



Things to Do Before You Start A Business

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ABOUT THE AUTHOR

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Often people quit their jobs and use all their assets to finance a business with the hope that it will be a success. If it fails, they find themselves ready for bankruptcy as they are without income or the means to carry on.

Before you do this, there are three things that would likely help you to protect your finances and have a better chance of building your business into a strong enterprise:

1. Know exactly what you have and need - Don't think about scraping by. Sit down with a piece of paper and write out all of the things that you have with your present employment. Don't just look at the net income. Think of the gross income as well as all the benefits that you receive as an employee. Pension, insurance, mental and dental plans can be expensive, and you will need to replace them so that you and your family have the same lifestyle and protection.
2. Develop a Business Plan - If you start out on a vacation and don't have a map, you won't know where to go or how long it will take. The same thing happens with beginning a business venture. You need to know where you are going and how to get there. The Business Plan helps you to identify your target market, the competition and how you will market your products and services. It will also help you to figure out what will be needed in sales to pay the expenses and realize a profit.
3. Begin part-time if at all possible - You might not have to quit your job right away. I started my private practice on a part-time basis for a few hours a week. As the income grew, I was better able to consider resigning from my job. This gave me an opportunity to establish some contracts and referral sources as well as to do some direct marketing.

Many people dream about starting a business, but a dream is usually not enough. You will need to invest time and thought into laying out a good plan so that you can build without having the stress and pressure of unnecessary financial risk.

If you follow the three tips that I have outlined, you will be able to move towards your dream business one step at a time. Taking a little extra time for planning and starting might actually be exactly what you need to build a strong foundation on which you can build for years to come.