“Great step-by-step advice for anyone looking to start their own business.”

—Andrew C. Taylor, Chairman and CEO, Enterprise Rent-A-Car

BECOME YOUR OWN BOSS IN 12 MONTHS

Strategies for Anyone, Anywhere, in Any Field

A Month-by-Month Guide to a Business That Works

MELINDA F. EMERSON

Foreword by Michael J. Critelli, Former CEO, Pitney Bowes
Praise for *Become Your Own Boss in 12 Months*

“*Become Your Own Boss in 12 Months* is a great handbook that can guide you through every step as you start and grow your small business.”

——Steve Mariotti  
Founder, National Foundation for Teaching Entrepreneurship (NFTE)

“Don’t even think about going into business without reading this book. The antidote to our current impulse-driven, needed-it-yesterday, get-rich-overnight epidemic, Melinda’s book provides practical entrepreneurial Rx for anyone who has ever dreamed of working for themselves. A must for every entrepreneur’s business reference shelf.”

——Christina Katz  
Author, *Get Known Before the Book Deal* and *Writer Mama*

“Melinda Emerson has written a remarkable book. It is essential reading for anyone seeking to make the transition from working girl to successfully working it, as an entrepreneur.”

——Cynthia McClain-Hill  
Past President, National Association of Women Business Owners
“The perfect companion for those planning to go out on their own. Melinda delivers firsthand practical advice on how to be the successful entrepreneur. Read it if you want to get it right the first time.”

—Kenneth L. Shropshire
David W. Hauck, Professor at the Wharton School of Business, University of Pennsylvania

“Now there are no more excuses. Melinda’s step-by-step approach has made it plain and simple. The only missing ingredient is you.”

—Mel Gravely, PhD
Author, Making It Your Business: The Personal Transition from Employee to Entrepreneur

“Melinda Emerson’s Become Your Own Boss in 12 Months touches every topic a successful entrepreneur needs to know. This is a book that I will recommend to many who seek my advice about the life and choices of a budding entrepreneur.”

—Lucy Rueben, PhD
Professor, Fuqua School of Business, Duke University

“Melinda Emerson is one of America’s pioneering and passionate entrepreneurs. Her efforts to share her experiences will no doubt inspire others to pursue their own entrepreneurial vision with the same determination and vigor that has made her successful.”

—Marc H. Morial
President, National Urban League
“Great step-by-step advice for anyone looking to start their own business.”

—Andrew C. Taylor
Chairman and CEO, Enterprise Rent-A-Car

“What makes this book powerful, however, is that it goes beyond how to start a business—it is about integrating personal and professional passions—and practical ways to achieve that. This is one of those books you will read and re-read—and give extra copies to special friends.”

—Sharon Hadary
Former Executive Director, Center for Women’s Business Research

“Melinda Emerson knows what works in real life. That’s why she gives you a detailed timeline to follow. She describes her twelve-month planning system as ‘your personal GPS’ and indeed it can keep you from getting lost.”

—Paul B. Brown
Coauthor of the international bestseller Customers for Life

“Melinda made me do this, see this, and think this according to these steps for my business—so I know this is real stuff that folks need to hear and know that it works!”

—Anisha Robinson
Small Business Owner
LanceLee Planning
“In Become Your Own Boss in 12 Months, Melinda provides a witty and entertaining ‘how-to’ guide for entrepreneurs. It provides a step-by-step plan for developing a business model and building a dream. The book is a must-have for anyone who is considering starting a new business.”

—Kathryn Y. Dove, Esquire
Professor of Business Law
National American University

“Become Your Own Boss in 12 Months offers a complete starters package for the budding entrepreneur and serves as a professional development course for seasoned entrepreneurs with plans of business expansion.”

