

# The Pros and Cons Of Starting Your Own Business Two Part Series

Starting a business can be a meaningful and validating step towards self-actualization.

## PART 1 PROS TO STARTING YOUR OWN BUSINESS

[Starting a business](#) can be a meaningful and validating step toward self-actualization. There are countless reasons why a person may want to start their own business: Maybe it's the culmination of a lifelong dream. Perhaps an entrepreneur has been encouraged by family and friends to bring a particularly innovative product or family recipe to market. Or maybe they've simply spent years working for others and are looking to create something of their own.

*"Starting a business isn't a decision to be taken lightly."*

Regardless of the reason, starting a business isn't a decision to be taken lightly. New businesses are costly, time-consuming and often struggle for years before they see a profit. Then again, there can be plenty of positives to owning your own enterprise. In part one of our two part series, we will detail the pros of starting a new business.

### **Independence**

The biggest and most commonly cited reason that many [go into business](#) for themselves is to have the opportunity to be their own boss. This can be emotionally validating, contributing to an overall sense of pride in the work being done that often doesn't come easy when a person is simply putting in time and collecting a paycheck.

### **Employment**

The stomach-churning rollercoaster that is the employment economy has led to many deciding to simply get off the ride. Going into business for yourself means, on a basic level, you will have a job, and ideally one where you are using your personal skills to their full potential. It may not be the highest paying job and it may be exhausting, but it is steady work and only you can say when it's time to move on.

### **Flexibility**

Does a more traditional 9-to-5 job not work with your unique schedule? Starting your own business allows you to set your own schedule and not have to slavishly observe office hours. This makes it a potentially ideal solution for parents of children or with other time commitments.

### **Windfall**

When your business is a success, every penny of the profits filters back to you rather than a boss or corporate shareholder. The possibility of earning more money than if you were employed by someone else makes the prospect of opening up shop on your own very attractive for many.

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### **Stimulating the local economy**

America was founded on the spirit of entrepreneurs looking to create something for themselves, and local businesses are still a cornerstone of our economy. Opening your own shop generates tax revenue, creates jobs and gives consumers more competitive choices when it comes to products and services.

### **An asset of your own**

Beyond being a source of employment for you, the business owner, starting an enterprise functions as an asset if the business proves profitable. It can be sold or franchised to be a source of income when you are no longer interested in operating it yourself, or ownership transferred to your children or family after your death.

An experienced [business attorney](#) can help. The Law Offices of Donald W. Hudspeth, P.C. practices only business law. It does not do anything else. The firm has helped countless entrepreneurs set up and structure their new businesses.

We have a "Start Up Packet" of helpful information, advice and articles on starting, buying and operating your business. Call us today to learn more.

Call 602-265-7997 or contact is available 24/7 through Chat Room on this website.

### **CATEGORIES**

Arizona LLCs, Asset & Liability Protection, Business Law, International Business Law, Starting a Business in Arizona



Before you go into business for yourself, it helps to know the pros and cons.



Welcome back to the second in our two-part series on the pros and cons of starting your own business.

## PART 2 CONS TO STARTING YOUR OWN BUSINESS

Welcome back to the second in our two-part series on the pros and cons of starting your own business. While last time we detailed the ways that owning a business can be satisfying and fruitful as part of the pros of starting a new enterprise. In today's post, we will take a step back to go into the reasons that give many pause before going into business for themselves. Here are some of the cons when it comes to [starting a business](#).

### Risk of failure

Unfortunately, new businesses are disproportionately more likely to struggle - and often fail - than existing enterprises. The first two years are typically the hardest, when profits can be slim to nil and expenses high. It can be difficult to watch your dream falter and see all your hard work go to waste - both emotionally and monetarily.

### Significant investment

Getting a business off the ground requires a significant investment of time, resources and money. While bank loans and gifts from family and friends can help, the bulk of the hard work and investment will come from you as the business owner. This means long hours and few opportunities to take any meaningful time off in the early stages of your enterprise.

### Inconsistency

New businesses are inconsistent and difficult to predict: revenue may be spotty, customers fickle and advertising confusingly ineffective. It may take time to get in a groove and discover what works best for your business - by which time, you may find yourself exhausted and in debt.

### 24/7 Commitment

Owning your own business does not mean taking off or taking a vacation whenever you want to, at least not until you have reached some level of success and profitability. And, reaching that level can take years of work and commitment. Owning a business can be like raising a child: It can be both extremely rewarding and extremely challenging. When a child cries you need to be there; the same is true for your business.

### Lack of benefits

Unlike a traditional full-time job working for someone else, self-employment requires you to set up your own safety net. This means paying for your own health insurance, retirement and other benefit plans, as well as setting up these benefits for your staff.

### Distraction from what you really want to be doing

Just because you got into business for yourself to make a particular product or provide a specific service doesn't mean that the majority of your time will be spent actually doing that. Often, business owners find themselves preoccupied with the organization and administrative tasks, overwhelmed by the minutia rather than being able to focus on what brings them the most satisfaction.

### Regulation and litigation

The biggest drawback to opening your own business is that the burden of compliance falls squarely on the business owner. There may be permits to obtain, training to receive and regulations to observe that, in the event of non-compliance, can result in expensive litigation. Furthermore, if your personal assets aren't protected, any lawsuit or sanction against your business could result in losing the things you've worked so hard to get.

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