

Before Starting a Business... Develop a Business Plan

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To make a business a success means knowing what success looks like for you. And that means you'll need a business plan. Here are some places to start when developing one if you're just starting out:

Do Your Research

Assess your target audience and the services needed or in demand in your area of interest. If you are unsure about the needs or demands in your chosen industry, or of your optimal customer base, doing research on the business strategies employed by successful competitors within the industry may be able to provide you some insight.

Learn about the specific audience or population you plan to serve, including average age, the products or services they currently receive, and where they currently get them.

Identify a Location or Sales Channel

Once you determine your audience, begin to research potential physical locations or other avenues to reach your audience. Do you plan to lease or own a building? Is there an existing facility that you have in mind? Will you operate wholly online? Will you work out of your home? Certain tax and financial consequences will apply, depending on answers to these questions.

Some of the factors to keep in mind when selecting a location or delivery channel include:

- Overhead costs (rent, utilities, cost of website maintenance, delivery/shipping costs, etc.)
- Accessibility (How easy will it be for them to find and get to you?)
- Potential audience reach and cost of marketing (How easy will it be for you to find them?)
- Potential competition (who's already in the space that you're competing against, and how are you going to be different?)
- Revenue potential (price point and sale conversion potential)

Once you identify an ideal location, be sure to also familiarize yourself with the regulations and zoning laws in the area.

In addition to identifying your audience, and the best ways of reaching them, your business plan includes your business mission, goals, operations plan and projected financials. To develop your operations plan and estimate projected costs and revenues...

Assess Your Business Needs

Think about the staff and resources you will need to keep your operations running. Consider needs right now as well as the changes that will be necessary if your business grows according to plan. Also consider the supplies, stock, or other equipment you will need to not only run the business, but also to furnish the facility, if you have products or services that require a brick and mortar location. Determine how much rent, utilities and other overhead costs will be—even websites, phone lines and email inboxes can have costs associated with maintenance and upkeep.

Know What It Takes to Register Your Business and Get Any Licenses

You must obtain relevant business licenses and permits. Regulations vary by industry, state and locality. Research what will be necessary for the business you envision.

Find Ways to Finance Your Business

Depending on the type of industry you're in, the products/services you plan to offer, and your proposed business structure, it may take a lot or very little up-front capital to start your own business. Do some research on the financing options and opportunities for small business owners within your industry, city, or state that would make sense within your proposed business model.

Foster Professional Ties

Find ways to network online or in person and get to know people within your area of interest, or in complimentary industries. Try to develop a short few sentences that will let others know what you do in your business, and introduce yourself around. You'll begin to gain traction amongst your peers and in your community by engaging in relationships that are professional and, importantly, that provide mutual benefit.

Additionally, make sure you consult a team of experts, including a lawyer, CPA or realtor if necessary to help you move forward with your plans.