

Starting Up Your Business 101

Michigan Small Business Development Center



The Michigan SBDC

Funded through a cooperative agreement with the

- U.S. Small Business Administration (SBA)
- Michigan Economic Development Corporation (MEDC)
- Matching funds from Local Network Partners in each region.



In partnership with:



Our Clients

- New Ventures
- Existing Businesses
- Growth Companies
- Advanced Technology Companies

Our Services

- Business Consulting
- Business Education
- Market Research (secondary)
- Technology Commercialization

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Business Education

Register at SBDCMichigan.org/training

Topics Include:

- Starting a Business
- Writing a Business Plan
- Accounting & Finance
- Customer Relations
- Government Contracting
- Internet and Social Media
- Legal
- Management
- Sales & Marketing



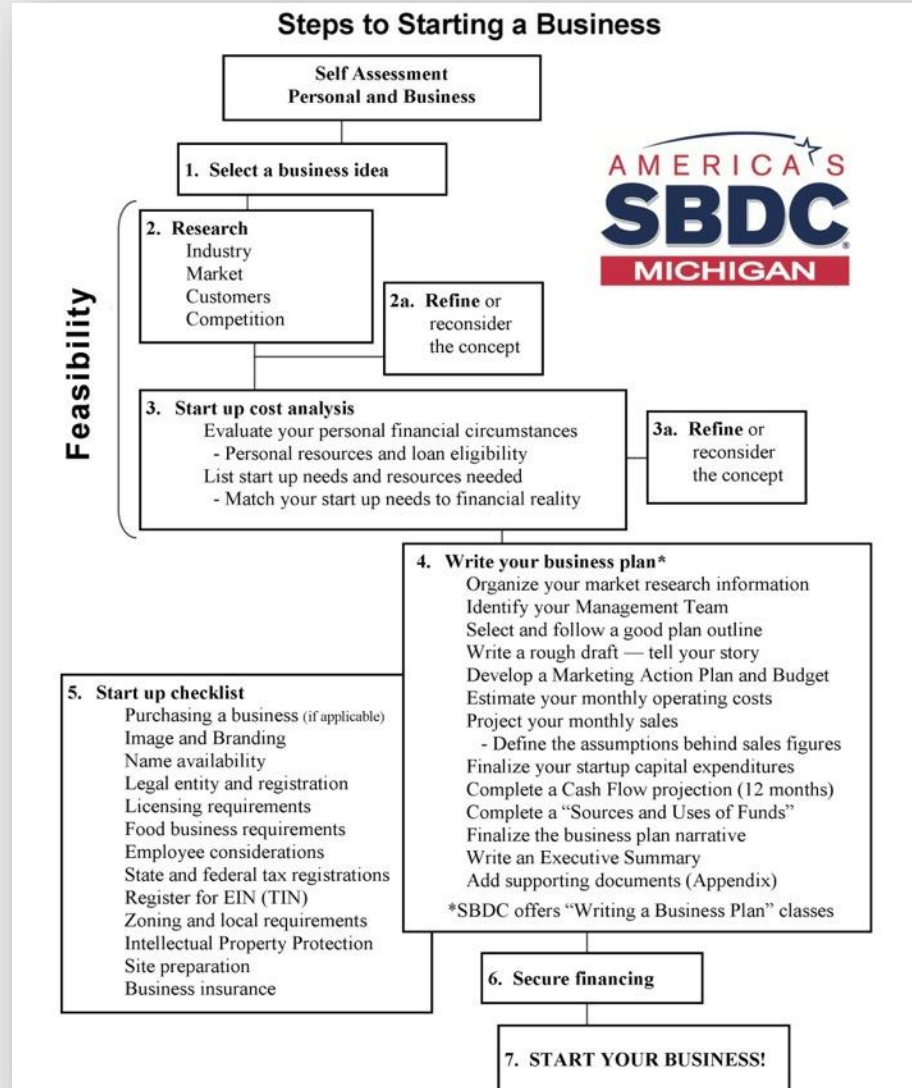
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Today's Topic What to Consider When Starting a Business?



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Startup Roadmap



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Personal Assessment

Are You Ready to Start a Business?

Being your own boss is wonderfully exciting, but isn't for everyone. Anyone considering starting a business needs first to consider if s/he is suited for it, personally and professionally.

