

Information Provided by

Vegreville Economic Development Board



Checklist For Going Into Business

Summary

Thinking of owning and managing your own business? It's a good idea-provided you know and have what it takes.

Starting a business is risky at best, but your chances of making it succeed will be better if you understand the problems you'll meet and work out as many of them as you can before you start.

Here are some questions and worksheets to help you think through what you need to know and do. You can print off this form or answer them with numbers on a piece of paper.

Write in YES if the answer is YES.

Where the answer is NO, leave it blank and you have some work to do.

Before You Start

1. Are you the kind of person who can get a business started and make it run efficiently? _____
2. Think about why you want to own your own business. Do you want to badly enough work long hours without knowing how much money you'll end up with? _____
3. Have you worked for someone else as a foreman or manager? _____
4. Have you had any business training in school? _____
5. Have you saved any money? _____

How About the Money?

6. Do you know how much money you will need to get your business started? _____
7. Have you determined how much money of your own you can put into the business? _____
8. Do you know how much credit you can get from your suppliers-the people you will buy from? _____
9. Do you know where you can borrow the rest of the money you need to start your business? _____
10. Have you figured out what net/loss income per year you expect to get from the business? _____
11. Are you willing to re-invest your salary/business profits to help your business grow? _____
12. Have you talked to a banker about your plans? _____

How About a Partner?

13. If you require a partner for additional financing, do you know someone who will fit someone you can get along with? _____
14. Do you know the good and bad points about running your own business, having a partnership and incorporating your business? _____
15. Have you talked to a lawyer about a partner? _____

How About Your Customers?

16. Do most businesses in your community seem to be doing well? _____
17. Have you tried to find out whether or not businesses like the one you want to open are doing well in your community and in the rest of the country? _____
18. Do you know what kind of people will want to buy what you plan to sell? _____
19. Do people like to live in the area where you want to open your business? _____
20. Do they need a business like yours? _____
21. If not, have you thought about opening a different kind of business or going to another location? _____

Your Building

22. Have you found a good building for your business? _____
23. Will you have sufficient room to expand when necessary? _____
24. Can you fix the building up the way you want without spending too much money? _____
25. Can people access your business easily from parking spaces, bus stops, or their homes? _____
26. Have you had a lawyer check the lease and zoning requirements? _____

Equipment and Supplies

27. Do you know what equipment and supplies you need, and how much they will cost? _____
28. Is it feasible to buy second-hand equipment? _____

Expenses

29. Do you know what your expenses will be for: rent, wages, insurance, utilities, advertising, interest, etc.? _____
30. Do you need to know which expenses are direct, indirect or fixed? _____
31. Do you know how much your overhead costs will be? _____
32. Do you know how much your selling expenses will be? _____

Miscellaneous

33. Are you aware of the major risks associated with your product? _____
Service? _____
Business? _____
34. Can you minimize any of these major risks? _____
35. Are there major risks beyond your control? _____
36. Can these risks bankrupt you? _____

Your Merchandise

37. Have you decided what things you will sell? _____
38. Do you know how much or how many of each you will buy to open your store with? _____
39. Have you found suppliers who will sell you what you need at a competitive price? _____
40. Have you compared the prices and credit terms of different suppliers? _____

Your Records

41. Have you planned a system of records that will keep track of your income and expenses, what you owe people, and what other people owe you? _____
42. Have you worked out a way to keep track of your inventory so that you will always have enough on hand for your customers but not more than you can sell? _____
43. Have you figured out how to keep your payroll records and take care of tax reports and payments? _____
44. Do you know what financial statements you should prepare? _____
45. Do you know an account who will help you with your records and financial statements? _____

Your Business and the Law

46. Do you know what licenses and permits you need? _____
47. Do you know what business laws you have to obey? _____
48. Do you know a lawyer you can go to for advice and help with legal papers? _____

Buying a Business Someone Else Has Started

49. Have you made a list of the advantages and disadvantages of the business someone else has started? _____
50. Are you sure you know the real reason why the owner wants to sell this business? _____

51. Have you compared the cost of buying the business with the cost of starting a new business? _____
52. Are the equipment/inventory up to date and in good condition? _____
53. Will the owner of the building transfer the lease to you? _____
54. Have you talked with other business owners in the area to see what they think of the business for sale? _____
55. Have you talked with the company's current suppliers? _____
56. Have you talked with a lawyer about the existing business? _____

Advertising

57. Have you decided how you will advertise? (Newspapers-posters-television-radio-Internet-mail?) _____
58. Do you know where to get help with your ads? _____
59. Have you watched what other competitors do to get people to buy? _____

The Prices You Charge

60. Do you know how to determine what you should charge for each item you sell? _____
61. Do you know what your competitors charge? _____

Buying

62. Do you have a plan for finding out what your customers want? _____
63. Will your plan for keeping track of your inventory tell you when it is time to order more and how much to order? _____
64. Do you plan to buy most of your stock from a few suppliers or several? _____
- Do you know the advantages and disadvantages of each supply method? _____

Selling

65. Have you decided whether you will have sales associates or self-service? _____
66. Do you know how to encourage customers to buy? _____
- Have you thought about why you like to buy from some sales associates while other turn you off? _____

Your Employees

67. If you need to hire someone to help you, do you know where to look? _____
68. Do you know what kind of employees you need? _____
69. Do you have a plan for training employees? _____

Credit For Your Customers

70. Have you decided whether or not to let your customers buy on credit?_____
71. Do you know the good and bad points about joining a credit-card plan?_____
72. Can you tell a deadbeat from a good credit customer?_____

A Few Extra Questions

73. Have you figured out whether or not you could make more money working for someone else?_____
74. Does your family go along with your plan to start a business of your own?_____
75. Do you know where to find out about new business ideas and new products?_____
76. Do you have a business for yourself and your employees?_____

If you have answered all these questions carefully, you've done some hard work and serious thinking. Moreover, you have probably found some things you still need to know more about or do something about. Do all you can for yourself, but don't hesitate to ask for help from people who can tell you what you need to know. Remember, running a business takes courage! You've got to be able to decide what you need and then go after it.

Good Luck!