do not let things drift
- > I have the full support of my family
- > I can cope under pressure
- > I am ready to put in 7 days a week if necessary
- > I get on well with people and I can motivate them
- > I can make quick decisions when necessary
- > I persist when the going gets tough
- > I can learn from mistakes and I can take advice
- > I am patient and I don't expect quick results
- > I am healthy, enthusiastic, and aware of the risks
- > I have specific goals, including the need to look after myself and my family
- > I can visualize the future for the business
- > I can manage the business ie marketing, sales, product development, production, financial management, human resources just to name a few areas that you will have to manage

How well do you rate? You should score at least 40 overall. If you do not score at least 3 on every item, take another look at your reasons for wanting to set up your own business.

If you do score well then:

- > Consider why you want to be self employed
- > List your assets and liabilities
- > Ask yourself, What do I want out of running my own business?

There are both advantages and disadvantages in owning your own business.

### **Advantages**

- > Having control over what you do and how you do it
- > Achieving self determination as your own boss
- > Enjoying the satisfaction of making a success of your own endeavours
- > Using your energy to promote your own interests

### **Disadvantages**

- > You are risking your own, or borrowed, capital
- > You have to work long hours with few, if any, holidays
- > Responsibility for success or failure, rests with you and you alone
- > You give up the security of paid employment

### **Making the decision**

Before committing yourself, talk to people who own their own business. Spend time with them in their business to get a better understanding of what is entailed. Think carefully before turning the hobby you are passionate about into a business.

### **Websites**

[www.womensnetwork.com.au/library/smallbus/2003aut\\_kickstart.htm](http://www.womensnetwork.com.au/library/smallbus/2003aut_kickstart.htm)

[www.southaustralia.biz/Events\\_Calendar/BizFacts/TheBusinessRoadMap.pdf](http://www.southaustralia.biz/Events_Calendar/BizFacts/TheBusinessRoadMap.pdf)

[www.southaustralia.biz/Events\\_Calendar/BizFacts/PlanningToStartABusiness.pdf](http://www.southaustralia.biz/Events_Calendar/BizFacts/PlanningToStartABusiness.pdf)