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## Introduction

Self-employment offers the individual a variety of interesting benefits and challenges. The opportunity to be your own boss and to control your own destiny are often primary reasons for considering this career avenue. However, the personal, financial and mental risks are real reasons to explore whether your venture idea is really worth pursuing. The following discussions will help you answer this question, pointing you in the direction you need to go.

## Do you have what it takes to be an Entrepreneur?

The word Entrepreneur comes from the French “entreprendre” meaning “**to pursue opportunities, to undertake, to fulfill needs and wants through innovation and starting ventures**”. Regardless of whether your business is a stereotypical “entrepreneurial” venture, you should give consideration to whether you have some of the attributes typically displayed in successful entrepreneurs. An entrepreneur is (among other things) someone who takes initiative, assumes control of organizing resources, is willing to take a risk, seeks uncertain rewards, has a drive to expand, innovates and adds to what others have done. **In order to truly succeed, your personal goal cannot be solely the making of money.** A personal drive for satisfaction will be much more beneficial. You must also remember that entrepreneurship is one of the most difficult and challenging career choices. Determination and hard work are necessary for you to overcome the trials that will inevitably result. Your Community Futures staff person may be able to provide you with a self-assessment test to better determine your entrepreneurial tendencies.

## Assessing your personal financial situation

In addition to having the personal characteristics, you must have the financial capacity to cover the start-up costs of the business or to obtain the necessary financing. Your Personal Balance Sheet (how much you owe, see next page for “Personal Financial Statement” sheet) is a crucial indicator of your ability to obtain a loan from a lender. Your Community Futures staff person or your banker will be able to give you a good indication as to whether you have the capacity to turn your business idea into reality.

**PERSONAL FINANCIAL STATEMENT**

NAME: \_\_\_\_\_

**BALANCE SHEET**

AS OF \_\_\_\_\_, 20

ASSETS – Everything you own with cash value	
Cash – money you have on hand	\$ _____
Savings, chequing or other bank accounts, Union or Trust Company	\$ _____
Home, cottage and other real estate	\$ _____
Stocks, corporate bonds and other securities	\$ _____
Accounts / Notes Receivable	\$ _____
Canada Savings Bonds	\$ _____
Life Insurance Cash Value	\$ _____
Guaranteed Income Certificates	\$ _____
Autos / Boats / other vehicles	\$ _____
R.R.S.P.s (after tax value)	\$ _____
Other assets, furnishings, appliances, jewellery, furs, tools, pets, trusts, coin and stamp collections, etc.	\$ _____
<b>TOTAL ASSETS</b>	<b>\$ _____</b>

LIABILITIES – What you owe, your debts	
Credit card accounts payable	\$ _____
Contracts payable	\$ _____
Notes payable	\$ _____
Taxes due	\$ _____
Outstanding Personal Loans	\$ _____
Real estate loans and mortgages	\$ _____
Other liabilities, court-demanded payments, etc.	\$ _____
<b>TOTAL LIABILITIES</b>	<b>\$ _____</b>

TOTAL ASSETS	\$ _____
LESS TOTAL LIABILITIES	\$ _____

**NET WORTH** \$ \_\_\_\_\_

## **Is the Business Idea the Right One for You?**

After determining whether you are the right kind of person to undertake your own venture, you should begin to consider whether your business idea is the right one for you. Consider the following concepts.....

- ✓ Do not choose a business idea without considering a few alternatives. You may discover that other ideas hold more potential and just as much interest. You will also be given opportunity to compare the benefits of each option.
- ✓ Choose an area / industry which is interesting to and understood by you. The optimal business would involve the entrepreneur's interests, educational background, skills, hobbies, leisure activities and previous work or volunteer experiences. Do you have experience in the business area? Twenty to sixty percent (20 – 60 %) of business start ups are by entrepreneurs who started a business in an industry where they had previous experience.
- ✓ The business should also match your lifestyle choices.  
For example:
  - Will you be required to do too much (or too little) intense physical work?
  - Will you be able to live in the community of your choice?
  - Does it include the right mix of independence and persona interaction?
  - Will you be required to work an acceptable amount of hours and at appropriate times?
  - Is the business highly regarding in the community?

## **Does Your Business Idea Suit Your Environment?**

After assessing the business against your personal characteristics, evaluate your business idea against the broader environment.

- Check to see whether you are limiting yourself to staying “small”. Your business does not have to become large, but there should be a personal drive and a real potential for growth. To be content with being small may make you vulnerable.
- To be successful the venture must offer a good or service that satisfies the consumer at a price that the consumer is willing to pay. It is always best to offer a better solution, not a duplication of someone else’s venture – improvements are always possible.