



Biz Profile

Portland Community College

Small Business Development Center

Successfully Launching Your New Business

This Biz Profile is designed to help you organize your thoughts and develop your business idea into a profitable business. You will have the opportunity to think about many challenging issues that are often ignored by start-up businesses. We encourage you to address these issues. Only half of new businesses last 18 months and only one out of five survive five years. We want you to be one of the survivors. Good luck with your new business venture.

YOUR MOTIVATION

(Being strongly motivated often results in being committed to making your idea work)

Why did you choose this business idea? (check all that apply)

- Strong personal interest in this idea ___ yes ___ no
- Desire to use my existing skills ___ yes ___ no
- Chance to do work I really believe in ___ yes ___ no
- Potential to earn good money ___ yes ___ no
- Desire for flexible work hours ___ yes ___ no
- Can't find a job in the local area ___ yes ___ no

YOUR COMMITMENT

(Are you planning on working 40 hours per week from 8 to 5?)

How many hours per week are you willing to work? _____

Will you work set hours or be available when clients call? _____

Have you discussed owning a small business with your family? ___ yes ___ no

- Is your family supportive? ___ yes ___ no
- Will family members work in the business? ___ yes ___ no

SOURCE OF YOUR IDEA

(How did you develop your idea? Is there a need for the business?)

Will you? ___ start a new business ___ buy an existing business ___ buy a franchise

Your business idea is based on:

- ___ work experience ___ volunteer experience ___ hobby
- ___ customer experience ___ market research ___ other

Your idea addresses an unmet need because

The need is growing due to the trend of _____

YOUR BUSINESS IDEA

(Imagine you are talking to a complete stranger.)

Describe your business idea in 50 words or less: _____

PRODUCTS & SERVICES FOR SALE

(An opportunity to fine-tune your business idea.)

Will your business be selling _____ products _____ services _____ combination

List your top three:

1) _____ 2) _____ 3) _____

What are the features & advantages of your top product/service?

Features _____

Advantages _____

If you are selling products will you _____ purchase for resale _____ manufacture

• For resale have you identified suppliers? _____ yes _____ no

• For manufacturing have you identified subcontractors? _____ yes _____ no

YOUR CUSTOMERS

(Knowing your customers is the key to your success. Customers always ask SWIIFM--So what's in it for me?)

Who will be your typical customers? _____ consumers _____ businesses

Briefly describe your average consumer.

Age _____ Sex _____ Income _____ Marital status _____ Children _____

Home owner _____ Politics _____ Activities _____ Spiritual _____

Describe your usual business client.

Industry _____ Number of employees _____

Geographic location _____ Other (_____)

Why does your typical customer want/need/desire what you sell? Indicate customer benefits.

Real such as _____ time _____ money _____ safety

Perceived such as _____ image _____ exclusivity _____ romance

Why will your typical customer purchase from your business rather than a competitor?

Product reasons _____ selection _____ pricing _____ quality

Customer reasons _____ convenience _____ personal service _____ guarantees

PERSONAL SELLING

(A difficult, and sometimes terrifying, aspect of self-employment. Practice your elevator speech.)

How will you meet potential customers?

_____ business groups _____ social groups _____ referrals _____ cold calls _____ other

Who will make referrals to your business?

_____ other business owners _____ friends & family _____ other (_____)

What about your products/services are you most comfortable discussing?

_____ features _____ customer benefits _____ competitive advantages _____ other (_____)

How many hours per week do you plan to spend on personal selling activities? _____

YOUR ELEVATOR SPEECH

(You have a maximum of 30 seconds for your elevator speech. A good one makes personal selling much easier.)

MARKET RESEARCH

(Success requires more than just going with your instincts.)