—Will Gist
Gist Enterprises
BECOME YOUR OWN BOSS IN 12 MONTHS

A Month-by-Month Guide to a Business That Works

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Foreword by Michael J. Critelli, Former CEO, Pitney Bowes

Avon, Massachusetts
Acknowledgments ......................................................... ix
Foreword ........................................................................ xii
How to Use This Book......................................................... xv

Chapter 1 • So You Think You Want to Be an Entrepreneur ........ 1
Chapter 2 • Why Does It Take Twelve Months? ...................... 11

PART I—GET READY! 17

12 Months Before You Start:
Chapter 3 • Get Your Life Plan Together ................................. 18

11 Months Before You Start:
Chapter 4 • Your Financial Plan .............................................. 28
Chapter 5 • Think Like a Business Owner ................................. 42

10 Months Before You Start:
Chapter 6 • Create Your Business Model ................................. 51
Chapter 7 • Line Up a Lawyer and an Accountant ....................... 61

PART II—GET SET! 71

9 Months Before You Start:
Chapter 8 • Niche to Get Rich! .............................................. 72
Chapter 9 • Marketing 101: Eyeing Who’s Buying ...................... 82

8 Months Before You Start:
Chapter 10 • Every Business Needs a Plan .............................. 95
Chapter 11 • Get Your Financing Together .............................. 110
7 Months Before You Start:
Chapter 12 ▪ Brand Your Business ......................... 125
Chapter 13 ▪ Set Up Your Online Strategy ................. 136
Chapter 14 ▪ Build Your Online Marketing ............... 147

6 Months Before You Start:
Chapter 15 ▪ Cultivate the Market ......................... 158
Chapter 16 ▪ Setting Up Shop ............................... 165

5 Months Before You Start:
Chapter 17 ▪ Build Your Team ............................... 172

3 Months Before You Start:
Chapter 18 ▪ Set Up Customer Service Systems .......... 187

1 Month Before You Start:
Chapter 19 ▪ Taking Stock of Things: Is Everything in Place? .... 193

PART III—GO! 197

Chapter 20 ▪ Launching Your Business .................... 198
Chapter 21 ▪ Handling Cash and Your Bank ............... 204
Chapter 22 ▪ Maintaining Your Marketing ................. 214
Chapter 23 ▪ Ten Things You Must Never Forget in Business .... 220
Chapter 24 ▪ Final Thoughts .................................. 235

Appendix A ▪ Sample Customer Satisfaction Survey ....... 241
Appendix B ▪ Further Resources ............................... 243

Index ....................................................................... 251
ACKNOWLEDGMENTS

I must honor my parents—my father, the late John E. Emerson, and my mother, Carrie Blocker Emerson. When I was a child, they always told me I could do anything. Again and again they scraped together money so that I could be exposed to the best the world had to offer.

Let me also thank my husband, Joseph Heastie. You helped me to write my first business plan line by line and gave me $500 to open my first business bank account. I thank you for your sacrifice for my entrepreneurial dream. I feel blessed to have my in-laws, Joe and Ernestine Heastie in my life. Big thanks to my three brothers, Eric for helpful legal advice and Rodney, who thought this would make a great book way back when it was just an idea. Patrick—your big sis loves you dearly. It is a blessing to come from a wonderful family. The Emerson, Blocker, Heastie, Taliaferro, Draper, Bailey, Copeland, and Seaton families are bedrocks of love and support. Special thanks to Aunt Lillian and Uncle Ricky, Aunt Betty and Uncle Curt, and my favorite cousin, Derik Blocker. You will never know how much your love and support has always meant to me.

Special thanks to Gerda Gallop-Goodman, Robyn Roberts, Gina Stikes, Meta Mereday, Lorna Neysmith, and Janet Hill-Talbert. They looked at this book at various stages line by line and made sure it was on point. I must thank Morris Anderson, Mike Pearson, Big Al Bullock, Dr. Hayward Farrar, Eliu Cornielle, Jin Hong Kim, Michael Leftwich, Vince Wright, Bill Dorsey, Glenn Brooks, Excell Lafayette, and Jim Mattera. More people need to be like you guys.
To my big sisters and mentors, I thank you for your kindness and patience. They are Cynthia Vivian, Avis Yates, Cindy Wollman, Cynthia McClain-Hill, Leslie Esdaile Banks, Elva Bankins, Sharon Rossmark, Terri Dean, Joanne Harmelin, Roz McPherson, Joanne Williams, Carole Copeland Thomas, Karyn Greenstreet, and Terry Goldston. For your love and friendship, thank you Kathryn Dove, Paulette Crawford, Ursula Doyle, Marilyn Thompson, Maria Morales, Lenette DeLoatch, Vikki Lassiter, Nicole Black, Shelby Banks, Kelly Lee, Renée Sloan, Cassandra Hayes, Pat Brown, Phillipa Ashby, Jennifer Braxton, Tina Evans Caines, Vernice Black Lewis, Evangelia Biddy, Nicole Whittington, Yvonne Yancy, Anisha Robinson, Tai Goodwin, Nicole Elie, and Eleanor Barber. You gals are irreplaceable. To my assistant Sonia Schenker, my publicists Don Lafferty and LiRon Anderson-Bell, and my marketing team Cathy Larkin and Scott Bradley, I thank you.

