

CHECKLIST FOR STARTING A BUSINESS

BEFORE YOU START

Answer Yes or No
N/A if not applicable

How about you

Are you the type of person who can get a business started and make it go? _____

Think about why you want to own your own business. Do you want it badly enough to keep working long hours without knowing how much money you'll end up with? _____

Have you ever worked in a business like the one you want to start? _____

Have you ever worked for someone else as a supervisor or manager? _____

Have you had any business training in school? _____

Have you saved any money? _____

About money

Do you know how much money you will need to get your business started? _____

Have you counted up how much money of your own you can put into the business? _____

Do you know how much credit you can get from your suppliers - the people you will buy from? _____

Do you know where you can borrow the rest of the money you need to start your business? _____

Have you figured out what net income per year you can expect to get from the business? _____

Count your salary and your profit on the money you put into the business. _____

Can you live on less than this so that you can use some of it to help your business grow? _____

Have you talked to a banker about your plans? _____

About a partner

If you need a partner with money or know-how that you don't have, do you know someone who will fit - - someone you can get along with? _____

Do you know the good and bad points about going it alone, having a partner, and incorporating your business? _____

Have you talked to a lawyer about it? _____

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About your customers

Do most businesses in your community seem to be doing well?

Have you tried to find out whether businesses like the one you want to start are doing well in your community and in the rest of the country?

Do you know what kind of people will want to buy what you plan to sell?

Do people like that live in the area where you want to start your business?

Do they need a business like yours?

If not, have you thought about opening a different kind of business or going to another neighborhood?

GETTING STARTED

Your building

Have you found a good building for your business?

Will you have enough room when your business gets bigger?

Can you fix the building the way you want it without spending too much money?

Can people get to it easily from parking spaces, bus stops, or their homes?

Have you had a lawyer check the lease and zoning?

Equipment and supplies

Do you know just what equipment and supplies you need and how much they will cost?

Can you save some money by buying secondhand equipment?

Your merchandise

Have you decided what things you want to sell?

Do you know how much or how many of each you will buy to open your business with?

Have you found suppliers who will sell you what you need at a good price?

Have you compared the prices and credit terms of different suppliers?

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Your records

Have you planned a system of records that will keep track of your income and expenses, what you owe other people, and what other people owe you?

Have you worked out a way to keep track of your inventory so that you will always have enough on hand for your customers but not more than you can sell?

Have you figured out how to keep your payroll records and take care of tax reports and payments?

Do you know what financial statements you should prepare?

Do you know an accountant you can go to for advice and help with taxes?

Your business and the law

Do you know what licenses and permits you need?

Do you know what business laws you have to obey?

Do you know a lawyer you can go to for advice and for help with legal papers?

Protecting your business

Have you made plans for protecting your business against thefts of all kinds - - shoplifting, robbery, burglary, employee stealing?

Have you talked to an insurance agent about what kinds of insurance you need?

Buying a business someone else has started

Have you made a list of what you like and don't like about buying a business someone else has started?

Are you sure you know the real reason why the owner wants to sell the business?

Have you compared the cost of buying the business with the cost of starting a new business?

Is the inventory up to date and in good condition?

Is the building in good condition?

Will the owner of the building transfer the lease to you?

Have you talked to other business people in the area to see what they think of the business?

Have you talked with the company's suppliers?

Have you talked with a lawyer about the purchase?

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MAKING IT GO

Advertising

Have you decided how you will advertise (newspapers, posters, handbills, radio, TV, mail)?

Do you know where to get help with your ads?

Have you watched what other businesses do to get people to buy?

The prices you charge

Do you know how to figure what you should charge for each item you sell?

Do you know what other businesses like yours charge?

Buying

Do you have a plan for finding out what your customers want?

Will your plan for keeping track of your inventory tell you when it is time to order more and how much to order?

Do you plan to buy most of your stock from a few suppliers rather than small quantities from many suppliers, so that those you buy from will want to help you succeed?

Selling

Have you decided whether you will have sales clerks or self-service?

Do you know how to get customers to buy?

Have you thought about why you like to buy from some salespeople while others turn you off?

Your employees

If you need to hire someone to help you, do you know where to look?

Do you know what kind of person you need?

Do you know how much to pay?

Do you have a plan for training your employees?

Credit for your customers

Have you decided whether to let your customers buy on credit?

Do you know the good and bad points about joining a credit-card plan?

Can you tell a deadbeat from a good credit customer?

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A FEW EXTRA QUESTIONS

Have you figured out whether you could make more money working for someone else? _____

Does your family go along with your plan to start a business of your own? _____

Do you know where to find out about new ideas and new products? _____

Do you have a work plan for yourself and your employees? _____

For every YES answer you gave, think of yourself as one step closer to turning your business dream into a reality. Each NO answer represents an area to work on - a temporary road-block, yes, but, a dead end only if you let it be.