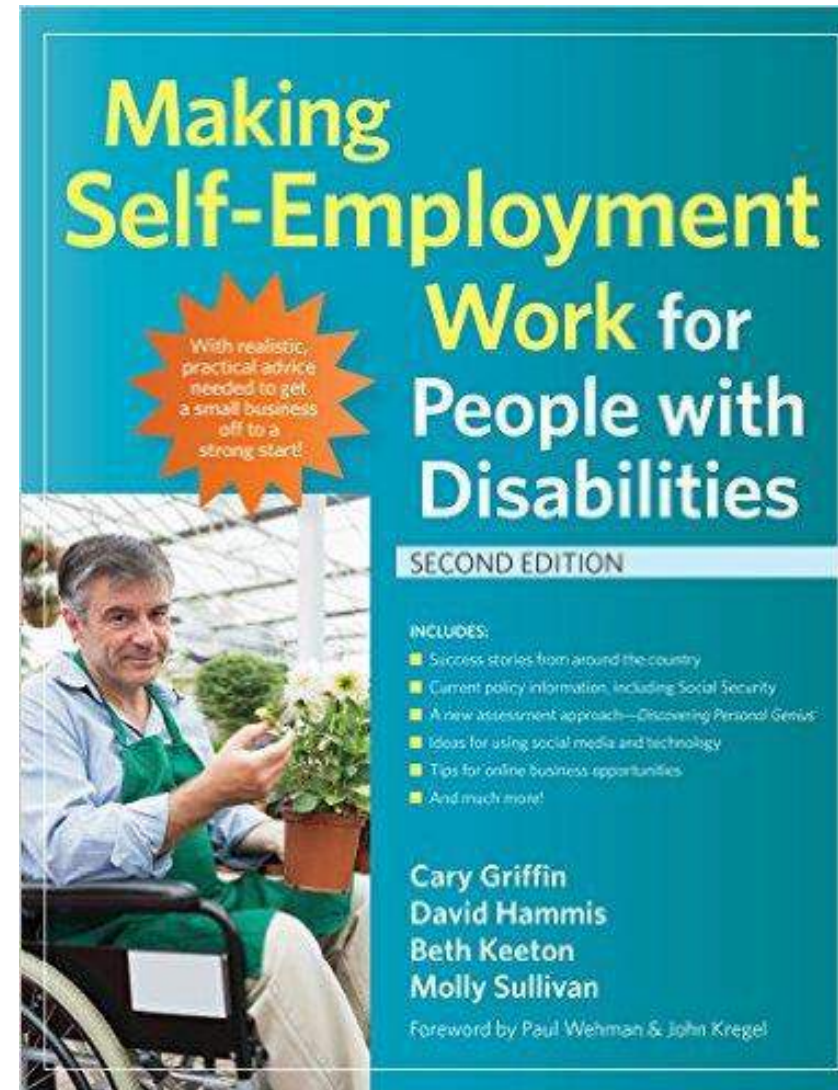
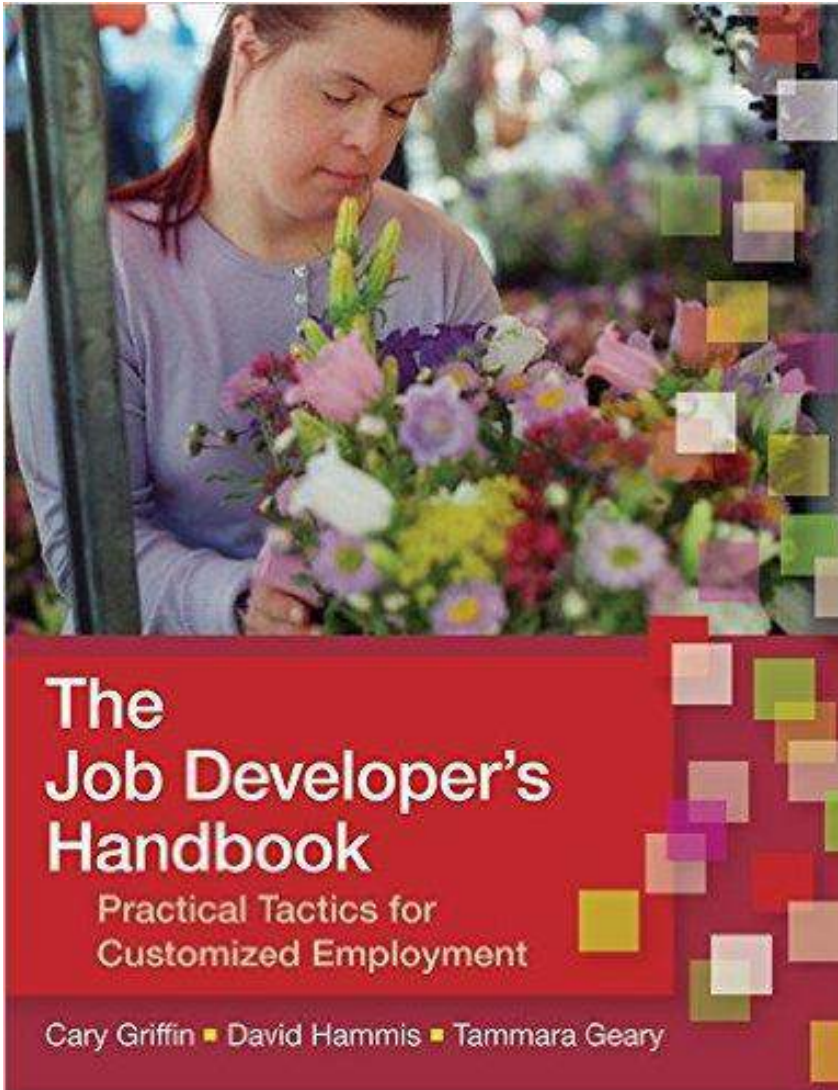


