3 Questions Everyone Should Ask Themselves Before Becoming an Entrepreneur

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The allure of being your own boss — of making the rules and reaping the rewards — can be a siren song. The reality is, of course, that a daunting number of new enterprises fail within a few short years (20% in the first year, according to the Bureau of Labor Statistics, and just under 92% overall, according to a 2019 Startup Genome report).

I know how it feels to strike out on your own, full of enthusiasm, only to find yourself back at square one in relatively short order, and for too many, new businesses achieve just a modicum of success before the wheels fall off. I made myself a millionaire twice, then lost it all, before I finally found the answers. Now I live the life I've always wanted, free of the fear that it could all be taken from me.

A central task that stymies a great many new entrepreneurs is a failure to communicate. With others, certainly, but mainly with themselves. Without doing due diligence, digging deep into the true payoff of being your own boss and understanding exactly what's feeding the desire, you're entering into something of a Faustian bargain.

My great friend Adam Daines, of the global strategic consulting firm ADDA Infusion, made a rather excellent point on a recent episode of my podcast, Beyond Success. He said

that he knew someone whose sole reasoning behind quitting his day job and setting up on his own was to “break free of the nine-to-five.” I think we can all identify with that, especially those of us who have felt trapped behind a desk, watching the clock on the wall and willing it to tick faster. The problem is that this sentiment is not enough. Adam’s friend, having set up on his own, was finding that he had even *less* time for his family than before…was having to work all the hours that God sent just to keep clients happy. He got his wish: was certainly free of the nine-to-five, but hadn’t realized the price.

So, three things that you should ask yourself before taking the plunge.

1. How will this serve me in becoming who I want to be?

It’s always remarkable to me just how little thought people give to this. So many fixate on “more money, more time, more freedom”, etc… and don’t consider *why* they want them. My advice is to take a minute and truly think of who you want to be. Put thought emphasis on an average day (since that’s where you’ll be spending most of your life); maybe you want to be a less stressed person, with more patience and a giving attitude? It could be that you want to be more relaxed in your approach to finances, whether that’s being able to buy things without looking at the price tag or letting your spouse drive your “pride & joy” without worrying what’s going to happen to it?

Whatever the goal, be honest with yourself and then imagine what life will be like on an average day when you are the person who has those things. Not as one-offs, but *every day*. Can you feel it? What emotions does the thought of living like that conjure up? *That’s* truly who you want to be.

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2. Will I be happy not working in the business?

Another common point of failure for new owners is getting caught up working *in* the business, which can leave no time to work *on* it. This might seem obvious from an outside perspective, but if you've created a company based on passion, are you going to be able to hand off the work to someone else? You're an owner after all, which means the full-time burden of running and growing the enterprise. An alternative might be to hire someone with experience to grow it for you, but they won't come cheap if they're any good, and you'll need to spend time getting them fully aquatinted with structures and goals. So, unless you've got deep pockets, you need to get clued into what is truly necessary for you to do in terms of day-to-day operations.

3. Will I be sufficiently resilient to weather the hard times?

Again, this may seem obvious, but knowing that you have the fortitude to keep going through difficult periods is not easy knowledge to come by. So, do the internal work. Ask yourself difficult questions and try to imagine worst-case scenarios, then bring yourself back to your "why". The point is not to scare you, to deter or provoke anxiety, it's about identifying points of resistance that you may have, understanding how they impact you and then putting them up against what is motivating you in the first place. With a strong enough "why", you'll move mountains. Pre-armed with that knowledge, even without the experience to back it up, you'll know with relative certainty that you can push through to a desired end point.

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Bonus tip: Find a mentor!

One of the best ways to avoid years (in some cases) of wasted time, mired in trial and error, is to find a mentor. Someone to guide you, share advice and keep you accountable. This person is simply invaluable.

Start by looking at the people you admire. Some of the highest-level and most recognizable names in the game might not be realistic personal mentors. Tony Robbins, for example, probably doesn't have the time or inclination to help you one-to-one (and if he did, it's unlikely that you could afford him), but he does do podcasts, so start there. They're free, too, so you're risking nothing but time. From there, look to others in the sphere you want to get into; who is making great strides and the kind of moves you want to make? They may not be the most visible in terms of public persona, but with a little digging, you can find wonders.

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