

GROWING YOUR BUSINESS

BECOMING THE BOSS: A GUIDE TO BREAKING OUT ON YOUR OWN

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Decades of pushing students to four-year universities and shaming any notion of vocational training has left America in a skilled trade crisis — with nearly **70 percent** more open jobs in trade-related fields than people qualified and willing to fill them.

Lucky for you, you are qualified. You completed that vocational training so many warned against and have dedicated more than eight years to refining the art of what you do. Now, You've decided it's time – time to branch out on your own in your very in-demand trade. You've dedicated several years to an apprenticeship, which you completed successfully, pursued elective training and earned the appropriate licenses. After all your hard work, you're ready to be your own boss and set your own hours.

You may be eager to hit the ground running with new business cards and matching truck decals. But let's hit pause on that marathon for just a moment. Starting a business, any business, has steps involved, and it's essential you start with number one. Consider each of the steps here as you move forward with this next phase of your career.

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1) RESEARCH THE MARKET ...AND



Take a move from Peter Parker's playbook and do some investigating before making any major decisions. Start off by evaluating your market. Is business slow where you work now or is it booming? If it's slow, do you have any reason to believe the people in your community who do not use your service could be persuaded to do so? Are there other businesses in your trade desperately competing with you for customers or do you often send jobs to each other when there's too much on the schedule for your team to realistically complete? If you find the schedule is constantly full and you're receiving requests on your days off so you can cover every client, you're market conditions for launching a similar business are probably fairly good. If, however, business is frequently slow already, it's unlikely that will change when you open up your place. More than likely, doing so would damage both yours and your current supervisor's livelihood. It doesn't mean you have to give up your dream, you may just want to consider looking at some of the surrounding towns or cities as your primary location.

Heath Gentry, small business owner and licensed carpenter in Denton County, Texas, said he agrees research is crucial when starting a small business. This includes considering potential markets but other factors as well.

"Start out by going to your state's website and review what it has to say about starting your own business," he explained. "Listen to what it says about tips and tricks, but don't forget to look at the business registration process at costs as well."

2) OBSERVE AND INTERVIEW

Confident your market is prime for the opening of your new venture, many future business owners may want to blow right past this step. However, it's worth the time. This is second-level research. Check out your competition, what their business looks like online and in person, if possible. Keep a list regarding what they are doing that you'd like to

mimic while also noting choices and practices you want to avoid. If

you're on good terms with any potential competitors offer to buy them

lunch or a drink in exchange for picking their brain(s) about your

upcoming business. Take an additional few hours and speak with key

people in your community about their likes and dislikes of local

businesses as well as what they'd suggest you include or exclude in

your own.

3) PREPARE FOR A GRADUAL EXIT

Planning your exit gives you ample time to inform your supervisor of your goals and hopefully garner their support. Instead of giving them a mere two weeks notice, taking gradual steps to leave will help you to not burn a bridge with the company when you leave, which will demonstrate your professionalism and positive relationships to potential clients later on.

Josh Daugherty, whose family owns Lair Plumbing in Fort Worth, Texas, suggests beginning to build your new business by taking new clients on your off time.

“I would recommend spreading your own name and reputation through word of mouth until your getting so much side work that you literally can't take care of it all during nights and weekends anymore,” Daugherty said. “That's when I would make my final exit from my previous employer.”

4) DETERMINE YOUR BUSINESS STRUCTURE

Weigh your options for each type of business structure (sole proprietor, partnership, corporation or limited liability company), as your choice will impact ownership rights, shares, taxes, legal liability, organizational structure and more.

5) CREATE A BUSINESS PLAN



A business plan will help you to organize and prioritize your company's

most important information. You'll compile your rationale for why you believe your business will succeed. Your market analysis as well as a look at one for your industry nationwide, how your employees are organized, more in-depth information about your products or services, your plan for gaining publicity, and information about financial backing and your plan to make an income moving forward.

6) SECURE FUNDING

After attempting another side business with a friend, Daughtery said he learned first hand just how difficult funding can be. After attempting another side business with a friend, Daughtery said he learned first hand just how difficult funding can be.

“The business my partner and I were trying to undertake was a brewing company,” Daughtery explained. “We both had plenty of knowledge in brewing and an excellent business plan. However, he had terrible credit, and I had mediocre credit. The possibility of us acquiring funding was nearly impossible, so I ended up taking a loan from a creditor company to pay out my credit balances to a point we could be able to receive funding. This was a mistake I would caution any entrepreneur against making. Long story short, unforeseen circumstances fell in our path, and I am now stuck with that debt on my own, without the company we planned.”

As Daughtery shared, one of the most stressful steps in starting a new business is often funding. Not to worry, though. You should have already planned for how you will handle this in your business plan.

