LAW ADVOCATE GROUP, LLP

9701 Wilshire Blvd. Suite 1000 Beverly Hills, CA 90212

Phone: 310-651-3065   Fax: 310-601-7110

www.LawAdvocateGroup.com

Doron F. Eghbali Business Planning Law

How to Launch Your Business with Prudence and Caution

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Launching a business could be quite daunting as economy is still not on a sound footing and credit market not yet amenable to lending. Yet, for those entrepreneurs yearning to intelligently and prudently launch their small business, there are ways to make this rather impossible task a manageable one with prudence and caution.

1. HAVE A TRUSTWORTHY RELIABLE ADVISORY BOARD

Instead of asking numerous people their opinions of what you should do and how you should go about it, it is more prudent to assemble an advisory board. The advisory board would consist of experienced entrepreneurs with proven business acumen and highest degrees of trustworthiness and ethics. Assembling your advisory board would be of paramount of importance since if you keep asking disparate experienced entrepreneurs for a long time, you will probably receive some variation of the same advice. This will delay launching your business and erroneously create unfounded doubts in your mind as to feasibility and prudence of your plans. To eschew such problems, it is advisable to rely on your assembly of experts for continued guidance and monitoring of your business.

2. HAVE SUFFICIENT CAPITAL, NOT TOO MUCH NOT TOO LITTLE

Granted, sufficient capital is vague and undefined. What does it mean to have sufficient capital? What is sufficient?

The bottom line is to calculate your start up costs including BUT NOT limited to:

- Paying for Renting space
- Paying for Buying Equipment
- Paying for Buying and Storing Products
- Paying for Salaries
- Paying for Health Care
- Paying for Taxes
- Paying for Advertisement
- Paying for Insurance
- Paying for Utilities
- Paying for All Costs Until Your Business Turns Profitable

SALIENT NOTES

A. NON-EXHAUSTIVE LIST

The list is, by no means, exhaustive. There are so many other costs and expenses to consider. As reiterated before, you should have sufficient capital not only for launching your business, but also for being able to sustain your business until your business becomes profitable and is no longer bleeding cash.

B. NOT TOO LITTLE CAPITAL

As much as this is extremely important not to raise or spend too much money on advertisement, trade shows, website and promotions, it is, likewise, extremely important to always, keep some money for rainy day. You need to have sufficient capital to help you get through difficult days.

C. NOT TOO MUCH CAPITAL

When investors realize you have not been cautious and prudent with their hard-earned money, they will certainly think twice to dole out more money. This means your business will be bereft of any available capital while prudent cautious investors are deserting you.

3. HAVE A BUSINESS PLAN

For most businesses, devising and implementing a prudent business plan is a sine qua non for survival and ultimately success. Especially, if your business needs to raise significant funds and takes a year or so to turn profitable, investors and others will require a business plan detailing how you plan to operate, spend money, raise money, sustain and grow and return their money with profit.

4. HAVE A TRUSTWORTHY RELIABLE BUSINESS PARTNER

Despite the problems associated with having a partner, launching a solo business is really difficult. Having a well-written agreement would make it possible to partner up with reliable trustworthy people who complement your skills and, to some extent, reduce your responsibility to solely shoulder launching and maintaining your business. Trust, expertise and reliability are the bedrock of a successful partnership.

DORON EGHBALI *is a Partner at the Beverly Hills Offices of Law Advocate Group, LLP. Doron Primarily Practices Business, Real Estate and Entertainment Law. Doron Can Be Reached at: 310-651-3065. For More information, Please, Visit: HERE.*