Exploring Self-Employment

Ashlea Lantz, Senior Associate
Janet Steveley, Senior Associate
Senior Associate, Griffin-Hammis Associates

Customized Employment Resources



Learning Objectives

Participants will be able to:

- Describe when and for whom Self-Employment (SE) may be a potential strategy
- Identify potential business planning team members and describe their roles.
- Describe initial steps in identifying a business concept and determining business feasibility

Agenda

Session 1

- Introduction to Self-Employment
- Roles of the Business Planning Team
- Business Concept Development
- Business Feasibility

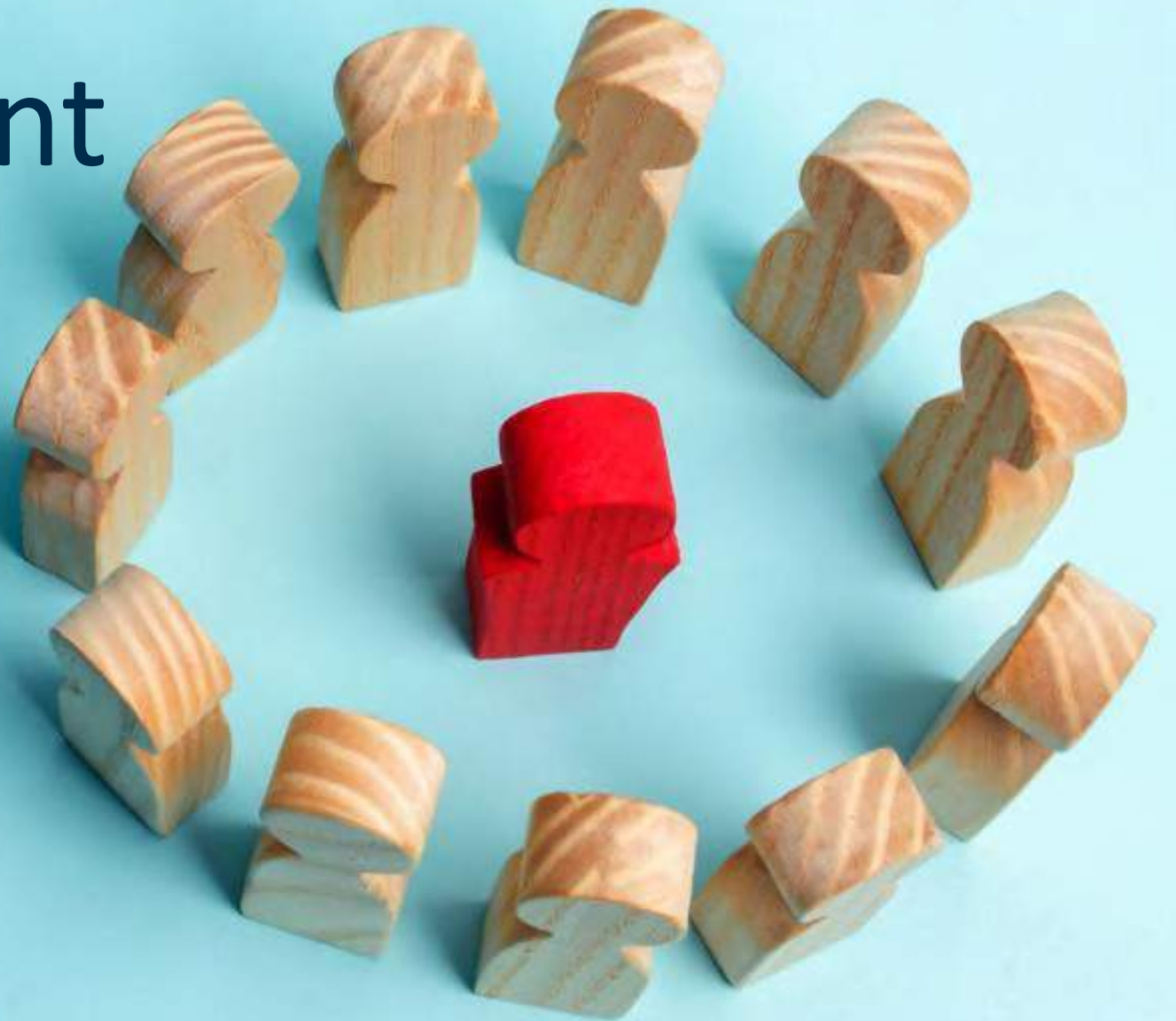
Session 2

- Projecting Business Financials
- Business Plan Development
- Self-Employment and Social Security



Introduction to Self-Employment

Self-employment
is potentially
for anyone...
but not for
everyone!



Outcomes of Customized Employment

Wage Employment

- Negotiated Jobs
- Resource Ownership

Self-Employment

- Micro-enterprise
- Business within a Business



Micro-Enterprise

- Defined as a business employing 1-5 workers
- Generally operated to support oneself or one's family
- Microlending





ARTISANS!!

Poppin' Joe

- ODEP Video
- <https://ghaccloud.sharepoint.com/GCTraining%20Materials/Forms/AllItems.aspx?viewpath=%2FGCTraining%20Materials%2FForms%2FAllItems%2Easpx&id=%2FGCTraining%20Materials%2FTraining%20Videos%2FODEP%20Videos%2FODEP%20General%20CE%2Emp4&parent=%2FGCTraining%20Materials%2FTraining%20Videos%2F>

Business within a Business



- Business operates within another “host” organization
- Built-in support and customer base may already exist

Examples: Business within a Business





Elements for Success

Self-Employment is successful when:

**It “fits” the
person**



**Support is
available**

**The business
idea is feasible**

It Fits the Person

- Does the business concept align with information learned in Discovery i.e. contributions, skills, abilities and conditions of employment?
- Is the individual and team focused on success?
- Are team members self-motivated?
- Is there an overarching desire for success?
- Business ownership can be difficult and it is a benefit for the individual to have support members who are not paid to be in their life as a support.



