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Starting A Business

Have you ever had the feeling that there are many others around you who seem to have some sort of secret formula for success? They live in nice homes, drive nice cars, dress well and always seem to be going on vacation to exotic faraway places. Then when you learn they own and operate their own businesses you wonder how they did it. The fact is starting your own business is quite an undertaking.



I've been doing some research on what it takes to start a retail store business (as one of several examples). The list of requirements is daunting. Here's the short list:

1. You need to have passion and be "all in" for what you're about to do. You can't have one foot on the dock and one in the boat and expect to make progress. You'll need to do your research on the competition and market demand for what you're going to be selling. Also, what is your unique offering? Why you and not your competitor down the street from you?

2. You need to have a fair amount of cash on hand or the ability to borrow it from banks, family, friends, associates, etc. If you want to take advantage of the benefits of a franchise be prepared to show up with \$50,000 up to \$1,200,000 depending on the brand name. Money is the key reason 80% of businesses fail in the first year. Underfinancing is the main issue with most small businesses. One advantage of a franchise is that they will show you how to succeed in spite of your lack of knowledge. Just follow their instructions and training while you are still willing to work 12 hour days, seven days a week in the early years.
3. Let's say you want to open a real brick and mortar store. You'll need to find a good location with property for rent then get ready to sign dozens of documents and make long term agreements that will obligate you to the costs no matter your cash flow or profits.
4. You'll need to buy inventory, equipment, office supplies, etc. More money will go to this. Then there is merchandising and for this you'll need fixtures, counters, display cases, etc.
5. Then you'll need the technology and communications electronics ... computers, printers, scanners, internet access, phone system, cash registers, etc.
6. Banking accounts will need to be established. Lines of credit in some cases will also be needed.
7. Staffing your new store will require hiring, training, tracking and motivating your staff. You'll have safety compliance issues to deal with along with many other minor city requirements that won't even occur to you until needed.
8. Compensation for the staff will require state and federal regulatory issues to be addressed (and more money to pay taxes, worker's comp, FICA withholding, etc.) You may also need a CPA, accounting support, payroll support, etc. (More money for this.)
9. Now you'll need insurance and other financial considerations along with permits, certificates, fire department inspections, etc.
10. Finally, you'll need to create signs. Believe it or not even this requires the approval of a city official and there might be more fees for this.

If this list does not scare you a little then consider that there are about as many additional requirements facing the new retail store owner than this list mentions. All require time, lots of money, energy, total commitment, the risk of losing all you've put into the effort and possibly being in debt for a long time as a result while you go find another source of income.



I recently attended a rally with a friend who is part of a network marketing company selling what I believe to be a really excellent line of products. My eyes were opened to the reality of the opportunity that is there for someone who has no problem with total commitment but does not have the hundreds of thousands needed for a traditional business. I have to admit that if the products or services are good, the compensation plan well-structured and the back office support is excellent, a few of these MLM folks have a winning formula.



But to be fair, no matter the formula, one has to be willing to work at it, not just mention it to a few folks and hope it all works out. On top of this one has to have well-developed skills at organization, communication, time and money management, networking and business details. Without these vital considerations a person getting involved in network marketing will need coaching, training and active

support to succeed if the goal is to earn more money than is spent just to be in the business. The same is true of any traditional store operation.

I'm not suggesting that an MLM job is the one to run to, but even the best economic advisors in our modern times are telling us that if financial success and the desire to help others achieve the same is a key focal point, then it pays to seek out data on such companies and perhaps get involved. However, it still will require a huge unwavering commitment to do what needs to be done to succeed. It's easy to find highly negative reports on network marketing companies that only reward those who founded the company. But if I were about to commit to opening a new retail store and could somehow eliminate 90% of the list in this document plus many other

considerations, would it be worth investigating? I think it might.



The friend I was with at the rally started her business with no fear, no negative mindset and no unrealistic expectations. From that humble start she is now very successful 5 years later no matter how you want to measure it. The lesson for all of us is that if you want

to succeed at anything a 100% commitment must be the starting line. Then education, support, knowledge, communication skills and product superiority must be the finish line. No matter whether you are about to open a new retail store or start a new business selling a similar product line, your success will depend on your level of commitment to overcome any and all obstacles to reach your goals.

In my view, many who start out to succeed in business lack some or all of the necessary qualities of communications, money management, time management, self-management and total focus needed to even compete. If these qualities are missing and no one is doing anything about it then failure is simply hastened because of it. Look at it this way – if any person is willing to do all that needs to be done to succeed with opening a retail store it's likely that person will also succeed at building a sales network.

In summary, starting a business is no small task. But you do have many options. As author, entrepreneur Robert Kiyosaki says “Consider network marketing because it provides you with a good return on your efforts without all the upfront costs of owning the product line and the back office support to make it successful.”

If you want to see a fully outlined list of considerations on starting a retail business check this link: <https://www.vendhq.com/university/how-to-start-a-retail-business>

Until next week, if you know of any business that would benefit with a little coaching in the areas of organization, time and task management, social media, sales, marketing, customer service, operations, HR, leadership or team-building, have them give us a call at 562-577-7000 or send us an email. We will keep you in the loop on how it's going.

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Our consulting and coaching focus supports management, sales, customer service and operations. Included are sales and management assessment surveys as well as leadership, teambuilding, sales operations efficiency and online

tracking projects. Our other team members bring additional disciplines as well. We will showcase them in future editions of this business journal. We are all committed to driving the results you want.

