

1. Is entrepreneurship for you?

1.1. Why consider entrepreneurship?

Becoming a successful entrepreneur requires business planning, innovation and risk-taking. It is a lot of work, but there are also many benefits to being your own boss.

1.2. Put your own ideas to work

Being your own boss can allow you the freedom and independence to use your own ideas. As an entrepreneur, your time and energy can be spent creatively by putting these ideas to work for you and the future success of your business.

1.3. Decide what type of business you want

Your business should complement your experience, interest and knowledge. Before you put too much work into planning your business, make sure that the industry you choose is the right one for you. You may want to consider what hobbies or interests you have, as well as what experience and skills you could apply to a new venture.

1.4. Make the decisions for your business

Starting your own business can be risky; however, desire, persistence, and innovative thinking can work in your favour. Believing in yourself and basing your decisions on knowledge and experience can lead to the success of your business. However, knowing the limits of your own abilities and not being afraid to ask for help from others will help you make informed business decisions.

You have the ability to establish the policies for your business and to set the tone for its culture. You can build a business that meshes well with your own personal values, rather than working for someone else whose policies or values may differ from your own.

1.5. Choose the location for your business

You can choose a location for your business that suits your needs, whether that means working from home, working close to home, or taking the opportunity to travel and see different places. You might choose a trendy downtown office, or a place outside the city to avoid traffic or a long commute. While you have a lot of flexibility in choosing a location, you should take into account access to customers, employees and suppliers.

1.6. Have the potential to earn more

As an entrepreneur, you have the luxury of working your own hours and stretching your earning potential. Usually, this success comes with real hard work and long hours. If your business is successful, you could

potentially make more money than you would working as an employee. However, the downside is that there is no guaranteed paycheque and your hard work can cut into time for personal and family obligations.

1.7. Have the freedom to work less

While some people go into business to make more money, some people go into business for themselves in order to work less. When you are your own boss, you have the flexibility to decide how much vacation time you want, to delegate responsibility to others and to work part-time, if you wish. Of course, you need to ensure that you are making enough money to support yourself; there may be times when you will need to invest more time and effort into your business, particularly in the beginning. However, in general, being self-employed gives you more flexibility to set your own schedule.

1.8. Be involved in the total operation of your business

Running your own business can provide you with a tremendous source of satisfaction and pride. You will be able to see your business grow from the ground up.

However, you will also be responsible for the initial capital that will be required for your business and the costs involved with the day-to-day operations. There are tasks involved that you may not be trained for, such as purchasing, inventory management, or accounting. It never hurts to get professional help with the running of your business. Focus on the areas where you can provide the most value.

1.9. Turn the business into a family asset

Owning your own business sometimes means providing your children and other family members with a place to work, and a way to finance their future. It is an opportunity to teach them valuable skills and spend more time together. Depending on your children's career aspirations, you may be able to pass the business on to them when you are ready to retire.

2. Small business survival

Now that you are thinking about starting your own business, have you considered your chances of survival? Before you get started, you should be aware of the statistics on small business survival and failure.

2.1. Bankruptcy statistics

Only a small proportion of firms exiting the marketplace end up filing for bankruptcy. On average over the last 14 years, there have been approximately 7,000 business bankruptcies per year in Canada. There were about 3,200 business bankruptcies in 2012, declining from the peak of more than 10,000 in 2001.

According to Bloomberg, 8 out of 10 entrepreneurs who start businesses fail within the first 18 months. A whopping 80% crash and burn.

2.2. Odds of Success

When you start your own business, you may have to wear many "hats". You may have some great ideas, but how are you at handling business operations like administrative or managerial tasks? You need to know your strengths and weaknesses. Lack of management experience can lead to small business failure. Do not be shy about seeking out the advice of experts, networking with other entrepreneurs and hiring employees to help you run the business.

Passion, persistence, and innovative thinking can improve your odds of success. Do you know what you want to achieve? Having determination, setting goals, paying attention to detail and motivating others are all key elements to achieving success and business growth.

On the other hand, desire and persistence alone will not make you successful. For example, a lot of people love to cook and are talented chefs. Some may even dream of starting a restaurant. However, there are many restaurants in the marketplace; the profit margins are slim and customers have lots of choice. To be successful in that market, you need to truly be offering something new or unique. In short, you need to be sure that there is a big enough market for what you plan to offer and that the competition isn't already too strong.

2.3. Survival Tips

Follow these tips to avoid some of the pitfalls that can lead to small business failure.

- Develop a good marketing and business plan that takes into account customer needs, competition, pricing and promotional strategies.
- Have a good working knowledge of business law or hire a lawyer.
- Understand your business finances, such as cash flow and handling credit.
- Keep a good inventory of your products or services and your existing customers.
- Supervise, train and motivate your employees.
- Make sure you have the experience, expertise and talent to run your business.
- Plan every part of your business from start to finish.
- Know your market and define how much of it you will be able to capture.
- Make sure you are offering a product that is unique and competitive or at a lower cost than that of your competitors.
- Don't under-estimate your expenses and over-estimate your revenue.
- Make sure you have some cash reserves or a line of credit to help you get through slow periods.

2.4. What Successful Businesses Have in Common

By Ron Finklestein, a business coach and the owner of YourBusinessCoach.net.

2.4.1. Training. Because we live in a world of continuous change, it's more important than ever to implement a culture of continuous learning. For many successful owners, continual investment in training is a major contributor to success. For training to be successful, however, there must be a direct link back to the business plan and an understanding of how training supports the successful implementation of the business strategy.

2.4.2. Team of advisors. Without exception, every successful business owner I've worked with has talked about how having trusted advisors is necessary for success. They know they can't know everything and they searched out advisors they could trust. They usually preferred to pay for this advice because they were looking for someone who would challenge them, hold them accountable, ask them important questions and introduce them to others who could help them when necessary.

