

THE NEW OCCUPATION

The idea of starting, operating, and maintaining a business is overwhelming to most people. How does the saying go? "It takes money to make money." People who are unemployed are seldom in a position to finance a new business.

But the world of self-employment is changing. Many new businesses are Internet-based or home-based. They require much less initial capital than traditional start-ups.

Many jobs that are considered "in-demand" require that you work as an independent contractor. In other words, you are self-employed: you go out and get the work, negotiate price and other terms, set your own guidelines, invoice and collect payment, and file your own income taxes.

Some of the jobs that are transitioning from traditional employment to contract-based include:

- Graphic Design
- Information Technology – Network Administration; Database Development/Management; Website Development and Management
- Writing: News Reporting; News Editing; Proofreading; Blogger; Web Content
- Landscaping
- Alternative Energy: Energy Efficiency HVAC; Geothermal Heating; Residential Power Systems – Solar, Wind, Energy Auditing
- Publishing

IS ENTREPRENEURSHIP RIGHT FOR YOU?

To succeed in running your own business, you'll need to be self-motivated, flexible, hard-working, dedicated, assertive, and independent. Since many people aren't reliable at judging their own characteristics, there are some tools that can help you to determine whether entrepreneurship is a good fit, before you take the leap.

Take the Entrepreneurial Inventory: This can be found online at: www.nwmichworks.org (click on Job Seekers). This assessment is a way to measure whether your personal characteristics give you a natural inclination to succeed as an entrepreneur.

Talk to a Career Counselor: If you are eligible for intensive assistance through Northwest Michigan Works!, your Career Counselor can discuss the potential of self-employment.

Talk to someone who has done it: Contact the local Small Business & Technology Development Center, available through connections at your Northwest Michigan Works! Service Center. Or contact your local SCORE chapter.

WHAT'S INVOLVED?

To start your own business, you'll need to take several preliminary steps:

1. Develop your idea: You should have a very clear vision of your business, including the product or service you will sell and to whom.

ENTREPRENEURSHIP

2. Test the feasibility: Do the research to determine if your idea is realistic and doable. Is anyone already selling this product or providing this service? If so, why is yours different?

3. Financial planning: What are your start-up costs and how are you going to cover them? Once you are in business, how much will you need to sell in order to break even, make a profit, reinvest in the business? Are those realistic goals?

Assistance is available to guide you through these steps. Look for the following resources to help you:

- Small Business & Technology Development Center
- SCORE
- Northwest Michigan Business Atlas (www.BusinessAtlas.org)

INDICATORS OF SUCCESS

Research shows that new businesses are more likely to succeed within specific environments. Following are a few scenarios that indicate greater potential for success.

• **You've done this work before** If you have already worked for someone else in the industry of your new business, you have probably learned from your previous employers' mistakes. Also, you know the suppliers, you know the product, and you are aware of any idiosyncrasies such as seasonal fluctuations.

• **You are passionate about the product or service** You will spend all of your emotional and intellectual energy on your business. Passion for your product or service will help to sustain you and keep your energy levels up.

• **You have family support** Owning a business requires you to work many hours and sacrifice personal time; starting a new business requires even more. It is extremely helpful if your

family is supportive of your decision and is prepared to share in the sacrifices with you.

• **Start-up and overhead costs are minimal** The less you have to invest in your new business, the less you have to recoup over the long run. However, you shouldn't short-change the quality of your start-up efforts. Just don't buy or invest more than you need.

• **You get help** Assistance is available through a variety of sources, on everything from analyzing your competition, to developing a business plan, to obtaining financing. You don't have to do it alone!