



Entrepreneurship after 50

Chicago Women's Alliance
Nov. 20, 2008





Entrepreneurship after 45?

Entrepreneurship in the midst of a financial crisis?

Economic Imperative of Entrepreneurship

- 1979-2000
 - Fortune 500 companies lost 4 million jobs
 - Small Businesses added 24 million jobs
 - 60%-80% of net new jobs annually from small business
- 50% of privately owned businesses owned by women or jointly with men
- 36% of US entrepreneurs start businesses between 45-64

Entrepreneurship among Women

- Between 2001-2006 majority owned women businesses grew by 42% (SBA)
 - Generate \$1 trillion in revenue
- Cook County second largest county in US with women owned businesses
 - 202,000 firms
 - \$45B in sales



Triggering Events

- Career Change
 - Downsizing
 - M&A
 - Relocation
 - Semiretired/retired
- Passion for an Idea
- Environment
 - Deregulation/regulation
 - Disruptive Events

Thoughts on Starting the Business

1. Vetting the idea
2. Identifying Resources
3. Developing the Business Plan
4. Funding the Pan

Vetting the Idea

- Do market research
 - Talk to potential customers
 - Talk to colleagues/advisors in the industry
 - Find out who/what competes with your idea
 - Who is the ultimate decision maker
 - What are they willing to pay

Identifying Resources

- Team of Resources
 - Lawyer
 - Accountant
 - Consultants, business brokers
- Economic development Centers/Initiatives
 - Chicagoland Entrepreneurial Center (CEC)
www.chicagolandec.org
 - Women's Business Development Center www.wbdc.org
 - Chicago Community Ventures (CCV)
www.chiventures.org
 - Illinois Department of Commerce and Opportunity (DCEO) www.commerce.state.il.us/deco
 - Kauffman Foundation for Entrepreneurship out of Kansas City www.kauffman.org

Identifying Resources (cont)

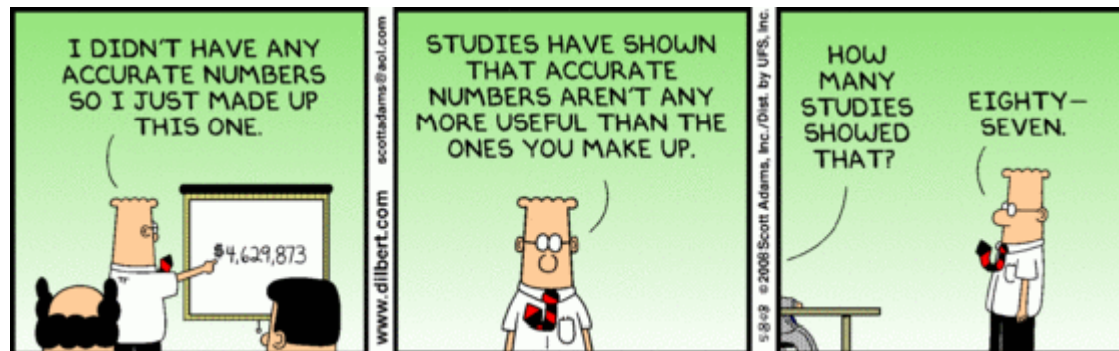
- Networking Groups
 - Illinois Technology Association (ITA)
 - MIT-Enterprise Forum (MEF)
 - Chicagoland Entrepreneurial Center (CEC)
- Small Business friendly banks
- Internet and Books
 - Legalzoom, bizfilings, uspto, google patent search, elance, freewebtemplates.com, etc.
 - Start Your Own Business by Rieva Lesonsky and the staff of Entrepreneur Magazine
- Advisory Boards



The Business Plan

- Purpose of the plan
 - Roadmap for the business
 - Refining the business model
 - Sales Document for raising capital or attracting employees or advisors
 - Monitoring tool
- Answers questions
 - Based on your research and assumptions
- Important parts of the Business Plan
 - Executive Summary
 - Elevator Pitch
 - Investor presentation

The Assumptions



Answering Questions

- What problem does the business solve?
- How does it solve it? What is the product or service?
- Who else is trying to solve it? (competitors)
- How large is the market for this product or service? What are people doing about it today?
- How much will the customer be willing to pay to solve this problem?
- How are you going to get to the customer?
- How are you going to make money? How much is going to cost before you make money?
- Who are the people that are going to make it happen? Why can they make it happen?
- How will they make it happen and how long will it take?

Thoughts on the Business Plan (cont)

- **Executive Summary**
 - 2-3 pages that is a distillation of your business plan
 - “the hook” that gets others to read the plan further
 - Includes company mission, product/service, market size, revenue potential, competition, management team, capital requirements, summary financial projections and key milestones
- **Elevator Pitch**
 - 2-3 minute summary of your executive summary
 - Answer 2 critical questions: What are you selling and who are you selling it to?

Thoughts on the Business Plan (cont)

■ The In-Person Presentation

- Follow the outline of the executive summary
- Slides should be simple; not a lot of words or complicated/distracting information
- Use the presentation to stimulate discussion and engage your audience rather than answering every question
- Builds credibility for the management team

Funding the Business

- Most entrepreneurs seldom seek institutional money
 - 66% self fund
 - 30% seek funds from friends and family or angel investors
 - 4% receive Venture Capital
 - <http://learnvc.com>
- How much money you need oftentimes determines which source you need
 - Under \$250k
 - Between \$250k-\$1 million
- Use of Bank Debt
- SBA loans/grants



Closing Thoughts

- You need to be passionate about what you do
- Perseverance and tenacity are required
 - It is a lot harder than you think
- Be careful who you select as partners, advisors and team members
- Selling may be the most important skill you need to learn
- Everything takes longer and costs more than you think
- Your network is one of your most valuable assets
- How will you define success?
- It can be fun and rewarding --- go for it!