



*By Bradley G. Marlor MBA, CBI*  
**Utah Business Consultants**

## **WEIGHING YOUR OPTIONS**

Buying versus Starting a Business

So you've been in Corporate America too long; you can no longer stomach the grind, the stress, and the hours. You've been padding your corporation's pocket, yet your pockets are seemingly empty. Something has to change. You realize that changing companies might provide a different view, but what you really yearn for is a whole new landscape, the ability to create and mold your environment to your own advantage. And you want to feel duly compensated for the brainstorming, the headaches, and the emotional wear and tear. You have the skills, run your own show!

### **Ships in the Harbor**

If only making the decision was as easy as quitting today, and being in business tomorrow. Still, there are basic steps that can be taken to turn your dreams into reality. What most individuals fail to envision is the multitude of opportunities just waiting for them. The proverbial "ship in the harbor" is accompanied by dozens of other ships. If you're waiting for your ship to come in, it's already in the harbor, the question is which one is right for you, and are you willing to swim out to it?

The metaphorical ships in the harbor are business opportunities. They may disguise themselves as Sub-S Corporations, Limited Liability Companies, or even Joes Bar and Grill, but they are waiting for you to take the helm. The certainty that those opportunities are out there is evidenced by the businesses already in operation, and the impressive amount of startup enterprises, particularly in the area of franchised businesses. The Utah State Department of Economic Development estimates there are 70,000 businesses with employees in the state. That figure nearly doubles when counting sole proprietor businesses, home office enterprises and companies using personnel agencies. Every year an additional 2,000 to 3,000 new businesses are formed in Utah.

## **State Your Objective**

Every successful entrepreneur I know has a reason for being in business, they focus on that reason or objective. They usually have a war story to go with their reasoning, compelling motives for why they felt they could provide a better product or service than the existing competition. Some even created a new paradigm, or a variation of theme. Others felt they could compete because of superior workmanship or pricing. Regardless the reason, I have found those individuals successful because they jumped in the harbor having “preselected” their ship.

## **Ask the Right Questions**

In the struggle to determine whether you should purchase or attempt a startup, begin with the most critical question first, “what single factor should influence my decision the most”? Sure, that question sounds too simple, but odds are your answer won’t be so simple. Most entrepreneurs become so entrenched in calculating ROI (return on investment), or how to run their previous employer into the ground, that they lose track of what is really most important to them. For example, if immediate cash flow is imperative to your very existence, regardless the size of your investment, you should think about an existing business generating positive earnings. On the flip side, business startups are the antithesis of positive cash flow, draining every ounce of capital they can find. If however, you choose to slowly transition from your current employment, or you lack the required capital to purchase a business, a startup is ideal.

Making a decision to buy or startup can be lengthy, frustrating, and even expensive. Before you embark, consider the mirror test. Stand in front of your favorite mirror and ask yourself the following: “am I really cut out to run a business?” Certainly not every personality or background is. There are many hats that must be worn, responsibilities are multi-dimensional. Next question should be, “am I really committed to this endeavor?” Committed financially, committed mentally, and do I have the physical stamina to endure all the storms that I will have to weather? Be prepared for a shock to the financial, physical and mental nervous system like you’ve never experienced before. Answering tough questions today will make the journey ahead smoother, more productive, and much more enjoyable. There may be dozens of ships in the harbor, but only you can determine which ship to sail, and the destination it takes.

Bradley G. Marlor MBA, CBI is a Managing Partner at Utah Business Consultants and a Certified Business Intermediary with the International Business Brokers Association. Utah Business Consultants is a full-service Business Brokerage and Valuation firm. He can be reached at [brad@ubcutah.com](mailto:brad@ubcutah.com).