

15 signs you're ready to start your own business

How to know if it's time to be your own boss



Your guide to knowing when you're ready to start a business

We're happy to see you here, digging into another educational resource developed to offer you valuable information on whether or not it's the right time for you to become a business owner.

You've got a dream

According to the U.S. Small Business Administration, there are now more than **33 million small businesses** in the United States—and they represent 99.9% of all US businesses.

Have you ever wondered if you'd like to add your own business to that number? After all, people like you start their own businesses successfully every single day. But if you don't want to be one of the **20% of small businesses** that fail in their first year...or even the 50% that fail in the fifth year, it's essential to know that you're ready to go into business for yourself.

That's why we created this eBook, to help you decide whether now is truly the right time to strike out on your own, or if you need a little more preparation before you take such a momentous step.



How to know when it's time to take the leap

When you have the perfect idea for a business, it can be difficult not to jump right into entrepreneurship. Because, let's face it, running a business can be one of the most fulfilling adventures you'll ever experience.

You'll create something great from the ground up, face new challenges, call the shots, meet new people, give back to your community, have the flexibility to work your own hours (eventually), make more money (eventually), become financially independent (eventually), and have more time for yourself (eventually) and with your family (eventually).

These are all wonderful benefits and goals. But those "eventualities" are the reason you need to be sure you're ready for entrepreneurship in every way you can possibly be. So, let's get this out of the way first:

9 reasons you might NOT be ready to start a business

Not everyone wants (or is meant) to be a business owner—and there's nothing wrong with that! Here are nine signs you might be happier as an employee, at least for the moment:

- 1 You think owning a business will immediately give you more freedom in your personal life.
- 2 You need a quick profit.
- 3 You're not financially able to assume any risk.
- 4 You're not sure there's a market for your business idea.
- 5 You don't have a solid business plan ready.
- 6 You're not looking forward to marketing your business.
- 7 You can't pivot quickly when something's not working.
- 8 You're not prepared to work down-and-dirty hard.
- 9 You're afraid to fail.

If this list doesn't scare you out of the idea of owning a business, congratulations—you've passed the first test. Read on.

Small stats

- Annually, small businesses create 1.5 million jobs and account for 64% of all new jobs in the US.
- The number of small businesses in the US has doubled since 1982.

73% of small businesses invest in social media marketing.

- In 2020, 46% of consumers said they were more likely to shop at a small business.
- The biggest challenge small businesses face is cash flow.
- 81% of business owners work nights, and 89% work weekends.
- Most small business owners work 40-49 hours per week.
- Millennials and Gen Z are 48% more likely to say they started their business because they were passionate about an idea.
- 29% say their motivation for starting a business was to be their own boss.

Source: [Semrush blog](#)

15 signs it could be time to start your own business

All right...we've talked about some ways to know you're *not* ready to start your business yet. So, how do you know you *are* ready to leap into the Great Beyond of Business Ownership? These 15 signs are an excellent start.

1 You have a financial plan to see you through

Your business won't be successful overnight. To be sure you're ready to go, make sure you've worked through your financial status with your family, and that at a minimum, you have another paycheck you can depend on. It's also better to have access to benefits (e.g., health insurance), three to six months of emergency savings and a **solid financial plan**.

2 You're not experiencing major life changes

A relationship breakup. Relocation. Marriage. Children. Divorce. Health issues. Loss of a parent, spouse or child. Any of these life changes bring with them emotional, mental and even physical baggage. If you've worked through these changes and settled into your new normal, you'll be ready to take on another major life change.

3 You have a strong support network

When someone starts a business, it really does take a village. If you have support on the home front, other entrepreneurs who can help you work through business challenges, mentors, coaches or financial advisors, you've built your village. If you're still building, that's a positive sign, too; you understand the value of support.

4 You accept the sacrifices you may need to make

One survey found that small business owners **work twice as much** as regular employees, with a sizeable number working more than 60 hours per week. If you *and* your loved ones are ready to accept the long hours, missed events and reduced participation at home...and know it will be worth the work, congratulations; you're ready.

5 You've defined your idea of success

There's no single definition of success. Want to make a million dollars? Create franchise opportunities à la McDonald's? Have 100 employees within five years? Or just earn enough to live comfortably while enjoying what you do? If you've clearly outlined your idea of success, you're ahead of many who make the leap to business ownership.

