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## Questions Would-be Founders Ask

In response to commonly asked questions by aspiring entrepreneurs, CEO Norm Brodsky lists the five most important questions to ask yourself before starting a business.

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### Inquiries

#### **And, on the other hand, the questions they ought to be asking instead**

Every month, hundreds of aspiring company builders call, write, E-mail, fax, and, in a few cases, personally accost *Inc.* columnist Norm Brodsky. They're looking for help, and they're convinced Brodsky's the man to provide it. As a result of the barrage of queries, Brodsky has become sort of a one-man focus group for *Inc.*, with his finger constantly on the pulse of today's entrepreneurs-in-waiting. Which got us to wondering: Has he found any patterns in the kinds of questions that these wanna-bes are asking themselves before taking the plunge?

Patterns? says Brodsky. They ask the same damn questions all the time! Whether in boom economic times or lean economic times, people who are considering going into business for themselves tend to approach the process in the same way--asking, in order, the following questions:

*Where do I get the money--and how much do I need?*

*How do I come up with the right idea?*

*Do I buy a business or start one?*

*How do I get started?*

*What do I want out of life?*

"The biggest question on everybody's mind," observes Brodsky, "has to do with money. That's the number one question: 'Where do I get the money?'" It is, without a doubt, a serious concern, Brodsky says, but not the most important. "It's a great question," Brodsky says. "Only it doesn't belong as number one. It belongs far down the list." In fact, it's the last question entrepreneurs should be asking themselves.

Then Brodsky told us about Philip. A twentysomething lawyer who had just quit the practice of law and was in search of a business to buy or start, Philip sought Brodsky's help. The first time he saw Brodsky, he rattled off his question: "Norm, I don't like what I'm doing. I want to go into business. I have x amount of dollars. Is that enough money for what I want to do?"

"That's great, Philip," Brodsky responded. "What do you like to do?"

"Well," Philip told him, "I don't know whether I want to start a business or buy a business...."

"Wait a minute, Philip," Brodsky said. "Slow down. I'm asking you what you like to do. You're jumping ahead." Brimming with enthusiasm and the conviction that he was ready to be in business for himself, Philip was already figuring out how much money he would need to get started.

"Philip's questions are not unusual," Brodsky explains. In fact, he's like many people who think they want to start their own business. "He is a smart guy, had been thoughtful about his decision to leave his current job, and was raring to go." But he was asking Brodsky--and ultimately himself--the important questions in the wrong order. "Their first question is my last question," Brodsky explains. As he sees it, you have to begin by asking questions on a far more personal level in order to refine your plans--and increase the likelihood of your success. Here, Brodsky believes, are the right questions in the order would-be founders should ask them:

### **1. What do I want out of life?**

For Brodsky, the first question above all others should be not about money but about "what do you want out of life?" What are your life goals? Quitting your job and starting a business isn't like buying a house, he points out. You can't easily sell it and start over again. You change your occupation and use all the money you have managed to accumulate from savings, friends, and relatives when you start your own business--it's a decision you'll have to live with for a long time. There is no more important question you can ask than the one that will help you prioritize your own life plan. Do you want to earn a lot of money? Do you want to spend more time with your family? Do you want to retire when you're 50? You shouldn't even begin to contemplate running your own business until you have a clear idea of how it will advance your life goals.

In his counseling sessions with Philip, Brodsky realized that Philip had a good concept of what his life's goals were. As an orthodox Jew, he wanted to be able to observe the sabbath--Friday night through Saturday night. He wanted to enjoy life and spend more time with his family. Earning money was almost at the bottom of his list. "That immediately helped us eliminate some types of businesses as options," Brodsky recalls. He couldn't, for example, run a bodega that would require round-the-clock attention and prevent him from observing the sabbath.

### **2. What do I like to do?**

Before you start calculating the investment involved, Brodsky advises, you have to figure out a much more important question: What makes you happy? What do you like to do? There's no point in buying a business and then finding out that you can't stand your day-to-day responsibilities. Philip had been practicing law and learned that while he didn't like many things about being a lawyer, he did like working with people, Brodsky recalls. "That ruled out certain types of businesses right there--ones that wouldn't allow him to build off his people skills," Brodsky says. Manufacturing, for example, was out. If Philip worked in a manufacturing plant, he would likely be more concerned with machines and schedules than dealing with people. So again, with a question that had nothing to do with money, Brodsky and Philip further narrowed the range of possibilities.

### **3. What type of business should I start or buy?**

By the time Brodsky asked him the third key question, Philip was getting a much clearer idea of how he was going to go about starting his own business. Philip was interested, he thought, in starting a soup restaurant. That would fit into his life goals (he could set the hours so that it was open only on weekdays and he'd have time to spend with his family)--and he thought he'd like dealing with customers. The problem was, Brodsky and Philip determined, it probably didn't make sense for him. "I said to him, 'That's a great idea,'" Brodsky recalls. "But to be successful, you want to not limit your options. So if you're really religious, you're not going to serve soup with nonkosher ingredients. And then you're cutting down the number of things you can do with the business. I'm sure there are kosher soup restaurants, but I'd like you to expand your scope a little bit." So they scratched that idea and began to brainstorm about others. Maybe, Brodsky suggested, Philip might be better off looking for an established business to buy instead?

### **4. How do I educate myself?**

After considering several options that fit into his refined concept of what he wanted to do (he toyed, for example,

with the idea of starting a shoe-importing business), Philip decided he would pursue buying a business instead of starting one. When he learned about a business that peeled potatoes and onions for restaurants and other large institutions, he thought he might be onto a winner. The owner was looking to bring in a working partner to partially buy and run the business. It was an unusual business but one that Philip thought he might like because it would involve interaction with the restaurant industry--a people business itself. So Brodsky advised Philip to spend a few days working in the business educating himself about it. Would he enjoy spending his days running this sort of operation? It was a great chance for Philip to see the inner workings of the business before he had committed his life savings to it. And, as it happens, an important step. "Turns out, he hated the business," Brodsky says. "He didn't like the smell of potatoes and onions all day." Philip didn't like being around an industrial kitchen, either, or what turned out to be a lack of interaction with people. But it was time well spent, Brodsky says, because by educating himself, Philip was making smarter choices.

### **5. Where do I get the money?**

Only after you have run through the first four questions, Brodsky says, should you begin to address where you will get the money. "People think, 'If it is successful and I'm going to make money doing it, I'll be happy.'" Now Philip knows that when he looks at an opportunity, the first thing he asks himself should not be about money. It should be, "Am I going to be happy there?"

At press time, Philip was still searching for the right fit. But he was a lot closer to his goal. He had identified the moving-and-storage business as one that met his primary criteria--he can observe the sabbath, it involves working with people, and he is interested in the day-to-day running of the business. He was in the process of working in the business to learn more about it. But perhaps more important, along the way he had educated himself about more than why he wouldn't like to run a potato-and-onion business. He had, as Brodsky sees it, become clear about his own priorities--and what unrealistic expectations he might have had. "Everybody wants to get into business immediately," Brodsky observes. "But for Philip, the urgency has slowed down quite a bit. And now he's less apt to make a mistake. All would-be entrepreneurs look at all the upsides and none of the downsides. I'm not telling anyone to be negative, but I'm telling them to take a 360-degree look at everything. Having done that, now Philip knows what is important to him."

**Karen Dillon** is *Inc.*'s deputy editor. Norm Brodsky's monthly Street Smarts columns can be found online at [www.inc.com/magazine/columns/streetsmarts](http://www.inc.com/magazine/columns/streetsmarts).

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