Success Begins Before the Business Plan

Last Saturday, SCORE and the Rochester Area Chamber of Commerce held the last in a series of Small Business Round Tables for the year and the topic focused on business plans for those that are already in business. Many in the group were now finding a need for either updating or doing a business plan for the purpose of expanding their operation or focusing on some kind of change or new focus. I listened to the discussion and was reminded that business planning never stops and also that the process of planning is the most valuable part. Certainly, if someone is seeking a loan, the banker wants to see something in writing, but the big value is the process of raising important questions about the business and seeking answers to them.

This week I am meeting with a person with whom I meet a year ago. She has now graduated from Chiropractic school and is ready to launch her own business. We will review her business plan that she has now drafted. But this all started a year ago when we met in anticipation of this great day when she will open the doors to her new business. I know she will be successful because she has spent a whole year of asking important questions and seeking the answers as she puts her plan together. Last year, I challenged her with this question, “What’s the first thing to do when considering starting a small business? The answer is, Ask more questions.”

That may seem like a rather flip response, but it’s true. Success in small business hinges on gathering as much information as possible in order to make sound, informed decisions. That includes understanding your target market, your resources, and—perhaps most importantly—you yourself.

Entrepreneurship has many rewards, but also many responsibilities. And if you’re not prepared to handle them, those dreams of being your own boss will almost certainly become real-life nightmares.

So before drafting a business plan, brainstorming catchy company names, or pricing office space, pose a few hard questions to the person who will literally make or break your business—you:

Is it the right time for me to start a business? The personal factors that affect the timing of a start-up can change quite frequently. According to Chicago-based business advisor Carol Roth, author of The Entrepreneur Equation, “Your finances need to be in order, your responsibilities should be consistent with the ability to invest time and capital, and you should have the appropriate experience under your belt.”

Can you handle the economic roller coaster? Long before volatility defined the general economy, businesses of all sizes experienced both good and bad financial times, a cycle that is sometimes hard to predict. “You need to get used to variable income versus having a regular paycheck,” says Rhonda Abrams, USA Today small business columnist and owner of the Redwood City, Cal-based The Planning Shop.

Have I taken a hard look at my industry, market, and competition, and revised my idea accordingly? Abrams adds that the worst entrepreneurs are those who are set in their ways: “You need to be willing to challenge your own ideas, and have the flexibility to change.” That includes making a commitment to short- and long-term planning from the outset. “Continually be aware of things that can affect your business, both threats and opportunities,” Abrams adds.

Is my personality well-suited for entrepreneurship? Entrepreneurship requires taking risks, being proactive, and riding out the ups and downs. “If you are great at execution, but really prefer receiving direction on what to do next,” warns Roth, “you may be better suited to work for someone than to have your own business.”

If your responses have you second-guessing your small business plans, don’t automatically give up.
Roth says that while personal traits may be difficult to alter, “skills can be developed, changed, enhanced, and even supplemented.”

And there’s no better place to find help with small business skill-building than SCORE, a nonprofit association dedicated to helping entrepreneurs start, grow, and succeed nationwide. Our network of more than 13,000 volunteers across the Nation, offers the knowledge and experience to assist any small business owner with any problem or question—all for no charge. For more information about taking advantage of these valuable services, visit http://seminnesota.score.org

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