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Key Word Tags	Involvement versus Commitment, Passion versus Emotion	
Stage	2 Committed to starting a business	

COMMITTED TO STARTING A BUSINESS

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Quick Summary: Making the commitment to start a business needs to be a conscious, objective decision.

Abstract:

The transition from thinking about starting a business and being committed to starting a business can be a gradual but increasingly slippery slope. The mindset needs to change from “if” to “when.” However, before that decision is made, the entrepreneur needs to carefully consider the commitments and impacts it will have on themselves, their loved ones, and others that may become involved. Only after those considerations are objectively reviewed should an entrepreneur make the commitment to start.

There is an age-old fable about a chicken and a pig and their involvement in a ham and eggs breakfast. The chicken is involved, while the pig is committed! Although the difference between thinking about starting a business stage and being committed to starting a business stage may not be as dramatic as the chicken and pig stage, it does point out the fundamental difference between the two stages.

Another difference is the transition from involved to committed. There is a significant distinction between chicken and pig. The difference between thinking about and actually committing to starting the business may be subtler. It may involve staying up late at night or missing the weekend golf outing with the boys or gals. Instead, the entrepreneur may be spending that time developing plans, to-do lists, and prioritizing activities. It certainly should involve discussing the business with outside, objective individuals who are not afraid to offer candid opinions.

The most critical element to clearly understand during the commitment phase, while there is still time to stop, is the impact on the entrepreneur’s personal life, security, and loved ones. It is easy to nod in agreement with the statement that “Nothing is as easy as it first seems.” However, for startups, the statement should be “It will be considerably harder and take much longer than I ever imagined.” The business will probably require some capital investment and may become an all-consuming activity. However, at the same time, the entrepreneur and their family must eat, have a place to live, have health and other forms of insurance, be able to pay utility bills and cover other regular and unexpected expenses. Entrepreneurs should plan to have savings or another source of income for at least three years before some cash can be taken out of the business.

As discussed in other articles in this collection, revenue always seems to be delayed, but bills always appear right on time! Similar but more dramatic is the notion that if the plane is at the end of the runway

and is not off the ground, it is too late to abort. Understanding the impacts of delays or potential failures is a necessary component that cannot be taken lightly during the commitment phase.

Some successful entrepreneurs and investors will discuss the necessity of being “all-in.” Entrepreneurs will hear stories of other entrepreneurs who maxed out their credit cards, totally depleted their retirement and children’s college accounts and even sold their car titles. Some of these stories may be true. Most will be told by people who had to walk to and from school uphill in both directions during blizzards. The problem with being “all-in” is that failure no longer becomes an option, and there can be a total loss of objectivity with emotion taking over. Entrepreneurs must be passionate but not emotional. Tears cloud the eyes and distort vision.

The articles included in this stage are intended to help the entrepreneur think through what commitment to the business means. Many of the articles included in the starting a company stage are also included in this listing. The basic issues covered in those articles need to be constantly revisited. It is easy to continue down a path, forgetting why you started the journey and your original assumptions.

Of the almost 700 articles written for the CxO-Atlas website, 136 relate to this business stage. Twelve of those articles have been tagged on the website with “S2_Committed.” The user can use the website’s “All Documents Tag” filter function to select these articles. For reference, they are listed below.

Article	Title	Quick Summary
1.030102	Stage 2: Committed to Starting a Business	Making the commitment to start a business needs to be a conscious, objective decision.
3.010006	Things to Think About	Ask and answer a broad range of questions before committing to starting a business.
3.010205	Show Your Commitment First	Employees and investors need total confidence in you.
3.010304	It is Tough to Get Real	Step back and take a practical look at your business’s potential from the customer’s perspective.
3.010305	Firing Your Brother-In-Law	Hire only people that you need and not friends and relatives that you may have to terminate.
3.010306	What Does the Customer Really Want	Your perception of what the customer wants may be very different than the customer’s.
3.010404	Start Before You Start	Divorce yourself from your new idea and ask some fundamental questions before you commit.
3.010501	Problem, Prospect, and Customer Discovery	Customer discovery involves far more than socializing a plan with others.
3.010502	Two Critical MVPs	An entrepreneur needs to obtain candid and objective advice as early as possible.
4.050406	Good Intentions But Bad Advice	Listen to the advice from individuals with applicable experience, then decide to follow it or not.
5.070202	Don't Be An Ostrich	Be careful not to ignore potential negative outcomes because it may be uncomfortable.
5.070203	Don't Be Rip Van Winkle	From a business perspective, you are driving on ice and fast, anticipate events to survive.