

[Small Business Solutions](#)

# Bad Economy? Strike Out on Your Own

By [Lan Nguyen](#)   10/02/08 - 04:45 PM EDT

Stock quotes in this article: [WM](#), [WB](#)

Starting a business is always stressful, ego-denting and financially risky. But during these tough economic times, any misstep is more than ever. Before you launch your baby, here are 12 ways to avoid being a statistic:

## Editor's Picks

[Microsoft Investors, You Have Been Warned](#)

[Facebook: The IPO That Wasn't Nor Will Be](#)

[Cramer: Forecasts for GM and H-P in 2009](#)  


[Synovus Shows Why Banks Aren't Lending](#)

[JPMorgan Chase Braces for 'Noisy' Quarter](#)

## Market Activity

[Wachovia Corporation](#) | [WB](#)

[Waste Management Incorporated](#) | [WM](#)

### Be realistic

This applies to all areas of the start-up. Be honest about what you and your family can afford to invest in your company. Be upfront about what you need from investors. Be judicious about your sales strategy.

### Are you in demand?

A weak economy means people will pay for what they need, not necessarily what they want. Opportunities abound. Industries likely to prosper during these tough times include collection agencies, security management and security, according to [Ed Paulson](#), founder of the Paulson Group, a company that specializes in entrepreneurship, marketing and sales.

Not interested in those areas? Then consider opening a niche business specific to a region. [John Mackey](#), who wrote *The Complete Idiot's Guide to Starting Your Own Business* (Alpha), believes small businesses can make profitable what larger companies cannot. Also keep up with the headlines and see what your competitors intend to spend its money in case there are opportunities there. But stay within your budget.

### What's it all worth?

More than ever, investors want to know what the return on their investment will be. It is important that you know how to speak their language, says Matt Edelman, CEO and co-founder of [Peapack](#), a company that provides consumers content, social tools, products and services on digital platforms.

Understand what their financial exposure is before hitting them up for money. And be ready to give away more of your venture capital.

[< Previous](#)

[1](#) [2](#) [3](#) [4](#)

[Next >](#)

SHARE:



Featured Photo Galleries  
[Go to Slideshow Archive](#)  
Connect with TheStreet





Find the Best: [Mortgage Rates](#) | [CD Rates](#) | [Savings Rates](#) | [Personal Finance](#) | [Retirement](#) | [Saving](#) | [Budget](#) | [Stock Picks](#)