

5 QUESTIONS TO ANSWER BEFORE GOING INTO BUSINESS

I'm often approached by people in their 40s and beyond who are looking to go into business for the first time. They have been in an employed environment and are seeking my advice about how to buy or start their own business.

Rather than immediately focus on the 'how', it's a good idea to step back and think about the 'what' and 'why'.

If you're in this position, here's a few questions to get you thinking about just what you want to achieve from business ownership. If you're looking to go into business with a business partner or spouse, it's a good idea to work through these questions separately and then compare notes afterwards.

QUESTIONS TO ANSWER

HOW WILL ANSWERING THIS QUESTION HELP?

NOTES

Q1

If you were to buy or start a business, what would that experience need to provide you, professionally and personally?

Q1 is prompting you to consider your overall objectives in going into business, before you think about the type of business you want to own.

Unless you know exactly why you want to be in business and what it needs to deliver, you can't really assess whether a particular business will hit the mark.

Q2

Thinking about potential businesses – without specifically naming a type of business (e.g. mining consulting business, food manufacturing business etc.) – what business attributes would you like it to have (e.g. few employees, business to business sales, relies on AI technology, non-seasonal, contract based, export orientated, home-based etc)?

Q2 asks you to list the business attributes you would like, and a good starting point is to consider your personal attributes.

For example, are you a people person who enjoys working with a team to create a great culture? Do you like working in process-driven, systematised environments? Do you enjoy working on short-term projects with lots of scope for variety and creativity?

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Q3

In your current professional career, what are you very passionate about?

Q3 asks what you're passionate about because business ownership is hard – without passion it's much harder. Successful business owners are passionate about the things their business delivers, and often about the industry as well.

However, a caveat is that passion alone is not enough – you also need good business sense and business practices.

Q4

In your current professional career, what are your 3 biggest strengths? And what are the 3 attributes/items/capabilities that are most challenging for you?

Q4 wants you to acknowledge your own strengths and weaknesses before committing to a business.

Most of us aren't good at everything. Acknowledging your strengths and weaknesses will help you filter out business options, or identify skills gaps that can be rectified through recruitment early in the purchase process, to help set up the business for success.

Q5

What are your hesitations or concerns in going into business for yourself?

Q5 is key; it's critical that you are honest with yourself about any concerns or hesitations. We've done some [videos](#) and [blogs](#) on the attributes of successful business owners, and a key one is self-awareness.

If one of your concerns is that you lack some key skills, then that can be overcome through training or recruitment.

But if a major concern is that you don't cope well with uncertainty and you need a set income each week, then business ownership may not be for you. It's better to know this before making one of the biggest investments of your life.

OWNING A BUSINESS NOT LIKE GETTING A NEW JOB

When people come to us for this type of advice, they've typically worked hard in an employee environment, raised a family to their university stages, and then the partners are looking for something rewarding to potentially do together in the next phase of their lives.

They're often looking for more flexibility – rather than being tied to the same old 9 to 5 job – and may be thinking about their retirement, and/or potential to involve younger family members over time.

But here's the tricky thing: owning a business is not like getting a new job, thinking you can simply use your skills from your previous career and it will all work out.

We've created a number of resources examining just what it takes to own and run a business. Take a look at these resources for a deeper dive on the topic:

**BLOG AND
INFOGRAPHIC**

VIDEO

EBOOK

CHECKLIST

If you are considering buying or starting your own business, the business advisory team at JPAbusiness can help. Contact us on 02 6360 0360 or 02 9893 1803 for a confidential, initial discussion.