

# BUSINESS CONSULTING SOLUTIONS, LLC

*Practical solutions to help you fix, grow, or sell your business.*

## Entrepreneurial Self-Assessment - What's Motivating you?

*Editor's Note: Doing a considerable amount of homework helps to minimize the risk of owning your own business. This article, geared to those who are considering becoming an entrepreneur is the first in a series of three articles regarding the entrepreneurial self-assessment process.*

Naivete when starting a business can prove to be financially and emotionally disastrous. This particularly holds true for the reason(s) for wanting to become an entrepreneur in the first place.

A half-dozen reasons are regularly heard. Some of them indicate an individual's clear-headed understanding of what lies ahead. Others don't.

**Being Your Own Boss:** An individual usually wants to be his/her own boss because: a) entrepreneurship is the person's true destiny, or b) it is time to escape from the hostility, frustration, and stagnation found in some corporate environments.

It's not easy to say whether one ever knows what his/her true destiny really is. However, if you find yourself contemplating self-employment even when all is going well with your present job, that inner voice may be trying to you something.

If getting into your own business is simply to get away from your current ogre of a boss, change your attitude or go to work for someone else – self-employment is not necessarily the solution to the problem.

**Career Change:** If you are in your mid to late 40's, chances are you may feel that the time is right to become self-employed. Financial stability has been achieved. The children are older and require less of your time. You and your spouse have handled other major life situation successfully, and you both feel ready to handle this one.

Also, past professional

achievements give you the confidence that the principles applied in accomplishing those achievements can be successfully applied to the operation of your business.

If this substantial career change is a result of careful planning, rather than a stop gap reaction to occupational burnout, then self-employment is a wise move to make.

If, on the other hand, you are in your 20's or early 30's and feel compelled to become self-employed – GO FOR IT! But does so with massive doses of cautiously optimistic common sense and persistence.

**Active Retirement:** Remaining -active and having a "raison d'etre" (reason for being) are two motivating factors for becoming self-employed upon retirement.

However, an all-too-common misconception is that a retired owner will be able to sit back, relax, and count all the money that comes rolling in. If that is your intent, keep in mind no business will take care of itself. An owner's hands-on involvement is needed to increase the chances of sustained success.

If you are serious about having an active retirement, and about your responsibilities to your clients, employees, creditors, and suppliers, then own a business that is consistent with your current lifestyle ... and enjoy it.

**Working Fewer Hours:** Owning and operating your own business means, in essence, that you are "on call" 24 hours a day – seven days a week. Owners of successful businesses are usually the first to arrive in the morning and the last to leave at night.

While very long hours are not necessary in all cases, it is important that you understand the time requirements of a particular

business before getting into it. One of an entrepreneur's driving forces is the knowledge that many, many hours spent on the job will directly benefit the owner and not some unseen and unreachable group of shareholders.

**Becoming Wealthy:** a common misconception is that all business owners are wealthy.

While just about everyone acknowledges "becoming wealthy" as one of the main reasons for wanting to be self-employed, it doesn't always happen. Granted, many business owners can and do enjoy a comfortable lifestyle, but all of them are not independently wealthy.

Wealth, per se, can be realized when a business owner successfully converts the substantial equity of the business into liquid assets through either a sales or merger.

Otherwise, becoming wealthy may be just an elusive reality.

**Building a Better Mousetrap:** Quite often, creative individuals see owning a business as a way of marketing their newly developed product or service.

Each and every product/service must be properly marketed in order for it to sell – and that requires hard work.

One other option exists if you are the builder of a better mousetrap and are not prepared to put in the hours, and (more importantly), the money necessary to make the business successful – sell the rights to the product or service to someone who is.

It is critically important that your motivation is realistic enough and strong enough to sustain you throughout the process of becoming a successful entrepreneur and beyond.

If you still remain uncertain about the validity of your reason, discuss it with one or two people who already own a business. Their feedback can be invaluable.