# *Do's and Don'ts of Opening a New Business*

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Before you run off and start a new business consider this: *Four out of five new businesses fail within 5 years, and 4 of 5 remaining at that point fail before they reach their tenth anniversary!* Not very good odds.

So, before you try to establish a new business ask yourself if you have fairly considered all possibilities of moving into an existing studio. Taking over a studio with established clientele offers some shortcuts through the tough times of a new venture.

Having said that, let's look at some do's and don'ts for the new venture.

## DO…

1. Carefully examine the market area and evaluate its ability to support another studio. When they said the three most important considerations for the new venture were location, location and location they meant the best state, the best city and the best neighborhood -- not just the best neighborhood.

2. Be sure to take a business class. The local community college is a good source. Lack of management experience is the #1 reason new ventures fail.

3. Have enough money to get you through the first seven months WITHOUT a paycheck! Lack of financial capital is the second most common reason for failure.

4. Have a detailed business plan and follow it! This includes a marketing plan. Lack of clients is third most common reason for failure.

5. Find a mentor! Professional Photographers of America can be a source for these. Your association dues can be your most important business investment!

6. Keep your eye on the ball! Be sure to give the business your undivided attention for a couple years. Your studio must be nurtured like a young child.

7. Maintain you balance! The three legs of the studio support are Management, Artistry and Marketing. Equal amounts of each, will help to grow your business success!

## DON’T …

1. …. spend your money on every new toy that is released. Be a minimalist when it comes to equipment, props, backgrounds and decorating. It will save your cash for higher priority needs.

2. … waste time! Too much time on the phone, computer or in conversation will sap your business of your attention!

3. … overshoot! Over expending your time and materials on sittings can lead to failure!

4. … hire staff until absolutely necessary! A rule of thumb is $40-60,000 per employee, after break even has been achieved.

4. … buy all the advertising people try to sell you! Use a solid marketing plan and advertising budget. Leave a small reserve for "Golden Opportunities" but when it’s gone, it’s gone.

5. … overdo the C.O.D.’s. These charges can add up to a significant percentage in a hurry! Watching the pennies takes care of the dollars!

6. … try to copy every style of photography you see. Specialize and do it well!

Source: StudentPhoto.com – Business Basics
http://www.studentphoto.com/public/articles/details.cfm?id=66