

Training Tamer

*Helping People
Learn & Soar*



Pursuing Self-Employment

Lesson 3 Topics

- Identify Attributes of the Self-Employed
- Explore Why Small Businesses Fail
- The Upside of Owning Small Business
- Define Company Vision/Mission
- Develop Business Goals/Objectives
- Research Sources of Funding, Coaching & Training
- Create a Formal Business Plan
- Transition into Self-Employment
- Obtain Startup Funding

Opening Exercise

- Break down into groups of 4
- Brainstorm the following two items
 - What are the attributes of person seeking self-employment?
 - What do you think you need to do/learn to start a new business?
- One person record the groups answers
- At the end, the recorder will report back the groups findings to the class

Identify Attributes of the Self-Employed

- Similarities of successful entrepreneurs
 - Persistence
 - Desire for immediate feedback
 - Inquisitiveness
 - Strong drive to achieve
 - High energy level
 - Goal-oriented behavior
 - Independent
 - Demanding

Identify Attributes of the Self-Employed (2)

- Similarities of successful entrepreneurs (contd)
 - Self-confident
 - Calculated risk taker
 - Creative
 - Innovative
 - Vision
 - Commitment
 - Problem solving skills
 - Tolerance for ambiguity

Identify Attributes of the Self-Employed (3)

- Similarities of successful entrepreneurs (contd)
 - Strong integrity
 - Highly reliable
 - Personal initiative
 - Ability to consolidate resources
 - Strong management and organizational skills
 - Competitive
 - Change Agent
 - Tolerance for failure
 - Desire to work hard
 - Luck

Why Small Businesses Fail

- Lack of experience
- Insufficient capital (money)
- Poor location
- Poor inventory management
- Over investment in fixed assets
- Poor credit arrangements
- Personal use of business funds
- Unexpected Growth
 - “Crossing the Chasm” Book
 - Growth when moving from Early Adopters stage to Main Street stage

The Upside of Owning a Small Business

- You will be your own boss
- Hard work and long hours benefit you directly, rather than increasing profits for someone else
- Earning and growth potential are far greater
- A new venture is as exciting as it is risky
- Provides endless challenge and opportunities for learning

Business Planning

- Define Company Vision/Mission Statement
- Develop Business Goals/Objectives
- Research Sources of Funding, Training, and Coaching
- Create a Formal Business Plan
- Get a Business Coach (SBDC or SCORE)

Define Company Vision/Mission Statement

“Training Tamer is the premier provider of effective and affordable training and coaching services for Job Seekers and Employers. We deliver traditional classroom training with a highly qualified instructors and eLearning courses that you can take at your own pace on the web. We also offer regular web conferencing, webcasts and podcasts to disseminate valuable new information and answer customer questions. For individualized help, we provide one-on-one phone coaching to help solve your problems. We are dedicated to offering truly effective training courses that are interactive, engaging, and make learning easy and fun.”

Vision/Mission Exercise

- Break down into groups of 3
 - Write a 2-3 paragraph vision/mission statement for your proposed business
 - Share it with the group and get feedback

Develop Business Goals/Objectives

- Identify/pursue sources of startup funding
- Get EIN from IRS and register business entity with city and state (e.g. LLC, S-Corp, etc.)
- Get DUNS number (Dun & Bradstreet Number needed for things such as applying for Grants, etc.)
- Determine any special business licenses needed, if any
- Set up your accounting system with an accountants help
 - Set up the books for company
 - Identify local, state, and federal tax liabilities based on your business entity type
 - Identify all valid business deductions
 - Determine when quarterly tax must be paid

Develop Business Goals/Objectives (2)

- Identify the financial data
 - *This will be the most difficult/time consuming part of the business plan!!*
 - Startup funding needed to open the door
 - How much money will I need to survive before income starts coming in
 - Estimate of first year's revenue
 - If lose money in first year, how pay for deficit?
 - Estimate of first year's expenses
 - How much money can I afford to lose before I go out of business
 - How long will it be before I make a profit?
 - Who can I turn to in an emergency to raise emergency capital
- Establish business checking/savings accounts

Develop Business Goals/Objectives (3)

- Identify courses to be developed for job seekers/employers and formats to be supported for each (instructor-led and/or eLearning courses)
- Develop course description & instructional design document for each course
- Design/develop courses for job seekers/employers
- Identify vendors who can help build the eLearning versions of the courses

Develop Business Goals/Objectives (4)

- Create business marketing plan
 - Identify potential markets
 - Workforce Development Centers, VA, Career Service Offices in Colleges/Universities, Individual Out-of-Work Job Seekers, College/University/Retail Bookstores, High School Guidance Counselors and Career Services Teachers, Community Colleges, etc.
 - Develop data sheets for each course
 - Identify methods to advertise/sell to each market/channel
- Develop pricing plan for each course (public, onsite, etc.)

