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Going into Business on Your Own

Introduction

Welcome to this 'Be Your Own Boss' information source, based on my personal business experiences since 1982.

Starting your own business is like suddenly becoming a parent. You think you will know what to do, watching what others do is adequate preparation and that it will be all natural and innate—but it is **not!**

It is confusing, there are no clearly defined job spec's the role changes minute by minute and you need to immediately understand to take part in a series of complex new business relationships you may have never experienced before. Being your own boss is not easy.

During my years in business, I have worked with thousands of new businesses, from sole traders and partnerships through to companies of all sizes. During this time, I have worked with every sector of commerce and industry and the information I provide you with throughout this book has been gained from real life experiences.



Are you reading about the **'Be Your Own Boss'** program, because you are thinking about making the decision to start your own business? You probably have hundreds of issues going around in your head all vying for your immediate

This section of my book has been designed as a guide to help you organise those thoughts, to decide whether being your own boss is for you. Hopefully I will also provide you with some of the tools you will need to evaluate being your own boss and assist you in the preliminary planning stages.

There are an unlimited number of books specially written for business startups. This book provides an overview and foremost it gives you the tools to assist you in the enormous decision of actually taking the leap into becoming your own boss.



I have tried to use real everyday language and have made the book easy for you to understand. However, starting a new business can be complex at the best of times. My aim is to make this process as manageable as possible for you.

Being your own boss has many risks. It is important that you are sure in yourself that the business opportunity is suitable to you before you contemplate such a venture. This section of the book will assist you in that decision making process, however we stress that you **MUST** seek expert business advice from your financial and legal advisors as well as from partners, family, friends, financiers or bankers.

for someone else, and feel that their potential income will always be limited as an employee.

So, you have had it, with your job. The pay is too low and management behave like the cast of a **wacky road movie**. Well, you are not alone. Online recruitment firm, 'Best People International' surveyed more than a 1000 people in the same boat and found:

- 26% wanted the chance to improve their skills.
- 16% said there was no room for promotion in their present job.
- 13% were desperate for more money.
- 12% thought their working conditions were really lousy.
- 8% didn't like the antics of the bosses.

A question to New Woman magazine from a reader: "*I am always coming up with ideas for starting a business, but I heard four out of five companies fail in their first few years. How can I be sure starting my own business is the right move?*"

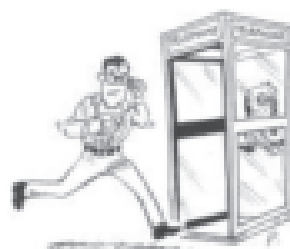
New Woman magazines answer—'*having an idea for a business is great but it is just the beginning. Most people who go out on their own are still working when others are tucked up in front of Sex in the City. You have to be passionate because there is so much to consider: everything from financial planning to the price of coffee in the kitchen. Successful entrepreneurs tend to be driven, free thinking, rugged individuals who love a challenge. If you decide to*

startup businesses and seek advice from someone that has been there and done it well.'

“Going into business is not easy” and I agree with New Woman magazine’s opinion that you should seek advice from others who have done it. My aim is helping you make the big decision of taking that first step.

Going into business on your own account offers you the opportunity to beak free and own your own business. It gives you the opportunity to earn a living based on your own performance factor. However, there is a risk inherit in opening an entirely new business from scratch. Hopefully I can provide you with an insight that should greatly improve your chances of success.

Why Go Into Business?



- Time for a change?



- The children have left home.



- You want a better return on your investments?
- You have reached the stage in your life where you have gained all the necessary business skills and want to start a business for yourself?



- You have recently gained additional cash (lottery, bequest)?



- A family member is retiring from a business and wants you to take it on?



- Your boss fired you?



- Retrenchment?



- Don't want to be just another person in the crowd?



There is one single basic reason why anyone would go into business.

Why go into business?
To make money

The only answer should be—**“To make money”**



However, it is true that most small businesses fail within their first 5 years. Historically they do not succeed because either:

- They don't know what they are doing.
- They drift.
- They lack direction.
- They are not managed.
- They don't plan.
- The operator did not have the skills to operate the business.
- They did not have the capital resources to enable them to survive the business development period learning curve.
- They didn't have control systems in place.

etc. and ignore the wider process required in the running of the actual business.

Being your own boss means you need many skills. If you don't have the skills, you then have to bring them into the business from external sources, either as employees or consultants/advisors.

Owners or proprietors of a failing business have tended to ignore the change process, i.e., they do not keep up to date, don't grow with the business and resist change. They lack vision.

What Are You Really Looking For?



- Job satisfaction
- Independence
- Responsibility

- A change in life
- To provide jobs for the family
- Risk and challenges
- Economic necessity
- Career security
- Succession planning
- Capital gain

What Type of Business Do You Want to Be Running?



Is It an Established Business?

- Service
- Retail
- Wholesale
- Administration



Will It Be a New Start-Up or the Purchase of an Existing Business?

Do you have the idea (business concept) of the business type you want to operate?

- Types of business opportunities
 - trades
 - home services

- wholesale
- Being your own boss is it really the life for you?

