

Silver Advantage Consulting Alert

Opportunity Knocks: Start Your Business The Right Way

By Steve Handler, CPA - Partner

July 2014 -- The online encyclopedia, *Wikipedia*, defines a business startup as: "A company, a partnership or temporary organization designed to search for a repeatable and scalable business model." A business startup can, however, be many things, including a totally new venture, or an existing business that decides to expand or enter into a joint venture.

The process associated with expanding an existing business can assume many different forms, such as the decision to operate in another country, open in a new U.S. location, add a new line of business, or become a franchisee. There are, however, some basic matters that need to be addressed, no matter what type of new business venture you decide to establish.

The process begins with an idea. Often, that idea is a statement of what distinct competitive advantage a product or service provides, i.e., criteria that will help to ensure that the product or service is successful. This is often the basis for the "repeatable and scalable business model" referred to in the *Wikipedia* definition. Eureka! We have our idea; now we need a strategic business plan that describes how to leverage that idea, successfully and profitably.

Most people starting a business are not experienced in strategic planning and can benefit from hiring a professional business strategist to assist in creating the written plan. As strategic planning consultants, Michael Silver & Company CPAs begins with a thorough understanding of the business model. Following that, we typically take inventory of all resources and implement a SWOT (strengths-weaknesses-opportunities-threats) analysis. The strategic plan addresses all of the basic questions:

- **What** – What is our product or service, and what is its distinct competitive advantage?
- **Why** – Why will our new business venture succeed? Market research will be needed to confirm that there is sufficient demand for our product or service, and what is the best approach to take (e.g., marketing) to meet the demand.

- **Who** – Who will be part of the organizational structure, initially and in the future? What outside resources will we establish or hire, such as a Board of Advisors, Accountants, Lawyers, Bankers, Insurance and Marketing professionals, etc.?
- **Where** – Where will we locate our business? Also, what furnishings and equipment will we need? What are the storage requirements for inventory and materials, shipping and receiving needs and, most importantly, what geographic areas best serve our needs, as well as those of our clients/customers?
- **When** – When do we begin? What is a realistic time frame for implementing our plan?
- **How** – How will we get our plan implemented? After developing a list of tasks, these need to be assigned to responsible individuals or committees, utilizing an appropriate tracking and follow-up system. This is a key element of the management process: planning, implementation and control.

Like every business, each strategic business plan is unique. The more that you invest into the planning process, the more likely it is that your objectives will be successfully achieved.

This article is a very simple introduction and overview of the overall planning process for any new/startup business. We would be happy to explore with you, in more detail, how you should start your new business. If you would like to learn more about how to benefit from our knowledge and receive a copy of our new business checklist, please contact me at 847.213.2107 to arrange a complimentary consultation.

Steve has been a Partner with Michael Silver & Company CPAs since 1997. His prior experience includes 15 years as a Partner in another CPA firm, and over a decade of management experience as an industry executive. In addition to assisting international companies with their U.S. operations, and extensive experience in real estate, Steve is a Certified Management Consultant with expertise in mergers & acquisitions, long-range planning for closely-held businesses, compensation planning, and commercial lease negotiations.

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