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# Taking the Leap: What to Consider Before Starting a Business

It can be a very compelling and driving force – you’ve got a great idea, a unique service, a fantastic line of recipes, or a can’t-miss product.  But launching a business is not the next step…it’s the last step on the road to entrepreneurship.  Your time, money, and future are on the line, so take some time to get your ducks in a row and look at the business with a rational eye.

## Make a Business Plan

A business depends on a lot more than great products and services to be successful.  Like a newborn child, it has its own life force that comes with certain needs and requirements in order for it to survive and thrive.  Plan out the structure and processes of your business first.  You will need a hierarchy of management, which may be very limited at first.  You will need to keep financial records and file taxes.  You will need to determine if you should form an “S” corporation, a “C” corporation, or a limited liability corporation (LLC), which could make a big difference in your profitability.

Of course you will also need to find a location, design the customer interface (whether it is a store, a website, or a mailing list), price out everything you will need to get set up, and determine the size and scope of your business.  You will need to define your demographic so that you can choose the right location and/or target your marketing properly. You will need to research city codes and know what licenses are required.

Making and serving your gourmet lasagna is a very small part of the whole operation, so before you get too far, make sure you are up for all of the other tasks involved and then get things in order.

## Get your finances and credit in order

Make sure your pockets are deep enough to get you through the start-up costs and several months of slow initial sales.  Most entrepreneurs have to put more money into the business in the early stages, and don’t take profits out.  Make sure that you have the resources to do that and to provide for yourself and family too.

If you think you may need funds, get your investors lined up before you begin, when you have a fresh and exciting concept, rather than trying to get them to bail out your cash-strapped venture when it’s already in a hole.  Whether it’s friends and family or a bank, you need to get their commitment before you begin.  This is where a well-prepared business plan, neatly presented  in Kinko’s finest plastic coil binding and complete with sales and profit projections, can make a huge difference.

## Get some expertise behind you

Always remember that the world may not share your enthusiasm for your great idea.  Remember too that even the best idea is only as good as its execution.  Your visions of grandeur may not sell so well in a small storefront on a side street, which might be the best you can afford.  Most new businesses fail, and difficult economic times do not increase your odds of success.

You need to talk to people.  Talk to people who have succeeded and people who have failed.  Talk to bankers, even if you may not want their money, as they have seen a lot of success and failure from their clients.  Talk to friends, talk to family, and talk to strangers.  Talk to people in a similar business and find out the unforeseen obstacles they faced, as well as the factors that helped them succeed.  Ask them if they would do it all over again.

Starting your own business is a very personal decision with wide-ranging and long-lasting consequences, for better or worse.  It should not be entered into lightly, unprepared, or without the full knowledge and willingness to embrace the possible downside if it does not succeed.