The Business Idea is Feasible

- How will the business make money?
- How will the business benefit the community?
- What research has been completed to validate that the business will make money and benefit the community? For example, connecting with community leaders, talking to experts, etc.
- Has the individual tested the business concept? Have they tried selling the product?



Support Is Available

- Does the business meet the individual's support needs? This could include having access to staff support, creative resources and funding, etc.
- Are there any accommodations needed and how will they be met? This could include access to assistive technology, minor tweaks to equipment, customizable work schedule, etc.
- Are the right people on the individual's team?
- Does the individual have access to certified benefits planning?



Don't go down the rabbit hole!



**What conditions of employment
might get people thinking
about self-employment?**



Example: Allen



- Physically accessible site
- Start time late morning or afternoon
- Flexible schedule (good days/bad days)

Practice: Does David Appear to be a Good Candidate for Self-Employment?

Themes: Animals, Crafts (woodworking/leatherwork), Construction (building things)

Skills: Physical strength, good fine motor skills, uses woodworking and leatherwork tools, drives, good verbal communication

Conditions of Employment: Limited lifting due to back injury; limited interactions with public; flexible schedule (good days/bad days)

Supports: VR, IPS Supported Employment, PASS Candidate, family sells products at flea markets



ACTIVITY:
Determining "Fit"

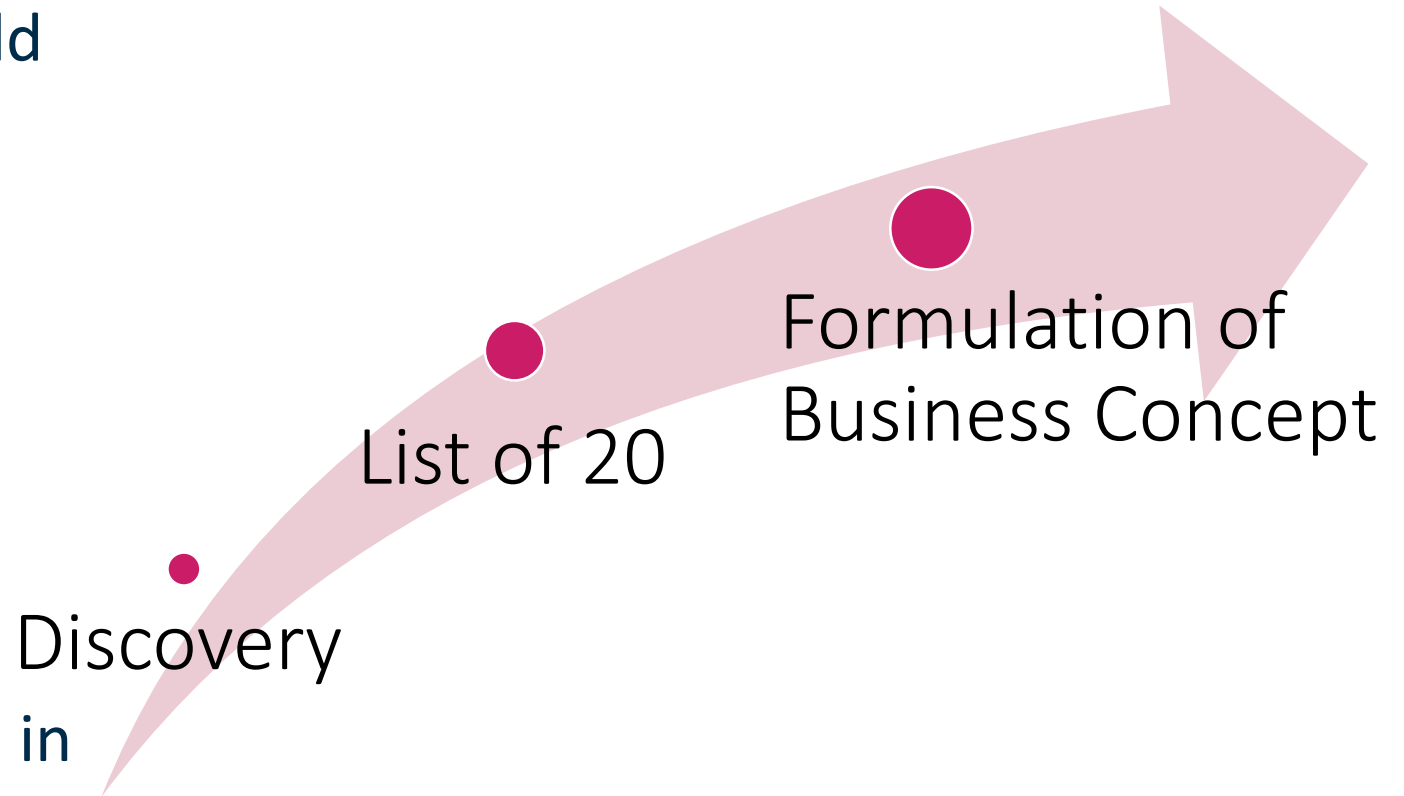
- Take 20 minutes to review the Iowa stories in your materials
- Identify why the business chosen seemed to be a good fit for the individual
- Be prepared to share with the group

Getting Started: Business Planning Teams



Discovery Can Lead to Self Employment

- List of Twenty: 20 places where people with similar themes would work in your community
- Self-Employment Formulation of Business Concepts; Business Feasibility
- Majority of planning will happen in “job development” phase



The pathway looks different for everyone

Role of the Facilitator



Facilitate
Process; identify team



Delegate
Responsibilities



Support Prospective
Business Owner (PBO)

Identify Team Members

- Natural Supports (Family and friends)
- Paid Supports (VR, CRP)
- Business planning resources (SBDC, SCORE, etc.)
- Industry experts
- Benefits and work incentive counseling
- Other?



