

The 10 Commandments for Starting a New Business

1. **DON'T!!!!!!** If you don't have managerial or sales experience in your chosen field, get some before you invest your time and resources. Learn on someone else's time, even if you have to work for minimum wage. It's a lot easier to quit, when you don't have your heart and soul and money invested.
2. **Define your intention.** Some people want to change or save the world. This is not a business model. If you aren't all about making money, then don't start a business. Making money can mean many things. You can make a living, create a legacy or aim to sell what you've built....these are all profit motivations. Having the best "whatever" is a hobby, not a business. Ditto with saving raccoons.
3. **Define your audience.** Who you will serve defines everything...packaging, marketing, events, etc. Thinking you can sell to "Everyone" is the kiss of death. When you can describe your ideal customer, you are ready to scale. You might tinker with products and branding before that....it's called Research and Development until you find your Proof of Concept.
4. **Know your strengths.** If you are the creative energy, then you need people with analytical strengths. If you are a rainmaker, then you'll need organization backup. You can outsource CPAs, Bookkeepers, Virtual Assistants, Legal help, Marketing Agencies, etc. Build this into your plan.
5. **Have a finished business plan.** This should include a narrative and 5 years revenue and expense projections. From this you can define your cash flow needs, raise money and monitor your progress. You can enter your numbers into Quickbooks and run reports comparing actual to projections that will help keep you on course.
6. **Run Quickbooks reports monthly.** "Numbers are the language of business" says a Harvard MBA client. You need to track and measure your results. Some examples: P&L, sales by customer, COGS, Balance Sheet, inventory. All should be run against budget projections and compared to last year for the same time frame.
7. **Buy an existing business.** Much better than starting from scratch, buy something that has revenue and customers. You can make it into your own a lot *faster and easier* than starting from square one.
8. **Don't hire family or friends.** Unless they are super skilled in the industry and in the functional area of expertise where you plan to use them, both of you will not be happy. And then how do you fire them? Do not give stock options in exchange for work until year 3 and then make it vest over 3 years.
9. **Avoid partnerships.** Your best friend or spouse is not a good business partner. If you insist on having a partner, get everything in writing. Who does what, who puts in what money and when, how to buy each other out, get Key Man Insurance in case one of you dies.
10. **Have nerves of steel.** You are putting everything at risk, you'll have to pay employees and vendors before you pay yourself. This is why bosses have a bad rap with employees. They are stressed! Do you really have the temperament for this?

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