

Your Money

by Cheryl Hanson Simpson



A small business may be your path to financial freedom

I hate my nine-to-five job, and I would love to work in a business of my own. I've always dreamt of one day leaving a large, vibrant company for my son to carry on, to give him a good start in the world. I opened a wholesale shop once, but I ended up losing a lot of money. I would like to start another venture, but fear I'll fail again. What can I do to guarantee success in business? - Cautious

It's wise for you to approach starting a business with some amount of caution. A business venture can be a potentially profitable form of investment, and it's probably the route to eventually achieving financial freedom. Unfortunately, there are many stories of people who have gone into business and lost a lot of money, even ending up seriously in debt.

Even though the failure rate is high for start-up businesses, it is possible for you to eventually achieve your dream if you approach it with careful planning. Here are some factors to consider for your next business idea:

Set a goal

The first thing you need to do is to set a goal for what you want to achieve in business. Do you have some talents and knowledge that can translate into dollars by offering your services for sale? Are there any products you could provide that can solve a problem, or satisfy an unmet consumer need? What is it that is going to make you different from the rest of persons offering similar services or products? These are some of the considerations that can help you to focus your idea into a workable business venture.

Make a plan

Would you build your dream house without first getting a blueprint made? Probably not. However, many people jump into businesses, without first designing a plan how this venture will operate. A business plan can help you to create a strategy to carry out your overall goal, identify your target market, see how much money you will need to stay afloat, and identify potential threats before they arise.

The plan doesn't have to be a large, complicated document. For a small business, a simple, realistic and specific plan can be your road map to guide you through to business success. In fact, it can help you to decide if the business idea is actually feasible or not. You can contact the Jamaica Business Development Centre at 14 Camp Road, Kingston 4, to receive professional assistance in business planning.

Accumulate working capital

Many businesses fail, not because the business idea was bad, or that it couldn't be profitable, but because there wasn't enough cash flow to meet everyday expenses. Your business plan will help to identify your working capital needs, and if your profit margins will be enough to cover your costs. Once you have identified how much you cash you need to start the business, you can start saving toward that goal. You may also require additional funding. Lending agencies typically require business plan outlines and cash flow statements before they will provide a loan. You can also interest other people to invest in your business idea for an equity stake in your business.

Learn about business

Success in business is not usually dependent on luck. Like any other skill in life, you must learn how to develop by experience, trial and error, and getting advice from successful business people. If you want to provide a service, become an expert in your field through training sessions, apprenticing, and research. Read entrepreneurial magazines and books. If you are currently working in a thriving company, study the strategies that have been used to grow the business. Identify areas that are not working well. Get professional guidance from an accountant to ensure that your profit margins are sufficient and that you comply with the tax laws.

Be persistent

Business success is usually not an overnight achievement. Most start-up businesses won't turn a profit for a few years. Your business plan will show you if you are on target, or if you need to make adjustments in your strategy to succeed. Learn from your errors, but don't let them defeat you. Persistence and a strong belief in your original goal will help you to survive when the difficult times come.

While you're planning to start your own business, try to find a product or service to provide while you continue with your nine-to-five. Perhaps you can supply your office with phone cards, or type up documents for a fee. You could start a network marketing business supplying vitamins or household products. Small successes can give you extra cash and the confidence to begin your business venture.

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