Role of Business Planning Team Members

Support entrepreneurs through all stages of business development, including:

- Identifying potential business concepts
- Conducting market research/feasibility studies
- Developing necessary business financials
- Determining potential funding sources
- Supporting with launch and beyond

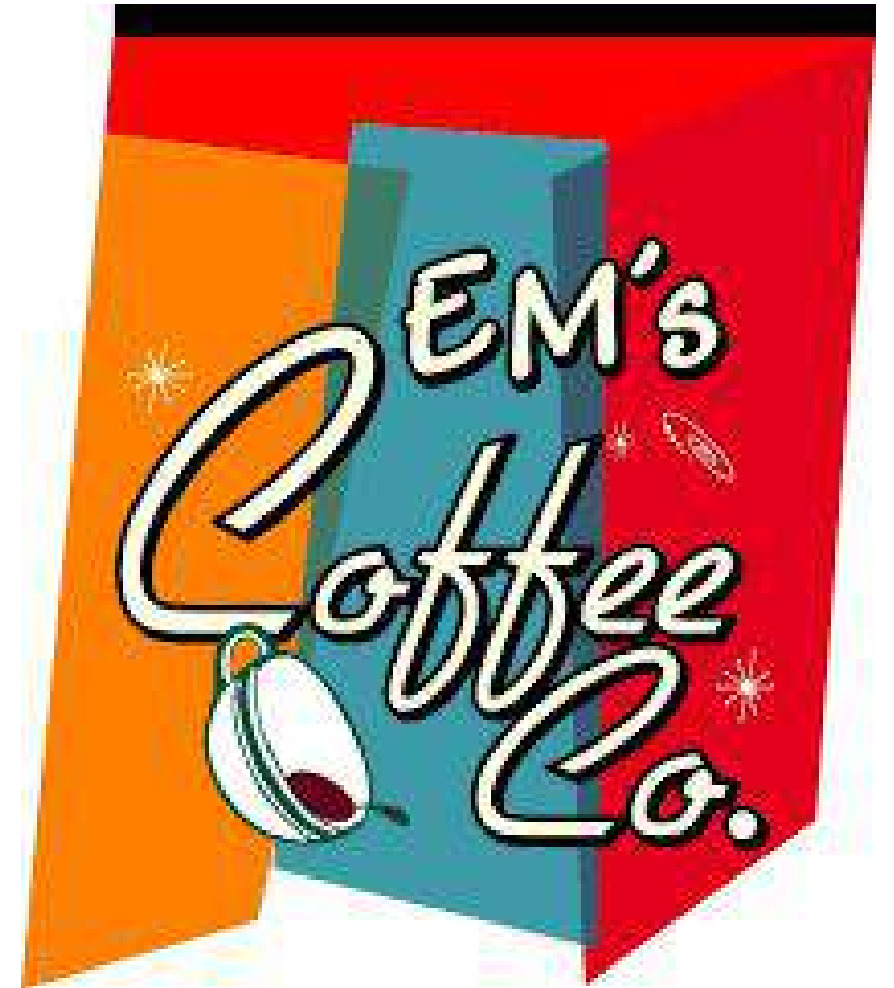


Initial Planning Meeting

- Financial needs and expectations
- Identify potential products/services
- Identify various iterations of the idea(s)
- Prioritize and delegate!
- Identify additional business planning team members

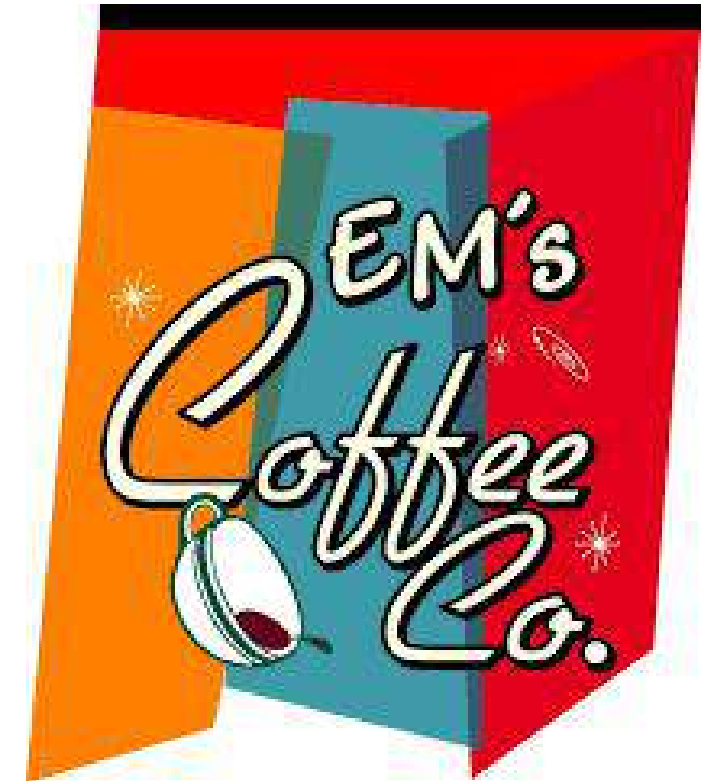


Em's Story



Em's Coffee Co.

- Self-Employment became the option when nothing else "fit"
- Started with pulling the team together and brainstorming ideas (not every idea was a good idea)
 - Thrift store
 - Trinkets
 - Coffee
- Self-employment...oh the many ideas
- What would be the best fit for Em?
- What would be the best fit for the town of Independence?
- Think about the 3-legged stool!



Em of Em's Coffee Co.

- Themes: People, helping and children
- Skills: Connecting with others, strong memory for names and details about people, best in the morning, conversational
- Conditions of Employment: Make her own schedule (flexible), needs to be with others, positive work environment (struggles to compete with traditional job description)
 - What did the community need?
 - What did Em need?
 - How did Em's Coffee Co. meet the needs of both?