There are no right or wrong answers to these questions. This self-evaluation is designed to help you think through critical aspects of your personal and business readiness to be self-employed. It will help you: Assess your reasons and qualifications for going into business; set personal and business goals; consider if this is the right time to start a business; if you have the freedom, flexibility and resources to start a business; to consider your health and stamina; and how you will balance family and business.

Suggestion: It is recommended that you bring a completed version of this self-assessment to your first MI-SBDC consulting session. It will provide a profile of you and your readiness to help your consultant become acquainted with you. To self-assess, ask yourself the following questions and answer as honestly and in as much detail as possible.

SELF ASSESSMENT: Are You Ready To Be In Business?

1. Why do I want to start a business? OR Why am I in business?
2. Specifically, what kind of business do I want to start (or am I in)?
3. Why do I believe I can make this type of business work?
4. Why do I believe this type of business is sustainable?
5. Do I have the necessary education, skill and experience to succeed in this industry? If not, can I obtain these qualifications before start-up; how?
6. What is my true purpose and/or the goal I hope to accomplish with this business?
7. What is the financial goal I am seeking to achieve?
8. If I will need financing, do I have the resources and credit worthiness necessary to be eligible? [High credit score plus assets, collateral and good financial history.]
9. What are my strengths?
10. What are my weaknesses?
11. What is my physical, mental and emotional health and stamina?
12. What knowledge and skills do I have to start and control the day-to-day operations of a business?
13. Do I know and understand the technology necessary to be competitive in this business?
14. Do I have good judgment in people and ideas?
15. What sacrifices and risks am I willing to take to be successful?
16. What will it take for me to balance personal life and business demands?

The One Page Plan



📍 IDENTITY	
⚠️ PROBLEM WORTH SOLVING	🔧 OUR SOLUTION
👥 TARGET MARKET	📊 THE COMPETITION
🏪 SALES CHANNELS	📢 MARKETING ACTIVITIES
💰 REVENUE	💸 EXPENSES
★ MILESTONES	
👤 TEAM AND KEY ROLES	🤝 PARTNERS AND RESOURCES

- Identity
- Problem Worth Solving
- Our Solution
- Target Market
- Competition
- Sales Channels
- Marketing Activities
- Revenue
- Expenses
- Milestones
- Team & Key Roles
- Partners & Resources

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Define Your Identity

- Describe your business in one sentence.
- What do you do and who do you do it for?
- Your identity is what sets you apart from the competition.
- It's how you define who you are as a business.



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Identify Problem Worth Solving

- Describe the problems that your potential customers have.
- Why do they need your products or services?

Devise Your Solution

- What is your product or service?
- Describe it here and how it solves your customer's problem.



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The Competition

- What other products and services do your potential customers use today to solve their problems?
- How are you better than the competition?
- What does the competition look like in the future?



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Sales Channels

- Describe how you will sell to your customers.
- Will you sell directly to them at a storefront or with a website?
- Will you use a sales team or distributors?
- Describe your sales process here.

Marketing Activities

- What are the primary ways you will reach your customers?
- What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
- Which channels have we established?
- How costly are they?



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Revenue Streams

- What are your primary revenue streams?
- Describe how you will make money and what products or services will generate that revenue.

Expenses

- List your major expenses here. There's no need to go into a lot of detail in the early stages.
- Just list the areas that you expect to spend the most money on.

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Milestones & Key Activities

- List the your primary goals and objectives that you hope to achieve over the next few months.
- What do you need to get done to take your business from idea to reality?
- What are the things you'll need to do to remain competitive going forward?

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Team and Key Roles

- If you have business partners or need to hire key people to help you launch the business, list those people and positions here

Partners and Resources

- Some businesses need key partners in order to launch
- Sources of capital
- Key suppliers/vendors
- Identify your group of trusted advisors (banker, attorney, CPA, insurance, etc.)



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Other Things to Think About...

- Sole Proprietor vs Partnerships
- LLC, DBA, or Corporation
- Owning Your Own Building
- Employees/Independent Contractors
- Bookkeeping/Accounting Systems
- Lawyers/CPA's/Insurance Agents



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Questions?

Jeff Punches
SBDC Business Consultant

sbdc@midmich.edu
SBDCMichigan.org
(989) 317-4623

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