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SBDC Center: Aurora

1. Traits of Entrepreneurs: What are some traits of successful entrepreneurs? What are some reasons why businesses fail?

Traits of successful entrepreneurs include being a self-starter, getting along with different personalities, making decisions, having stamina, ability to plan and organize a strong drive, and family support. Reasons business fail include lack of business experience and insufficient capital.

2. Marketing: What is the difference between features and benefits? Why is it important to be able to communicate benefits to customers? What is meant by terms like segmentation, differentiation and niche? What is a SWOT analysis?

Features are product attributes and benefits are customer emotions relating to owning and using the product. It is important to communicate value in relevant and motivating ways. Segmentation=identifiable and actionable groups of customers. Differentiation=what distinguishes one product from another in the customer's mind. Niche=market segment that gives the owner a competitive advantage. SWOT=strengths, weaknesses, opportunities, threats

3. Breakeven Point: Why it is important to know the breakeven point? Calculate the breakeven point if a unit costs \$1, sells for \$1.50 and fixed costs per month are estimated to be \$3,500?

The breakeven point can be used to understand if sales forecasts will produce a profit, or to establish the sales level needed to breakeven and assess if this sales level is reasonable/doable. $\$3500/(\$1.50-\$1)=\$7,000$

4. Funding the Business: What is the difference between debt and equity financing? What are lenders looking for in a good loan candidate?

Debt is borrowing money from a lender and equity of providing a level of ownership in the business in return for providing cash, assets or services). Character, capacity to pay, capital, collateral, conditions, confidence

5. Business Plan: Why is it important for the entrepreneur to prepare his/her business plan and not have someone else do it for them?

forces them to think about their business in a systematic way and address issues that they might otherwise overlook, helps them set goals and objectives that they will then use to track the progress and success of their business

6. Legal Forms of Business: What are some of the advantages and disadvantages of the four common legal forms of business ?

People form cooperatives to meet a collective need or to provide a service that benefits all member-owners. A corporation is more complex and generally suggested for larger, established companies with multiple employees. An LLC is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. There are several different types of partnerships, which depend on the nature of the arrangement and partner responsibility for the business. An S corporation is similar to a C corporation but you are

taxed only on the personal level.

7. Keeping Records: Why is it important to keep good business records?

produce accurate financial reports that show the financial health of the company, correctly prepare and substantiate tax obligations

8. Insurance: Why is it important to have business insurance? What are various types of insurance that a business owner might need?

liability for products, property for accidents/fire/theft

9. Taxes: What are the different forms of taxes that a business owner might have to pay?

local business tax, Colorado sales/use tax, Colorado excise taxes, unemployment insurance, federal income tax, federal self-employment tax

10. Regulation: Why is it necessary that some businesses in Colorado are regulated by the state and may require licensing? Where can you find licensing information so you can properly advise Clients if their business is subject to these regulations and licensing?

The Business Consultant needs to know where to find this information so he/she can properly advise Clients if their business is subject to these regulations and licensing (i.e. Colorado's Industry Licensing Database and the Small Business Development Small Business Navigator)