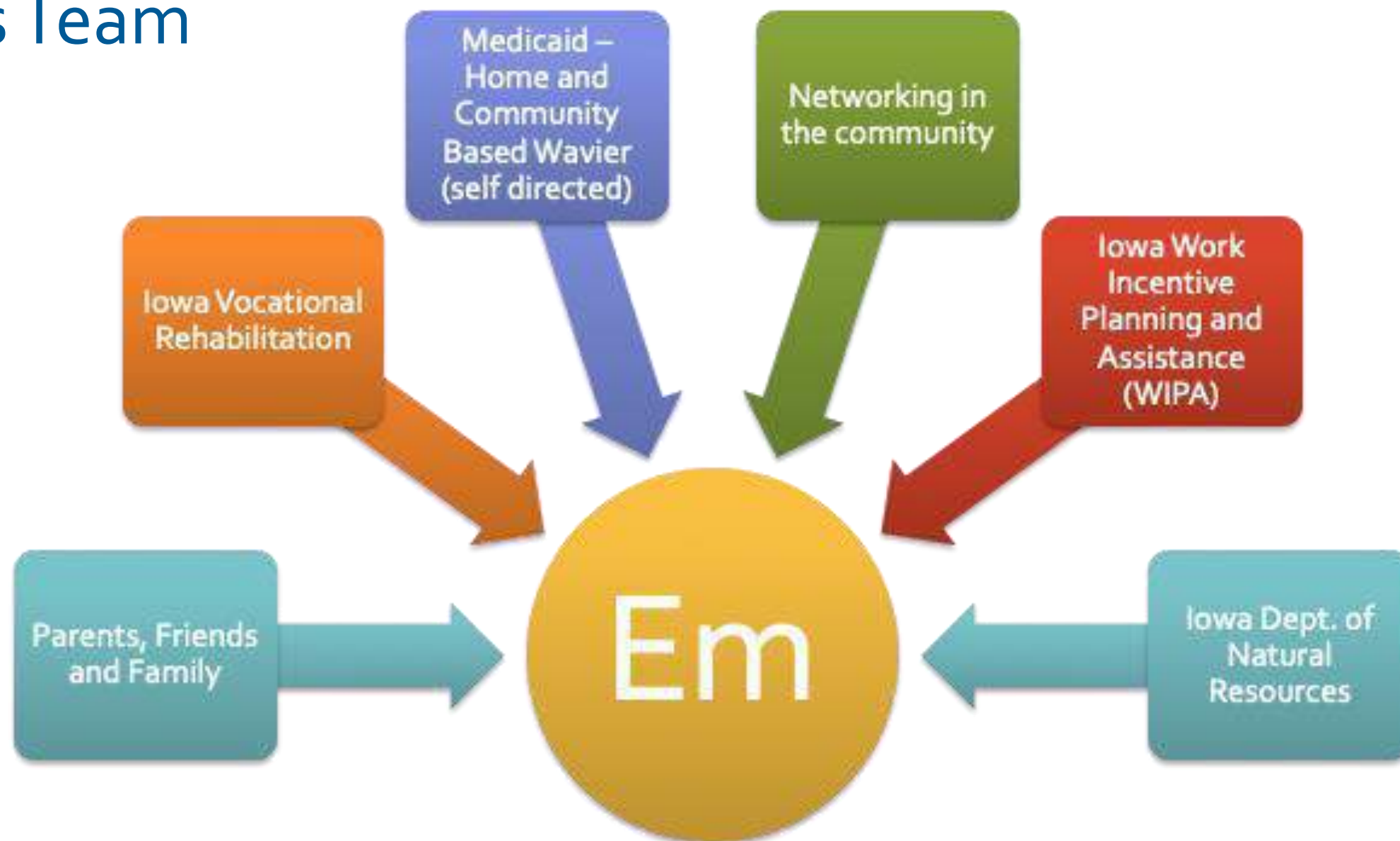


Self-Employment and Speed Bumps

- The road to Self-Employment is not always smooth
- Need for resiliency
- Need a team
- Prepare for nay-sayers (not everyone will understand)
- May have to push policy or ask for expectations to policy
- Find an insider who can champion!
- Marketing/Training – who will provide it?



Em's Team



Em's Coffee

<https://ghacloud.sharepoint.com/GCTraining%20Materials/Forms/AllItems.aspx?viewpath=%2FGCTraining%20Materials%2FForms%2FAllItems%2Easpx&id=%2FGCTraining%20Materials%2FTraining%20Videos%2FEm%27s%20Coffee%20Co%2FEMs%20Trailer13%20%20YouTube%201080i%20copy%2Emp4&parent=%2FGCTraining%20Materials%2FTraining%20Videos%2FEm%27s%20Coffee%20Co>

Training and Supports

- Accommodations
 - How do they benefit the PBO?
Will they benefit others?
- Schedules
 - How is it meeting the PBO needs?
- Coaching support
 - Provider
 - Self-directed services
 - Family member/natural support
 - Etc.



