

Self Assessment Considerations

Prerequisite Talents and Traits

Take a self inventory of your physical capabilities and mental qualifications. Do you have what it takes to be a small business owner? Do you have the physical dexterity, strength, and stamina to bend, grip, hold, lift, manipulate, move, and reach the materials and tools used to create and employ the products and services associated with your position in your line of business? The usual answer is YES, otherwise you wouldn't be thinking about becoming self-employed. A self evaluation of your mental attributes is not so easy. Your mental abilities fall into three broad areas: your knowledge, your skills, and your attitude.

Knowledge – Learned Information and Insights: Your knowledge is simply the accumulation of your lifelong academic, family, hobby, home, job, personal, spiritual, et al experiences. You gain knowledge by remembering the outputs of each of your five sensors. You listen to relatives, teachers, friends, co-workers and others. You read books, etc. and observe things either in person or on film/TV. You record smells, tastes, and touches. Your knowledge base is the collection of all your what, who, where, when memories.

Skills – Applied Knowledge: “It’s not what you know, but how you use it that’s important”. Putting knowledge to work requires skills. Different skills are needed to perform different tasks. Starting up and running a small business involves a wide range of diverse activities and related skills. Basic business skills are required to plan, organize, control, evaluate, and record the activities and resources used in day-to-day business operations. If you lack particular skills you can usually obtain them from outside sources. For example, you can hire an Attorney to prepare and file the paperwork associated with setting up a legal entity for your business. Also you may have to hire workers with specialized administrative, management, marketing, professional, or technical skills needed to perform other tasks associated with your business.

Attitude – Ways Skills Are Used: A positive attitude is your most priceless possession. A positive attitude triggers enthusiasm which is a valuable asset in establishing and sustaining strong inter-personal relationships with the people associated with your business whether customers, suppliers, workers, or associates. To be highly effective, small business owners must be confident, conscientious, dependable, determined, disciplined, focused, hardworking, open-minded, passionate, persistent, and respectful. The most prosperous small business owners are self-motivated and employ a “can do”, customer-centric approach in taking care of business which is why they’re successful.

Characteristics of a Successful Entrepreneur

Guts: Guts means you must have an entrepreneurial instinct, which is an overwhelming desire to have your own business. You must have the guts and dedication to be completely devoted to your goal. Incidentally, devotion to your goal is much more likely if you have a love for your intended business. Life is too short to start a business that doesn't give you satisfaction and joy. And, through good times and bad times, you will stick with something you love. As Solomon said, "There is nothing better for men (and women!) than they should be happy in their work-so let them enjoy it now."

Brains: While appropriate educational credentials are important, entrepreneurial "brains" means more than scholastic achievements. To become a successful entrepreneur, you should have a working knowledge about the business you plan to start before you start it. Common sense, combined with appropriate experience, is the necessary brainpower. Prudence, follow through and attention to detail are very important.

Capital: Starting and operating a business requires money, whether from savings, investors, lenders, or some combination of these sources. You need enough to meet annual family expenses **plus** sufficient cash to maintain a positive cash flow for your business for at least a year. You need to know how to forecast future cash requirements through cash flow control. Many businesses can be started on a very small scale with a small investment. Then, as the business grows and you gain experience, cash flow from your business can be used for growth. In some cases, you don't need starting capital to hire other people because you might start by doing everything yourself. The "do it yourself" start is a good way to learn everything about your business and also makes you better qualified to delegate work to others later on. You can control your risk by placing a limit on how much you invest in your business.