

Step One: Look at Yourself

Are you ready to be a small business owner? Do you have what it takes? Use the chart below to look at your strengths and weaknesses. Rate yourself on each skill by choosing the appropriate number.

	Low	Medium	High
Sales and Marketing			
Advertising, promotion, public relations	1	2	3
Creating marketing plans	1	2	3
Creating marketing strategies	1	2	3
Advertising copywriting	1	2	3
Pricing	1	2	3
Packaging	1	2	3
Sales planning	1	2	3
Negotiating	1	2	3
Direct selling	1	2	3
Customer service	1	2	3
Tracking competitors	1	2	3
Financial Planning and Accounting			
Cash flow planning	1	2	3
Bank relationships	1	2	3
Managing credit lines	1	2	3
Bookkeeping	1	2	3
Billing, payables, receivables	1	2	3
Monthly profit and loss statements	1	2	3
Tax preparation	1	2	3
Personnel			
Hiring employees	1	2	3
Firing employees	1	2	3
Motivating employees	1	2	3
Scheduling	1	2	3
Payroll	1	2	3
Benefits administration	1	2	3
General management skills	1	2	3
Communication Skills			
Oral presentation skills	1	2	3
Written communication skills	1	2	3
Computer skills	1	2	3
Personal skills			
Ability to establish goals	1	2	3
Ability to work long, hard hours	1	2	3

Ability to manage risk and stress	1	2	3
Ability to handle failure	1	2	3
Ability to work alone	1	2	3
Ability to manage others	1	2	3

There is no magic number that ensures success as a small business owner. Look at your overall skills, but look at each area, as well. If one or two areas are low, it might be smart to gain the skills you're weak on before you start a business.

If you scored low in the last section, "Personal Skills," you should probably reconsider whether owning a business is the right step for you, no matter how strong your other skills are. If you can't motivate and manage yourself through the tough times of business ownership, you will probably be happier in the long run working for someone else.

If you scored mostly **2s** and **3s** in all areas, you may be ready to move on to Step Two.