

## What's so great about being your own boss?

Allegedly, Napoleon called Britain 'a nation of shopkeepers'. Whether or not it's our culture, the success of *Dragons Den* suggests we are mad about entrepreneurs and starting our own business. The banks and Business Link are inundated with people seeking information about starting a business.

So what drives people to become entrepreneurs - to start businesses? Often they are not entirely sure themselves, and the answers change over time as the business grows – or, as in many cases, fails.

There are two types of people. There are those actively driven to start a business because they believe it is their destiny. Then there are those who start a business because they need to survive. They have been made redundant or they are not earning enough.

This list covers many of the reasons why people start a business:

- To be their own boss
- To work flexible hours
- To work from home
- To have more free time – to be with the family or to play golf!
- To make money
- To do something they are passionate about
- They can't get other work
- They have been made redundant
- They invented something and decided to manufacture it
- They found a gap in the market and took the opportunity to fill it
- They believe they can do better than an existing business
- They are encouraged by an employer
- They just want to win

Risk plays a big part. To minimise risk, many start part time businesses – then jump when the money making prospects look good. Nevertheless, contrary to popular belief, entrepreneurs do not take excessive risks. Through careful product or service selection, market research, creative financing, good team building, and thorough planning, the real risk of starting a new business can be quite low. In the world of small business, optimism can be cheap and high risk-takers die an early death.

There are some traits most entrepreneurs share:

- 1) They are motivated to achieve. They have self belief. They are often very competitive and driven to win. They tend to be doers, making things happen.
- 2) They work very hard. In the early years starting and running the business leaves little time for other activities. At this time they are very single minded. They need to be disciplined.
- 3) They are independent souls, unhappy when forced to conform or toe the line. They find it difficult to work for others. They want to set their own goals.

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- 4) They tend to be strong leaders. Starting a new company can be a harrowing experience full of uncertainty and risk. Successfully bringing a small organization through these trying periods requires a lot of leadership skills.
- 5) They seem to have a little something extra - an intuitive skill which kicks in when making complex business decisions.
- 6) They are not put off by failures and set backs. Making mistakes is part of the business building process.
- 7) They can be any age, any gender and in any kind of relationship. Admittedly, a married woman bring up three small children has little time for starting a business
- 8) They do not need a higher education. They must have relevant knowledge and skills. They must be willing to learn. They need to be intelligent but not a genius.
- 9) Every entrepreneur is an individual with different skills, different strengths and weaknesses, and different personality traits. The smartest are aware of your own special set of skills, strengths and weaknesses, and build on them. They are smart enough to know that where there are knowledge gaps they hire in specialist help.

Most people believe that starting a company is extremely risky. Reports suggest almost half of new businesses in the UK fail within the first few years. The truth is not that bad. In fact, the odds can really be quite good.

First of all, there are some types of startups: couriers, haulage companies, pubs, hairdressers, trendy restaurants, builders and similar businesses that have a notoriously high failure rate. On the other hand, professional services, franchises and media/entertainment companies have a better success rate.

Secondly, many people starting businesses are doomed from day one because of poor sales and marketing strategies and weak or non-existent financial forecasts. The most frequent error is to start a business that is only distinguished from competitors by price. A start up must find ways to differentiate and innovate in every aspect of the business. Then the odds of success will be better.

There are many other important reasons that may determine whether the new business succeeds or fails. Writing a business plan, picking products and markets, controlling cash flow, getting orders, are all important.

To find out more about starting and growing your business, increasing your profits, improving your sales and developing your personal wealth call CE Associates on 01582 792875 or email [info@ce-associates.co.uk](mailto:info@ce-associates.co.uk).

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