- Perform a competitive analysis
 - List 3 major competitors 1)_____ 2)_____ 3)_____
 - Do you know how you will compete with each one? ___ yes ___ no
 - Have you visited (live, phone or internet) each one? ___ yes ___ no
- Have you identified an industry association? ___ yes ___ no
- Useful market research websites
 - Business statistics www.bizstats.com/
 - Industry analysis www.bizminer.com/
 - US Census Bureau www.census.gov/

LOCATION

(Every business has a business location, even virtual businesses.)

- Business Address _____
- Will you be a home-based business? ___ yes ___ no
 - If you lease a location outside the home:
 - Can you terminate the lease early? ___ yes ___ no
 - Do you have a right to renew? ___ yes ___ no
 - Why did you choose this location?
 - ___ cost ___ traffic counts ___ legal requirements
 - ___ access ___ visibility ___ other (_____)
 - Make sure your location will satisfy:
 - ___ zoning laws ___ sign laws ___ fire codes ___ ADA requirements

E-COMMERCE

(Go to www.register.com for more information about registering your domain name.)

- Domain name: _____ Registered? ___ yes ___ no
- How will you connect to the internet? _____
- What will be available on your website?
- Business information such as ___ phone # ___ fax # ___ mailing address
- Product information such as ___ description ___ pricing ___ order processing
- Accept payments using ___ merchant account ___ PayPal ___ other
- How will you promote your website and e-mail addresses?
- ___ reciprocal links ___ register with search engines ___ purchase banner ads
- ___ printed marketing materials ___ e-mails ___ other (_____)

LIMITING YOUR RISK

(Conflicts can be expensive, time-consuming & bad publicity)

How will you minimize your liability?

- Liability insurance yes no
- Client release/waiver yes no
- Clauses in contracts yes no
- Form a corporation or LLC yes no

LICENSE, PERMITS, REGISTRATIONS & FORM OF OWNERSHIP

(Go to www.filinginoregon.com and click on Business Wizard)

- Business Name registered? yes no
- Does Oregon license your occupation? yes no
- Do you need a local license? yes no
- Will you need a federal Employer ID Number? yes no
- Will you need an Oregon Business ID Number? yes no
- Form of business ownership selected:
 sole proprietorship partnership corporation LLC
- Why did you choose this form of ownership?
 ease of formation liability issues tax issues other (_____)

PROTECTING YOUR IDEA

(How will you keep someone from copying your idea? Check all that apply.)

- Are patents applicable? yes no
- Will you obtain trademarks? yes no
US Patents & Trademarks www.uspto.gov
- Will you apply for copyrights? yes no
US Copyright Office www.copyright.gov/
- Noncompete agreements yes no
- Confidentiality agreements yes no
- Other _____
For self-help legal books try Nolo Press www.nolopress.com

TAXES, INCOME & OTHERS

(Know your tax responsibilities: federal, state, and local.)

- Useful income tax websites
Internal Revenue Service www.irs.gov
Oregon Department of Revenue www.dor.state.or.us
- List taxes other than income taxes that apply to your business
 county personal property taxes
 payroll taxes (federal & state)
 other (_____)
- Who will prepare your tax returns? you tax advisor

MAKING YOUR IDEA WORK

(Read *The E-Myth* by Michael Gerber for more about the roles of technicians, entrepreneurs & managers)

What technical (product-oriented) experience/knowledge will you use in your operations?

What entrepreneurial (vision-oriented) experience/knowledge will help you develop your idea?

What management experience/knowledge will you apply to your business idea?

___ marketing ___ finance ___ personal selling
___ personnel ___ operations ___ other (_____)

What are your weaknesses in the above areas and how will you overcome these weaknesses?

WORKERS

(About 75% of small businesses are self-employment opportunities, i.e. no employees)

- Will you have employees? ___ no ___ yes
 - ___ number of full-time ___ number of part-time
 - Who will take care of your payroll? ___ you ___ payroll service
- Will you use independent contractors? ___ no ___ yes ___ number
- Will you use temp agency employees? ___ no ___ yes ___ number
- Will each worker make you money? ___ no ___ yes

SYSTEMS

(Dependable systems are the key to consistent performance.)

