

THE THREE PHASES OF FORMING A BUSINESS

There are three natural and essential phases to go through when trying to decide whether to form a business.

The Idea Phase

In the back of your mind, you've had this germ of an idea about starting your own business. In the Idea Phase, you begin to seriously explore the possibility of actually doing it. You consider the "what-ifs" and bounce the idea off friends and family to gauge their support and to get their advice. In this phase, you start writing down your ideas and get input from friends and family. This is a good time to make an appointment for free counseling. In the very first phase of planning, SCORE can provide valuable initial information and support, such as how to find answers that are needed in the feasibility phase.

The Feasibility Phase

Having explored the "what-ifs," you are now ready to do some serious investigation as to whether you really should go into business. The Feasibility Phase is the "Can I really do this?" stage. At this point, you begin to ask and find answers to important business realities, such as:

- Where should I locate my business; what would it cost to be here or there?
- Is anyone else in the area in the same business; how can I compete successfully? What type of equipment/supplies do I need; how much would they cost?
- If I want to open a home-based business, do I need a license; are there any restrictions that prohibit a home-based business in my neighborhood?
- Do I need financing? Who would finance? How much will it cost?

Give yourself time to consider these and other questions that arise -and remember, SCORE or SBDC's free counseling can help you determine if you have uncovered all the concerns to address in this phase.

The Business Plan Phase

A business plan is a written document that describes your business in enough detail to focus your efforts and demonstrate to others, including your prospective financiers (bankers), the serious thought and planning that have been going on in the first two phases. The business plan is the "can do!" document. A business plan is used to obtain business loans and other support. Both SCORE and SBDC can help you with your business plan. We are ready to review your draft business plan to see if you have overlooked anything. Our offices have several publications that describe and give examples of business plans, have business plan software, and provide workshops/seminars on writing a business plan.

SCORE is ready to help-free of charge-whenever you need us!