6 You know how to manage your time

Being your own boss takes much more discipline than being an employee, and as the one in charge, you supply the motivation. If you're good at managing your time without prompts from supervisors, you already have one business-owner survival skill in your pocket.

7 You've learned as much as you can about general business

As a business owner, especially at the beginning you'll be all things to your business: management, HR, accounting, marketing, purchasing, cashier, shelf-stocker and any of the dozens of other jobs it takes to run a successful business. If you've been spending your time wisely learning how a business runs, you're ahead of the game.

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8 You're not afraid to get your hands dirty

In addition to the many business hats you'll wear as an owner, you'll also have to do the grunt work, especially if you're a brick-and-mortar business. When filing needs to be done, emails need responses, toilets clog and floors need to be mopped, you're the first line of defense. But if you're willing to work hard toward your dream, you're well on your way.

9 You believe in your business idea and know you have a market

Are you starting a business because it's something you believe in and have a passion for? Or are you just aggravated by your current job? If you've researched, tested and determined that your product or service has a viable market, can withstand naysayers and make lives better, you're ready to put your business idea into the world.

10 You have a business plan

There's no easier way to lose your bearings than by not using a good GPS or road map. If you've worked out a [business plan](#) to take you through your startup and your first three to five years of business, you have one of the most powerful tools available to a new business owner.

11 You have (or are gaining) experience in your new industry

Don't let the stars in your eyes blind you to the realities of your new industry; it's a good idea to have some experience. If you've worked in the field and know it well, go for it. If you could use some experience, consider a second job in the new industry before you resign from your current job.

12 You accept the risks of owning a business

We mentioned earlier that 20% of small businesses fail in the first year. [To finish that statistic](#), 30% fail in year two, 50% in year five and 70% in their tenth

year. It's also entirely possible that you'll beat those odds. If you understand and accept that the risks of owning a business include never making a profit, and you have a risk management plan in place, you are definitely ready for business.

13 You're up to date on the competition

There are a lot of people raring to go into business for themselves. If you've already scouted out your competition, decided how you'll stand out from the pack and know exactly what you have to offer that your competitors don't, there's a very good chance that you're better prepared than some of them will be.

Because we're human, we're good at second-guessing ourselves. There will never be a "perfect" time to make any move.

14 You've moved beyond your fear (mostly)

The idea of owning your own business can evoke roughly the same level of fear as swinging on a trapeze high above the ground without a safety net. That's your brain trying to keep you safe—and it's perfectly normal. If you've realized that you need to move past your fear (but keep a small, healthy amount of it to keep you honest), you're ready.

15 You know you'll never be completely ready (but you're going for it anyway)

Because we're human, we're good at second-guessing ourselves. That's why you'll always wonder if you could get more knowledge, more experience or more money. But the fact is, there will never be a "perfect" time to make any move. Sometimes, you just have to know you've covered all the bases you could with these 15 signs. Then, with faith in your business idea—and in yourself—you know it's time to take the leap. And so, you do it!

So you want to start a business...

Here are some helpful resources to help you decide when—and whether—you're ready to start a business.

[10 steps to start your business](#)

(U.S. Small Business Administration)

[SBA Online Learning Platform](#)

(U.S. Small Business Administration)

[How to Start a Business: A Step-by-Step Guide](#)

(Business News Daily)

[Quiz: Are you ready to start your own business](#)

(Deluxe)

[How Do You Know You're Financially Ready To Start A Business Full-time?](#)

(Money Under 30)

[SCORE](#)

(Service Corps of Retired Executives)

[The Startup Roadmap: Your Guide to Successfully Starting a Business](#)

(SCORE)

[The #1 Reason Small Businesses Fail— And How to Avoid It](#)

(SCORE)

[5 Reasons Small Businesses Fail](#)

(Guidant Financial)

Summing it all up

We hope this guide has given you some insight into whether or not you're ready to become a business owner. While there are so many factors to consider, being a small business owner can be one of the most fulfilling journeys you'll ever undertake. We hope the resources provided in this eBook will help you make the best decision for yourself.

We'd love to be part of your business support system, so check with us if we can help you in any way with the financial aspects of starting your business, or when you're looking for an action plan for business growth.

Just click the **GET IN TOUCH** button and complete the brief form or give us a call. We look forward to hearing from you!

