

Be sure you're ready before starting your business

By Liliana Parker

As business consultant, I'm pleased when I see a small entrepreneur open the doors of her or his business to the public. But to get to this moment it is important to keep in mind that the process takes time, planning and patience.

If you have the dream of one day starting your business, I'd suggest you start planning now. Businesses launched without proper planning have a much higher probability of failure.

If you believe that simply having a good idea and the marketable skills means you are ready to jump into the business world, you are far away from reality.

You may have a passion for what you do and have done it well for many years, with good comments from your friends, relatives and sporadic clients who use your product or service, but not only the marketable skills are enough for a business to be successful. Do you know what is included in the management process? Do you know which areas you need to keep in mind to establish a congruent system that guarantees better results?

You need training to be a business owner. You need to know how to manage a business, because this is not as simple as having your title on a business card: CEO of My Business.

If your business doesn't have personnel under your supervision and you are the only one working in it, a business must have a structure that covers all the fronts and at the same time smoothes its growth.

Every business, whether with one or 100 employees, has a basic structure with four different areas: administrative, finances, operations and commercial. This structure seems at first like that of only larger company, but it applies to all enterprises no matter their size.

The administrative area includes all issues related to personnel, legal aspects and taxes. If you are the only one working in your business, you have to consider taxes related to self-employment; you must decide on the entity most convenient for you; and you must take into account such things as insurance and your own salary.

Finances include everything related to numbers such as budgeting, financial projections and accounting. You have to keep your books and at least know how much you sell, how much money you make and how much money you need to operate.

Operation includes everything related to production of the product or service to offer such as logistics, buying, fabrication, and suppliers. Do you offer a service? You have to establish a system to offer a good quality service in a proper time. If you offer a

product made by others, you have to negotiate the conditions, the delivery, etc. If you offer your own product, you have to know where you buy good quality materials at a reasonable price.

The commercial area includes all you have to do to sell your product or service, such as marketing, public relations and sales. Since you have to sell your product or service, you need many people to know what you are selling.

From this simple structure many other departments or subdivisions arise according to the size of the business and the management vision. The goal is to match your product or service with the proper market for it in the most efficient way possible.