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**"Helping Business Owners and Professionals Retire on Time"**

## **ENTREPRENEURISM**

Is entrepreneurship right for you? Ultimately, only you can answer that question. However, careful consideration of several points may help you in coming up with the right answer.

Entrepreneurship can be very rewarding. Some may become very wealthy. Others may relish the opportunity to be in charge, to make their own decisions as to the direction of their company. On the other hand, the risks are many. Entrepreneurs lack the access to the abundant resources and sophisticated support systems that large organizations provide. Many start-ups fail within the first year. The stress of being responsible for the success or failure of the company is often very stressful for the entrepreneur and his or her family.

### **A HIGH NEED FOR ACHIEVEMENT**

Though studies of entrepreneurs reveal considerable diversity in terms of external factors such as industry, location and amount of capital, there does appear to be some similarity of internal factors - personality traits - that are shared by many successful entrepreneurs. Harvard's David McClelland has found that many of the successful entrepreneurs he has studied possess a high need for achievement. He found that there are five common characteristics possessed by people with this need:

First, a person who has a high need for achievement likes situations enabling him or her to take personal responsibility and get personal credit for results. He does not like to wait for others to resolve problems, instead he likes to take it upon himself to make decisions and get things done. Obviously, we are not talking about the typical team player here, but rather one who enjoys individual responsibility and is turned on by personal achievement.

A second characteristic is preference for intermediate levels of risk. This is not the "high rolling risk takers" that entrepreneurs are often thought of as, nor is it an overwhelming need for security. Successful entrepreneurs invariably wanted enough risk "to make it interesting" but avoided risk levels that posed major threats to success. Undoubtedly, taking some risk is part of the fun, but achieving the goal is the primary motivator.

Preference for unambiguous and timely feedback is a third characteristic. A person with this characteristic always wants to know what is going on, what areas of the business are successful, and what areas need to be improved. What percentage have sales improved this month? How much is the costs for advertising greater than what we had budgeted? If there are any problems,

this information needs to be known, so that the problems can be solved as rapidly as possible. The department head that wants results now, not at the end of next quarter, demonstrates this need.

Fourth is the preference for situations permitting innovative and novel solutions? Often times, entrepreneurs are faced with unexpected problems, requiring new methods to solve those problems. A person with this need enjoys the challenge of these situations. Constant attempts to come up with new approaches to creative financing, for example, might reflect such a need.

Finally, a strong future orientation is a frequent characteristic. They see possibilities for the future, and focus on that rather than the problems. They take time to plan ahead to take advantage of future opportunities. Financial analysts who prefer estimating the probabilities of future scenarios as opposed to compiling historical data reflect a need for this type of situation.

Perhaps the most interesting aspect of this theory is the role that money plays in entrepreneurial motivation. Money does not, in and of itself, directly motivate the successful entrepreneur. Rather, it acts as a scorecard - a feedback source - for the extent of achievement that has been attained. Entrepreneurial researchers Jeffrey Timmons, Leonard Smollen and Alexander Dingee cite the example of an entrepreneur who successfully built up his business and sold it for several million dollars.

At age 40, this recent millionaire announced that he was leaving New York City to move to Florida. He and his wife were going to buy a fancy condominium, large yacht and live the good life. Within two weeks the man phoned his former venture capitalist and told him he was bored stiff, could not stand the peace and quiet, and was "coming back to build another company." He needed to achieve.

Money is obviously important to the entrepreneur, both as a means and as an end, but most researchers agree, that need for achievement takes precedence over monetary reward in motivating successful entrepreneurs.

The profile of a successful entrepreneur frequently embodies traits that are neither necessary nor sufficient in all circumstances - too many other variables exist that influence success. Such a profile can, however, provide one with some insight as to whether or not he or she possesses some of the personality traits found among many successful entrepreneurs.

## WHAT CAUSES A BUSINESS TO FAIL?

We have seen how having a high need to achieve and an appreciation for the use of money is characteristic of successful entrepreneurs. This alone does not make a new business successful. In fact, the statistics regarding the failure rate of new businesses can be downright depressing. Despite conflicting estimates of failure rates, it appears that roughly 10% of all start-ups fail within 12 months, and after 3 years, one out of every three businesses has failed. By no means is an entrepreneur's success assured.

