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](http://www.chicagolandec.org)
  - Women’s Business Development Center  
    [www.wbdc.org](http://www.wbdc.org)
  - Chicago Community Ventures (CCV)  
    [www.chiventures.org](http://www.chiventures.org)
  - Illinois Department of Commerce and Opportunity (DCEO)  
    [www.commerce.state.il.us/deco](http://www.commerce.state.il.us/deco)
  - Kauffman Foundation for Entrepreneurship out of Kansas City  
    [www.kauffman.org](http://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

I didn’t have any accurate numbers so I just made up this one.

Studies have shown that accurate numbers aren’t any more useful than the ones you make up.

How many studies showed that? Eighty-seven.
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
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](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!