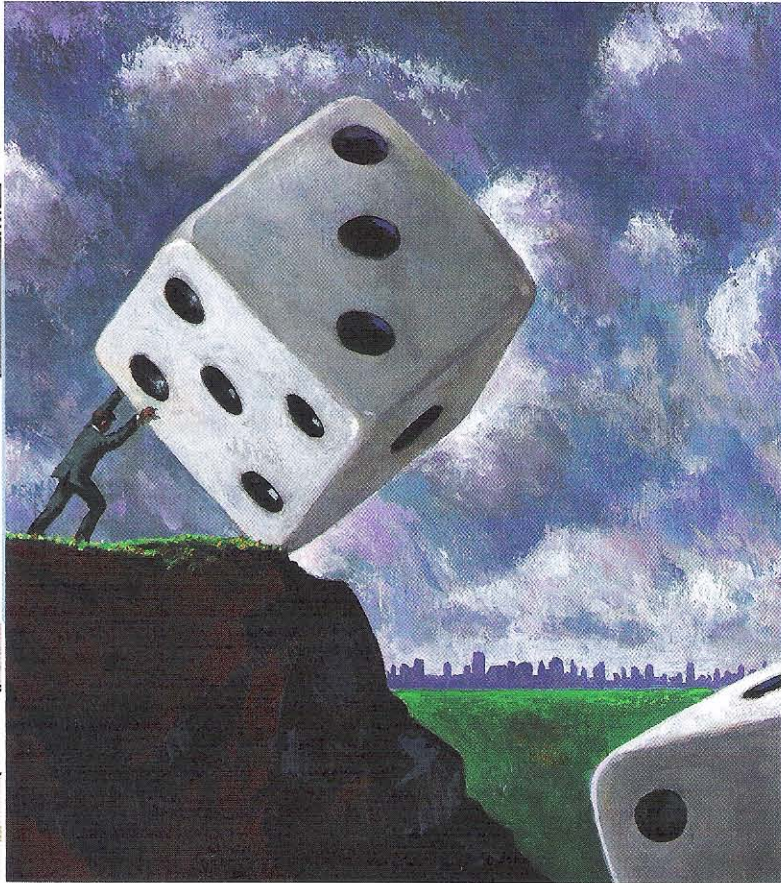


8 THINGS TO REMEMBER BEFORE STARTING YOUR OWN BUSINESS



Ah, that entrepreneurial spirit! The freedom to be your own boss, to set your own hours, to make your own agenda, to do what you know is best... are you ready? Check out this list before you begin.

1. PLAN AHEAD, MONETARILY

Have at least one full year's capital to support yourself and the costs of your business before beginning; have six months of capital liquid at all times. Recovering from an under-capitalized business failure, particularly one fueled by debt, can take years. Capital allows you options and room to stumble.

2. ENSURE YOUR PARTNER'S SUPPORT

No matter what kind of business you start, get your partner's support. Nothing will erode your joy or confidence at becoming an entrepreneur faster than negativity at home.

3. PLAN FOR THE HIDDEN YEAR

Understand that there is at least a full "hidden" year in starting your own business. This includes the thinking, planning, testing, and preparation.

4. ASSESS THE RISK OF CAPITAL

Whether you risk your own money to begin your business, or your extended family's and friends', or outside investors', be careful to understand the impact of taking this money for your venture: what it will mean to succeed, and to fail with it; if and how it needs to be paid back or rewarded.

5. CONSIDER A SERVICE VS. A PRODUCT BUSINESS

Product businesses require more time and capital to build than service businesses. Certain "back-bedroom" businesses, particularly Internet-based ones, can reduce your capital outlay.

"WORK SMART, NOT HARD."

6. REMEMBER: BUSYNESS IS NOT REVENUE; REVENUE IS NOT PROFIT.

You may be fooled that you are working successfully because all of your time and thoughts are absorbed by the new business. Not true. Being busy does not necessarily create revenue. And revenue coming in does not necessarily create profit. Learn to "work smart, not hard." The IRS considers any business that does not show a profit within the first five years to be a hobby.

7. GET THE EXPERT HELP YOU NEED; CREATE A VIRTUAL TEAM

There is much that you are expert in; there is much you do not know. Get the help you need from industry experts in startups, technology, finance, marketing, law and so on.

8. STAY FLEXIBLE; CREATE NO BLAME

Running your own business is not for everyone. If you don't like it, or you find it too overwhelming, or it is more trouble and cost than it is worth, close the business. ■

Joey Tamer (www.joeytamer.com) consults to Fortune 500 companies and capitalized startups to launch, build and expand technology companies. She also advises consultants on the growth and profitability of their service companies. Clients include J.P. Morgan Capital, Sony, IBM, Apple, Hearst, Blockbuster, Technicolor, HarperCollins, NEC, Time-Warner, Agfa and Scitex.