



**What  
We Mean by  
Self-Employment  
“I Want to  
be my Own Boss”**

**Self-Employment For One Stop Customers**

## A CHANCE TO CALL YOUR OWN SHOTS

Self-employment is, simply, another term for business ownership. A business that is quite small is sometimes referred to as a micro business or a micro enterprise. The business owner is sometimes referred to as an entrepreneur. Many micro businesses remain small while others become substantial in size. This brochure talks about this start-up phase.

Self-employment is a very fast growing segment of our economy. More than 20 million Americans report owning home-based businesses. Self-employment is growing at a rate of 20% annually. It is the clear choice for many job seekers, including individuals with disabilities.

## WHY SELF-EMPLOYMENT?

Some reasons people give for making this choice:

*“I want to do work that I enjoy doing, and that I do well. I want to use the abilities that I have.”*

*“I want to make more money.”*

*“I want to be my own boss.”*

People with disabilities might have some additional reasons:

*“ I really need to increase my spendable income. My Benefits check just doesn’t cut it.”*

*“I need a flexible work schedule. There are times when I can be really productive, and other times when I can barely function.”*

*“I need to create and personally direct my accommodations.”*

## **YOU CAN BE A BUSINESS OWNER**

“How to” books on starting a business often emphasize the endurance and drive necessary to run a business. They may also emphasize specific personality traits and capabilities that a business owner should possess.

The fact is that successful entrepreneurs come in all shapes, sizes and personality types. Census figures show that people with disabilities have higher rates of self-employment than people without disabilities (12.2% vs. 7.8%).

It is also a myth that entrepreneurs are independent, self-reliant, “take charge” individuals. Small business people typically rely on an array of people and resources that form the natural support for the business. Discussions regarding the support team should be included in the early stages of business planning.

## CALCULATING THE RISKS

Self-employment has some calculated risks; however conventional employment cannot be considered risk free. In self-employment, the risks are mainly financial. As the owner you may lose your investment in the business. You must also realize that while you may own the business, your customers are really the boss and the key to your success or failure.

The risks in conventional employment may be in not finding work that matches a person’s interests and abilities; not having a career path; or not having adequate accommodations.

Adequate planning can reduce the self-employment financial risk. An individual who receives Social Security Benefits can use these funds as a safety net during the building phase of the business.

Some individuals who want to start their own business know what they want to do because of prior business experience. These individuals can begin to research the market; determine the demand for their products and services, and assess their ability to deliver these products and services at a profitable level. This is called a feasibility study.

Other individuals desiring self-employment have no idea what they would like to do.

## DEVELOP A BUSINESS IDEA

How can we come up with a business idea that merits exploration?

What would your dream job be? What are your strengths? Talents? Primary interests? Is there an area in which you would like to work?

As ideas emerge, discuss them with supportive friends.

It could prove useful to browse through entrepreneurial magazines, newspapers, or Internet sites such as Business Owners Toolkit:

[www.toolkit.cch.com](http://www.toolkit.cch.com)

For an income producing micro business, we can take suggestions from Doreen Rosimos and Darcy Smith of the firm Income Links. They ask the questions: What frustrates you in day-to-day living? What frustrates your acquaintances? Where is that unmet need in the market place?

An example might be to offer sleep masks to Alaskan tourists during the summer, addressing a frequent complaint, "I can't sleep with all this light." The customer might be hotels and B & Bs.

What service or product already offered in your community could stand a lot of improving? An underlying theme to many of the new businesses currently being developed is things that save time.

Single parents, families where both parents work, and singles with overcrowded lives are potential customers for a whole range of services such as home delivery of grocery orders, local restaurants dinners, or evening deliveries of laundry and dry cleaning.

THINK like an entrepreneur! The ideas will come.

## BUSINESS PLANNING

Assuming that a business idea has taken shape and you have done some preliminary investigation. You are ready to move forward with some informal business planning. "O.K." you say, "you want me to start forming a business plan, when I don't even know where I'm going to get start up funding?" YES ! That's the way things work in the business world. You'll be unable to make your case for funding unless the essence of your business idea is down on paper.

You'll be able to find extensive information on Business Plans in the bookstore, library, and Internet. Keep in mind that most of this information is geared toward businesses that are going to present a request for a substantial amount of money, probably to a banker. Do not be discouraged or intimidated by these examples.

Other than the funding issue, why develop a business plan? We use the term "develop" a business plan to make the point that it is an ongoing process. The plan allows you to design the business on paper. It allows you to envision yourself owning and operating the business.

To capture the essence of the business, there are some questions that need to be answered. Some will need

to be developed and refined over time. Here is a brief outline of a Business Plan:

- **Description of the Business:** What service or product are you selling? What will be the cost of the product or the price of the service? What are your personal goals for the business?
- **Market Analysis:** What are the strengths of your business? What are the weaknesses? What are the opportunities? Who are your competitors? Why are they your competitors? What will your competitive advantage be?
- **Selling Strategy:** Who will buy your product? (A tip. Everybody is the wrong answer is. Be specific.) How will you reach your target market? How will you promote your business?
- **Operation Plan:** This section covers the technical aspect of producing the product or service? What equipment is needed? Space needed. Record keeping. Who will be the support personnel, both paid and unpaid?
- **Financial Plan:** This section will outline the financial needs, particularly for the first year of operation. Will funding be required for the initial phase? Where are potential sources for this support. Most business plans also contain a projection of both expenses and gross revenue. Don't panic! This is your "best guess", but is still a valuable exercise.

## RESOURCES

If you have a solid business idea, but are having trouble with the plan, seek assistance. You may wish to seek assistance or guidance from one of the Alaskan Small Business Development Centers. For a listing, go

to [www.aksbdc.org](http://www.aksbdc.org) or call the Anchorage office at 274-7232. You may also find that one of their workshops would be appropriate for your needs. Additional contacts: the Juneau Economic Development Center and the Kenai Economic Development Center. Check in your community for business development assistance entities. Friends and acquaintances who are active in the business community can also be very valuable resources.

For additional ideas on small business marketing, and for a valuable list of self-employment resources, please refer to separate Center for Human Development brochures on these topics. Other brochures include:

## *An Overview of Self-Employment*

### *Disability Benefits and Self-Employment*

### *Self-Employment: The Business Plan*

### *Marketing and Sales: How To Market Your Small Business*

### *Self-Employment Resources*

### *Self-Employment Tips And Traps*





## DAN'S STORY

### The Situation

Dan is a young person who experiences a cognitive disability. He has always been intrigued with copy machines and loves to operate them and make copies. He has never had great success in traditional supported employment wage earning jobs. He has had unsuccessful job experiences in food service, janitorial service, and office filing.

### Making it Work

He opened an Individual Development Account (a savings account program that provides match funds for savings deposits for certain individuals) and saved enough for a down payment to purchase his own industrial copying machine. His Supported Employment Job Developer found a large office building, which housed several businesses. Several of the businesses agreed to contract with Dan for all of their copying. Dan was provided a space and insurance coverage for his equipment within one of the businesses. In return, he contracted to provide copying services for several tenants in the building. His clients were able to reduce their overhead expenses by outsourcing the copying expenses (time, equipment, supplies, maintenance, etc.), and Dan has a stable environment and source of income that is generated by doing what he loves most, making copies on his machine.



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