

# Understand Yourself: Assessing Your Business Readiness

**Summary: this simple self-assessment exercise will help you determine whether self-employment is the right option for you.**

Starting a business is not for the faint of heart. If you choose to go into business for yourself you can expect it to be one of the greatest adventures you will have. There will likely be moments of glory, but you can also expect to experience set-backs and times of great stress. A little personal planning can help you decide whether this is an adventure that you really want to take.

Take time to get comfortable before starting this exercise, as you want to maximize your creative ability as you answer these questions. You may want to print out this article and write your answers down in a notebook.

## Your Goals

Where do you see yourself one year from today?

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Where do you see yourself five years from today?

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Ten years from today?

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### *Your Strengths and Weaknesses*

Do you have the skills needed to start a business? This exercise will help you conduct a SWOT analysis (strengths, weaknesses, opportunities & threats) on yourself. This information will help you capitalize on your strengths and look for support in your weak areas.

The exercise:

1. Take out five sheets of paper.
2. Label the first sheet "strengths", the second "weaknesses", the third "opportunities", the fourth "threats" and the fifth "personal balance sheet".
3. Complete the first four sheets, starting with the "strengths" page:

**Strengths:** brainstorm keywords that describe your best attributes. Are you creative? Funny? A good manager? Note some of your greatest accomplishments. Don't just look at your business attributes; include a list of things that you like to do and that you are good at. You should consider your tangible assets as well. For example, do you have tools, assets or property that will give you an advantage if you decide to start a business?

- **Weaknesses:** brainstorm a list of areas where you believe you are weak. For example, do you tend to procrastinate until a deadline is looming? Are you disorganized? Do you have no background in bookkeeping or business finances?
  - **Opportunities:** you are now ready to brainstorm a list of opportunities, taking into account your strengths, work experience and hobbies. This will result in a list of ideas that you may want to consider turning into a business.
  - **Threats:** consider the threats that you will need to consider when you evaluate potential business opportunities. Common threats include insufficient resources (e.g. money), unexpected market factors (e.g. market trends cause your business area to decline), regulatory factors (e.g. rising cost of insurance and / or legal costs) and tough competition (e.g. competitors drop prices below cost for a limited time period to force you out of business).
4. Complete a personal balance sheet to account for your financial resources. A template is provided below.

Once you have completed this exercise you need to evaluate your options carefully. You are now ready to develop a business idea that will take advantage of your skills and opportunities while also taking into account possible threats and your financial resources.

## Personal Balance Sheet Template: Identifying Your Financial Resources

### ASSETS

<b>Current assets</b> (easily converted to cash)	
Money in your bank accounts	
Stocks & bonds (market value)	
RRSPs	
Other	
<b>Fixed assets</b> (not easily converted to cash, e.g. home, equipment, car, land)	
Home	
Vehicles	
Other	
TOTAL	

### LIABILITIES

<b>Short-term liabilities</b> (immediate bills)	
Rent / mortgage	
Monthly expenses (transportation, food, utilities, etc.)	
Other	
<b>Long-term liabilities</b> (loans & leases)	
Mortgages	
Bank loans	
Leases	
Other	
TOTAL	

NET WORTH (total assets - total liabilities):