

## Advantages & Disadvantages of Owning Your Own Company

I have been asked so many times. What are the advantages to starting a small business? And then what are the 'real' disadvantages to starting a small business? One can surmise by the questions being asked, that sometimes we don't share the complete picture of small business ownership.

Well, fortunately, or maybe unfortunately, I will share the facts and nothing but the facts to small business ownership from a successful small business perspective for over 25+ years. Here are my summarized advantages and disadvantages of small business ownership.

Do you want to be a small business owner someday? Before deciding, you might want to consider the following advantages and disadvantages of business ownership. I call this counting the costs. So here goes:

### Advantages of Small Business Ownership

So being a business owner can be extremely rewarding. Having the courage to take a risk and start a business venture is part of the American dream and the mission of the Women Minority Business Development Center. Success brings with it many advantages:

- *Independence.* As a small business owner, you're your own boss. You can't get fired. More importantly, you have the freedom to make the decisions that are crucial to your own business success. *You are finally in the drivers seat.*
- *Lifestyle.* Owning a small business gives you certain lifestyle advantages. Because you're in charge, you decide when and where you want to work. If you want to spend more time on nonwork activities or with your family, you don't have to ask for the time off. If it's important that you be with your family all day, you might decide to run your business from your home. Given today's technology, it's relatively easy to do. Moreover, it eliminates commuting time. *Finally, you work where you want and when you want.*
- *Financial rewards.* In spite of high financial risk, running your own business gives you a chance to make more money than if you were employed by someone else. You benefit from your own hard work. *Now this one was my reason for self-employment.*
- *Learning opportunities.* As a business owner, you'll be involved in all aspects of your business. This situation creates numerous opportunities to gain a thorough understanding of the various business functions. *I learned skills that I never knew I had!*

- *Creative freedom and personal satisfaction.* As a business owner, you'll be able to work in a field that you really enjoy. You'll be able to put your skills and knowledge to use, and you'll gain personal satisfaction from implementing your ideas, working directly with customers, and watching your business succeed. *I love being a successful small business owner!*

## Disadvantages of Small Business Ownership

As the little boy said when he got off his first roller-coaster ride, "I like the ups but not the downs!" Here are some of the risks you run if you want to start a small business:

- *Financial risk.* The financial resources needed to start and grow a business can be extensive. You may need to commit most of your savings or even go into debt to get started. If things don't go well, you may face substantial financial loss. In addition, there's no guaranteed income. There might be times, especially in the first few years, when the business isn't generating enough cash for you to live on. *This is why you save, plan, and count the costs...remember your family is counting on you to succeed!*
- *Stress.* As a business owner, you *are* the business. There's a bewildering array of things to worry about—competition, employees, bills, equipment breakdowns, customer problems. As the owner, you're also responsible for the well-being of your employees. *Yes, you are responsible for everything, 24hrs/365 days a year!*
- *Time commitment.* People often start businesses so that they'll have more time to spend with their families. Unfortunately, running a business is extremely time-consuming. In theory, you have the freedom to take time off, but in reality, you may not be able to get away. In fact, you'll probably have less free time than you'd have working for someone else. For many entrepreneurs and small business owners, a forty-hour workweek is a myth; vacations will be difficult to take and will often be interrupted. In recent years, the difficulty of getting away from the job has been compounded by cell phones, iPhones, Internet-connected laptops and iPads, and many small business owners have come to regret that they're always reachable. *This is one of the harsh realities...small businessownership is very time consuming.*
- *Undesirable duties.* When you start up, you'll undoubtedly be responsible for either doing or overseeing just about everything that needs to be done. You can get bogged down in detail work that you don't enjoy. As a business owner, you'll probably have to perform some unpleasant tasks, like firing people. *Yes, I have hired people and fired people and a few more unpleasant tasks...yet another duty of being a small businessowner.*

In spite of these and other disadvantages, most small business owners are pleased with their decision to start a business.

Again, just to repeat, having the courage to take a risk and start a business venture is part of the American dream and the mission of the Women Minority Business Development Center.

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10+ years, Non-Profit Founder/Director  
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