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Self-Employment

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Customized Works!

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Self-Employed

Self-Employment

Micro Enterprise

Entrepreneur

***Lifestyle
Entrepreneur***

Typical concerns *about setting up a business*

- *Won't it just fail since most businesses fail?*
- *How can a person with a disability have the entrepreneur characteristics?*
- *How will I support this person?*

Definitions

- Self Employment
- Entrepreneur
- Micro-enterprise

Bob Reiss, successful entrepreneur and author of *Low-Risk, High-Reward: Starting and Growing Your Small Business With Minimal Risk*, says:

"Entrepreneurship is the recognition and pursuit of opportunity without regard to the resources you currently control, with confidence that you can succeed, with the flexibility to change course as necessary, and with the will to rebound from setbacks."

- Key factor in Reiss's definition

- undertake opportunities *regardless of the resources the entrepreneur currently controls.*

- Michael Dell, who started his computer company in his college dorm room
 - Lillian Vernon, who started her mail-order business when she was a housewife looking for extra income. These successful entrepreneurs didn't start rich and successful. They ended rich and successful.

- "Entrepreneurial" is often associated with venturesome or creative. Be creative in acquiring the resources you need to build and grow your business.

Self Employment as defined by the Bureau of Labor Statistics

- Owners of unincorporated businesses who get their income directly from their profits.
- Does not include but collects data on:
 - Businesses that are incorporated with the owner earning a wage.
 - Secondary job holders, workers who work for someone for a wage and also work for themselves in an unincorporated business.

The “Micro” Terms

- Micro-enterprise is a business with 4-5 employees not counting the business owner. Some define a one person self employed business a micro-enterprise.
- Microfinance, also known as micro-credit, has been called community development banking and social economy banking. In the U.S., it's generally known as micro-enterprise development.

Reasons for a person with a disability to *Start a Business*

- They have a special interest
- Likes doing things “their way”
- No one is actively seeking employment for them and the person is stuck in unemployment
- Nothing to lose
- The only way to obtain any resources (\$2000 max)
- A way out of poverty
- It is the ultimate customized job, a job created for the business owner

It is likely that an owner would start with one model and shift to another during the process of development and post development

Myths

“uncovered” by National Commission on Entrepreneurship’s:

Kauffman Center & Rural Entrepreneurship Initiative

- Risk Taking Myth: Entrepreneurs are not wild risk takers in the gambling sense.
- High Tech Invention Myth: Most growth businesses are not rooted in some high-tech invention.

Myths Uncovered

- The Expert Myth: Most are not experts, they pull together a team.
- The Strategic Vision Myth: Most do not have a fully sorted out vision of their enterprise. They get started and evolve based on a good concept and great team.
- The Venture Capital Myth; Capital is not terribly important, most are funded by the three F's—family, friends, fools (credit card companies and suppliers)

Final analysis from the study and from the person with a disability

- One in ten Americans have the motivation and can acquire the capacity to create and *grow* an enterprise.
- A very small group achieve the capacity and opportunity to create a high growth enterprise— 4 in 100 enterprises
- Who is the person and their team? What is the motivation of the potential business owner.



Self-Employment in Michigan & Other Parts

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Michigan

- Genesee County

- 15.7% reported self employed

- Shiawassee County

- 10% reported self employed

National Statistics

- 6.6 % of the workforce identified themselves as self employed
- 20 million in the United States
- Self Employment growing at 20% annually
- Micro enterprises generated 43% of all of the new jobs

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Process for Self Employment

Where does it all begin?

- It begins with the person, like all other employment.
- The person enters requesting assistance with employment and it is determined that a Customized Support Team is needed to facilitate customized employment.
- The CS Team facilitates Discovery for the person.

- Some persons will walk in wanting to “own their own business” – the *Fast Tract Business*
- Some persons will have self employment identified in the discovery process as appropriate and desired by the person wanting a created “job” through self employment.
- Some persons may resort to this as a result of no employment.
- In both cases, the CS Support Team would include the “lead” person at the One Stop for Self Employment and/or the appropriate resources for further job creation through business development.

Why go through a similar process as when seeking employment?

- Job Creation is a kind of customized job
- The process for customization is what most of the “How to Start a Business” books
 - Discover Yourself is key to all self employment!

Process for Self Employment

- Discovery of the Person
- Employment - Job Creation Plan resulting in potential Business Concepts
- Business Team Formed
- Research & Feasibility
- Benefit Planning
- Business Plan
- Initial Implementation
- Review, Revise, and Develop

The Role of Discovery

Discovery provides, in a non-traditional, common-sense form, the information needed to determine *the strengths, needs, and interests* of any person with complex life issues.

