

Ever since I started working at the Small Business Development Center, I have had a lot of my friends walk up to me and say, “Hey Pedro, I have this great idea for a business, but what’s the first thing I should do?” The fact of the matter is that businesses come in all shapes and sizes, yet the process of deciding whether or not to start it is very similar. Over my next few articles, I will address this process and walk you step by step through starting your own business.

The first step is to know what you want to start. The idea can come from various sources: friends, family, business partners, customers, the internet, or simply by driving past a similar business in another city. The main idea is to do something that you will enjoy and not something that you have to do. Remember that while the idea may work great for other people, you are the one who will ultimately have to spend those long hours trying to make sure the business succeeds. If you do not have some affinity for the business, then the odds of it flourishing are reduced.

The second step is to determine what you already have to start the business. In other words, what assets or resources do you possess that will help start and sustain the business? If you are planning to start a hair salon, perhaps you have ample experience within the industry, own your own grooming equipment and have a base of customers. If you are starting a website design company, you may already possess the necessary training and equipment to work on customer websites. By determining your resources you are effectively comparing your strengths and assets to the functions that the business requires.

The third step is to see where the holes are. What are the items that you lack to get the business going? Most of the time individuals only consider items such as money, equipment, a location and other tangible assets when looking for holes. The truth of the matter is that technical expertise and business knowledge are very important as well. While some individuals are great at the technical process of delivering a service or good, they may lack knowledge in the areas of marketing, accounting, financial planning or other management oriented areas. Without these items a business may get started, but its success is not secure.

In order to compensate for these areas of need, a person must either learn the necessary skills themselves or outsource them via an accountant, attorney, bookkeeper or another expert in the area of need. An alternative to outsourcing is engaging in a partnership with other entities or individuals to provide you with these expertise.

So far we’ve discussed the basics steps of starting your own business. We have covered the idea formation process, determining your strengths and analyzing the holes within your plan. In the next article we will discuss the process of determining the feasibility of starting the business by analyzing the market and costs associated with the venture.

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