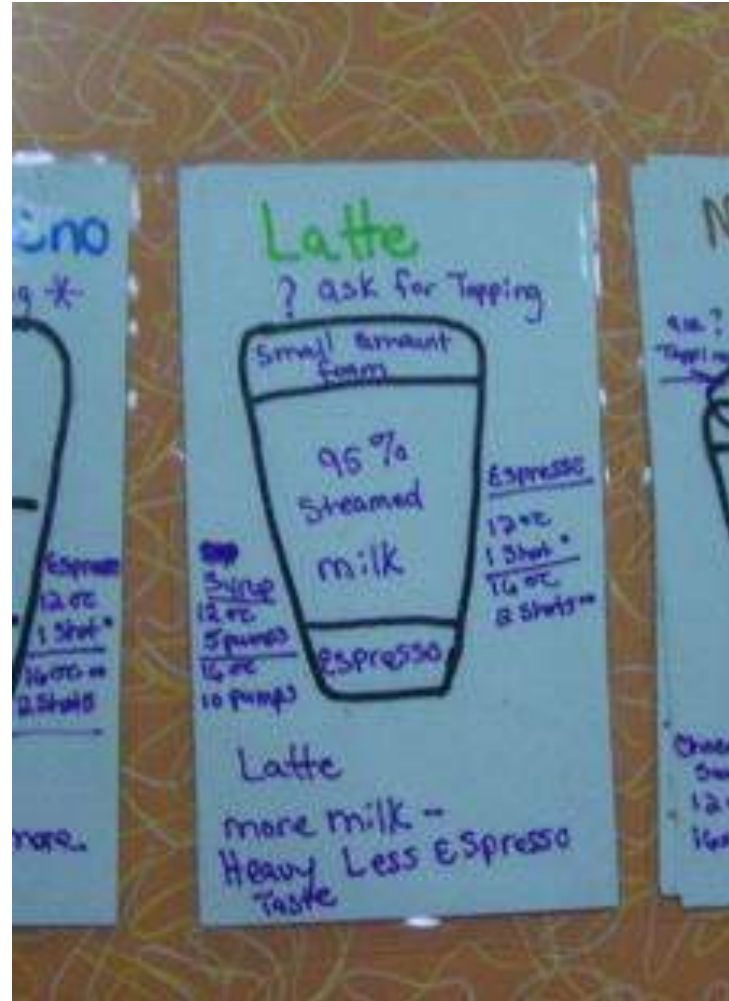
Espresso Machine



Espresso Machine



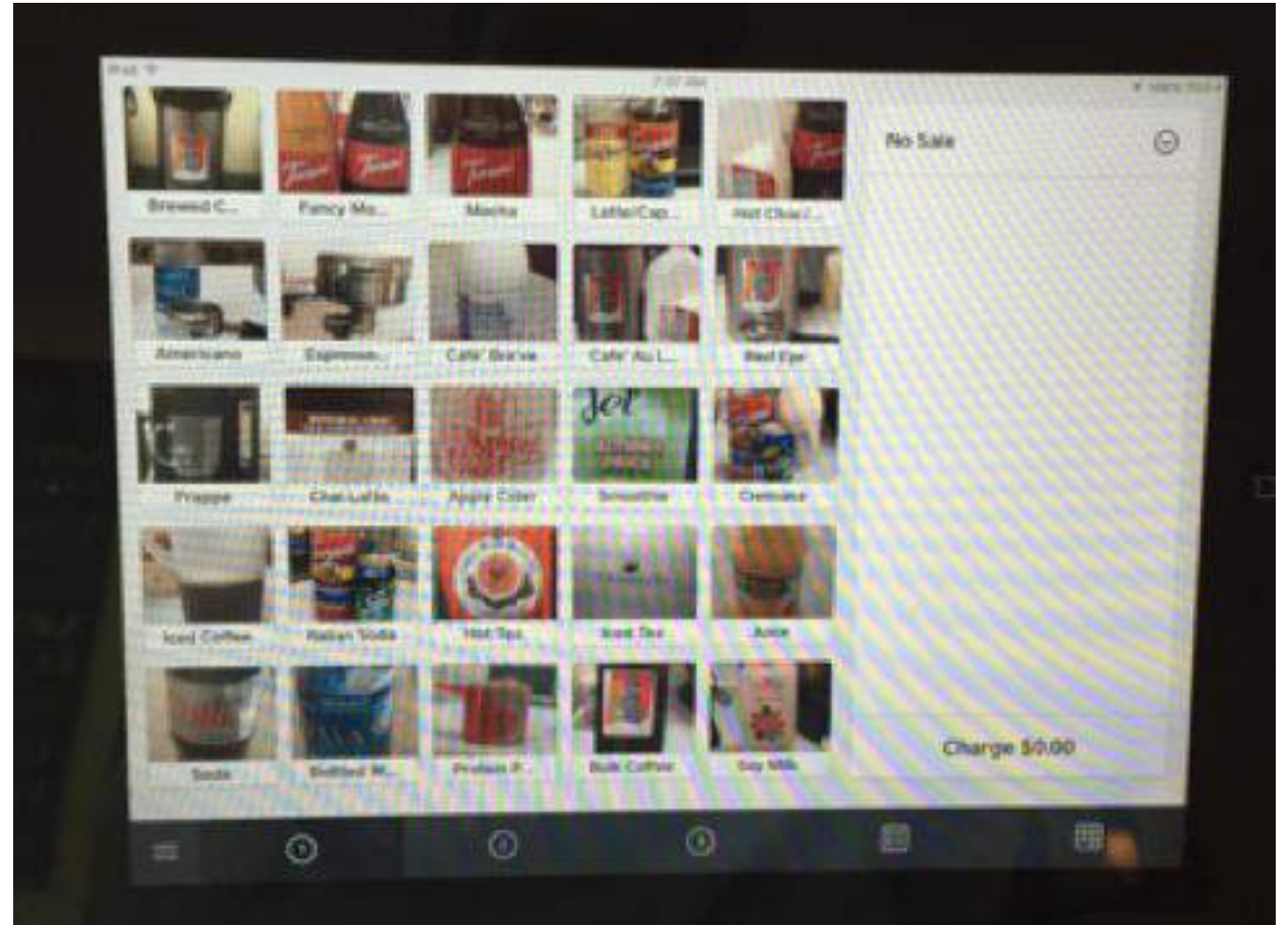
Grinder/Cards



- Star Sticker – Decaf reminder!
- Flash Cards – great for learning drinks and pull out to reference when needed

