

STARTING A BUSINESS

- Why start a business? Advantages of starting a business
 1. Flexibility – work hours
 2. More spare time (eventually)
 3. Call the shots
 4. Have control over the aim and ethics of the business
 5. Do what you love (maybe)
 6. Create your own environment
 7. Create jobs
 8. Financial independence – no one else is signing my paycheck.
 9. Tax benefits (take out expenses and outgoings before tax rather than after)
 10. Delegate tasks

- What do you need to have to start a business? (Product, Plan, Pesa)
 - 1) Product / idea
 - Where do you get ideas?
 - Needs in your neighborhood or where you work
 - Copy ideas that have worked from different places with similar circumstances
 - Suggestions from friends
 - What you've done before and worked well
 - 2) Plan / Execution
 - What is more important (Product or Plan?)
 - Who invented the radio: Guglielmo Marconi or Nikola Tesla?
 - What is the name of the JKUAT student who came up with the m-pesa idea?

These two examples are to point out the utmost importance of plan/execution (above product and capital) in starting a business or rolling out an idea.

Things that will help you execute your business idea;

 - Document everything; your strategy, milestones to measure progress, how you intend to increase market share etc.
 - Make projections... e.g. cash flow projections
 - Include various scenarios' to foresee the different outcomes they'll yield.
 - When making your projections, slightly overstate your expenses and understate your incomes to create cushion.
 - Keep certain figures close, esp. cash flow figures, balance sheet figures, break-even figures etc.

3) Money

- Where do you get money?
 - Savings...
 - Sell some of your old belongings
 - With starting your own business I'd advice to use your own funds. Especially if this is your first business or first in this area/sector.
 - If the idea is very good and needs a significant investment (cash wise) I'd advice you seek advice from a more experienced businessman, friend or banker to determine if it is really a good business idea. (You can tell a lot from their response. Look to interpret their body language.)
 - SACCO
 - Whatever you do – avoid loans from banks and friends and family – you won't be able to pay them back and you will just strain relationships

IDOLATRY IN YOUR BUSINESS

A common definition of idolatry is the **worship** of an **idol/ image**. To understand this definition well I'd encourage you to find out the definitions of

- Worship
- Idol
- Tim Keller has a good book on this: "Counterfeit Gods"
 - His reasoning is straight forward, the question he poses is quite simple really; why do we lie, exaggerate truth, fail to love, why do we live selfishly? *The obvious answer is sin. But if we think about it, it is because there is something besides Jesus Christ that we feel **we must have** to be happy.*
 - One definition he gives idolatry is; *"anything more important to you than God, and this is anything that absorbs your heart and imagination more than God, **anything that you seek to give you what only God can give.**"*
- An old puritan quote
 - "he is not a Christian who has something that he cannot give away.... For the sake of Christ.
- DO NOT TRUST YOUR HEART AND BE WEARY OF FINDING YOUR IDENTITY IN YOUR BUSINESS. BE CAUTIOUS NOT TO SEEK FOR JOY FROM YOUR BUSINESS.

Final thoughts on business start ups:

- Not everyone is cut out for business. Ask the advice of honest friends or watch their body language if you haven't got very honest friends!
- Know when to give up on a business. **The numbers don't lie.** If it's not breaking by your projected time and there is no clear reason to think things are going to change then it is time to cut your losses and get out. Don't use 'faith'-language as a reason to stick with it 'trusting God' for a 'breakthrough'. God has given you a brain which is able to add and subtract. If the numbers are not working then stop.
- Don't mix personal finances and business finances. Don't rob your own business. You must have separate personal and business bank accounts and keep things separate, pay yourself a salary.
- For a business to be able to support you in ministry (or as a side hustle) you must set up systems so that it will run like clockwork without your intervention.

PERSONAL FINANCES

- Not everyone will be gifted to be an entrepreneur but all of us have finances and we are called to steward what we have well. Be cautious of saying you do not have finances... remember the parable of the talents (Luke 19:21-26).
- Simple rule of thumb: **inflows should be more than outflows**
 - I'd say outflows should be not more than 70% of inflows. This means if you've been working for 2 years and you were to lose your job you could live at the same standard of life for almost 1 year without working...
 - ALWAYS, always use percentages in planning your personal budget. Look at the overall reasonably expected income and do percentages of that rather than starting with outgoings and dreaming that the income will magically increase to reach it. (This is not faith but foolishness.)
 - Aim to increase your assets (something you own and receive financial benefits from or generates income).
 - Make sure your liabilities are well managed. Be very careful with credit cards or loans.
 - Avoid stepping out of your budget.

What are Christians to use their finances on?

- The local church – 2 Cor 9:7, Matt 22:21,
- Missions, the furtherance of the gospel – Phil 4:16-18, Gal 6:6
- Provide for their families – 1 Tim 5:8
- Provide for themselves – Eph 4:28
- Give to the needy – Acts 2:42-45, 1 Tim 6:18-19, 1 Cor 16:1-3, 2 Cor 11:8
- To give their children an inheritance – Prov 14:22

More Resources:

[Personal finances, job-seeking skills and setting up a business \(Duncan Olumbe & David Maina\)](#)