

Taking Stock of What I Already Have: What can I put into My Business

OVERVIEW

What's this?

In this next section, you'll take stock of what you already have to put into your business - your personal abilities and resources.

Why is it important that I do this?

By defining your personal needs and capabilities, you will be in a much better position to figure out whether you will have what your business will need to be successful.

How do I do it?

You're going to look at all your personal abilities and resources, including:

- Your personal strengths and capabilities
- The people and organizations that can help you and your business
- Your personal net worth
- Things you already own that you intend to use in your business
- Your own unique approach to learning and solving problems



The following series of worksheets will help you to identify your personal abilities and resources. Follow the directions on each. Don't worry if you can't answer every question perfectly - just do your best now, and fix it later.

Worksheet 2A-1: My Personal Strengths and Capabilities

Please read through the box on the left before you answer questions 1, 2, and 3.

What kind of strengths do you have?

Building? Are you a hands-on person who learns by doing and works well with tools, objects, machines, plants, or animals?

Organizing? Do you like to work with and organize data, numbers, files, and details? Are you good at following through on instructions?

Leading? Do you work well with groups of people - influencing, persuading, performing, leading, or managing them? Do you have a clear sense of what needs to be done, and make things happen?

Improving? Do you like to work with people, usually one-on-one - teaching, informing, healing, helping, or developing them? Are you good at making things better?

Creating? Are you artistic, independent, imaginative, creative - an "idea person"? Do you like creating things and then watching the reactions and pleasures your work brings?

Solving Problems? Do you like to observe, learn, investigate, analyze, evaluate, and solve problems? Do you enjoy puzzles and games of strategy?

Source: *Finding Your Perfect Work*,
by Paul and Sarah Edwards, Tarcher/Putnam, 1996.

1. The things that people most often compliment me on are...

2. The things that people most often ask me to help them with or do for them are...

3. I've always thought that I was really good at...

4. In the jobs I've had, I've become really good at doing the following things...

Jobs	What I learned at these jobs

5. In the training I've received, I've become really good at doing the following things...

Courses, Training	What I learned through this training



Worksheet 2A-2: The People Who Can Help Me and My Business



Instructions: List below all those people and organizations that will help you and your business succeed. Remember to include:

- Family & Friends
- Business Professionals (accountants, bankers, lawyers, etc.)
- Business Owners, Chamber of Commerce, Industry Associations
- Anyone or any organization that can help you!

Name	Who They Are	How They Can Help Me and My Business

Does your spouse or partner support the idea of you starting your own business? This is one of the most important things you can have going for you, when you're starting a new business. Be sure to involve them in your plans, and try hard to gain and keep their support.

Worksheet 2A-3: My Personal Net Worth

Definition:

Your personal net worth is simply the difference between what you own and what you owe. If you own more than you owe, then you've got a positive net worth. The higher your positive net worth, the better, as it's one of the things your banker will use to decide whether to give you a business loan. To calculate your net worth, fill in the worksheet below. Be sure to include everything in your combined household.

WHAT I OWN (MY ASSETS):

Cash and Equivalent Assets:

Cash in savings	\$	
Cash in checking		
Investments		
Life insurance cash surrender value		
Total Cash and Equivalent Assets	\$	



Fixed Assets (at fair market value):

If you had to sell the following *on short notice*, how much could you get?

Also, check any fixed assets you intend to use in your business.	<input type="checkbox"/> Vehicles	\$	
	<input type="checkbox"/> Property (house and land)		
	<input type="checkbox"/> Furniture and appliances		
	<input type="checkbox"/> Equipment		
	<input type="checkbox"/> Other assets: _____		
	Total Fixed Assets	\$	



MY TOTAL ASSETS (Total Cash + Total Fixed Assets)

\$ _____

WHAT I OWE (MY DEBTS):

Credit card balances	\$	
Bank overdraft balance		
Personal line of credit balance		
Car/truck loan balance owing		
Balance owing on other personal loans		
Balance owing on mortgages (on house and land)		
Loans from friends and family		
Taxes due		
Other debts: _____		



MY TOTAL DEBTS

\$ _____

MY TOTAL ASSETS (from above)

SUBTRACT: MY TOTAL DEBTS (from above)