Naturally, the question that comes to mind is: what causes a business to fail? The answer, it seems, is poor management. Data compiled by the United States Small Business Administration suggests that most all business failures stem from owner or manager error. Dunn & Bradstreet has found that 91.9% of all business failure is caused, at least in part, by inexperience or incompetence. They also found that 52.3% of business failure is due to inadequate sales experience, and 28.9% of business failure is due to heavy operating expenses.

Interestingly enough, basic causes of business failure were well known over a century ago. The following quote, taken from the February 1903 edition of "World of Work" attests to mismanagement's timelessness as a cause of failure:

"There can be no exact science of success; but the hint that this table of wrecks gives is that a man of character and good judgment, who by his native endowment will avoid the perils that beset incompetence, needs to make very sure of enough capital, and then that competition need not frighten him."

Behavioral scientists have long been intrigued with man's tendency to attribute successes to personal endeavor and failures to external factors. The entrepreneur is no exception. The failing entrepreneur frequently attributes the inadequate sales problem to "just not enough business out there" when, in truth, it is probably attributed to inadequate market research or poorly planned sales tactics. Similarly, unreasonable overhead charges are frequently blamed for heavy operating expenses as opposed to unreasonable estimates during the planning stage.

Taken collectively, the literature on business failure suggests that poor management is the primary culprit, and poor planning is the hallmark of poor management.

The absence of effective planning is a major cause of incalculable financial losses as well as the social and psychological trauma that frequently accompanies business failures.

Given the prevalence of poor planning among business start-ups, the entrepreneur who plans effectively is well poised to meet the competition. What then, constitutes effective planning for new ventures?

## THE NEW BUSINESS PLAN

A formal business plan is a comprehensive document describing a proposed new business or a new venture for an existing business. Usually requiring several months, and anywhere from a few hundred to several thousand dollars for preparation, the new business plan describes in detail what the venture is all about and provides sufficient evidence of potential. Sometimes referred to as a feasibility study, the business plan not only tells us why the deal will work, but actually plays an important role in helping to make it work.

The new business plan serves at least four purposes:

- **Forces the entrepreneur to organize thoughts logically**

There seems to be some magic in using the legal pad and felt tip pen to push one from the head-scratching stage to a well thought out idea. Organizing thoughts on paper, or on a computer screen, will usually reveal whether or not the deal makes sense. In essence, developing the plan provides the self-discipline needed for exploring the proposed venture from all angles.

- **Provides information for investment or credit decisions**

The business plan enables the venture capitalist, lender or private investor with vital information for making an informed decision. Rest assured that the new business plan is not simply a good idea. It is an essential step in raising capital. The businessperson without a plan will be immediately conspicuous and will be turned away by a venture capitalist.

- **Convinces a reviewer you have done your homework**

The initial concept may sound good, but how thorough is the preparation? Does the plan describe a good marketing idea, or does it specify a comprehensive marketing plan including, for example, new client potential, advertising, public relations and pricing policies? Simply enough, the business plan shows not only what the entrepreneur thinks, but also how he or she thinks. Attention to detail in the plan is usually indicative of attention to detail in the business.

- **Provides a blueprint for building the business**

Once the financing has been arranged, the plan becomes a reference manual outlining who will do what, when, and how.

Invariably, the manual must be modified, updated or even rewritten, but its content can serve as a valuable basis for making important decisions.

Before starting to put together the plan, you should prepare a detailed outline listing all the topics to be covered. This will help you determine the information necessary to develop the business plan and organize it into clearly defined sections. Business plans usually have separate sections discussing the management team, the product/service, marketing and sales plans and financial information. A brief synopsis of each of these topics follows.

## YOUR MISSION STATEMENT

The first section of the business plan revolves around the mission statement, a sentence or two explaining the company's reason for existing. The more specific the initial definition, the better the owner(s) truly understands the market niche the firm is trying to carve.

"Happy Computers is a microcomputer reseller in Los Angeles, California" is not nearly as refined a starting point as, "Happy Computers, a value added reseller in Los Angeles, is in business to serve the office and field equipment needs of Southern California construction companies with 20 employees or less."

Developing such business descriptions seems simple enough, but according to Carol Anderson, a Norwood, Massachusetts based consultant who helps microcomputer resellers tackle management needs, many resellers never get past this initial planning hurdle.

"When you're in a small business environment with less than 50 employees, it's easy to get caught up in the day-to-day operation and never look up," she says. "Many resellers have a plan in their head, but they're not sure how to implement it. Since the employees don't have a clear cut mission, there's no specific direction for everyone to move in."

