You

Decide if running a business is for you

Starting and running your own business is one of the most exciting choices anyone can make. Millions have done so successfully and found it an exhilarating and rewarding challenge. However, starting a business brings its downsides and its risks, so it's important to think about all the implications of your decision.

You need to seriously consider whether starting your own business is right for you, by honestly appraising your strengths and weaknesses. Do you have the skills and the stubborn determination it will require? Do you have the full support of your family and friends?

You should also look very carefully at your circumstances. In almost every instance, starting a business involves a degree of financial uncertainty and risk. Can you afford to forego the stability of a regular wage or salary? Can you afford to lose any of the money or assets you might invest in the business? Are you in a position to wait for revenues and profits to start growing?

1 Understand the implications

1.1 Be ready to work long hours.
Many people start a business hoping to improve their work-life balance. But in the early stages, particularly, running a business can be an all-consuming venture.

It's likely that you'll have to sacrifice some of your social activities, for a time at least.

1.2 You'll need to cope well with pressure.
The final call in most business decisions will rest with you. This can be one of the most rewarding aspects of being your own boss, but it's a high-pressure position to be in.

If you're an employee, most of the decisions you're faced with will be within your area of expertise. But, as an owner-manager, you'll have to be ready to deal with every area of your business, from sales and marketing to finance and HR.

1.3 The stakes can be high.
The potentially serious consequences of your decisions can be another source of pressure when you run your own business.

The success of your business - and your livelihood and that of your employees - can depend on your course of action from week to week.

1.4 There are many tedious tasks to be completed.
It's easy to focus on the exciting aspects of starting a business. But the flipside of being your own boss is that in the early days you'll probably also be your own receptionist, admin assistant and book-keeper.

And there are red-tape obligations - forms to be filled, records to be kept and rules to be learned and followed.

1.5 But the personal rewards can be great.
Running your own business can be an immensely rewarding experience, giving you a real sense of control over your working life, as well as clear potential financial gains if you can turn your idea into a successful operation.

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2 Assess your skills and attributes

2.1 Make sure you have the sector-specific skills your business will require.
Make sure you have a clear understanding of the requirements of the business sector you'll be working in.

If you have worked in the same sector previously, this shouldn't be a problem. But if you're moving into an area that's new to you, do your research. You might want to look at training, or hiring an experienced staff member.

2.2 You need determination and confidence.
Being half-hearted isn't an option. If you are going to start your business you have to give it all you've got.

Can you keep plugging away even when things aren't going your way?

It's crucial that you believe in what you're doing, because you'll have to convince others - such as your bank manager - to support you.

2.3 It helps to have an independent streak.
Running a business can be lonely, particularly in the early stages.

There'll be no one looking over your shoulder to make sure you get things done. You'll have to rely on your own motivation and self-discipline.

2.4 But you'll also need to work well with others.
Being your own boss isn't all about independence and autonomy. You might have more direct contact with suppliers and customers than ever before, so being able to form good business relationships is an important skill.

As your business expands you will also need to be able to share responsibility and delegate tasks to others.

2.5 You must be flexible.
Successful entrepreneurs are generally comfortable taking advice and are happy changing their approach if a better one is pointed out.

2.6 Patience and resilience are valuable attributes.
People who start their own businesses benefit from being resilient, patient and realistic. Make sure you are prepared for the fact that you are unlikely to become a millionaire overnight.

For more information about training courses for owner-managers, visit the learndirect business website

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3 Make sure you have a support network

3.1 Discuss your plans with your family.
Family can be a great source of moral support for someone starting out in business. Keep them up to date with how things are progressing.

Make sure that everyone understands and accepts any significant changes your going into business might involve for them. Your schedule might be busier, for instance, or your income less predictable in the early days.

3.2 Seek the advice of friends and colleagues.
Your friends will also be an important source of support.

If you know people who have experience of running a business or know the sector you'll be operating in, ask for their advice.

3.3 Talk to the experts.
There's a wide range of business support available that can ease the process of starting out in business. These include professional advisers from organisations such as Business Link and Enterprise Agencies.Business mentoring is another option - this involves experienced entrepreneurs providing ongoing help and advice to start-up businesses.

For more information about mentoring, visit the Business Volunteer Mentoring website.

4 Get your finances right

4.1 Carefully assess the financial implications of starting a business.
Do you have the money you'll need to get your business going until revenues start to grow? If not, where will you get it?

If you'll be giving up a regular wage to start your business, do you have the flexibility to cope with possible fluctuations in your income?

4.2 Be clear about your financial priorities.
Which is more important to you - safeguarding your financial security or seeing your business grow?

Make sure your strategy for your business reflects your financial priorities.

4.3 Consider the implications for others.
If your business plans place others at financial risk, make sure they understand the risks and accept them.

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5 Weigh up any doubts

5.1 Don't worry about fearing failure.
Worrying that your business won't succeed is perfectly natural. It makes sense to think about how you would respond if your business were to fail.

But if your fear is more intractable than this - if it continues to undermine your work and confidence - then starting your own business may not be the most rewarding course to take.

5.2 Take steps to improve your chances.
Once you've assessed your skills and your situation, don't be surprised or disappointed if there are areas of weakness.

The important thing is to acknowledge these fully and to see how you can overcome them. There is a wide range of support available - from family and friends to banks and business-support organisations.

5.3 You can fill in gaps in your knowledge.
Few people know everything about running a business before they start.

Most things you can pick up as you go along - though you should be ready for a steep learning curve.

Remember - take advice and learn from others whenever you can.

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1. *For more information about training courses for owner-managers, visit the learndirect business website*
2. *For more information about mentoring, visit the Business Volunteer Mentoring website*
3. *Find out about the laws that could affect you if you decide to start a business by visiting the Office of Fair Trading website*
4. *Find out about the tax implications of starting up a new business by visiting the HM Revenue & Customs website*

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