WHAT'S LEFT OVER = MY NET WORTH

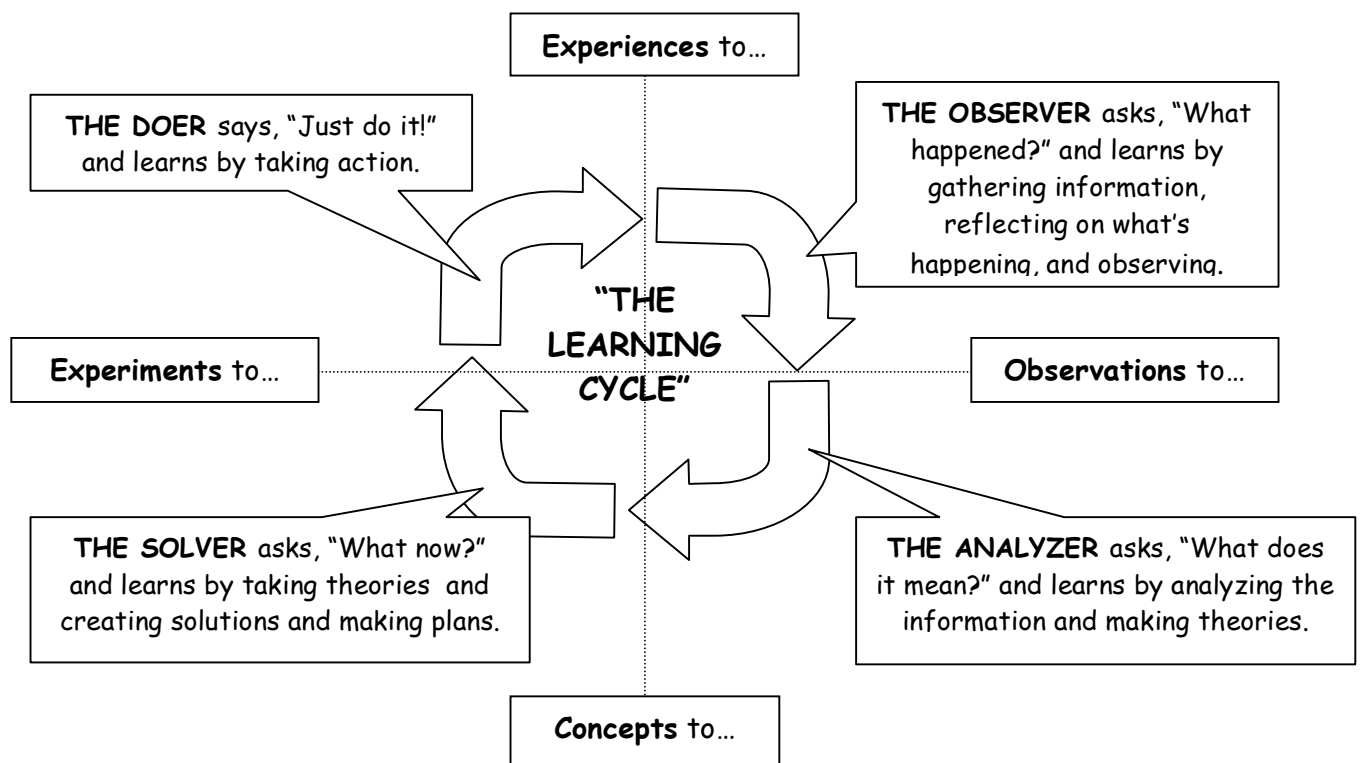
\$ _____

Worksheet 2A-4: My Own Unique Way of Learning and Solving Problems

One of your most important assets as an entrepreneur is your ability to learn - to learn from talking to people, from trying things out, from doing research, from books and magazines, from observing things around you, and from your own mistakes. The better and more quickly you can learn, the better and more quickly you can improve your business.

The good news is that everyone can learn, and can improve their ability to learn. But the trick is, figuring out how you learn, because everyone learns differently. If you know how you learn, then you can manage it and get better at it. This worksheet is about helping figure out how you learn best.

The diagram below illustrates the "Learning Cycle" that we all go around with everything we learn and do - whether it's driving a car, cooking dinner, working a computer, or starting and running a business. In it, you'll see that there are four basic types of learning, as represented by the observer, the analyzer, the solver, and the doer. Take a moment to review this diagram, and then answer the question that follows.



Rank the four learning styles (observer, analyzer, solver, doer), according to how you prefer to learn and solve problems.

