

Is starting your own business as scary as it sounds?

There's no doubt that going into business for yourself can be as terrifying as it is exciting, but is [starting your own business](#) really as scary as it sounds?

Here we demystify some of the hurdles you might face to help make the leap into entrepreneurship a little less scary.

1. **Address financial insecurity head on.** If the prospect of saying goodbye to your weekly pay cheque leaves you gasping for air, then business ownership might not be right for you. According to Daniel Harrison, owner of three Magic Hand Carwash franchise outlets in Melbourne, the biggest hurdle any would-be business owner will face is financial.

“Before considering business ownership, remind yourself that you won't draw much of an income from the business for at least the first 12 months, so make sure you have a contingency plan to cope with that.”

Harrison says this is where a lot of people get scared off – especially those in corporate jobs who have enjoyed a solid and stable income for some time. But there is a way to make this fear less daunting.

“I would encourage people who are interested in [becoming their own boss](#) to first review their financial position by drawing up a personal budget and determining how much money they will need to live off for a year. Next, figure out whether you have sufficient savings or an alternate source of income to cover your living expenses. And finally, figure out how much cash flow you are likely to need to start the business. If you don't have the cash flow available, consider how you will go about raising funds.”

2. **Ask yourself: “Am I afraid of hard work?”** Harrison says one of the biggest pluses to running your own business is achieving work-life balance but you have to be prepared to work hard as success doesn't happen overnight.

“Working long days is part and parcel of being a business owner, especially in

the early days when you're trying to get your business off the ground. You need to be prepared to work longer and harder than you did as an employee. Ultimately the success of the business relies on you – the more you put in, the more you will get out.”

3. **Do the research.** When it comes to starting your own business, most people tend to fall into one of two camps. You either have a burning business idea that you want to put into practice or you're driven by the desire to be your own boss. Either way, it's integral to do your research.

If it's your own idea, explore what other people are doing in this area. Who are your competitors and what differentiates your business idea from theirs? If you fall in the other camp, but you're not sure how to go about it, a great place to start is to search through all of the businesses available for purchase on [SEEK Business](#). Exploring the diversity of options available to you could provide the inspiration you need to kick-off your quest to become your own boss.

4. **Make sure you write a business plan.** Harrison says it is really important to start your business off on the right foot by writing a solid business plan. A business plan doesn't need to be pages and pages long but it should include the following, based on your research:

- Who is the target market for your proposed product or service?
- What is the customer need you are responding to, and how does your solution to that need compare with competitors in the market?
- What are your revenue sources?
- What are your cost items?
- How long will it take to bring your product or service to the market?
- When will you start to receive sales revenue?

5. **The importance of leadership.** According to Harrison, leadership skills are a vital ingredient of business ownership success.

“You need to get your team on board and make sure they are aligned with your vision, otherwise you won't be able to achieve the level of productivity and the positive customer experience that is required to be a success.

Harrison recommends leading by example and performing the same tasks alongside your team members day in, day out, as a great way to create a strong and mutually respectful culture.

6. **Know your limitations.** Harrison says, when running your own business it pays to know your limits. As an entrepreneur you must wear many hats including sales, marketing, buying, budgeting, planning, cost control, production

and finance, but rather than thinking you have to be an expert in all of these areas, consider appointing other people into these roles.

“Responsibilities in my business range from hiring, rostering, ordering and developing our team of people. As I have taken on more sites I have realised that I can’t possibly be across every aspect of the business, so I have gradually handed over certain responsibilities, such as book keeping, accounting, payroll and human resources to external companies. This allows me to stay focussed on the overall running of the business and also means that the business doesn’t eat into my spare time.”

If you’ve made your way through these six steps and feel that starting your own business is something that could work for you, maybe it’s time to consider a career change?

“Working long days is part and parcel of being a business owner, especially in the early days when you’re trying to get your business off the ground. You need to be prepared to work longer and harder than you did as an employee. Ultimately the success of the business relies on you, the more you put in, the more you will get out.”

Image not found or type unknown

