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STARTUP BUSINESS DREAMS – 5 KEYS TO PLANNING AHEAD FOR THAT DISTANT STARTUP

by Lynne Meredith Schreiber

<http://www.startupnation.com/pages/articles/future-startup-business-planning.asp>

Growth Great entrepreneurs, those who make it, don't just wake up one morning and say, "Hey, kids, let's start a business!" They prepare well ahead, so when the time is right they're ready to parry the punches that a startup business can throw. We've got five keys to smart planning for starting that business one fine day

Stash cash for your startup dreams

If you want that dream of a startup business to come true at the right time, learn now to manage your finances with an eye to covering costs for your future startup.

"I don't mean cashing in the kids' college funds, hocking the house and maxing out every credit card," says Alan Carsrud, executive director of the Eugenio Pino Global Entrepreneurship Center at Miami's Florida International University.

"I once had a guy call me into his office to try to raise a million dollars to save his business. He had oriental carpets on the floor, ornate solid mahogany furniture and original oil paintings on the wall. I said, 'What's all this stuff?' He said, 'I have to have a nice office.' This is not income-generating stuff. You save money by not wasting money. We tell a lot of people in startups: Start in your garage."

Find and mind your startup mentors

Finding business mentors is crucial in any field, but when you want to go it alone it's essential. Don't just pass out business cards; build relationships with people who truly know their way around your dream business.

"Nine times out of 10, people who have achieved success in business want to give back," says Heidi M. Neck, assistant professor at the Babson College Center for Entrepreneurship in Massachusetts. Neck knew a guy who decided to call the CEOs of the top five companies in an

industry he was interested in and ask them for advice and guidance. “What’s the worst thing they’re going to say? ‘No,’” Neck says. “All five CEOs said yes.”

Seek wisdom and light – research about your chosen business

Before taking the plunge, learn all you can about your field of interest. That means studying markets, reading multiple newspapers and industry magazines, and effective networking. Carsrud reads *The New York Times*, *Financial Times* and *The Miami Herald* every day.

Asher Epstein likes to read books about people who have built successful companies. “Read business biographies or autobiographies,” says Epstein, who is managing director of the the University of Maryland’s Dingman Center for Entrepreneurship. “Books that get you thinking about the marketplace in a different way are really beneficial.”

Learn the business – an inside job

Taking a part-time job, volunteering or apprenticing in the field you plan to join is the best way to learn the business landscape. Don’t wait for the perfect business plan or idea, Epstein says. Just try it out. “There’s no substitute for experience.”

Neck agrees: “If you’re passionate about food and think you’re going to be a great chef one day, go work in a restaurant.”

Face the cold hard questions

Are you really cut out for life as an entrepreneur? Be honest. Ask yourself how much risk and ambiguity you can handle, advises Tim Faley, managing director of the Institute for Entrepreneurial Studies at the University of Michigan.

“Do an internship in a small startup company to really get the feel for the environment and how many decisions have to be made in a short time frame with very little information,” he says. “What’s at risk is quite large.”

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