Develop Business Goals/Objectives (5)

- Design/develop website with eCommerce capability and enhance keyword search potential (so Training Tamer shows up in first page of search results)
- Determine requirements for staffing, furniture, phone, printer, fax, copier, internet connection, supplies, etc.
- Identify hardware/software requirements and purchase same
- Identify vendors who can resell my courses
- Identify a global sales strategy for selling on the internet

Goals/Objective Exercise

- Break down into groups of 3
 - Write down a series of bullet points that cover your goals/objectives for your business
 - Share it with the group and get feedback to find out what critical items you may have omitted

Research Sources of Funding, Training & Coaching

- Small Business Administration (SBA)
 - SBA provides lots of resources for small businesses
 - Local Small Business Development Center (SBDC)
 - Provides training and counseling on all aspects of setting up a new business
 - Check the online training calendar for your local SBDC office to find out what courses are offered and when
 - Senior Core of Retired Executives (SCORE)
- Investors – Venture Capitalist and Angels Investors
- Federal, State, and Private Grants

NOTE: See other resources at the end of this slide show!!

Overview of Business Plan Components

- The Business Plan
- Executive Summary
- New Venture Concept Statement (Business Description)
- Products & Services
- Products & Services
- Organization & Operating Procedures
- Marketing Plan
- Financial Plan & Projections
- Appendix

The Business Plan

Goal is to provide:

1. A market exists for your product and/or service that will allow you to achieve a profit,
2. You are well positioned to make a profit from this market, and
3. Your financial projections are reasonable and in-line with your assumptions from numbers 1 & 2.

Resources:

Small Business Association

http://www.sba.gov/starting_business/planning/writingplan.html

Executive Summary

Goal is to provide:

1. A focused summary of the plan, and
2. Specific identification of the goals of the new venture at this point (including financing).

Notes: Write the executive summary last.

Checklist:

- Identify the market opportunity, marketing strategy, and the company's unique offering
- Identify the management team's relevant experience and accomplishments.
- Specify the financial goals of the business in terms of sales and profit margins.
- Specify funds required, how the money will be used, and how funds will be obtained.

New Venture Concept Statement (Business Description)

Goal is to provide:

1. A general overview of the new organization, and
2. Basic information relevant to understanding the business.

Notes: If the information is longer than a page, summarize it and put the rest in the appendix.

Checklist:

- Describe the strategic items the firm has already accomplished.
- Identify key goals outstanding and outline when they will be accomplished.
- Address legal structure (e.g. LLC, S Corp, etc), protection of intellectual property and any other legal arrangements.
- Address liability and security issues, insurance requirements & coverage.
- Identify the majority owners of the business and their ownership interests.

Products & Services

Goal is to provide:

1. A reason why your product/service will stand out in the market, and
2. Information pertinent to understanding your product/service.

Checklist:

- Describe the products and/or services, including unique features and their benefits to the user.
- List the requirements from regulatory agencies and any proprietary protections.
- List critical and backup suppliers and subcontractors.
- Address the raw material, inventory and equipment needs.
- Address the research and development requirements. (if applicable)

Management Team

Goal is to provide:

1. Who will lead the organization, and in what capacity, and
2. Establish complete credibility and ability of these leaders.

Checklist:

- List key management positions, salaries, benefits and individuals expected to fill each position.
- Sell each person's related experience and accomplishments.
- List the key advisors and their contact information.
- List personnel requirements, salaries, costs and responsibilities assigned to each position.
- Provide explanation of how deficiencies will be overcome.

Organization & Operating Procedures

Goal is to provide:

1. Organizational, personnel, and operating goals and measures, and
2. An understanding of the flow of cash in, through, and out of the organization.

Checklist:

- Provide a detailed list of key activities and operational goals with a timeline.
- Detail the risk factors that are critical to success.
- Discuss the contingency plans for risk mitigation [Sales Goals not be Reached, etc.].
- Address any anticipated future changes in business strategies.
- Address how the business will move into future.

