

# **Business Ownership – 4 Things to Consider Before Jumping Into Business Ownership By Evelyn Livermore**

Are you making the **income** you desire?

Do you have the **flexibility and freedom of time** to do the things you love, such as spending time with your children?

Do you **enjoy** getting up every morning and going to work?

If the answer to any of these is no, ask yourself “why not?” Could it be time to find a new job or career?

70% of the adult population has a desire to be **self-sufficient**. Only 5% of them ever achieve this through **business ownership**. Why? Most people don't know how to research business ownership and fear they may choose the wrong business.

Many people have **misperceptions** about business ownership. Some feel it costs more than it really does; some feel it **costs** less than it really does; some feel it is harder than it actually is; and some feel it is **easier** than it really is.

At one time you may have researched the **cost** of a McDonald's, Dunkin Donuts, or Subway (these seem to be the most popular) only to discover you need a net worth of \$500,000 or more. YIPES!!

Yes, many of the well-known franchises cost a lot of money. In one respect you are paying for the name. But also, restaurants, which most people think of when they think of franchising, are one of the most expensive businesses you can open.

Most people don't realize; when you open a restaurant, YOU will own the tables, chairs, countertops, refrigerators, stoves, dishes, cookware, and the list goes on and on. Restaurant equipment can be expensive even for the basics. You may or may not own the land and building, but you will at a minimum be leasing prime real estate which can be costly. But, if you don't have a prime location, then the restaurant will not do well.

On the flip side, relatively inexpensive home-based or van-based businesses are alternatives to expensive, well-known franchises. Since home-based businesses don't require a visible storefront, people won't know that you,

the business or product exists. Home-based businesses are dependent on “sweat equity,” your time, money and effort required to advertise and build up a clientele.

For a home-based business you must know the best way to sell yourself and your product or service. Word of mouth can only get you so far. Advertising is expensive and many times ineffective. You must enjoy being out and about meeting people telling them your business is open and what product or service you are offering.

Once you have decided on your business, how do you **ensure success**? **Most businesses fail because of poor planning**, which generally leads to insufficient operating funds before the business makes the turn to profitability.

Planning needs to consider the price of the property (buying or leasing), fixtures required, technology required, marketing material creation, graphic designers, copy writers, inventory, research, the elusive operating expenses and personal living costs while the business gets off the ground.

Based on your **demographic studies** (you did do these didn't you?) how long will it be before you break even and start taking home a salary sufficient to cover YOUR living expenses? Knowing what price the market will bear for your product or service will help you determine your break-even point.

How many employees will you need and how much will they cost? What will your utilities run? What about your real estate costs – lease or purchase, public building or home-based, fixed or mobile?

YIPES!!! How do you find out all this information? **Research!** Talk to other business owners. Find a mentor or a personal business coach.

**How hard is business ownership?** If you think you can quit your 50-60 hour per week job to open a business and only work 30-40 hours a week then you think business ownership is easier than it is.

Owning a business means you don't have a traditional “job”, but it doesn't mean you don't have to WORK for a living!

No one will tell you business ownership is easy; if it was everyone would own a business. Business owners typically (1) find careers they are passionate about BEFORE they make the leap and (2) find the benefits of working for themselves outweigh their hours and hard work.

When you own a business no one makes you work long hours or put in the extra effort except yourself. No one can fire you for leaving work for a couple of hours to go see your children play baseball or soccer. On the other hand, customers can “fire” you if they expect you to be open or to arrive at a certain time, and you don’t.

Unlike a traditional job, when you own a business your income is dependent upon your ability to find and retain clientele, and the perceived value of your product or service. This is especially true for home-based or van-base businesses.

Do you have the itch to own a business? Is business ownership right for you?

You can only answer these questions if you know what you are passionate about, what your long term dreams are, what your strengths and weaknesses are, what your likes and dislikes are.

Business ownership can be scary; it can also be very rewarding. Research your ideas and plan appropriately to achieve the success you want.

Evelyn Livermore is a successful Personal and Business Life Coach sharing her skills and helping others on their success journey. Find out more about increasing success in your life via coaching by clicking here =>

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