

Embracing New Chains

Last time we considered some of the advantages and pleasures of operating your own business. Now take a look at the other side. As one small business owner attending a conference put it: "When I came here, my business lost the services of its chief executive, sales manager, controller, advertising department, personnel director, head bookkeeper, and janitor."

If you have employees, you must meet a payroll week after week. You must always have money to pay creditors - the man who sells you goods or materials, the dealer who furnishes fixtures and equipment, the landlord if you rent, the mortgage holder if you are buying your place of business, the publisher running your advertisements, the tax collector, and many others. All of these must be paid before you can pay yourself.

You must accept sole responsibility for all final decisions. A wrong judgment on your part can result in losses not only to yourself but, possibly, to your employees, creditors, and customers as well. Moreover, you must withstand, alone, adverse situations caused by circumstances frequently beyond your control. To overcome these business setbacks and keep your business profitable means long hours of hard work. It could very well not be the work you want to do. As someone else's employee you developed a skill. Now, starting a business of your own, you may expect to use that skill 40 or more hours a week. Instead, you must perform the management tasks as well. You must keep the books, analyze accounting records, sit back and do long range planning, jump in and handle the expediting and, when everyone has gone home and you finally have caught up with the paper work, you may even have to sweep the floor.

As your business grows and you become more successful, you may not do some of these activities. As an owner-manager, however, you must - at least at first - give up the

technical aspects you know and enjoy doing, and focus on the management aspects. To get your business off to a successful start, you must be a manager not an operator. As one small business owner attending a conference put it: "When I came here, my business lost the services of its chief executive, sales manager, controller, advertising department, personnel director, head bookkeeper, and janitor."

You will never be entirely your own boss. No matter what you choose - manufacturing, wholesaling, retailing or service business - you must always satisfy your customers. If you don't give the customers what they want, they'll go somewhere else and you'll be out of business. So every customer, or even potential customer, is your boss. Your creditors will also dictate to you, and your competitors' actions may force you to make decisions you don't want to make. National and local government agencies will insist that you meet certain standards and follow certain regulations. The one thing you can decide yourself is how you will satisfy all of these bosses.

All these things considered more and more people are starting their own businesses everyday – many of these businesses will be the Microsoft's of tomorrow!

A few final thoughts before you venture out on your own – be prepared for the risks as well as the rewards.

- q Research extensively the business and the industry you are about to enter.
- q Speak to as many other entrepreneurs as possible – not only about business but about what owning your own business will mean to your family.
- q Make sure that you have enough money and the support of your family.

Like building anything – it will probably take three times longer than you think and cost five times as much.

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