

19.12: Considerations When Starting a Business

Learning Objectives

- List important considerations in deciding to start a business



The three fundamental questions to consider when deciding to start a business are:

1. Do you have what it takes?
2. Do you have a viable concept?
3. Is the reason you want to start a business consistent with your character and concept?

Yourself

Do you have what it takes?

The entrepreneurial assessments discussed earlier this module are a good starting point for self-assessment. Additionally, you might want to [take the Grit Test](#) developed by psychology professor and researcher Angela Duckworth.

Another way to approach the question is to review the type of questions a founder might ask in an interview and consider whether you would hire yourself. For perspective, scan the questions—and thought process behind the questions—shared by startup leaders and others in Firstround.com’s [The Best Interview Questions We’ve Ever Published](#). According to Anne Dwane, one of the serial entrepreneurs interviewed, “the most important quality any start-up leader (current or aspiring) can have is adaptability.” To get at that, she asks (and you might want to ask yourself – and reflect on your responses) the following questions:

- What have you started?
- How would you describe yourself in your own words?
- How would a colleague describe you in three adjectives?
- What current trends are you seeing in your profession? (Substitute your target industry/market for your profession)
- What new things have you tried recently?

Additional questions to consider include Koru co-founder and CEO Kristen Hamilton’s questions regarding grit, rigor, impact and ownership.

Your Concept

Do you have a viable concept?

Viability is something that will come out of the business planning process, which we will discuss in the next few sections. Before you dive into a business, it’s essential to do careful planning to ensure that the venture has potential to succeed. Jumping in with no information and no plan is a recipe for disaster.

Your Business

Is the reason you want to start a business consistent with your character and concept?

The third consideration is doing a reality check on why you want to start a business. Consider Dwane’s opening question: “what motivates you and what do you want to do next?” Can you connect the dots? Starting a new small business will require a lot of time and energy—if you’re not truly passionate about your venture, especially when it’s new, it (and you!) won’t be able to stand up to the stress of day-to-day business.

? Practice Question

<https://assessments.lumenlearning.co...essments/11034>

✓ Starting a Business

Starting a business doesn't have to be an all or nothing proposition. A number of successful entrepreneurs developed their business concepts while in school or working a traditional job. In his “[The Surprising Habits of Original Thinkers](#)” TED Talk, Organizational psychologist, professor and author Adam Grant discusses the mistake he made in passing on an opportunity to one of his student's start-ups. He assumed that because the founders were working internships while developing the concept and had lined up jobs as a Plan B, they didn't have the commitment to make the business a success.

The business the students launched: Warby Parker, a glasses e-tailer that Fast Company named as the world's most innovative company in 2016. Warby Parker is currently valued at \$1.75 million. For additional perspective, read Jason DeMers [The Pros and Cons of Starting a Business While Working A Full-Time Job](#) for Entrepreneur.

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