

## We're Not All Entrepreneurs

BY: DOUG ROBBINS



There is a popular belief in North American society that the key to success is to be your own boss - to own your own business.

The thinking goes something like this: you'll have complete control over your time, no one to tell you what to do, prestige in the community, and so on. Sound familiar?

Like any widely held belief, there are certain elements of truth to it. Many business owners do very well and wouldn't want to be working for anybody other than themselves. But owning a business is anything but a piece of cake.

Along with the positive aspects, there are some very significant challenges that aren't always foreseen.

As a business intermediary firm (certified specialists in the sale of privately owned businesses) we frequently encounter buyers, caught up in the myth of a business ownership, who haven't taken a hard look at the realities. And sometimes the sellers have learned those realities the hard way.

At Robbinex, we say that to be successful, business owners need to score highly on the **3 Ms: Money, Management and Motivation**.

Most people see money as the major stumbling block to owning a business. It's true that if you purchase a flourishing restaurant or coffee shop franchise, the price could range from \$250,000 to as much as \$1 million.

If you're starting a consulting business at your own dining room table, your costs will obviously be much less; although, don't underestimate how quickly expenses such as telephones, equipment, travel, promotion, advertising and taxes will mount up.

Regardless of what kind of business you're starting (or purchasing), the money to keep it going is as important as start-up funds. The bigger your business, the higher your infrastructure costs will be - wages, rent utilities, inventory and so on. Working capital is an ongoing requirement.

Management is another significant factor in the success or failure of any business.

Being your own boss sounds great, but it means you also have to be skilled in a wide range of areas, including bookkeeping, marketing, administration, strategic planning, production, sales, purchasing and more.

You may find you are skilled in some areas but deficient in others. Psychological testing is sometimes used to determine the skills and aptitudes of incoming business owners so a plan can be created to mitigate any shortcomings.

This may include hiring or contracting people with skills that will complement those of the business owner.

Certainly, you'll find yourself working more and more hours. One of the great myths of owning your own business is the notion you will be in control of your own time. While it's true that owning your business can allow some flexibility in how you plan your day, no one should think for a moment that flexibility equals fewer hours.

Sure, you might be able to take off to watch your son's play at school - but you'll likely be putting in some extra hours at night to make up for it and then some, because customer demands and deadlines must be met.

The commitment to give your business the time it needs to grow and flourish can put a strain on home, family and overall lifestyle. Be sure that your spouse understands the sacrifice involved, and that it will continue for at least the first four to seven years of owning your business.

This is where motivation comes in. The necessary commitment of time and money can't be done without a strong desire to make your business succeed.

The motivation of potential business owners is a key factor that must be assessed. In family situations, we sometimes find that incoming owners are certainly motivated, but for the wrong reasons - they are taking over the business to please their parents. The motivation should centre on your own desire to own and operate a business - not someone else's.

Without motivation, none of the sacrifices of being a business owner will feel like they're worth the trouble.

As important as money and management are, motivation is essential and can even make up for deficiencies in the other two areas.

Starting or buying a business is a major step that can't be entered into lightly. Take a look at how you stack up on the **3 Ms**, give your decision the time it deserves and make sure you go in with your eyes wide open.

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**Phone/Email**

905.523.7510 or 1.888.ROBBINEX  
[robbinex@robbinex.com](mailto:robbinex@robbinex.com)

**Website**

[www.robbinex.com](http://www.robbinex.com)