Cash Register

- Pictorial representation of items
- All prices end on the quarter or a dollar.
- Example:
 - Latte - \$4.25
 - Scone - \$1.00



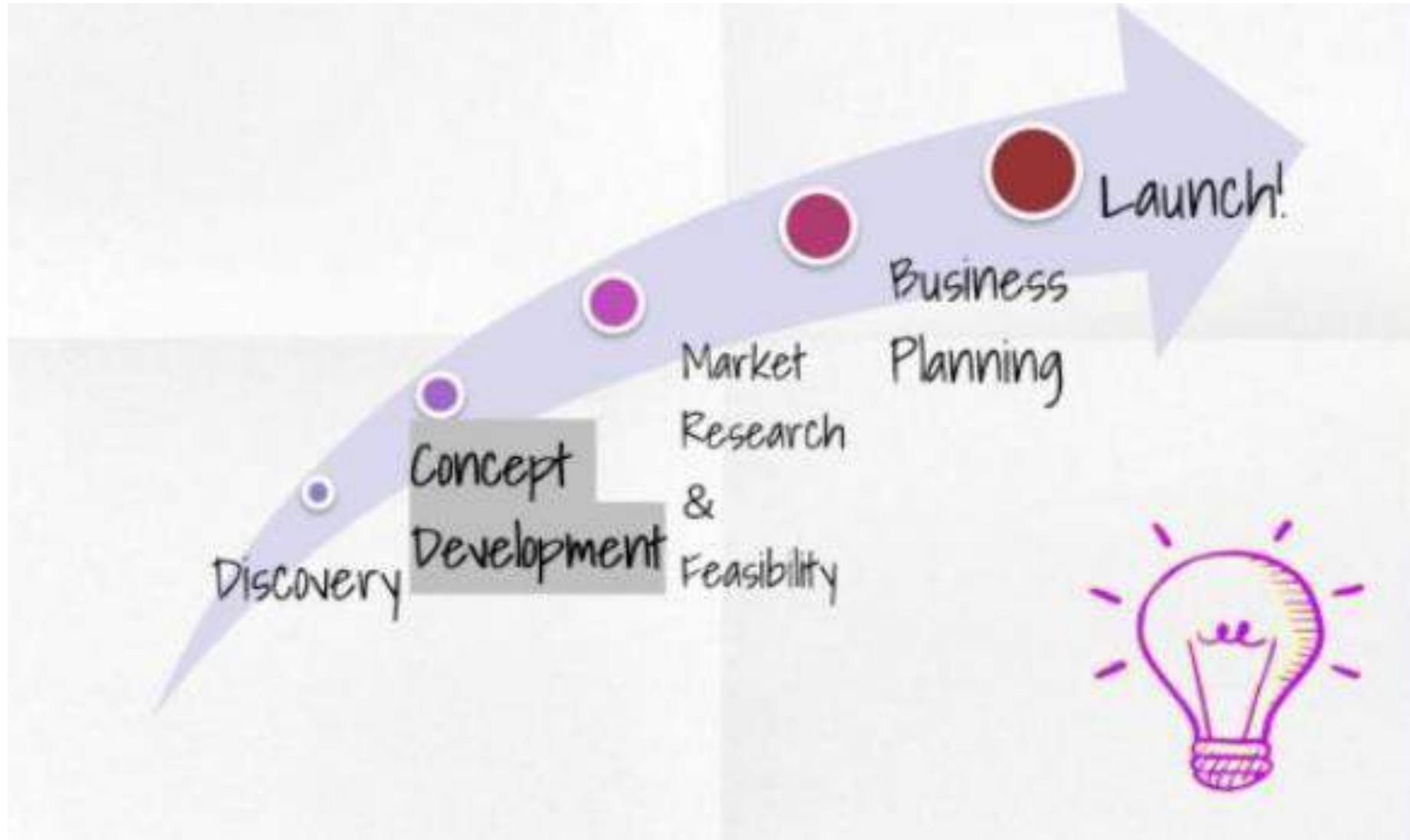
The road to
Self-employment
takes you to
unexpected
places!



Business Concept Development



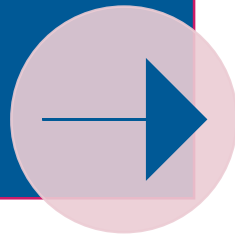
Business Concept Development



The Path to Getting Clearer

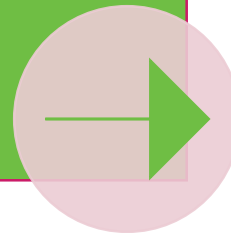
I want to own my own business.

Vague



I want to own my baking business.

Clearer



I want to own my own baking business that sells cupcakes and specialty desserts.

Clear business concept



Practice: David

Themes: Animals, Crafts (woodworking/ leatherwork), Construction (building things)

Skills: Physical strength, good fine motor skills, uses woodworking and leatherwork tools, drives, good verbal communication

Conditions of Employment: Limited lifting due to back injury; limited interactions with public; flexible schedule (good days/bad days)

Supports: VR, IPS Supported Employment, PASS Candidate, family sells products at flea markets



Question: Does David Appear to be a Good Candidate for Self-Employment?

- A. Yes, his conditions of employment, skills and PASS potential put David in a good place to explore self-employment
- B. Not sure, the idea of supporting someone with self-employment seems overwhelming
- C. No, his conditions of employment and minimal entrepreneurial skills will make it difficult for him to succeed at self-employment
- D. Who knows?



ACTIVITY:

Identify 10 potential business concepts that match David's interests, skills, and conditions of employment.

A person wearing a tan military-style jacket is shown from the chest down, holding a small white notebook and a pen, writing. The background is blurred, showing what appears to be a train track or a similar industrial setting. The text is overlaid on the left side of the image.

DEBRIEF

Share a couple of
your most interesting ideas!