This information guides how the business will be customized for the owner.

Discovery is...

- A process that involves getting to know people, or helping them get to know themselves, before we help them plan;
- Spending time with people, instead of testing or evaluating them, as a means of finding out who they are;
- The best way to find out the best that people have to offer;
- An common-sense strategy to determine the complexities and preferences of the applicant or the potential business owner.

Discovery is...

- A way to identify the unique contributions offered by the person to their business;
- Enhanced when we get to know people in settings *where they are most who they are*;
- Compatible with self-determination and customer choice.

Discovery

A process not a form

It is a process to learn about the person

- Through spending time with them,
- Talking with family & friends,
- Going in the community with the person to familiar places and to new places,
- And additional types of assessments, if necessary

Critical Information to Discover

- Connections to the community
 - Family and friends names and connections
 - Family and Friends and any connections from the business community
 - Family supports
 - Potential & existing service eligibility
 - Local of their home in the community
 - How people get around, transportation
 - Existing businesses near the home

Discovery

- Description of the Potential Business Owner (How do they do these things)
 - Communication
 - Mobility
 - Vocational
 - Academic
 - Community
 - Socialization

Discovery

- Identify existing routines, weekend and weekdays
 - What kind of activities does the person do for fun?
 - Where do they go, who do they do this with?
 - What did the person do in there past that they enjoyed?

Discovery

- Identify or clarify
 - Why a person wishes to own and establish their own business (what is their motive)
 - The resources the person can bring to a business
 - Any work or business experiences the potential owner may have had in the past
 - Any work or business experiences the family or friends may have now or in the past

Summarize the Information

- Ideal Conditions for the business owner
- Contributions the owner brings to the business
- Interest to direct the type of activity the owner will do in his/her business
- Connections in the business community
- Resources the owner has the potential to offer; personal, governmental, and community

Employment: Job Creation Plan

- Time to pull all information together to guide direction for employment/business
- Takes place in a group meeting
- Has both the person's network of relationships and professionals
 - Target persons for attendance that know the person, are connected to the person and willing to offer assistance, connected to the area of interest or business development, person knowledgeable of business development.

Conditions for employment

Conditions (Needs) are characteristics of *any* job, created or not, that is developed for the applicant/owner. Conditions refer to issues such as days of work, pay, benefits, location of the job, inside/outside work, time of day, hours per week, etc.

Preferences for employment

Preferences (Interests) are

characteristics of an ideal job that gives direction toward a certain area of work interest. Preferences might include: working around boats, office work or working in a retail setting. Try not to use job titles.

Contributions for employment

Contributions (*Strengths*) refer to the owner's characteristics that will be offered to business. These might include:

Personality characteristics

Skills

Credentials

Experiences

Recommendations

Tasks for the business owner

Tasks are the building blocks of a customized job description. Think of specific, discrete work chores that the individual can perform or could learn to perform.

Tasks should reflect a person's *best dimensions of performance* as well as their *interests*.

Create the Business Concepts

- Clarify resources as they relate to employment and entrepreneurial opportunities,
- Connecting all of the summarized information, identify potential types of businesses that the owner might offer,
- Potential Owner targets several types of businesses he/she might be interested in pursuing.

Business Team

(Planning & Development Team)

- Create a team of people to assist in the planning and development of a business opportunity. This may already have been done prior to the Employment Plan if ownership was discovered or requested.
- Include persons in the community currently or previously involved in a similar business as team members.
- Identify types of expertise needed to determine team members,
- Clarify expectations and time frames for the team members,
- Determine the legal relationship of the team; corporation, advisory, contractors.

Research & Feasibility Study

- Research to determine opportunities and necessary components for these business concepts,
- Implement a feasibility study to identify strengths and weaknesses within the business concept
- NOTE: The purpose of the feasibility study is not to refuse support or resources for this business. It provides information to develop the plan and gives the potential owner more specific information to verify their expectations of the business.

Benefit Planning

- Benefits are the resources available to the owner through their eligibility for government resources.
- Benefit Specialists for Social Security Administration are available to plan for the development of the business.
- Other benefits, such as housing, will be impacted by the business, requiring taking those services into consideration during planning.