Marketing Plan

Goal is to provide:

1. The proposed target market(s) of the venture,
2. An overview of the competitive environment,
3. The pricing strategy of the organization,
4. The promotional and advertising plans, and
5. How sales will be managed.

Checklist:

- Address industry, size, trends, seasonality and existing distribution networks.
- Identify target markets by profile, their size and geographic locations.
- Identify major competitors and addresses their strengths and weaknesses versus your company.
- Address advertising, promotion, pricing, packaging, warranties and guarantees (include a budget).
- Address the sales process, terms, and methods for obtaining customer satisfaction information.

General Resources:

- InfoSpace - Company Websites: www.infospace.com/info/bizweb.htm

Financial Plan & Projections

Goal is to provide:

1. Financial goals and needs of the organization,
2. Contingency plans for unexpected/unmet factors, and
3. Reasonable financial projections.

Checklist:

- Specify the financial goals of the business, the financial risks and the strategies for their mitigation.
- Detail how funding required, how the money will be used, and how funds will be obtained.
- Addresses the return on investment, repayment of loans, and the exit strategy for investors.
- Show the 3 to 5 year summary financial projections and detail any major assumptions.

Resources:

Benchmarking: BizStats.com Financial Benchmarking | www.bizstats.com

Financial Calculators: www.dinkytown.net

Appendix

Goal is to provide:

1. Additional relevant information not located within the parameters of the plan, and
2. Support documents referred to within the plan.

Checklist:

- Include monthly financial projections and any additional supporting materials
- Include a complete equipment list
- Include any sample advertising, including brochures
- Include the owners' resumes
- Include additional Industry/Market Research information

NOTE: See over 60 sample business plans at:

www.entrepreneur.com/startingabusiness/businessplans/article157738.html

Use Your Resources

- Use your classmates in this seminar as resources in helping you build your business plan and business
 - *Discuss how you could help one another right now!!*
- Use family, friends, etc. who run their own businesses
 - They been through it already and can save you a lot of time and headaches based on their experience
- Use counselors at the SBA/SBCD or members of SCORE
- Use the resources listed in the end of the slide show

Time Required to Create a Successful Business

- Not all business plans are alike
 - Depending on your business, you may not need every section of a business plan template and the amount of detail in each area may be less as well
 - Plan between 3-5 business days (8 hours/day) to develop the plan
 - There may be interruptions where you have to gather more data before continuing/completing

Other Issues

- Getting Reasonably Priced Insurance
 - Health & Vision Insurance
 - eHealthInsurance at www.ehealthinsurance.com
 - Insurance Finder at www.insurancefinder.com/healthinsurance/healthinsurance.html
 - Dental Insurance
 - Careington Dental –500 Series Dental Plan at www.1dental.com
 - Dental Plans at www.dentalplans.com
 - Life Insurance
 - Short/Long Term Disability Insurance
- Establishing Your Own Retirement Program
 - ShareBuilder 401K at www.sharebuilder401k.com

Transition into Self-Employment

- How to Get There from Here and Survive Financially
 - Develop a concrete plan for getting from where you are to where you want to be and prioritize your objectives
 - Make the plan timeframe reasonable and achievable
 - **“Do First Things First”**
 - Try one of the following so you have time/energy to pursue your dream and can still pay your bills
 - Stop giving over 100% to your current job
 - Work a part-time, low stress job
 - Get ongoing support from family, friends, co-workers, and maybe even a business coach
 - **Never, ever, ever give up!!**

Obtain Startup Funding

- What is Business Funding?
 - www.business-funding-guide.com/business_funding.aspx
 - Website describes types of business funding we will cover below in more detail
- Sources of Funding
 - Banks
 - Must repay loan even if business fails
 - SBA Loan Programs
 - www.sba.gov/services/financialassistance/sbaloantopics/index.html
 - Government Grants:
 - www.grants.gov

Obtain Startup Funding (2)

- Sources of Funding (contd)

- Investors: Venture Capitalists (VCs) and Angels

- Typically want to own part of your business in exchange for financing and VCs want a larger share
- VCs often want to co-run the business to varying degrees where Angels typically don't
- VCs typically don't work with high risk startups but Angels do
- Places to Find a Info on VCs or Angels to Fund Your Small Business
 - www.gobignetwork.com/small-business-funding/?OVRAW=Angel%20Investors&OVKEY=angel%20investor&OVMTC=standard&OVADID=3250906521&OVKWID=32407987521
 - www.businesspartners.com
 - www.wealthygeek.com/results.aspx?keywords=angel%20investors&ovraw=Angel%20Investors&ovkey=angel%20investor&ovmtc=standard&ovadid=5151098511&ovkwid=23310684011
 - <http://wsbe2.unh.edu/capital-locator>