If you're looking for loans, certain criteria will impact your chances of being granted one. Yet all is not lost if the application for a traditional loan does not go in your favor. The internet is full of business websites with creative ideas about how to gather funding. Some of these are even specific to small businesses. Take a glance at what Karen Kobelski has to say on her post on The Muse, [“Show Me the Money: 7 Ways to Get Funding for Your Business Idea”](#)



7) DO THE LEGAL LEG WORK



With average hourly attorney fees reaching up to more than \$500, it can be challenging to find legal help that won't break the bank. Regardless, it's important to recognize that without the legal end of the work for your new business completed, your company will never officially exist. If you choose to do most of the leg work yourself, make sure someone with a legal background reviews it. If you plan to work directly with an attorney, be sure this person specializes in small business. Also, remember some of the rules regarding business registration, etc., vary by state. This may also be a good time to ask about your local rules regarding running a business out of a house.

8) TRADE LICENSE/CERTIFICATION + INSURANCE

At this point, you need to be 100 percent sure you are following all rules and regulations for your trade. Doing so will not only keep you safe, but help you avoid paying some hefty fines. Maybe you chose a business structure where you are the sole proprietor, but if you didn't, if you have any employee at all, it is **required by law** that you purchase insurance. Even if you are not legally compelled to purchase business insurance, keep in mind the power it has to protect you. You cannot prevent every little unfortunate event, and even if it is not your fault, someone is bound to try to assign the blame to you. If you do not have insurance, costly legal fees could take a major toll to your bottom line, even if you end up winning the case.

While licensing/certification requirements vary by trade and location, the best rule of thumb is research licensing requirements for your specific trade and follow them to a t. Many future business owners have their certification/trade license(s) earned and worked out before even considering starting a business. However, since laws vary by state, it's possible to end up in a sticky situation. Failure to follow industry certification/license requirements for your trade properly is considered operating an illegal business and can come with some damaging



consequences. Do not throw away your opportunity to start your own

trade business over a few more months of red tape.



9) GET CREATIVE WITH MARKETING

For some businesses, marketing has the power to make or break them. Spending your entire business budget on marketing is not the answer. Often, brand value and professionalism is. Additionally, always consider how much negative influence poor grammar and incorrect spelling can have on a person/business' credibility, even if their expertise has nothing to do with writing.

The key to successful marketing for many new small businesses is the creation of a brand position (value), something that makes them stand out among other similar businesses.

In fact, findings by market research firm [Yankelovich](#) estimate an individual living in a city too is exposed to about 5,000, ads per day, a large percentage of which most people never even recognize they've seen. This oversaturation of advertising has caused consumers to become desensitized to ads. In order to effectively reach people, advertisers are now forced to target specific demographics, while balancing calling themselves out from the crowd with remaining professional .

Gentry suggests new business owners should keep up with the development of social media and consider how they can use it to gain free publicity.

“Don't get lost in whatever any other business owner is attempting to use for their client outreach,” Gentry said. “Try connecting with potential clients through newer applications, such as NextDoor, as well.”

10) HIRE PASSIONATE EMPLOYEES

You're passionate about your trade, but do your employees really need to feel the same way? Isn't working hard enough?

Daugherty's plumbing business has been in his family for generations.

From his own experience and that of his father, Daugherty says no.

"Any trade based business that has dreams of success and longevity must be owned by and hire employees who take pride in their work and have integrity in their work ethic," Daugherty said. "If these two things are apparent in your work, you will have life long customers and more. I am working for third generation clients because of the integrity, faithfulness, and attention to detail that has built our company and was continued on through my father and now through me."

He explains that passionate employees go above and beyond in special ways.

"These things that build integrity and repertoire can be as simple as walking a homeowner through how to light the pilot on their gas water heater or giving them honest options on repairs or fixes instead of just going after an expensive total replacement of something," Daugherty noted. "These experiences help to build a bond and trust with your clients and in time can turn into lifetime and generational customers, which ensures long term success; especially in trade companies where someone always needs something fixed. That's income you can rely on, that's what keeps you above water in the slim months."

While hiring someone who can simply do a job and follow directions well if not terrible, employees who "take pride in their work," are memorable and build lasting relationships while leave positive impressions.

THE BOTTOM LINE

Working the 8-5 grind can be tough and that fact that you have all the credentials you need in order to leave and start your own business is exciting. Still, the level of work and required responsibility associated with being your own boss has its own set of pros and cons.

There are benefits to being your own boss as well as a different set of stresses. Hopefully the freedom you experience will pay off.

Whether you open your new business tomorrow or three years from

now, be encouraged that with the trade industries in such need of skilled workers, you'll never want for a job and you've got a real chance at being successful once you do open your own place.



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