- Accounting ___ manual ___ software
- Customer database ___ manual ___ software
- Day planner ___ manual ___ software
- Contact management ___ manual ___ software
- Inventory management ___ manual ___ software
- Pricing bids ___ manual ___ software
- Employee scheduling ___ manual ___ software
- Project management ___ manual ___ software
- Industry specific (_____) ___ manual ___ software
- Other (_____) ___ manual ___ software

How do you plan to integrate your systems? _____

USING TECHNOLOGY

(Technology can be the key to efficient operations and customer service.)

What types of data processing hardware will you use in your business operations?

___ laptop pcs ___ desktop pcs ___ personal digital assistants
___ networked pcs ___ printers ___ other (_____)

What types of technology will you use to handle phone calls and messages?

___ land line ___ cell phone ___ pager ___ fax
___ message service ___ 800 number ___ other (_____)

What other types of technology will be important? _____

YOUR FINANCIAL GOALS

(You need to support yourself to stay in business.)

- Average monthly sales (A) _____
- Average monthly cost of sales (B) _____
 - your cost of items sold
- Average monthly gross profit (C=A-B) _____
- Average monthly expenses (D) _____
 - labor, rent, marketing, insurance, etc.
- Your average monthly pay (E) _____
- Monthly Profit (after your pay) (C-D-E) _____

FINANCING YOUR BUSINESS

(You need to be able to open the doors and have an operating reserve.)

Uses of funds:

- Cost of equipment & vehicles to get started _____
- Cost of beginning inventory _____
- Other costs of getting started _____
 - such as deposits, marketing materials, etc.
- Operating reserve _____
 - generally 3-6 months of expenses

Total uses _____

Sources of funds:

- Your equity
 - Cash you will invest _____
 - Other assets you will invest _____
 - Cash/other assets from friends & family _____
 - Cash/other assets from investors _____
- Total Equity _____
- Debt
 - Government Loans _____
 - SBA Loan Programs www.sba.gov/financing/index.html
 - OECCD Loan Programs www.econ.state.or.us/financeb.htm
 - Loans from financial institutions _____
 - Banks (_____)
 - Credit Unions (_____)

• Total Debt _____

Total sources (must equal total uses) _____

FREE MONEY

(Everyone wants free money from the government or a relative.)

Looking for a grant? Have you identified the source? _____ yes _____ no

SBIR/STTR Grants www.sba.gov/sbir/
Other Federal Grants www.sba.gov/expanding/grants.html

FINANCIAL REALITY CHECKS

(Here are five common major financial concerns.)

Describe collateral for needed loans: _____

Will you agree to use your home as collateral for a loan? yes no

How many months can you work for no compensation? _____

What monthly sales level is required to breakeven? (include your salary) _____

How will you pay for your medical insurance?

retirement plan spouse COBRA purchase self-insure

PROFESSIONAL RESOURCES

(Outside expertise is important.)

- Who is your outside accountant? _____
- Who is your business attorney? _____
- What bank will you sue for business accounts? _____

Bank services to be used:

checking credit card merchant credit card other

- Who is your insurance agent? _____

TO DO LIST

(Were you able to answer all of the questions? You probably have some work left.)

List tasks you need to work on in order to complete your Biz Profile:

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

BEFORE YOU OPEN THE DOORS

(Ready to get started? Here are a few resources to help you do it right.)

- Develop a business plan using some of these resources:

Purchase Your Business Plan workbook www.bizcenter.org

SBA & Palo Alto Sample Business Plans www.bplans.com/samples/sba.cfm

CCH Business Owners' Toolkit www.toolkit.cch.com

- Have you met with a Business Advisor? yes no

PROFESSIONAL HELP IS AVAILABLE

(Free help is available from our experienced professionals.)

We offer confidential business advising services to help you complete your Biz Profile.

To schedule your confidential business advising session contact the PCC SBDC at:

503-978-5080.