I have an incredible kitchen cabinet who helped me strategize about this book. Thank you Paul B. Brown, Laron Barber, Kevin Boston, Cathy Larkin, John Reddish, Taris Mullins, Ray McKee, Mark Corbin, Gerry Davis, Mary Meder, Paula Miller-Lester, Charles Dupree, George Miles, Sharon G. Hadary, Gwen Martin, Cheryl Beth Kuckler, Sally Solis-Cohen, E. Steven Collins, Lisa Duhart Collins, Harold Strong, Will Gist, Maurice Goodman, and Mel Gravely.

My editor Peter Archer and the Adams Media family have been fantastic to work with for this project. Thanks to everyone in production, design, marketing, publicity and sales. Peter, you are the best coach a first-time author could ever have. Thank you for your kindness and constant support.

The Urban League has meant so much to me. Special thanks to NUL CEO Marc Morial and my former chairman Michael Critelli of Pitney Bowes and the rest of my Urban League family. Thank you Robert D. Taylor, Paul McKinnon, Eric Eve, Rod Gilliam, Jim Windstock, Cathy Hughes, Hugh Price, Alexis Herman, Bill Mays, Cal
Darden, Effenus Henderson, Rodney Slater, Andy Taylor, Alonzo Byrd, Christie Conrad, Robert W. Sorrell, Wanda Paul, Michael Rashid, Pat Coulter, and Bruce Crawley. Thank you for your mentorship and friendship. I must thank my State Farm agent Edmund Nelson and his wife Cynthia and their staff. I also must thank my lawyers Sherman Smith and Tonya Evans-Walls and my bankers Carol Lawrence, Lisa Mann, and Kelly Finch. I was inspired to get serious about finishing this book after I attended a National Speaker Association workshop led by C. Leslie Charles. NSA rocks!

Thanks so much to my stylist/makeup guru Tracey Evelyn Reed and my hair stylist, Loreen Brown.
FOREWORD

If this were just another book on how to start a business, I would not be sufficiently excited to write this foreword, even though I have known Melinda Emerson as a colleague on the National Urban League Board of Trustees for a number of years. This is one of the most insightful books I have read on any subject.

This book can be read and enjoyed on many levels. It is certainly a very high-quality guidebook on how to start a business. But what truly makes it stand out for me is the extent to which Melinda helps the reader to think through much deeper issues. She recognizes that starting a business is as much about defining the founder’s core values and priorities as it is putting together a business plan to market the products and services. Although this book is uniformly excellent and each chapter could be the foundation for a separate, highly insightful book, some of the profound insights come from the many points Melinda helps the reader understand about how tightly interwoven the business owner’s life goals are with business goals.

She makes it clear that the most critical success factor for a business owner is the ability of that owner to decide on life-related goals and to align the business to the achievement of those goals. She also reminds the reader that, like any goal of consequence, sacrifices are needed, and she is more explicit than other books about the kinds of sacrifices that will be required. Beyond that, she makes it clear that there are several different approaches to running a small business, each of which springs from a particular set of life priorities for the owner.
What also impresses me about the book is the extent to which it raises basic questions that enthusiastic business owners fail to address until it is too late. Most owners start businesses because they believe that a product or service that excites them and a group of investors will also excite customers. Even if they are right, she points out the less glamorous details about selling and marketing the product or service, how to support it after the customer acquires it, and how to ensure that the end-to-end value chain is profitable. I particularly liked her comments about the critical importance of customer support and service.

