

Creating A Small Business

One Step at a Time



*This Manual provides practical and
direct advice on starting a business
in and around Niagara County*



Small Business Development Center

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www.niagarasbdc.org

The New York Small Business Development Center (NYSBDC)

Education, Entrepreneurship, Economic Development

Since 1984, we have worked with 428,881 businesses, helping them to invest \$5,888,410,559 in New York's economy and create or save 189,003 jobs (as of December 2016).

Through a network of 24 regional centers, the New York Small Business Development Center delivers high quality business consulting and training to New Yorkers who want to start a business or improve the performance of an existing business.

Thanks to our partners in the public and private sectors, our high quality services are provided free of charge.

Vision: The New York SBDC brings world class business expertise to the Small & Medium Enterprise Community.

Mission: The New York SBDC provides customized solutions through advisement, education, research, and advocacy for Entrepreneurs, Innovators and the Small & Medium Enterprise Community.

Niagara Small Business Development Center

Serving Niagara, Erie, and Orleans Counties

We think New York is great for small business -- and so do our clients.

Since opening in 1984, the expert advisors of the Niagara SBDC have worked directly with **16,972 businesses**, helping them to **invest \$462,741,818** in the area's economy, and **create or save 10,583 jobs** (as of December 2016).

The Niagara Center is hosted by Niagara County Community College.



SBDC Start-up kit

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Starting Your Business

Analyzing the Feasibility of Your Business Idea. What problem are you solving?

Many businesses start when someone has an idea he or she believes is unique and will therefore be successful. Other entrepreneurs develop new ways to engage with the existing business environment; ways to make products and or services, faster, less expensive, or in some way better than what is currently on the market.

The feasibility of the business idea / concept needs to be tested. The entrepreneur needs to determine his or her ability to develop the idea into a thriving and successful business.

Some questions to be considered in the analysis of your business idea:

- **What** does the product or service do?
- **How** is it different from other products/services?
- **Who** will buy it?
- **Why** will they buy it?
- **Where** will it be sold?
- **When** will it be ready to be sold?
- **How** will it be promoted and sold?

The following pages contain tools and exercises that will provide information to help you analyze your business idea. These exercises are intended to help evaluate market feasibility, analyze research costs, determine management capability, assess entrepreneur characteristics and identify goals for the future.



Smart entrepreneurs take the time to plan and evaluate their idea because they understand that it increases their chance of taking a dream and successfully turning it into a reality.

Is Entrepreneurship For You?

In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business - but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions.

Are you a self-starter? It will be entirely up to you to develop projects, organize your time, and follow through on details.

How well do you get along with different personalities? Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?

How good are you at making decisions? Small business owners are required to make decisions constantly - often quickly, independently, and under pressure.

Do you have the physical and emotional stamina to run a business? Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour work days every week?

How well do you plan and organize? Research indicates that poor planning is responsible for most business failures. Good organization of financials, inventory, schedules, and production can help you avoid many pitfalls.

Is your drive strong enough? Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

How will the business affect your family? The first few years of business startup can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk in the short-term.

Why Small Business Fail

Success in business is never automatic. It isn't strictly based on luck - although a little never hurts. It depends primarily on the owner's foresight and organization. Even then, of course, there are no guarantees.

Common reasons for small business failure:

- Lack of experience
- Insufficient capital (money)
- Poor location
- Poor inventory management
- Over-investment in fixed assets
- Poor credit arrangements
- Personal use of business funds
- Unexpected growth
- Competition
- Low sales

These reasons aren't meant to scare you, but to prepare you for the rocky path ahead.

Underestimating the difficulty of starting a business is one of the biggest obstacles entrepreneurs face. However, success can be yours if you are patient, willing to work hard, and take all the necessary steps.

On the Upside

It's true that there are many reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You will be your own boss.
- Hard work and long hours directly benefit you, rather than increasing the profits for someone else.
- Earning and growth potential are far greater.
- A new venture is as exciting as it is risky.
- Running a business provides endless challenge and opportunities for learning.

We hope you have enjoyed this introduction to our start-up guide.

The complete version of this guide is provided to clients of the Niagara Small Business Development Center at no charge. To get your free copy call our office today at 716-210-2515 or email us at sbdc@niagaracc.suny.edu

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