A few years ago, Anderson produced a 30-page booklet for the National Office Products Association (NOPA) to help members get the planning ball rolling. Appropriately titled "Blueprint for Business Planning: Marketing and Financial Strategies for Computer Resellers," the booklet defines the process of crystallizing a mission statement and proceeds onward with the details of a business plan. "A good business plan has a life of its own which changes and evolves with the business," writes Anderson in the introduction of the booklet. "It is a compass, setting the course and steering the company."

## THE MANAGEMENT TEAM

This section of the business plan is one of the most important. Before agreeing to finance a company, a professional investor will conduct a thorough reference check on each member of the management team and how the team member's skills or background will contribute to the company's success. This should also be supported by a detailed resume included in the appendix.

Describe the planned organizational structure including officers, directors, board members and consultants, if any. If the team lacks any critical skills, indicate how and when you will recruit people possessing these skills. Include a brief description of any incentive plans, such as stock options or profit sharing plans.

How will you recruit and train personnel? This can be critical if you must deliver good service to your customers.

## THE PRODUCT/SERVICE

The description of the product/service should not be too detailed. However, be prepared to answer many questions about the research, development and manufacturing of the service and, with your permission, send this information to a consultant for evaluation. If you have already built a working model or a prototype of the product, you should include a photograph of it. If not, it would be helpful to include an artist's rendering.

The business plan should also explain how you will manufacture the product or perform the service. If an R&D is required, you should identify key development goals and list the time requirements and approximate costs for meeting them. Any inherent technical risks as well as other technologies that will affect the product or service should also be explained. It is helpful to mention whether the product/service is or can be patented or otherwise protected by trademarks, copyrights or trade secret protection programs.

## RESEARCHING THE MARKET

Once a firm has clarified specifically why it is in business, the next stage is to identify the market. What is the demographic make-up of the territory? Is it dominated by small, medium or Fortune 500 size companies?

If a firm has been operating up until now without doing such research, the leaders might be surprised by what they learn in the planning process. A variety of references can be called upon to help in market research: local Chambers of Commerce; the Small Business Administration; trade associations; even the public library. Make value judgments about the data, however, for often statistics alone can be misleading.

If you are looking at very large opportunities, it is easy to get statistics to justify expectations. Business consultants know that new and old firms can easily become mired in terms of personnel and resources without any great payoff. They fail to understand the market well enough to deliver a measurable result.

Thoroughly research the competition. What are their strengths and weaknesses? Do not be surprised to find some formidable opponents.

## MARKETING AND SALES PLANS

This section of the business plan must convince prospective investors that there is a market for the product/service. Include a description of the market, an explanation of what drives the market (why customers will buy), how it is segmented and distributed, market size (in dollar volume and number of customers) and how you expect to achieve a level of market penetration.

In addition, include a list of major competitors and assess their respective strengths and weaknesses. If the product will compete directly with another company's products/services, compare their performance and price.

Generally, the price charged should be determined by how much the market will pay for the product, not the cost to manufacture and sell it. If the maximum selling price will not enable you to sell the product or service at a profit, it may be necessary to modify the product/service.

Every successful competitor will have identified an edge, and you should do the same. How will you differentiate yourself? What are your marketing plans? Short-term vertical opportunities may be hot for only a month or two, so it is imperative to move quickly. The business plan notes this. For more long-term markets, the plan details how to plan to develop solid leads.

## FINANCIAL STATEMENTS

The most critical chapter in a thorough business plan cuts right to the bottom line. Every aspect of the operation's financials - budgets, balance sheets, profit-and-loss statements - will be spelled out. Projections should also be made and the operation's financial health should be reviewed regularly.

These figures should be used not only as a guideline but also to measure actual performance. Too many owners do not get directly involved in accounting. Instead, they turn the responsibility over to a bookkeeper. The business owners then do not have a real understanding of profit margins and inventory management.

One thing that usually stands out in companies that fail is an inventory problem. Either the business is not buying properly or it is not selling at the right margins. Both areas can be monitored with the business plan.

Try to look at the month as it stacks up against the business plan, after discounting unusual big orders or bonuses. For instance, at the beginning of a year, one firm had not invested heavily in its service department but the amount of money it was making was higher than projected. It was time to take another look at service and adjust the business plan. It invested capital, adjusted its rates to match those of competitors and never missed a beat - but profits increased.