I also recall sharing a story with Melinda about a friend of mine who invested in a restaurant and came to the reluctant conclusion that its profitability depended more on decisions about napkins, water consumption, cash management, and electricity and health department compliance costs than the food, service, and décor that enamored the restaurant’s critics. Throughout the book Melinda does a great job illustrating the importance of a wide range of seemingly mundane details that, if not attended to, can sink a business.

Although she is advising would-be small business owners, her advice applies equally to executives and professionals of large businesses. Having been on many sales calls at Pitney Bowes, I would underscore the importance of her comment, “You must capture your target’s attention in the first seven seconds or you fail.” As a recipient of sales solicitations, I have also found myself losing patience with numerous sales people long before the person told me what they were selling.

Another broader lesson for business people from organizations of all sizes is that we must not overlook opportunities that can arise at taxi stands, on an Amtrak train, and in churches and alumni associations. Whether one is representing a small or large business, we are all brand ambassadors for our businesses 24/7 and can make those encounters with others either moments of success or missed opportunities.
Finally, Melinda helps the prospective business owner think about the point in time when the founder will have to add employees or other helpers. To the degree that any of us wants an organization to outlast us and to leave a legacy of success, we will need to think about those who will take on the work we have started. You need to hire people only when the business has reached a stage at which adding staff makes sense and is supportable by the business’ revenues. At the same time, you need to know when it is time to delegate work to someone else to free yourself up for higher value activity. The decision about when and how to add staff is challenging, and Melinda deals very effectively with both the conceptual and practical issues associated with hiring people.

In the course of preparing this foreword, I have read and re-read many parts of this book and found new insights each time. This is a book to be savored and to remain at close reach for a very long time, whether you are starting a business, running one, or simply interested in why some businesses succeed and others do not.

—Michael Critelli
Former CEO, Pitney Bowes
December 2009
How to Use This Book

What This Book Can Do for You

This book covers everything about starting your own business, from life planning and personal finance, to marketing and business plans, to financial management, launching your business, and handling customer complaints.

It is designed to help you set your personal long-term goals, clarify your personal and business financial picture, understand your personal strengths and weaknesses, develop timelines for your transition, focus your activities to achieve your transition, set business goals and measures, and anticipate as well as manage obstacles that you will likely come across in your business.

The Power of Planning

This twelve-month planning process is your personal GPS to starting a business and realizing your new life. We’ve all heard the saying, “You can never be too rich or too thin.” In business, “you can never be too organized.” Goals are dreams put to a timeline. Good ideas need a well-executed business strategy and backup plans. Before you write a business plan, you must develop a life plan. This book will help aspiring entrepreneurs understand and draft a solid personal plan and from that derive a strong business plan.
Plan Your Transition

People do not leave a job, they leave people. If you’re sick of your boss and want to work for yourself, you may be tempted to hand in your resignation tomorrow.

Instead of quitting a job in haste, which will significantly impact your household, slow down! Count to ten and start planning your escape from corporate America. Take the time to get your personal house in order so that you can quit your job with a blueprint that will minimize the financial hardship for yourself and your family. As an aspiring entrepreneur, this book will help you financially reposition yourself.

Framework of Fortitude

Do you have the courage, persistence, confidence, skills, work ethic, and focus needed to succeed as an entrepreneur? On top of that, do you have the ability to do all the jobs entrepreneurs must do? As your own boss, you’ll be chief salesperson, secretary, payroll clerk, IT technician, and HR manager. Once you make a sale, then you must service the customer, too. This book explains the skills you must have or learn to make your dream a business reality.

Turn Your Notion into Knowledge

Most people dream about owning and running a business. You may have had a “notion” for years that someday you would be president of a company, successful beyond your wildest dreams. Turning that dream into reality is an evolutionary process. It involves not only having a solid business idea but also knowing the “business of running a business.” You will need to get your arms around stuff like accounting principles, legal issues, operation requirements, banking relationships and processes, and the needed human, branding, and financial management skills. This book will reduce your learning curve about starting and running your small business.
**Identify Your Niche Market**

Too many small business owners make the mistake of trying to sell from too big a basket of goods and services. Make sure your basket is just big enough so that you can cater to your customers’ needs while realizing a profit.

