Why Are You In Business?

One of my questions for new business owners is “Why are you going to start a business?” This leads us into the real motivation for making this decision and beginning the process of planning for this new venture and how to do it.

Start small, dream big. That's the mantra for many of the 5.9 million small business owners across the country. But turning dreams into reality in light of the struggling economy and the rising cost of living has become challenging. Couple that with shifting consumer trends and uncertainties around taxes and health care and it's easy to see how the resolve of today’s business owners is being tested.

Business owners and their businesses are the backbone of our country's economy. In fact, small businesses in the U.S. represent the fourth largest economy in the world and have generated 65% of all new jobs over the past 15 years.' They are also your peers.

A 2011 study of business owners conducted by GFK Custom Research North America for Massachusetts Mutual Life Insurance Company (MassMutual) revealed that today’s business owners face many challenges in achieving their dreams. The research shows that most business owners want control over their finances and view planning for their financial future as very important. Yet, few are satisfied with their current financial situation. This underscores the need for financial knowledge and preparation.

But, the study revealed that the main motivation for owning a business, like most people who work for a living, is to provide financially for the family. Not surprisingly, this was the major reason for over three- quarters of the business owners in our study.

But digging a little deeper, the study found other underlying reasons people choose the path of business ownership. Being your own boss and having more control of time
were a major motivation mentioned by over half of the respondents, highlighting the importance of the independent lifestyle that is afforded by business ownership. These reasons were followed closely by having a strong passion for a craft or trade, which tells us that, at the end of the day, many business owners start a business out of a labor of love.

The reason for going into business will need to drive the pace at which one begins the business. Some of these reasons can be more long term, while others may require a more immediate approach. Many times a person still has a job and will be able to transition into the new venture as it grows. This is where the “don’t quit your day job” advice fits until one has established that the business is going to be successful.

A SCORE mentor can be a great source of help for perspective and existing business owners.

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Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
*Dean is a volunteer SCORE Mentor.