## FUNDING REQUEST

The funding request section of the business plan should state how much money is needed, why it is needed and what will be done with it. The explanation of what will be done with the funds should be

consistent with financial projections. If you are seeking “seed” capital, sales, income and cash flow projections as well as information on manufacturing, selling and administrative costs should be included.

If, however, you are seeking a subsequent round of financing, five-year cash flow, profit-and-loss and balance sheet projections will be required, as well as current audited financial statements. By having the statements audited by an independent accounting firm, potential investors probably will be more inclined to place reliance on the figures.

## THE EXECUTIVE SUMMARY

Because investors may not be willing to search through an entire business plan to locate its essential elements, the highlights of the plan should be presented in the “Executive Summary.” A well-written summary should occupy no more than one or two pages and enable a prospective investor to quickly determine whether the plan deserves further study.

It also can serve another important use if you are planning to send the business plan to investors with whom you are not acquainted. You may want to send just the summary with a cover letter. This will protect the confidential details of the plan and can save printing and postage costs.

## LEGAL ENTITIES FOR BUSINESS

One of the most important decisions you will have to make is under which type of legal entity you will operate. This decision affects everything in your business, from the ease of formation, to organizational structure, the amount of legal liability, the amount of taxes you will have to pay, and even the ability to change ownership or dissolve the business. There are four basic forms to consider: Sole Proprietor, Partnership, C-Corporation and S-Corporation. Each has its own set of advantages and disadvantages. Let us take a look at each one in detail.

### SOLE PROPRIETORSHIP

A Sole Proprietorship is the easiest and least expensive type of business to start. As the title states, the owner is a single proprietor with total ownership of all assets and responsible for all liabilities.

To start your business under this form, you may simply need to buy a license (or a retail vendors license) for doing business in your city or county.

If you are operating your business under a name other than your name (fictitious name: dba = doing business as), you will need to register it with the Secretary of State. After you have done a name search and after you have registered this name with the Secretary of State, it must be published in a newspaper or periodical authorized by the office of the Secretary of State. Now you can open a bank account under your company name.

### ADVANTAGES OF SOLE PROPRIETORSHIP

- It is the easiest and cheapest form of business to start

- The owner receives 100% of the profit or 100% of losses that offset other earned income
- It requires the minimum processing of legal documentation
- The Sole Proprietor maintains complete ownership and control of the operation
- You are the ultimate decision-maker and you have the flexibility to make decisions quickly in order to take advantage of a market opportunity
- Tax filing for the Sole Proprietor is very simple. There is no double taxation. All income and expenses from the business are reported through the owner on Schedule C of the 1040 tax form

### DISADVANTAGES OF SOLE PROPRIETORSHIP

- The Sole Proprietor, while maintaining complete ownership and control of the operation, has complete responsibility for the liabilities of the firm. The Sole Proprietor has no protection from personal liability for all debts. Everything he or she owns, both business and personal assets, can be used as payment for business debts
- As the sole decision-maker, you have the burden of being accountable to yourself. You may not have a management team to share the responsibilities of day-to-day tasks and decisions, successes and failures. It is strongly recommended that you have at your disposal an independent board of advisors and consultants to give you guidance and symbolically hold you accountable for good solid decisions
- If the owner dies, there may be legal complications
- The possibility of the owner's death may cause suppliers to terminate their relationship and cause creditors to call their loans
- When the owner dies the business is terminated
- The Sole Proprietor is limited in fund raising capacity equal to his or her net worth
- The Sole Proprietor cannot transfer the business to a partner or to others
- Sole proprietors are not employees, therefore, they cannot deduct certain expenses that may be a deduction for a corporation
- The Sole Proprietor is limited to his/her skills, capabilities and talents unless subcontractors or employees are used

### PARTNERSHIP

A partnership is a group of two or more people sharing ownership and responsibilities in a company. The partnership arrangement can be either formal or informal, written or a handshake. There are two types of partnerships—general and limited.

A general partner shares the liabilities as well as the assets of the firm as does the sole proprietor. Each of the partner's personal assets can also be held as payment for debt of the partnership.

A limited partner makes an investment into the business, but cannot take an active management role in the day-to-day operations. Unlike the general partner, the limited partner's liabilities are only attached to the amount of money invested and not too personal assets. If you are a limited partner, you must be careful not to change your status to an active management role. If your limited partner status changes so does your limited liability. You would then be subject to debts being settled against your personal assets.