Resources

- SBA - Thinking of Starting a Business
www.sbdc.usf.edu/starting.asp
- Veteran Owned Businesses
www.business.gov/guides/veteran-owned/
- Growthlink Business Planning Guide (PDF)
www.growthink.com/businessplanguide.pdf
- The Business Plan: Not Just a Blueprint
<http://entrepreneurs.about.com/od/businessplan/a/businessplan.htm>
- How to Create a Business Plan
www.entrepreneur.com/businessplan/index.html
- Free Sample Business Plans (60)
www.entrepreneur.com/startingabusiness/businessplans/article157738.html
- SBA - Write a Business Plan
www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/SERV_WRRITINGBUSPLAN.html

Resources (2)

- Florida Incorporation Service (to set up an LLC or Corporation)
www.entrepreneur.com/startingabusiness/businessplans/article157738.html
- Business Entity Comparison Table
www.bizfilings.com/products/articles/entity_comparison_table.asp
- Business Tax - New Business Application (City)
www.tampagov.net/appl_customer_service_center/form.asp?strServiceID=645
- Small Business Development Center (SBDC) Training Calendar
www.sbdc.usf.edu/calendar.asp
- SBA Finance Primer: Guide to SBA's Loan Guaranty Programs (Free Online Course)
<http://app1.sba.gov/sbtn/registration/index.cfm?CourseId=29>
- **Web Studio:** Web Hosting/Development Tool
Easy drag & drop development & eCommerce capability
www.webstudio.com/site/trial/VideoTour/VTindex.asp
- **Homestead:** Web Hosting/Development Tool
Easy drag & drop development & eCommerce capability
http://www.homestead.com/?s_cid=G20444

Resources (3)

- **PriceGrabber:** Great Place to Buy Cheap Software Online (lots of other things too)

<http://software.pricegrabber.com/st=category/>

- **Startup Lenders**

– Copy the below link into your web browser's address field to get a current list

http://pagead2.googlesyndication.com/pagead/ads?client=ca-pub-0694273688312625&dt=1213623157657&lm=1211896314&prev_fmts=120x90_0ads_al_s&prev_slotnames=9389379778%2C4202354962%2C0283602599&output=html&slotname=4438922581&correlator=1213623156956&url=http%3A%2F%2Fwww.selfemployedweb.com%2Fsmall-business-administration-role.htm&ref=http%3A%2F%2Fwww.selfemployedweb.com%2Fsba-disaster-loan-faq-b.htm&frm=0&cc=437&ga_vid=310079793765072960.1213623157&ga_sid=1213623157&ga_hid=2037161420&flash=9.0.115.0&u_h=768&u_w=1024&u_ah=734&u_aw=1024&u_cd=32&u_tz=-240&u_his=10&u_java=true&format=fp_al_lp&kw_type=radlink&rt=ChBIVmt3AAagJAqyRQq2GwUgEgpTQkEgTGVuZGVyGgjWsV5XQs74ZygBMAJSEwj2gr3KivmTAhUVxbIKHW4FG_g&hl=en&kw0=Start+Up+Funding&kw1=SBA+Lender&kw2=Warehouse+Loan&kw3=SBA+com&kw4=SBA+UConn&okw=SBA+Lender

Resources (4)

- Venture Capital and Angel Investors
www.vfinance.com/
- National Venture Capital Association
www.nvca.org/
- Government Grants
www.grants.gov/
- Grants for Small Businesses
<http://find-small-business-grants.com/?GKEY=Small%20Business%20Grant>
- Foundation Center - Find Private Funding Sources
<http://foundationcenter.org/findfunders/>
- 10 Tips For Long Term Client Retention
www.selfemployedweb.com/client-retention.htm

Resources (5)

- Selling Your Business - Don't Underestimate the Value of Your Company's Website
www.selfemployedweb.com/company-website-value.htm
- Florida's Business Start Checklist
www.floridastartup.com
- IRS Small Business and Self-Employed One-Stop Resource
www.irs.gov/businesses/small/index.html
- Self-Employment Advice & Resources
www.selfemployedweb.com/
- USA.gov for the Self-Employed
www.usa.gov/Business/Self_Employed.shtml
- The Art and Science of Leadership
<http://www.nwlink.com/~donclark/leader/leader.html>

Thank You!





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