



*Do you have what it takes to
succeed in* **BUSINESS ?**

Do you have what it takes to succeed in business?

Make no mistake, being a small business owner can be a tough gig. Getting your business up and running and making a profit requires patience, persistence, and careful planning. This article focuses on the skills you'll need to make it happen, both by acquiring these yourself and through seeking the advice of professionals.

Being your own boss-what does it really mean?

Being your own boss might sound like it is the ultimate ticket to freedom and financial success, and it can be. But don't be fooled into thinking you'll be able to put in a few hours each morning and spend the afternoons networking over a round of golf. The reality is that most businesses require a lot of hard work, with small business owners putting in long hours, usually over a number of years, before they start to see reasonable profits

The top 3 reasons businesses fail according to business owners are:

- 1. Failure to manage costs/anticipate rising costs**
- 2. Inexperienced management**
- 3. Poorly designed business model-i.e. no business plan.**

Source: CCH 2013

To succeed in business you will need to consider the following:

You need to be passionate about what you do. Setting up your own business is challenging. If you're not passionate about what you do, you'll find it hard to stay motivated when faced with the inevitable hurdles that await you. Without passion you'll lack that key ingredient that will make your new business stand out as more attractive than established competitors. So before you start a business, ask yourself if you're passionate about what you plan to do.

You'll need to make sacrifices. You'll need to put in a lot of hard work between coming up with your business idea, and getting your business established. You will have to work harder than most of your friends and make a number of sacrifices such as having less time with family & friends, and other interests & hobbies you like to participate in. There is a good chance you will be taking home less money and might need to sacrifice family vacations or put major household purchases on hold until your business is established. Ask yourself if you're prepared to make the sacrifices necessary to make it a success - and check that your family is prepared to make these sacrifices too.

You'll face risk and uncertainty. When you start your own business, you won't have the security of regular payments from an employer. Your business might not be in a position to pay you a salary for the first few weeks, months or possibly years. In addition, you might need to draw on your savings or even take out a loan to finance your business operations. There's an element of risk and uncertainty when you start your own business so you need to be sure your business idea is viable, and that you have enough money to support yourself and your business until it reaches the break-even point and starts turning a profit.

You'll need plenty of patience and persistence. It's very rare that a start-up business has everything run according to plan without any problems. You're likely to encounter your fair share of setbacks and challenges, from financial issues to difficult customers and problem employees. While there's a fine line between persisting against all odds when a business is clearly not viable, and giving up when the going gets tough, you'll need patience and persistence to make your business a success.

Getting the right skills:

Very few people who set up their own business start out with all the skills they need. The secret is to do a quick inventory of your current skills, and identify the gaps in your knowledge base. You can then either get the training you need, or employ people with the right skills for those areas you don't have a natural affinity for.

You'll need the following skills to run your business.

- Market research skills to understand the market you are entering and stay abreast of market developments, customer preferences, and the actions of your competitors.
- Money management skills to forecast when you expect your business to break even, understand your financial position at any point, and assess the financial implications of any business decision you make.
- Marketing and sales skills to promote your products or services effectively and reach your break-even target sales as soon as possible.
- People skills to help you manage and motivate your staff and deal with customers.
- Negotiating skills to ensure you're able to strike the best deal when dealing with suppliers or other contracts.

According to business owners their most trusted advisor when it comes to financial or business management is their Accountant.

Here's a quick self-test to see if you have what it takes

- Do you have experience in the industry you're considering entering? If not, it might be best to wait a few years until you increase your knowledge and contacts.
- Do you thrive on challenges? If not, starting your own business might not be the best option for you.
- Are you prepared to undergo training to develop the wide range of skills you need, or to heed input from specialist advisors in areas that are not your specialty? If yes, starting a business could be for you.
- Do you enjoy making and being responsible for your own decisions, because there's no fall-back person when you run your own business? If yes, starting your own business could be for you.
- Are you prepared to work long hours without the security of a steady income? If not, starting your own business might not be the best option for you.
- Are you prepared to lower your standard of living because you may not be able to pay yourself for a while until your business starts to make a profit, and do you have sufficient savings or an alternative income to live off during the start-up period? If not, starting your own business might not be the best option for you at this time.
- Are you actively working on overcoming the common problems that cause many small businesses to fail, especially inexperience, poor management, and lack of planning? If yes, starting your own business could be for you.
- Have you explained to your family that starting your own business can mean less income, reduced family time, and taking on additional responsibilities? Does your family understand this and still support your desire to start a business unconditionally? If yes, then starting a business could be for you.
- Are you prepared to take the risk of losing the money you invest, because regardless of how excited you might be about starting your own business, there is a chance you might not succeed? If yes, then starting a business could be for you.
- Are you aware that it will be difficult to run a business on your own without help? Are you prepared to get expert advice from professionals and delegate responsibilities to employees if the business needs them?