- My most preferred learning style
1. _____
 2. _____
 3. _____
- My least preferred learning style
4. _____

How can I use what Worksheet 2A-4 tells me?

So great - now you know what your learning style preferences are. All you have to do now is focus on your number one learning style all the time, right? Wrong. The best learners, problem-solvers, and entrepreneurs move around the whole learning cycle, shifting their learning styles as they go. The better able they are at shifting their learning styles - like shifting the gears of a car - the faster they move around the learning cycle, and the quicker and better they deal with whatever challenge comes their way. **By knowing your learning style preferences, you now have a better sense of:**

- 1. How best to start solving your problems** (start in your preferred style). If you're primarily a "Doer," then probably the best way for you to start solving your problems is to go out and do something. If you start in your preferred style, it'll feel more natural, and you'll get going sooner.
- 2. What to do after you get started.** No matter where you start in the learning cycle (that's up to you and your preferences), just move clockwise to the next learning style on the cycle. For example, if you're a "Doer," you'll likely start by doing something. But once you've done that, then you need to shift into an "Observer" style, and observe the results of what you've just done, then move on to being an "Analyzer" and making sense of it, then on to being a "Solver" and coming up with a new and better way to take your next action. And round go you...
- 3. Where you're likely going to have to work the most.** If you ranked "Analyzer" the lowest, then you better be prepared to work through that part of the cycle, and not try to skip over it. If you do skip over it, then you're learning will break down, and you won't get the best solution for your problem.
- 4. What to look for in a partner.** Experience has shown that the best partner to have is someone with a different, or complementary, learning style. For example, if you're a "Solver", it'll be better to take on a partner (or a key employee) who's a "Doer," an "Observer," or an "Analyzer." In any of these cases, together, you'll move around the learning cycle better and more quickly. If you take on a partner who's another "Solver," you'll run the risk of getting into a rut, where you spend too much time coming up with solutions and plans.

Step 2B: Comparing What My Business Will Need with What I Already Have

OVERVIEW

What is this?

In this section, you'll determine whether you're going to be able to give your business what it needs. You'll do this in two steps:

1. Describe what your business is going to need, and then
2. Compare your business will need with what you have to put in.

The nice thing about this step is that you've already taken stock of what you already have to put into your business. So this will help things move along.

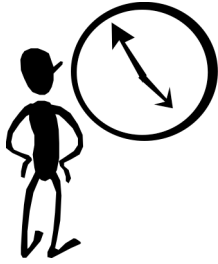
Why is it important that I do this?

- Your business is likely going to ask a lot of you, especially in its first year. You want to make sure that you're up to the task.
- This process will help you spot your weaknesses now, while you have time to fix them.



How do I do it?

On worksheets 2B-1 to 2B-3, you'll list out those things that your business is going to need from you. Then you'll decide whether and how you'll be able to meet each need. Like all the worksheets in this booklet, just give your best answer to each question. You'll get help along the way to make sure you've answered things correctly.



Worksheet 2B-1: Time...

1. With a pencil, lightly shade in the time that your business is going to require (to produce the products, deliver the services, deal with customers, manage the money, and everything else).
2. Next, with a pen, check off those times when you're personally willing and able to work.

TIME	MON	TUE	WED	THU	FRI	SAT	SUN
6:00am to 9:00am							
9:00am to noon							
noon to 3:00pm							
3:00 to 6:00pm							
6:00pm to 9:00pm							
9:00pm to midnight							
midnight to 6:00am							

3. Are there shaded times left unchecked? If so, who will work during these times?

- Your family? Your employees?
 Your business partner? Someone else?

...and MONEY

4. What will your business need? (list your initial estimates below)	5. How will you pay for it? (list all your funding sources)
Advertising \$	Our savings \$
Beginning inventory (for resale)	Credit cards
Building construction	Personal bank loans
Cash	Loans from friends & family
Decorating & remodelling	Business loans - NDC
Deposits on utilities	SBA LowDoc Loan
Vehicles & equipment	SBA MicroLoan
Insurance	Supplier financing
Lease payment	Other financing
Licenses & permits	
Professional fees	
Equipment rentals	
Signs	
Supplies & materials	
Other:	
Total costs \$	Total financing \$