As in any relationship or marriage, there are many human relation variables that need to be addressed in order to determine the compatibility of the partnership. This can be very difficult. Just as in any marriage, there may also be ups and downs in the business relationship. If you choose to form a partnership for your business, you must be very careful with whom you join hands and wallets. You must also be careful to establish the proper legal contracts to protect all parties and to state very clearly, what each partner's role is and how it is to be carried out.

## RIGHTS AND OBLIGATIONS OF PARTNERS

In their book, *Starting and Managing the Small Business*, Arthur Kuriloff and John Hemphill, Jr. have neatly outlined the Uniform Partnership Act as developed by the National Commissioners on Uniform State Laws.

The relationship of partners in the conducting of business has been spelled out in the Uniform Partnership Act. This model partnership law was developed by the National Commissioners on Uniform State Laws. Many states have adopted the Uniform Partnership Act in its entirety while others have enacted variations of it. You should follow the legislation in force in your state if you enter into a partnership. In any event, the Uniform Partnership Act gives useful guidelines for a partnership, by outlining both rights and obligations of partners.

**RIGHTS:** Under the Uniform Partnership Act, each partner has the right to:

- Share in the management and conduct of the business
- Share in the profits of the firm
- Receive repayment of contributions
- Receive indemnification for, or return of, payments made on behalf of the partnership
- Receive interest on additional advances made to the business
- Have access to the books and records of the partnership
- Have formal accounting of partnership affairs

**OBLIGATIONS:** Under the act, each partner has the obligation to:

- Contribute toward losses sustained by the partnership
- Work for the partnership without pay in the customary sense, but rather for a share of the profits

- Submit to majority vote, or arbitration, when differences arise about the conduct of affairs of the business
- Give other partners any information known personally about partnership affairs
- Account to the partnership for all profits coming from any partnership transaction, or from partnership property

### ADVANTAGES OF PARTNERSHIPS

- Partnerships are fairly easy to form
- The owners share the risk between themselves
- There is access to diverse management skills and a larger pool of talent
- There is no double taxation, income is taxed through each individual partner and not the partnership
- Division of profits based on partnership agreement
- Larger pool of capital than Sole Proprietorship
- Ability to attract other partners
- Little governmental regulation

### DISADVANTAGES OF PARTNERSHIPS

- In a general partnership, each partner is responsible for 100% of all debts, holding their personal as well as business assets liable, regardless of which partner made the commitment
- In a limited partnership, the limited partner is liable for only the total investment made
- As each partner shares in the liabilities, they also share in the profits
- Upon the death of any partner, the partnership is dissolved
- Dissolution of an existing partnership requires legal procedures
- Either you or your partners' values may change over time, causing disunity and conflict in making decisions
- Partners are bound by law of agency
- Limited capability for capital accumulation

## C-CORPORATION

A C-Corporation is a legal entity. Its ownership is offered to the public. It is a separate entity formed by the state that pays taxes and is itself liable for all debts. It is in essence a third party individual that in the eyes of the law is a living and breathing person and as such can accept the responsibility for assuming liabilities.

A corporation is more difficult to form than a sole proprietor or partnership and can be formed only by complying with the state laws governing such formation and by fulfilling certain statutory requirements.

Although forming your company as a corporation puts the liability of debts in the hands of the corporation itself, this does not always hold true for small start-up companies. Many entrepreneurs find that in order to get financing, they must personally guarantee the loan before it can be approved. In this case, if the debts are not paid, the personal assets can be seized from the owner. Therefore, you can see that there may still be some limited liability as a C-Corporation when starting your enterprise.

### ADVANTAGES OF C-CORPORATIONS

- The company continues to exist despite any ownership changes
- You have an increased ability to raise capital as a result of the sale of stock
- Each corporation must establish a board of directors that may provide valuable management assistance
- You can have limited or no personal liability
- Ease of transfer of ownership
- Larger pool of skill talent and knowledge
- Potential for economies of scales in operations

### DISADVANTAGES OF C-CORPORATIONS

- It is much more complicated and expensive to start-up
- There are many more legal requirements, reports and tax returns. It is expensive to support the reporting requirements for C-Corporations
- You must adhere to government regulations regarding meetings of the board of directors (usually a meeting once every quarter is required). You must maintain Board Meeting Minutes and document all major actions
- Earnings are double taxed, once on the corporation and once on the personal salary or dividends you receive from the corporation
- Potential loss of control by founder(s) of the corporation

## TAXATION

An ordinary corporation may elect to be taxed as a S-Corporation, provided several criteria are met. For example, there cannot be more than thirty-five stockholders (a husband and a wife are counted as one shareholder); no shareholder may be a non-resident alien, etc.

