

HANDOUT: Starting Your Own Business (4 pages)

Skill Builders: Key Words & Phrases, Skimming, Scanning

IN THE WORKPLACE: For many apprentices, one of the appeals of having a trade is the possibility of someday starting your own business. Being your own boss comes with a lot of freedom but also a great deal of responsibility

Refer to the article **5 Must-Dos For Running Your Own Business** to complete the tasks and locate answers to the questions. Being able to predict content from titles and sub-titles in a document is an effective strategy to make it easier to understand the content and read faster and more efficiently.

1. **Before** reading the article, and just looking at the title, list 4 things you think are most important for starting your own business.

2. **Before** reading the article, review the list of sub-titles below and write one thing you would expect to find included in each section. **Then** read the article and check your predictions to see if they are the same as the information included in the article.

a) Converting Leads to Sales

b) Fire Yourself

c) Calculating Overhead

d) Don't Get Complacent

3. Locate each of the following in the article and write another word (or phrase) that means the same thing.

a. Overhead _____

b. Lead _____

c. Break even _____

d. Grasp _____

e. Asset _____

4. What 4 factors need to be included when calculating overhead?

5. What are 3 examples of administrative components?

6. What are 4 examples of ways to thank customers for their business?

7. Draw a diagram to show the relationships between reputation, good work, and trust.

5 Must-Dos For Running Your Own Business

As a tradesperson, some of the main factors necessary for running a successful business are the same for just about any other type of company: Provide a service your customers cannot do without, and do it so well that yours will be the first name they think of when they have a construction, plumbing, electrical or general repair issue. However, you obviously have a lot of competition out there, so how do you separate yourself? These are just a few of the ways you can build a sustainable business.

Converting Leads to Sales

Most new companies have a goal of breaking even within a year or two, but there is nothing wrong with turning a profit sooner. There are a few strategies that can help you get to that point. For example, provide rewards for customer referrals, or offer discounts to return customers. Offer follow-up services to make sure your customers are still happy with your work. Consider establishing a frequent buyer program to reward loyal customers and keep them coming back.

If you do not have a website, it is time to embrace the Internet and all that it can provide. A well-built site can drive a steady stream of customers to your business. There are several tools – many of them free – that can help you establish an effective online presence that will take very little day-to-day effort on your part. Social media is the word of mouth of the 21st Century.

Fire Yourself

As great a tradesperson as you may be, there is only one of you. If your goal is to build the most successful business you can, that will mean taking on far more jobs than you could ever complete on your own. You will very likely need to fire yourself as a worker and hire yourself as a business manager. You will need a solid grasp of the administrative components of your company, such as personnel, marketing and finances. There is no way you will be able to focus on those areas if you are still making service calls every day.

Calculating Overhead

One of the main stumbling blocks to building a successful business is not having a clear understanding of your costs. If you do not have the most accurate picture possible of the expenses associated with providing your services, you will have an extremely difficult time correctly setting up your pricing structure. You need to take a close look at all of your costs, including labour, equipment (don't forget to take factors such as depreciation of vehicles into consideration), marketing and materials. You also need to have an idea of how many jobs you need to earn in order to start making a profit.

Don't Get Complacent

It is natural for some people to get to a certain level in their business and then lose the drive that got them to that level in the first place. If you want to build the most successful business you can, complacency can never be allowed. Your reputation is your most important asset; you would be shocked at how quickly your business could fail if you allow a lackadaisical attitude to set in and your work begins to suffer as a result. In order to increase profitability, you need to continually improve wherever you can. The stronger your reputation, the more trust you build among your customers. The more trust you build, the more work will come your way. As long as you remain passionate about what you do every day, your chances of success are very good.

Ref: Mascari, T. (September 21, 2015). 5 must-do's for running a successful plumbing business. (Blog post). <https://porch.com/pro/blog/2015/09/5-must-dos-for-running-a-successful-plumbing-business/>