Worksheet 2B-2: Doing The Things That Will Need to be Done

BUSINESS NEED	Check all that apply				
	"Not applicable for my business"	"I could handle this right now"	"I could be prepared to do this when the time comes"	"I'll get my friends and family to do this"	"I'll need to get someone else to do this"
Marketing					
Identify the best customers					
Decide upon best kinds of promotion					
Prepare ads and get them placed					
Sell to customers					
Negotiate contracts with customers					
Ensure customers are happy with our products and services					
Operations					
Order our supplies and inventory					
Make the product or deliver the service					
Ensure our facility is safe and customer-friendly					
Ensure our equipment is running smoothly					
Employees					
Recruit the new employees					
Train the new employees					
Supervise the employees					
Handle employee-related problems					
Prepare the payroll					
Management (making sure the right things get done well)					
Manage our marketing					
Manage our operations					
Manage our employees					
Manage our money					
Money					
Prepare invoices and get payment from customers					
Work the cash register / prepare receipts					
Prepare the deposits					
Do the bookkeeping					
Prepare the financial statements					
Pay the bills and taxes					
Secure the necessary financing for the business: \$ _____					

In addition to the things listed above, what do you feel are the three most important things that must be done right in your business for it to be successful?

1. _____
2. _____
3. _____

How confident do you feel that you can do these things?

Not at all
Somewhat
Mostly
Completely

Worksheet 2B-3: My Business Strengths & Weaknesses

One of the most important things you can do as an entrepreneur is to honestly assess yourself - to value your strengths, but also to recognize and be willing to work on your weaknesses. So, given what your business will need, what do you feel are your greatest strengths and weaknesses?

My Greatest Strengths (abilities to give my business what it will need)	My Biggest Weaknesses (things I'll struggle with providing my business)	How I Can Overcome My Weaknesses

Step 3A: Taking Stock of What I Will Need from My Business

OVERVIEW

What's this?

In the last step, you took stock of what you already have to put into your business - your personal abilities and resources, and then compared that to what your business will need. Now it's time to look at what you need.

Why is it important that I do this?

By defining your personal needs, you will be in a much better position to figure out whether your business will be able to give you what you need.

How do I do it?

You're going to look at your personal needs and desires, including:

- The money you need to live,
- All your other needs and desires.



The following series of worksheets will help you to identify your personal needs and desires. Follow the directions on each. Don't worry if you can't answer every question perfectly - just do your best now, and fix it later.

Worksheet 3A-1: Our Personal Monthly Budget

The purpose of this worksheet is to determine your personal financial requirements, not including your proposed business. Only include personal income and expenses in this budget.

	What it is now	Once we start the business	If it will change, why?
PERSONAL INCOME:			
My monthly employment income (net after tax)	\$	\$	
My spouse's monthly employment income (net)			
Investment/other income			
TOTAL PERSONAL INCOME	\$	\$	
PERSONAL EXPENSES:			
Fixed monthly payments:			
Rent or mortgage pmt (include property taxes)			
Personal / car loan payments			
Insurance premiums			
Other payments (credit cards, etc.)			
Total fixed monthly payments	\$	\$	
Other personal expenses:			
Food (at home and in restaurants)			
Clothing (purchasing and cleaning)			
Medical & dental (not covered by insurance)			
Utilities (gas, electricity, water, sewer, etc.)			
Phone			
Child care			
Education (fees and supplies)			
Auto maintenance, gas, parking			
Household repairs, maintenance, and supplies			
Taxes			
Entertainment, gifts, and travel			
Other:			
Other:			
Total other personal expenses	\$	\$	
TOTAL PERSONAL EXPENSES	\$	\$	
PERSONAL INCOME – PERSONAL EXPENSES	\$	\$	

What Does Worksheet 3A-1 Tell Me?