Sometimes you’ll have to turn down business if it doesn’t fit in with your core business. Given limited time and resources, a niche focus is the best and most efficient strategy for a small business. Focusing on a specific customer/industry allows you to make the most of your marketing dollars. This book will help you develop a targeted marketing plan that will increase your probability of success.

**Focus on Finance**

If you are not thinking about your enterprise making money everyday, then you have an expensive hobby. Too many small businesses operate at a net loss and do not realize this until it’s too late. A large number of small firms fail because they do not operate professionally or employ strict fiscal discipline. There are many money-draining traps that can snare small business owners. Like it or not, the money you make is your report card and there is no room for an “F.” This book will tell you about pricing strategy and managing cash flow in and out of your business.

**Solutions for Success**

Business success is rarely a straight line to the top. It is not enough to have a plan “A”; you must be flexible. You need a plan “B” and even a plan “C” to sidestep obstacles in your business. Problems are inevitable. Anything can happen—from needing alternative suppliers, changing your product mix, or adjusting your prices to new competition or reinventing your value proposition. “Solution” thinking is
the only remedy. When you are a start-up business, two things can quickly take down your business: lack of planning and lack of experience. This book will make you aware of the common mistakes that can snare a start-up entrepreneur.

The timeline I lay out in this book is ideal; it is not meant to be restrictive. If you have strong financial reserves you might fly through this book and start your business in six months. Or it could take you eighteen months to follow the steps. It doesn’t matter, as long as you have a plan.

To achieve success as a small business owner, you need to be flexible, pay close attention to your market, and figure out what you do not know about running a business. To start, you need two plans—one for yourself and one for your new enterprise.
Before I became a parent, people told me that the first five years are the toughest years for parents. That little person is dependent on you from the moment of conception to the day you put him or her on the yellow cheese wagon headed for kindergarten. Your job isn’t over once your child is going to school full-time, but at that point children can do some things for themselves.

The same is true for a small business. If you think that you work hard now, just wait until you become your own boss. You will come to know what the word “sacrifice” means. You’ll scale back eating out, buying the latest gadget, and shopping whenever you feel like it. You’ll cook at home and eliminate all unnecessary spending. Yes, that well-deserved steak dinner at your favorite restaurant is now an unnecessary expense. Small businesses typically take twelve to eighteen months to break even and three years to generate any profits. And it usually takes four years of focused effort for a business to blossom into a self-sustaining entity. It will take every bit
of enthusiasm and energy you have to grow your business into a viable enterprise and a powerful brand.

Being a successful entrepreneur is also about having patience. You need to be patient with yourself, your employees, and most importantly, your customers. The sales won’t come as fast as you think they should, but if you can just hold on, being an entrepreneur can be your most satisfying professional experience.

So the first step is to decide if you’re cut out to live this kind of life.

The Entrepreneurial Mindset

- You always think there’s a better way to do things.
- You’d prefer to be in charge.
- You think your boss is generally clueless.
- You feel underused by your supervisors and dissatisfied by your job.
- You know you would do things differently if it were your company.
- You sit at your desk calculating the amount of money you make for your employer, thinking that you should be working for yourself.
- You are convinced that you could do a better job than the folks that surround you.

Entrepreneurs are natural leaders. They are self-motivated and creative thinkers. They can make a decision quickly and stick to it. Entrepreneurs are visionaries, hard workers, and are extremely perceptive. They typically have demanding personalities and are extroverted. They are risk takers who are always seeking to improve upon current conditions.
On the flip side, at times such people are often stubborn and impatient. Entrepreneurs are not always good listeners or coachable, and can be territorial.

