

Career Lecture Series

Starting Your Own Business: The Other Career Choice

Presented by

Robert Voss

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Starting Your Own Business



Steve Hardiman
Host



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About the Presenter

Robert Voss

-Business Entrepreneur

-Instructor, Dakota County
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-National Entrepreneur Instructor
of the Year



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What Is An Entrepreneur?

- Webster's Definition: someone who starts and assumes the risk for a business venture
- My definition: "An Entrepreneur is someone who **starts** and **grows** a business, under the constant threat of **competition**, **volatile** markets, and **fickle** customers, with the goal of **financial profit** and other **psychic income**."

Four Big Benefits Of Entrepreneurship

- 1) You get to be your own boss!
- 2) Unlimited wealth!
- 3) You get to do what you love to do!
- 4) You can make a difference!

Four Big Potential Negatives Of Entrepreneurship

- 1) Uncertainty of Income
- 2) Failure
- 3) Long hours, no vacations, time away from family
- 4) Stress-totally responsible for everything

How People Normally Start A Business

Step #1: Make a decision on the type of business to start.

Step #2: Start and attempt to grow the business.

Step #3: If problems arise, write a business plan

Failure rates by starting a business this way:

- 25-30% fail in the first 12 months of operation
- 15% more fail in the next 12 months
- 10% more fail in the next 12 months

If you start a business this way, the chances of being in business three years from now is less than 50%

How People Should Start A Business

Step #1: Decide that I would make a good Entrepreneur!

Step #2: Decide what type of business I should start!

Step #3: Write a Business Plan (Proof Plan)!

Step #4: Start and Attempt to grow the Business!

Step #5: Review progress (at least quarterly)!

Failure rates of starting a business this way:

* 5% Fail in the first 12 months

* 5% fail in the second 12 months

* 5% Fail in the third 12 months

If you start your business this way, your chances of still being in business three years from now is 85%!

(Failure rates confirmed by Business Week - Small Business)

Seven Types Of Business Start-ups

- #1: Start a business from scratch around a new concept
- a. Usually the highest risk of failure
 - b. Usually requires substantial money to start
 - c. Almost always takes longer than you think
 - d. Concept must be proved in order to raise money

WARNING: Pioneers don't usually make a lot of money, pioneers get shot in the back!

Seven Types Of Business Start-ups

- #2: Start a business from scratch around an existing concept that is already ***proven***.
- a. Knowing the competition is key to success
 - b. Must have significant competitive advantages over the competition
 - c. If customers are coming from the competition, be ready for a fight

Seven Types Of Business Start-ups

- #3: Start a business from scratch around an expertise already in place
- a. Generally medium to low risk
 - b. Business can usually be bootstrapped
 - c. Usually considered a micro business (less than 3 people)
 - d. Many times can do part time
 - e. Great tax benefits

Seven Types Of Business Start-ups

#4: Buy an existing business

- a. Can be expensive, owner financing usually available
- b. Make sure you are comfortable as to why the business is being sold
- c. Do your Due Diligence-look for hidden financial issues
- d. Business brokers can be valuable help
- e. Don't try this yourself, get a good attorney

Seven Types Of Business Start-ups

#5: Buy a franchise

- a. The lower the risk, the higher the cost!
- b. Thousands of franchises available
- c. Usually provides instant credibility
- d. You become locked into the franchises way of doing business
- e. You must remain “hands-on” to be successful

Seven Types Of Business Start-ups

#6: Independent business owner for an umbrella company (Realtors, insurance agents, network marketing companies)

- a. Generally medium to low risk
- b. Normally complete training exists
- c. Business practices are defined for you
- d. Most can start part time
- e. If becoming involved in a network marketing company, make sure you are comfortable with the income model

Seven Types Of Business Start-ups

- #7: Invent something (Breathe Rite, Nerf, Honey crisp apples)
- a. High risk of success
 - b. America still is looking for a better mousetrap
 - c. Must understand all aspects of Intellectual Property (IP)
 - d. Requires a persistent selling process
 - e. Normally takes 12-24 months to sell an idea

Would I Make A Good Entrepreneur?

TRAITS: Rank yourself 1-4 (4 highest, 1 lowest)

1) HONESTY	1	2	3	4
2) PERSISTENCE	1	2	3	4
3) SELF-STARTER	1	2	3	4
4) CONFIDENCE	1	2	3	4

For the unabridged version, just email Bob at Bob.Voss@DCTC.edu and request, *Would I Make a Good Entrepreneur?: An Assessment*. It's free if you mention you learned about it from this Walden Career Lecture!

Would I Make A Good Entrepreneur?

TRAITS: Rank yourself 1-4 (4 highest, 1 lowest)

5) ORGANIZED	1	2	3	4
6) ENTHUSIASTIC	1	2	3	4
7) DEPENDABLE	1	2	3	4
8) COMPETITIVE	1	2	3	4

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Would I Make A Good Entrepreneur?

KNOWLEDGE: Rank yourself 1-4 (4 highest, 1 lowest)

- | | | | | |
|------------------------------|---|---|---|---|
| 1) LEGAL ASPECTS OF BUSINESS | 1 | 2 | 3 | 4 |
| 2) TAX IMPLICATIONS | 1 | 2 | 3 | 4 |
| 3) BUSINESS PLANNING | 1 | 2 | 3 | 4 |
| 4) MARKETING | 1 | 2 | 3 | 4 |

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Would I Make A Good Entrepreneur?

SKILL SETS: Rank yourself 1-4 (4 highest, 1 lowest)

- | | | | | |
|------------------------------|---|---|---|---|
| 1) I CAN SELL | 1 | 2 | 3 | 4 |
| 2) I CAN BE THE BOSS | 1 | 2 | 3 | 4 |
| 3) I CAN MAKE GOOD DECISIONS | 1 | 2 | 3 | 4 |

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Would I Make A Good Entrepreneur?

ADD UP YOUR SCORES!

MY TOTAL SCORE IS _____

EXTRA CREDIT: Give yourself an additional five (5) points if you have a positive support system in place as you start your entrepreneurial journey

MY FINAL SCORE _____

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Poll: Assessment Score

Which range did your Final Score fall into?

- 60 – 65
- 45 – 59
- 30 – 34
- < 30

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Poll: Assessment Score

Which range did your Final Score fall into?

- 60 – 65: Congratulations! You have most or all of the skills that you need to be a successful entrepreneur!
- 45 – 59: You have most of the skills you need. Try to improve any 1's and 2's in your assessment
- 30 – 34
- < 30

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Bob's Best Advice Before You Start Your Business

- 1) Research
 - a. Underwear research
 - b. Competitive research
 - c. Customer research

- 2) Create a SIMPLE Business Plan
 - a. Description of the Business
 - b. What we sell (proof that customers will buy it)
 - c. Competition and competitive advantages
 - d. Marketing plan
 - e. Financials (2 years of projections)
 - f. Management Team

Resources To Help You Start and Grow A Business

- 1) State resources: Secretary of State
- 2) National resources: www.SBA.gov
- 3) Local Resources:
 - a. SCORE
 - b. Small Business Development Centers
- 4) Associate with other entrepreneurs

Questions and Answers

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