Review & Target the Business Concept to be Developed

- This decision is made by the potential owner
 - Influenced by the support of family & funders for business development
 - Issues that may have a negative impact are addressed with a plan to prevent the impact
- Customized Support Team clarifies the match in the “template” of characteristics of work and the business concept selected.

Refine the Business Concept

- Describe the product &/or service to be offered
 - Where and when will this be offered
 - What are the tasks that will need to be accomplished for this business to be successful, a business labor analysis
 - What is anticipated cost of product/service
- Business team plays a critical role in defining these areas: Marketing, Finance, Operations

Operations

- Product Development or Service Delivery method is defined in detail.
- Availability and Access to products for use in the business are sought
- Transportation of the product/service is determined

Marketing

- Most businesses have a marketing need or a need to generate business. A marketing plan is developed, based upon the owners product or service and the desired growth of the owner.
- This area appears to be the weakest component in most plans.

Labor Analysis

Routines/ Tasks	Tasks to be completed by:			Labor Costs:		
	Business Owner K=Knows L=Learn	Employee	Contract	Self Pay	Employee /Contract	Government funded support
Initial						
Daily						
Monthly						
Weekly						
Annually						

Financial

Set up Costs	Personal	Government	To Be Developed
Wage expectations	Start up	Interim	Goal
Break Even Analysis			
Cash Flow Analysis			

Business Structure Considerations

- Structures
 - Sole Proprietor
 - Partnerships
 - Limited liability companies, LLC
 - Incorporations, S and C
- Blending Jobs & Self Employment
 - Resource Ownership and Investments
 - Business within a Business
 - Family Partnerships

Business Plan

- Purpose of Plan
- Types of Plans
- Basic Plan: A business plan should be developed that will identify the community need, potential customers, potential cost, materials and equipment, staffing needs and owners sweat equity
- Business team plays a critical role in the development of the plan.

A Business Plan

- Description of business venture
- Some form of equity
- Identification of unpaid support
- Contributions of the owner
- Expectations of the business
- Listing of discrete services/products needed to get the business going
- Money associated with the service/products to be provided by the project
- Strategies to get supports needed for ongoing maintenance of the business and start up costs, along with future funding needs, if necessary

Understandings

- Beginning and ending ideas
- Owner issues vs. business issues
- Financial package includes government supports
- Long term supports vs. long term planning

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Self Employment and Customization

Customization and Matching

Just as a job is customized for a person, a business must be customized.

The business type and operations must match the owner's characteristics of work.

Using a “Template” Strategy

The owner’s skills, interests and conditions – their contributions - for ownership are used to determine how the business operates.

The Business’s needs (operational methods) must be carefully crafted to match the owner and the needs to develop a viable business. Consider an overlay or template to make this match. Negotiations are more around the supports and training needs of the owner.

Customized Employment Features of Self Employment

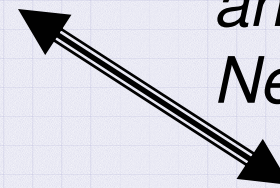
Business Development and Negotiation creates the individualized business and its operations based on a

“template strategy”

Business Owner
Conditions

Business
Operations

*Business
Development
and
Negotiation*



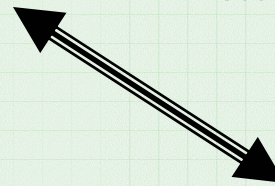
Customized Employment Features in Self Employment


Match creates the
tasks the business
owner offers on a
“template strategy”

Applicant
Contribution

Business
Activities

Match





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Self-Determination & Self-Employment

Issues

Support for Businesses

- Few programs in the U.S. have more than 500 clients," he explains, "whereas the small programs in developing countries have several thousand. In addition, those targeted by self-employment programs in the U.S. generally need a whole package of support, not just start-up capital." As a result, government support is essential.

Role of Micro enterprise Development in the United States.
Co-author John Else of the Institute for Social and Economic Development

Potential Supports Needed for persons with a disability

- The complete process beginning with discovery and ending with implementation.
- Ongoing supports for the following:
 - Facilitating the business team to assist in business decision making
 - Training the owner to do tasks he/she is interested in learning to run their business
 - Renegotiation of paid supports
 - Facilitate the owner to review, revise, and Develop

Tips for accessing supports

- Targeting what information you need assistance on for your business
- Communicating a specific request
- Create a portfolio of the process to bring on additional players that join later in the process
- Consider the use of a business mentor to assist in representation with some of the agencies involved

Power of Informal Supports

- Individuals or groups connected to the owner
- Organizations with a disability focus
- Generic advocacy or community organizations that have an interest in economy development by minorities
- Business organizations such as the Civitan and Rotary