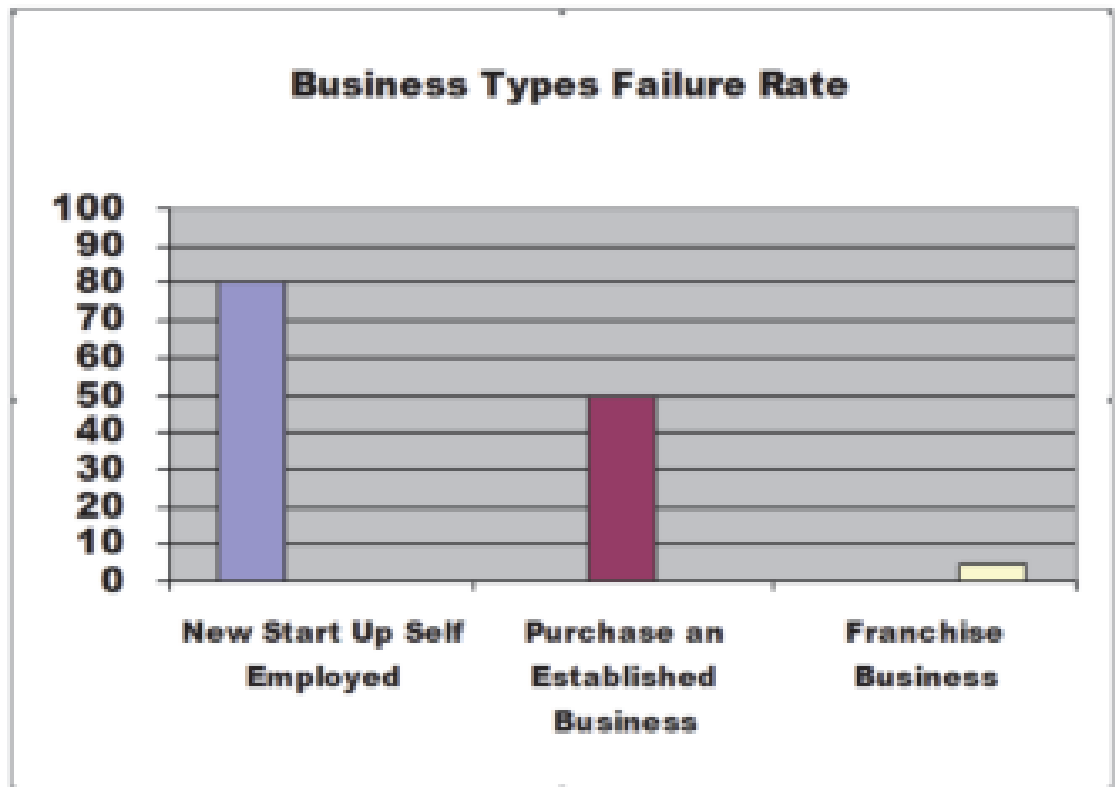


Maybe Franchising Is for You?

Franchising offers an excellent opportunity for you to be in business for yourself, but not by yourself.

But What About Business Failure Risk?

Let's look at the risks, then the capital involved.



* Source NSW Business Survey Australia 1998

Failure rates

80%

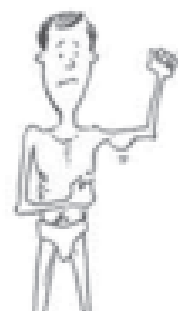
50%

Under 5%

Let's Look at You

Let's consider whether it is wiser to enter a business for which you have skills or whether to try something totally new.

Fill in this chart to identify your personal **strengths** and **weaknesses**.



A Few Basic Questions to Ask Yourself



1. Are you physically suited to self-employment (in good health)?...Yes No
2. Are you temperamentally suited to self-employment (do you get on with people and handle pressure well)?...Yes No
3. Do you mix well and get on with people?...Yes No
4. Could you recruit and direct employees?...Yes No
5. Could you discipline employees when necessary?...Yes No
6. Do you have the personal commitment and ability for hard work?...Yes No
7. Do you have the support of your family and friends?...Yes No
8. Are you prepared to work long and sometimes unsociable hours?...Yes No
9. (a) If choosing a retail business, can you stand on your feet for 10 or more hours a day?...Yes No

10. Are you prepared for a change in lifestyle?...Yes
No
 11. Do you accept that going into business could impact on family commitments?...Yes No
 12. Are you prepared to put all your finance and assets at risk?...Yes No
 13. Will you be able to accept the disciplines and deadlines of running your own business, e.g., government reporting, tax returns etc.?...Yes No
 14. Can you maintain tidy business records?...Yes
No
 15. Are you prepared to take advice from your business advisors and others e.g., lawyers and accountants?...Yes No
 16. Are you a team player?...Yes No
 17. Do you already know the type of business that you would like to get into e.g., retail, lawn mowing, managerial, administration, fast food, etc.?...Yes
No
 18. Would you describe yourself as a sales-oriented person?...Yes No
 19. Are you prepared to spend many hours evaluating business opportunities and completing business plans?...Yes No
 20. Have you, or are you considering lots of different business opportunities?...Yes No
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When you have clearly identified what you want to get out of your new business, analysed your strengths and weaknesses, then conducted your personal survey. Deciding what type of business, you would best be suited to should become easier.

If you scored under 10 on the last assessment then you should continue working for a boss. If you scored between 10 and 18, franchising or purchasing an existing well-established business may be the method you should be looking into. If you scored 19 to 20, you may wish to start your own business, as on the initial indication you appear to have what it takes to go into business on your account. Now you just need the business idea.

But going into business is not that simple. There is still a lot of planning and work to do as you will see throughout the rest of the book.