Under this election, corporate incomes flow through to the stockholder's income tax return.

The corporation does not pay income taxes; the stockholders' record the income on their individual tax returns. The stockholders are taxed on the total corporate income, although not all of it may have been distributed. No double taxation is encountered under the S-Corporation form. A S-Corporation formed after 1983 must have the same tax year as its owners (generally, a calendar year).

Before electing this form of corporation for tax purposes, the electors should be thoroughly aware of all aspects of the S-Corporation requirements as well as the impact that such an election will have on after-tax cash flows. Such an election may or may not be an advantage depending upon the particular situation.

As with other legal forms of business, an attorney should be consulted prior to the enterprise creation. This is especially true because some of the aspects of this law that might affect your business and your decision as to type of legal form of business may have changed.

### ADVANTAGES OF S-CORPORATIONS

- If the corporation expects to lose money in the early years of operation, and the shareholders will have income from other sources. The corporate losses will shelter the income from other sources
- Because of the tax bracket the shareholders are in, there can be tax savings if the expected profits of the S-corporation are split among the shareholders
- The business is such that the corporation does not need to retain a significant portion of its profits

### DISADVANTAGES OF S-CORPORATIONS

- You may have only up to 35 shareholders limiting your level of financing
- A non-resident alien may not take a part ownership in the corporation
- No shareholder can be a partnership or a corporation
- The corporation can have only one class of common stock and no preferred stock
- The tax laws regarding the S-corporation are very complex
- When an S-corporation begins to produce very high levels of taxable income, it would be a good time to change to a C-Corporation and begin collecting profits in the corporation. The IRS will allow you to change to a C-Corporation status

## THE SELECTION PROCESS

From the above legal entities, you should select the one that is most advantageous to you. Generally with a new venture, the sole proprietorship is preferable, unless you need large financing for your project. The description of your business will take on the characteristics of the legal form you choose.

## ADDITIONAL SOURCES

A variety of sources can help you develop a business plan. A firm may receive assistance from a franchiser or strategic planning program sponsored by a major vendor. Personalized consultants may be enlisted, such as the Hamilton, New York based American Management Association that offers the Strategic Planning Process, an intensive program that analyzes every nook and cranny of planning for profit.

Such programs take a substantial financial investment - in the thousands for the AMA's one to three-day seminars - but when finished, a detailed business plan will be in place.

The important thing in developing a business plan is that you do it and do it right. A mid-approach is to retain a local financial planner trained in guiding small businesses in the development of the business plan.

If all of this preparation seems a bit beyond your capacity for organizing, opportunities that are more appealing might be found in the area of franchising.

## FRANCHISE OPPORTUNITIES

Franchising has put more people into business successfully than any other concept since the beginning of capitalism. Approaching almost \$400 billion in annual trade, franchising now constitutes almost half of U.S. retail sales. Unlike conventional business start-ups, franchises boast a remarkable success rate.

The most common type of franchise within the financial services industry is the trade name franchise. This arrangement enables, for example, the entrepreneur/independent financial planner to be identified with the franchiser's name and allows him or her to market a broad array of investment products and financial services for diverse clientele.

Franchises deserve the attention of prospective entrepreneurs/independent financial planners. Advantages for the franchise include management and marketing counseling and training, strong due diligence, breadth and depth of investment products and services, financial support systems in the start-up phase, expeditious trading capabilities and other services designed to enhance and insure the initial and long-term success of the entrepreneur/independent financial planner.

## SUMMARY

In summary, many factors contribute to new business success, but certain personality characteristics appear frequently among successful entrepreneurs. Despite substantial failure rates, there is an easily identifiable cause in most cases - poor management.

Poor planning is usually at the root of poor management, and knowing how to prepare an effective new business plan can help the future entrepreneur fend off this ever-present problem. Though effective planning may increase chances for success, it is not always necessary in formulating the initial idea or basic concept.

America was built on entrepreneurship and continues to grow because of those enterprising individuals. May your business grow and prosper!

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