General Self-Employment

- www.sbaonline.sba.gov
U.S. Small Business Administration web page with general information, links, success stories, etc.
- www.rileyguide.com/self.html
Considering Self-Employment. Good site with lots of general information
- <http://198.103.206.130/apps/amiantent.nsf>
Traditional entrepreneur self-assessment with profile of results
- <http://www.toolkit.cch.com/>
Many useful links. Good site for Business Plan writing info. Click on "Starting Your Business" and "Planning Your Business".
- <http://www.entrepreneur.com/>
General information and tips from ENTREPRENEUR magazine. Good site to shop for business ideas, marketing, business planning, etc.

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More General Resources

- www.jan.wvu.edu/sbses/tableofcontents.htm
Extensive network of links. Click on "Getting Down to Business" and Publications List. Excellent resource site.
- www.financeprojectinfo.org/WIN/self.asp
Welfare Information Network. Extensive list of publications with links to most... some current, some not so current, but lots to look at.
- <http://www.businessownersideacafe.com/>
Lots of information, profiles of successful business owners, bulletin boards & discussions.
- <http://www.score.org/>
Service Corps of Retired Executives offers no-charge, on line counseling and training in small business. May be possible to get information on your particular business from an experienced person in that business.

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Resources That Help People With Disabilities

- www.onestops.info
National Center on Workforce and Disability. Information on the workforce system and how to support people with disabilities returning or entering into the workforce.
- www.labor.state.ak.us/dvr/home.htm
Alaska Division of Vocational Rehabilitation web site. Branch of state government responsible for rehabilitation and other services to people with disabilities who want to return to work. A One Stop Partner.
- <http://www.yourtickettowork.com/>
Maximus web page for Ticket to Work Program, information about the Ticket to Work, Work Incentive Improvement Act, distribution and availability of resources for people with disabilities and Employment Networks enrolled to support individuals efforts to return to work.
- www.ssa.gov/work/Beneficiaries/beneficiaries.html
Social Security page with information and links to other resources for people with disabilities who want to work and manage their disability benefits.

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More Resources

- <http://www.passplan.org/>
Montana University Affiliated Rural Institute on Disabilities. Information and numerous examples of PASS Plans. Major contributor, Dave Hammis, an authority on PASS Plans
- <http://www.griffinhammis.com/>
Discussions on effects of Self-employment on Social Security Benefits. Click on “Social Security Considerations for Small Business Owners” for S.S.A. Regulations relating to self-employment. (Warning: it’s bureaucratese.)
- www.halftheplanet.org/departments/entrepreneurs
Good general information site, specializes in self-employment for people with disabilities.

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Individual Development Account

Introduction

- Must be earned income
- Matched by federal funds at a 3 to 1
- Statewide plan
- Goal must be self employment, housing, or training
- Includes financial training & asset development

Goals

- **Plan public benefits necessary in order to work and improve economic well-being**
 - **Use financial services successfully**
 - **Develop positive financial habits and credit history**
- 

Methods

- **Integrated counseling (benefits, credit, asset training)**
- **Peer Support**
- **Financial education workshops**
- **Affordable financial services**
- **Individual Development Accounts**

Match Structure

- **1:3 match (\$25:\$75 minimum)**
- **\$1,000/year or \$2,000 total maximum personal deposit over life of program**
- **Maximum match = 6,000**

Cautions

The concept of Entrepreneurship is so enticing the Support Team/Provider/Family may influence the direction of jobs for people served. The direction for all employment must come from the person. The person's characteristics of work should provide the direction.

Consider all strategies as tools to be used with no one model meeting all person's needs.

Another Caution

- Setting up a business plan that is based on market analysis or generic business plans instead of the person. The way the business is set up and organized must come from the person's interests, conditions of employment, and contributions.

Understand

- A business is a created job.
- No matter how much energy you put into it, a person may want to move on to other employment efforts. None of us continue in the same job, nor does any business remain the same.
- Can you do something forever?

Typical concerns *about setting up a business*

- *Won't it fail since most businesses fail?* Most don't fail, they evolve and change according to opportunities. High growth enterprises do have less success, but they still may be in business without the growth desired.
- *How can a person with a disability have the entrepreneur characteristics?* They don't have to have it, their team could. Also they may not want to be a growth entrepreneur.
- *How will I support this person?* You shouldn't, several teams should; the business team and the customized employment team.