3. Developing your ideas

If you decide to start a new business, you will need to spend some time developing your business idea. One of the greatest advantages of being an entrepreneur is being able to work on something that interests you and that you are passionate about. Unfortunately, passion does not always translate into profits.

Research, research, research! The more information you can gather about the potential demand for your product or service, about your competitors, and about the needs and wants of your prospective customers, the more successful you are likely to be.

Before starting a business, you need to evaluate your idea and determine what your chances are of making a profit from that idea. This document lists some things that you should consider and provides links to additional information to help you assess your idea.

3.1. Is your idea truly original?

You will need to research your idea to see if it is truly original or whether someone else has commercialized it. Capturing a niche market — one that no one else is targeting — may be more profitable than competing with others who sell a similar product or service. A business expert or mentor can help you evaluate or enhance your original business idea.

3.2. Conducting market research

Learn more about market research, how it can improve your business decisions, and how to conduct a market research campaign.

3.3. Will people be willing to pay for your product or service?

A great idea can only translate into a successful business if people are willing to pay for the product or service.

First, you need to determine the target market for your offering. Are you planning to sell to young people or to seniors? Is your product primarily for women, men or both? Is it a necessity or a luxury item? Are you going to sell to individuals, other businesses or to the government?

Once you know who you are going to sell to, you'll want to find out how much the target market would be willing to pay for your product or service.

If your product or service is something people would be interested in, but not willing to pay for, you can consider alternate business models. Some businesses, in particular in the service industries, offer their service for free or at a low price, but are able to make money through other avenues, such as advertising.

3.4. Who is your customer?

Before you begin selling something, you need to know who you are selling to. If you haven't determined who your target market is, you are likely to try to be all things to all people and end up with a product nobody likes or a service that doesn't meet anyone's needs.

When developing a general profile of your customers, you might want to define them by their demographic characteristics, such as:

- Age, usually given in a range (20-35 years)
- Sex
- Marital status
- Location of household
- Family size and description
- Income, especially disposable income (money available to spend)
- Education level, usually to last level completed
- Occupation
- Interests, purchasing profile (what are these consumers known to want?)
- Cultural, ethnic, racial background

For example, a clothing manufacturer may consider a number of possible target markets — toddlers, athletes, grandparents, teenagers and tourists. A general profile of each of these possible markets will reveal which ones are more realistic, pose less risk and are more likely to result in a profit. A test market survey of the most likely target groups, or those who buy for them, such as parents for babies and toddlers, can help you separate real target markets from unlikely possibilities.

Once you have defined your target customers, you must learn about their needs and preferences.

- What challenges do they have that could be solved with your product or service?
- What are their needs and expectations regarding this product or service?
- What types of things do they desire?
- What do they spend their money on?
- Where do they shop?
- How do they make spending decisions?

Those are just a few of the many things you might want to learn about your prospective customers.

To develop a profile of your customers and understand their needs, you will have to do some market research.

3.5. Conducting market research

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3.6. Will your product or service be able to compete with those of existing businesses?

Once you find out who your customers are, you will need to look at who else is selling similar products and where they are selling them. Will you be competing with a product that has already been marketed? If your idea is a consumer product, check stores and catalogues or visit trade shows to find out what other products are available and what companies market them. You need to determine why customers will buy from you and not from your competitor. Is your product superior or is your price lower than other businesses? The best way to do this is to conduct market research using existing data or by doing your own survey.

3.7. Do you need intellectual property protection for your idea or invention?

Your idea, invention or product may need to be protected from being copied by others. Find out if the tangible result of your intellectual activity is eligible for intellectual property protection and how to get it.

3.8. Copyright and intellectual property

Learn about intellectual property, including patents, trademarks, copyrights, industrial designs and integrated circuit topographies, and how they can protect your business.

4. How will you promote your product or service?

An idea or invention is not very useful without customers to buy it! Have you considered how potential customers will discover your product? Some ways to market your product are: Having a website and being active in social media

Participating in and attending trade shows, and by getting known through your trade association

Placing advertisements in newspapers, on the radio, on television and on the Internet

Distributing brochures

Learn how to use advertising and other promotional techniques effectively.

Are there any government restrictions or obligations that could limit your idea?

Before you move ahead with your business idea, you may want to check to see if there are any regulations that may prohibit or limit the sale of your proposed product or service or the operation of your business.

4.1 Permits, licences and regulations

Learn about permits, licences and regulations that apply to your business.

What resources do you need to get your business off the ground?

5 Write a Business Plan

Developing a solid business plan is critical to the success of your business. A business plan will help you determine how much money you need to start your business. Also, a lender or investor will want to review it to determine your eligibility for financing. Your plan should clearly outline how you plan to make money and include an estimate of your projected sales for the first year. Base your estimates on the size of your market, your competition, your price, marketing plan and trends in the industry. Also include in your plan your expected expenses for things such as supplies, rental space, salaries, insurance, etc.

A business plan is a valuable tool for every business owner, whether you are starting up, have been in business for years, or are ready to grow.

Questionnaire

Q1: What is the main reason you want to be your own boss?

Q2: When did you first think that you might want to be your own boss?

Q3: What are the skills, experience or education that will help you be successful in your own business?

Q4: What experience do you have as a leader?

Q5: Where will your place of business be at the beginning?

Q6: How many hours per week will you be able to dedicate to starting your business?

Q7: Is money or flexibility more important to you and why?

Q8: Do you have any advisors or support amongst your family, friends or acquaintances? Who are they?

Q9: Do you plan to sell your business in the future or pass it down to your family?