If any of this strikes a chord, if you feel these are qualities you possess, then entrepreneurship may be for you. But before you go into business, there are six things you must have:

1. A life plan
2. A solid business idea
3. Good credit and strong finances
4. A business plan
5. A supportive family or spouse
6. Faith

**The Life of a Small Business Person**

Becoming your own boss means more than sacrifice. It means long, hard, consistent work, often with the rewards still far off in the future. That’s why you need a life plan before you decide to start your own business. You need to evaluate what you want out of life.

Consider the following questions:

- What kind of lifestyle do you want to have as an entrepreneur?
- How big do you want your business to get in terms of profits and staff?
- Will you have employees?
- How many hours a week will you work?
- Do you need to meet the school bus every day or take off every Friday?
Are you willing to work seven days a week? For how many years can you keep that up?
Will you need a partner? Could you handle working with one?
How will you fund your household while you start your business?

You may have a great business idea, but you must decide if it’s a good business for you and your family. Try this exercise: Close your eyes and think hard about what the best day in your business will look like five years from now. It may help if you write it down. Spend some time on it and get it fixed in your head.

Once you have that vision, consider what it will mean to you and to those you love for that day to become a reality.

Your Business Idea

Even if you come to the conclusion that you can be an entrepreneur, you must decide if you should. In other words, do you have a solid business idea? On a blank piece of paper, write down answers to the following questions:

What problem are you solving for your customer?
Does your business solve some unmet need?
How much competition is there in your market?
How will your business be different?
Will you sell wholesale, retail, or both?
Will you need a foreign manufacturing partner?

Researching the industry and the potential customer is crucial. Your research will also help determine whether there’s a viable market for your product or service.
Know your business

Your business venture should be something in which you have experience or professional training. The only exception to this rule is if you buy into a franchise or take over an existing business. In those cases, the franchise company typically provides some training or there are people working in the business who can help provide institutional information about the business. (Even in those cases, I would not suggest buying a food franchise if you have never worked in a restaurant.) I hold a degree in communications studies from Virginia Tech and I worked six years in television as a news producer before I started my multimedia production company. Work for a business like the one you want to start for at least a couple of years before starting on your own. Do not start a daycare center if you have never worked with kids, just because you heard those kinds of businesses make a lot of money.

Love the work

On those hard days when there’s no money and plenty of work to do, your love for what you do will be the only thing that keeps you going. Also, when you love what you do, your customers can see that, and they will be that much more interested in doing business with you. Savvy business owners figure out how to do something they are passionate about and get paid for it.

Consider business education

If you’re in college and you think that you might ever want to start a business, double major or at least minor in business. It pays to know marketing strategy, finance, and accounting basics when you start a business. If you are still in school and are already interested in starting your own business, write an outline of your business ideas now.
As a business owner, you must constantly look for ways to improve yourself. Since I have been in business, I have been on the lookout for workshops, classes, or seminars on leadership and business. Whatever stage your business is in, you can always improve how you do things and learn something that can help your business grow. Start a library of books about small business, marketing, finance, sales, and leadership. At the end of this book, in the resource guide section, I have provided a list of the top ten small business books that every entrepreneur should read. Use this list to gather even more information about running a business.

**EMERSON’S experience**

There is always something that inspires or drives someone to become an entrepreneur. In my case, my personality did not quite jibe with the politics of the television newsroom in which I worked. After three television news jobs, I decided I had to figure out another way to earn a living. Seven years earlier, as a sophomore in college, I had been inspired by Oprah Winfrey, who started Harpo Productions. I decided that one day I would have my own production company.

When I started my business, I had no idea how to use basic spreadsheet or presentation software. I barely knew Microsoft Word. One of my mentors let me call her administrative assistant and ask questions about how to format business letters, mail merges, and such. At times, I would e-mail her a document, and she would format it for me. I am sure I gave her headaches, but she graciously gave me the support I needed. I invested in computer-based training to learn the software I would be using. To this day, I always remember this generous woman with a Christmas gift.
**How are your people skills?**

Your ability to interact with people, including customers, staff, and strategic partners, will be critical to your business success. Many entrepreneurs get frustrated with managing employees, even if they have experience managing people in a corporate setting. If you are a business owner who has never dealt with external customers or worked in a team environment, your people skills may need some work.