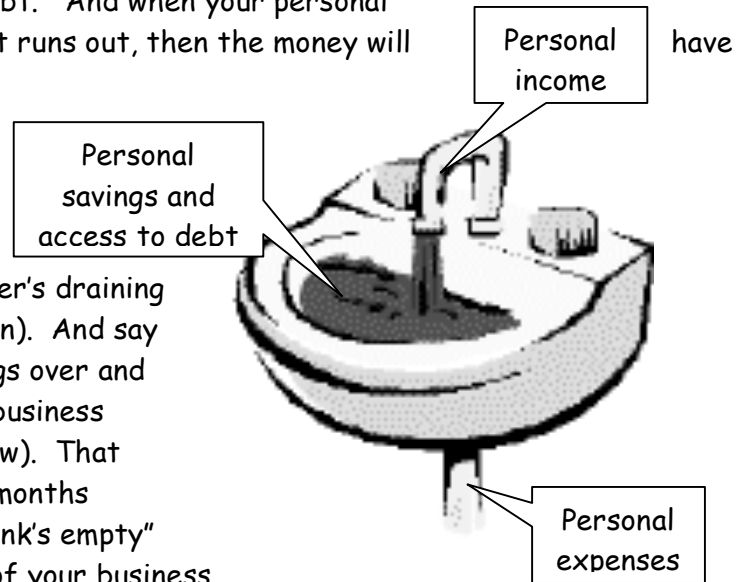
If the total personal income going in is more than the total personal expenses going out, you have a cash surplus. If your total personal income going in is less than your total personal expenses go out, then you have a cash deficit.

Say that, after you start your business, you calculate that you're going to have a cash deficit. Then you will need to cover that deficit either out of your own savings or by taking on additional debt, or out of your business's savings or debt. And when your personal savings or access to additional personal debt runs out, then the money will have to come from your business.

For example...

Suppose you will have a monthly personal cash deficit of \$200 after you start your business (that is, the water's draining out of the sink quicker than it's flowing in). And say that you've accumulated \$2,000 in savings over and above what you will be investing in your business (that is, the sink's got water in it, for now). That means you will be able to survive for 10 months (\$2,000 divided by \$200) before "the sink's empty" and you need to start taking money out of your business.

After that, it will be up to your business to cover your personal cash deficit.



If, after you start your business, you calculate that you're going to have a cash surplus, you won't have to rely on your business for money. And that will take a great deal of pressure off you and your new company.

Worksheet 3A-2: My Other Needs and Desires

In the previous worksheet, you looked at your basic financial needs. Now it's time to consider all your other needs and desires - to get a sense of the kinds of things you're willing to work for. Read through the following list, and check off all those things that are motivating you right now to make a change and start a business. Use this list to think about all your needs and desires. Then, in the space below, write down you're the top reasons that are driving you to start a business.

I want to start a business so that I can...

- Have food on the table, and pay the bills.
- Be able to save a little money.
- Have peace of mind.
- Be there when my kids come home from school.
- Have time for my family and friends.
- Work with people who will treat me with respect.
- Do something really well, to show what I can do, and be recognized for it.
- Know if my idea will work.
- Create something new and exciting.
- Have time for myself.
- Have a little fun.
- Have choice, flexibility, and freedom. To do things my own way.
- Live according to my own values and beliefs.
- Be what I've always known I could be. To following my calling.
- Help others reach their potential.
- Contribute to my community. To make a positive difference.

The top reasons I want to start a business are:

1. _____
2. _____
3. _____
4. _____
5. _____

Step 3B: Comparing What I Need and Want with What the Business Will Be Able to Give

OVERVIEW

What is this?

In this section, you'll determine whether the business is going to be able to give you what you need and want. You'll do this in two steps:

1. Describe what you're going to want and need, and then
2. Compare your needs with what the business will likely be able to provide.



Why is it important that I do this?

- Starting and running a new business is a big commitment. You want to make sure that you will be rewarded by your business for this commitment.
- This process will help you spot your businesses now, while you have time to fix them.

How do I do it?

On worksheet 3B, you'll list out those things that you are going to need from your business. Then you'll decide whether and how your business be able to meet each need. Like all the worksheets in this booklet, just give your best answer to each question. You'll get help along the way to make sure you've answered things correctly.

Worksheet 3B: Comparing What I Need & Want with What the Business Will be Able to Give

For each item below,

1. Write in what you want or need (using your answers from Worksheets 3A-1 and 3A-2), then
2. Indicate how confident you are that your business will be able to give you what you want or need.

What I want or need	Odds that my business will give me what I need				
	Don't know	Low	Fair	Good	Excellent
Money - I'll need to get \$ _____ per month from my business (use Worksheet 3A-1 to calculate this)					
Money - I really want to get \$ _____ per month from my business.					
My other needs and desires (from Worksheet 3A-2):					

Overall, how confident are you that your business will be able to give you what you need and want?

Not at all

Somewhat

Mostly

Completely

Worksheet 4-2: My Action Plan

Use this worksheet to keep track of things that you'll need to do as a result of the decisions you've made in this workbook.

Check when you're done	"When I'm going to do it"
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	
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