Early Research

- Informational Interviews with owners of similar businesses
- Work experience/try outs
- Gathering information on potential market for product or services.
- The goal is to refine the business concept!



Kendra

- Fish/Marine life
- Horticulture
- Advocacy



Kendra learned from talking to a Pond Shop owner that they need water lilies and other water plants for Koi ponds. This gave her an idea for self-employment.

Kate's Naturals

- Outdoors
- Animals
- Beauty

Information gathered from both the Beekeeper's Association and the local Farmer's Market Association.

Needs: Cosmetic Products made with bee's wax and essential oils.



Activity: Refining Business Concepts (Allen)

Conditions of Employment

- Physically accessible work environment
- Flexible schedule (good days, bad days)
- Later morning/afternoon start

Original Idea:

- Grow trees in a greenhouse
- Sell at local Farmer's Markets





This Photo by Unknown Author is licensed under [CC BY-SA](#)

Information Gathered:

- Need in the community for ground cover plants
- Ground covers grow quickly
- Can sell to local distributors

SUMMARY

Business Concept Development

- There may be many iterations of any business idea!
- Gather enough info so the PBO and team have a clear product/service description
- This business concept will be explored during the next phase: business feasibility



Business Feasibility



Determining Business Feasibility

- Not writing the plan
- Researching major aspects of business idea
 - Conducting market research
 - Running basic numbers
- Answers: "Is this business viable?"
- Information ultimately goes into the plan - Keep good notes!!



Why is it Important to do Market Research?

- Identify if a market exists for the product or service
- Identifies businesses currently providing service
- Pinpoints potential customer base
- Critical element in assessing financial potential and risk
- Businesses don't get funded on the basis of the "I know it will sell" argument



Brydon

Business Concept:
Sell dog collars and leashes at the
local Farmer's Markets.



“We Know It Will Sell!”

Methods of Market Research

Direct

- Interviews with owners of similar business, industry experts
- Surveys/Questionnaires
- Observation (spying!)
- “Sell a few”
(Griffin & Hammis, 2003, pg. 37)

Indirect

- Trade Associations/
Publications/Periodicals
- SBA/SBDC Information Centers/
Libraries
- Chamber of Commerce
- Internet/Websites
 - Know your source!
- Newspapers
- Public Library Business Desks

Four Easy Steps...

1. Gather Industry Information
(see Business Feasibility Worksheets)
2. Test Market
3. Identify Financial Resources
4. Assess PBO Considerations



Step 1: Gather Information

- Product/Service Description
- **Customer** Description
- **Competition** Description
- Business **Capability**
- Financial Considerations



Product/Service Information

- What is the product/service (describe it)?
- How will it be produced?
- What licenses/permits/certifications are required?
- Who will be the suppliers?
- How much will it cost to produce?
- How will it be priced?



Customer Description

- Who are most likely customers?
 - Age, income level, location, etc.
 - Primary/Secondary customers
- What need is the product/service meeting?
- How many potential customers are in the service area?
- Will they be the same or different people from those going to competitors?
- Quality expectations?



David

- Who is the primary customer
- Why do they need this product/service?
 - Do they know they need it?
- How many potential customers are in service area



Competition Description



- How many competitors are in the service area? Which (how many) will be major source of competition?
- What are their strengths & weaknesses?
- How will product/service differ from competitors?
- What is “competitive edge”?
- Opportunities to collaborate?

Business Capability

- How much of the product/service could be produced in a day/week/month?
- What features could be added at a later date to improve or expand the business?

PRODUCTION



Sally's Scarves

It takes Sally 2 hours to make 1 scarf.

Sally only wants to work
20 hours per week



What is Sally's Production Capacity?

Financial Projections

- Sales projections
 - Rudimentary considerations at this point
 - Based on number of potential customers, asking price
 - Consider potential ceilings (e.g., production capacity, time, etc.)
- Critical factors to reaching sales projections
- Potential start-up costs and funding sources



SALES

Sally's Scarves

What do you
need to know to
run the
numbers?



ACTIVITY

Running Quick Numbers

- Scarves sell for \$40 each; material cost \$5 each
- Sally wants to work 20 hours per week; 4 hours/week are devoted to business management tasks;
- It takes 2 hours to produce one scarf;
- Plans to consign at friend's store – friend will take 20% of sales;
- Friend estimates she can sell 60 scarves a month.
- Assume \$100 /month in on-going expenses.

Quick Number Crunching

- \$1280 ($\$40 \times 8 \text{ scarves/week} \times 4$)
- - 160 ($\$5 \text{ COGS} \times 32 \text{ scarves}$)
- \$ 1120
- 256 ($\$1280 \times .20 \text{ consignment fee}$)
- \$ 864
- 100 Monthly expenses (supplies, phone)
- \$ 764

\$ 9.55/hour based on 80 hours/month of work

Refining the Numbers



- Changes in price of materials
- Changes in production capacity
- Changes in sales price

Step 2: Test Market

1. “Sell a few” -
Generally requires funding
2. Survey- phone, internet,
in person (usually best)
3. Advertise & Analyze



Step 3: Financial Needs & Resources

- Identify expenses
- Identify resources available to the PBO and any restriction on use of those funds
- Draft financial projections



Step 4: PBO Considerations

Does target business meet the PBO's ideal conditions/needs:

- Match interests?
- Can the PBO perform major tasks/functions?
- Necessary supports available (natural support or business can afford)?
- How much time to operate the business?
- How much money can the entrepreneur access or invest?

Go or No Go?



Homework

Complete Iowa Stories Worksheet.



Summary

- Successful Self-Employment is based on:
 1. the fit for the PBO;
 2. the feasibility of the business idea, and
 3. the availability of needed support.
- Your role is to facilitate the Business Planning Team and support the PBO in gathering information.
- Use the Business Feasibility process to guide decisions about whether Self-Employment can work.