

How Ready Am I to Start a New Business? A Self-Assessment Tool

This self-assessment tool will help you determine your readiness for owning a business along three qualities – your *self-image*, your *commitment level*, and your *skills and experience*. Each will receive a separate score, based on your answers to multiple “yes/no” questions.

Of course, there is no single perfect “type” for starting a business! The results of this self-assessment will *not* qualify you or disqualify you from any program services. It should, however, raise your self-awareness and serve as a strong starting point for a conversation between you and your counselor(s) as you consider this path for yourself.

For all sections of this self-assessment, your score depends on your ability to answer “yes” confidently. If you are not sure of the answer to a question, please answer “no”.

SELF-IMAGE	YES	NO
Do you believe you are ready to start a business?		
Do you consider yourself a leader?		
Are you comfortable with taking large risks?		
Do you like to take full responsibility for an effort’s success or failure?		
Do tough times make you work harder more often than not?		
Are you good at making decisions without complete information?		
Do you work well independently?		
Do other people seem to enjoy working with and for you?		

Scoring self-image. Give yourself one point for each “yes” answer: _____

- ≥6: Your attitude and perceptions of yourself definitely tend to match those of many successful business owners. Put your focus into ensuring you are committed to this venture, and that you have the skills and experience necessary to succeed.
- ≤5: There are some gaps between the attitudes you have, and the attitudes many successful business owners have. This does not necessarily mean you wouldn’t be good at starting a business, but you should spend some time reflecting with your counselor on why you answered some questions “no”.

COMMITMENT LEVEL	YES	NO
Are you willing to invest a lot of savings or net worth in this business?		
Do you have a plan for meeting living expenses for the first few years?		
Have you received the full and open support of your family?		
Do you have friends who support your decision to start a business?		
Are you ready and able to commit long hours, nights, and/or weekends?		
Do you know what type of business you’d like to start?		
Do you have a business plan?		
Have you discussed your business idea (or plan) with a mentor or partner?		

Scoring commitment level. Give yourself one point for each “yes” answer: .

- ≥6: The commitment you and those close to you are giving this venture tends to match the commitment level of many successful business owners. Explore the other areas of this self-assessment to ensure you’re ready to move on.
- ≤5: There are some gaps between the commitment you can give, and the commitment many successful business owners can. This does not necessarily mean you wouldn’t be good at starting a business, but you should spend some time reflecting with your counselor on why you answered some questions “no”.

SKILLS AND EXPERIENCE	YES	NO
Have you ever worked in a business similar to the one you’re starting?		
Have you ever started a business before?		
Have you ever completed a business plan, or do you know how to do so?		
Do you know where to find relevant customer and market information?		
Do you know how to compute a business financial “break-even point”?		
Do you know how to calculate start-up and operating costs?		
Can you read a balance sheet, income statement, and cash flow statement?		
Do you know how to research necessary tax, legal, and regulatory info?		
Do you understand how business loans work and how to get one?		

Scoring skills and experience. Give yourself one point for each “yes” answer: ____

- ≥7: Good for you – you already have a great deal of what you’ll need to move forward! As you round out the skills and experience you need, be sure to explore the other areas of this self-assessment, and take any gaps seriously.
- ≤6: Don’t panic! Many successful business owners didn’t have a lot of what we listed here, when they first had their idea. But almost all of them did eventually need to learn the topics we’ve listed above, before they were successful. You should make a note of the gaps you have, discuss them with a counselor, and start thinking about the training you may need before starting that business.

Please add up your scores from all three areas and put it here: _____

How we will share this information: No partner in this project will use these scores for any reason other than (1) to advise you, and (2) to supply aggregate data to the State of Minnesota, U.S. Department of Labor, and any appropriate subcontractors in researching the success of the Project GATE Phase II demonstration project.

I understand these data uses and authorize my service provider to maintain a copy of this self-assessment.

Signature: _____ Print Name: _____ Date: _____