



Programs and services to help you start, grow and succeed

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Get Ready

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Is Entrepreneurship For You?

> Plan Your Business

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In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business - but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- > Get Ready**
- > Write a Business Plan
- > Start Your Business
- > Manage Your Business
- > Getting Out

FAQ

Are you a self-starter? It will be entirely up to you to develop projects, organize your time, and follow through on details.

E NEWSLETTERS

How well do you get along with different personalities? Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?

FRI F ONI INI TRAINING

E PAYMENTS

How good are you at making decisions? Small business owners are required to make decisions constantly - often quickly, independently, and under pressure.

MARKETING AND OUTREACH

Do you have the physical and emotional stamina to run a business? Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?

MOST REQUESTED ITEMS

How well do you plan and organize? Research indicates that poor planning is responsible for most business failures. Good organization of financials, inventory, schedules, and production can help you avoid many pitfalls.

BUDGET AND PERFORMANCE

Is your drive strong enough? Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

REPORT FRAUD, WASTE AND ABUSE

How will the business affect your family? The first few years of business startup can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk in the short-term.

Why Small Businesses Fail

Success in business is never automatic. It isn't strictly based on luck - although a little never hurts. It depends primarily on the owner's foresight and organization. Even then, of course, there are no guarantees.

Starting a small business is always risky, and the chance of success is slim. According to the U.S. Small Business Administration, roughly 50% of small businesses fail within the first five years.

In his book *Small Business Management*, Michael Ames gives the following reasons for small business failure:

- Lack of experience
- Insufficient capital (money)
- Poor location
- Poor inventory management
- Over-investment in fixed assets

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- Poor credit arrangements
- Personal use of business funds
- Unexpected growth

Gustav Berle adds two more reasons in The Do It Yourself Business Book:

- Competition
- Low sales

More Reasons Why Small Businesses Fail

These figures aren't meant to scare you, but to prepare you for the rocky path ahead. Underestimating the difficulty of starting a business is one of the biggest obstacles entrepreneurs face. However, success can be yours if you are patient, willing to work hard, and take all the necessary steps.

On the Upside

It's true that there are many reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You will be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- Earning and growth potential are far greater.
- A new venture is as exciting as it is risky.
- Running a business provides endless challenge and opportunities for learning.