It all comes down to communication. Consider what you’re trying to accomplish and do your best to determine what level of communication is required. It could be a face-to-face discussion, a memo, an e-mail, a handwritten note, or a phone call. Or you may need to use more than one method. Try to always end any interaction by recapping deliverables and any action items. Do not hesitate to follow up any communication in writing.

**It’s about the Money**

Of course, the best business idea in the world isn’t worth anything if you run out of money. There’s no way around it: starting a business is expensive. It will be a while before you see a return on your investment. That’s why, before you hand the boss your walking papers and box up the personal things in your cubicle, you’d better make sure you and your family are on solid financial ground.

You’ll need good credit, a strong relationship with your bank—since you’ll be relying on them for loans in the future—and enough money to support your family for at least a year. Sometimes this can come in the form of your spouse’s job, and sometimes it’s the nest egg that you’ve saved and scrimped and scraped together. But whatever the case, it’s essential that you start your business from a position of financial security. Otherwise, you’re finished before you’ve started.
Follow the Business Plan for Success

Once you complete your life plan, an evaluation of your business idea, and your financial inventory, you will know what you want out of life as an entrepreneur and whether you’ve got the resources to get it. After your personal path is clear, it’s time to formulate your business model. Draw on the research you’ve already done on your industry; learn the trends and make sure you understand how big the potential market is for your product or service.

EMERSON’S essentials

Every small business needs a plan. You cannot be in business successfully without a business plan. Just as you would never take a trip without knowing how much money you were going to need for the whole vacation, how long it was going to take you to get to your destination, and where you were going to stop overnight, you can’t start a business without knowing its costs and structure.

Everyone has great ideas, but ideas do not become businesses until they are written down as a plan. Writing a business plan is not as hard as you may think. Go to an office-supply store or purchase business plan software online to help you get started. Pace yourself. Write or research for just two hours a day, before work, or after the kids go to bed. Plan to invest enough time to get it right; my first business plan took me more than two months to complete.

After making a dent in your business plan with the software, take a business plan course from a nonprofit business training organization, a Small Business Development Center (SBDC), a Women’s Business Development Center (WBDC), or a community college in your
area. Remember: *Until you have a complete business plan with financial projections, you are a person with an idea. You are not in business!* Tim Berry, noted business planning expert, says not having a business plan is like walking down a major city street with a blindfold on. Do not put your business at a disadvantage, by not setting measurable goals for yourself and developing a budget for your business. You’ll need a business plan to present to investors or bankers to get a small business loan. No one will loan you money for your idea without a business plan that has realistic financial projections.

**EMERSON’S experience**

I have rewritten my business plan every year that I have been in business. The third time I rewrote my business plan, I won a business plan competition in Philadelphia. The prize was $20,000 and free office space for a year.

Plans change once exposed to the market. In the first year or two of your business, you must revisit your business plan every two to three months to see what has changed and update it to reflect the market conditions. This is your blueprint to stay on top of your business goals and projections.

**A Supportive Family or Spouse**

Business owners who are married can benefit from a spouse who supports the household financially and provides health benefits while the enterprise is getting off the ground. However, suddenly becoming a one-salary family is tricky. Make sure that your spouse is behind
your decision. If not, your dream can turn into a nightmare. It is very hard to start a business. If you come home to negativity every night, your likelihood of success is that much tougher.

Treat your spouse, who is sacrificing alongside you, like your number-one customer. Make sure there’s good communication between you. Show appreciation for the partner who works the 9 to 5 and takes care of homework, dinner, and bed and baths for the kids most of the time. Remember that eventually your spouse will want to see money coming in the door instead of going out.

**Gotta Have Faith**

If your business is a recipe, I believe faith is a key ingredient. Faith gives you the confidence to quit your job and the courage to go forward. You will need faith the most on those days when things do not work out. Faith in your business will help you make it right with the client, learn from your mistakes, lick your wounds, and fight another day. Faith will help you trust your employees, vendors, and your customers. Religious or not, you can always pray.

**Is Entrepreneurship for You?**

If, after reading the section above, you put down this book and put your dream of entrepreneurship on the shelf, don’t feel bad. Not everyone is cut out to be an entrepreneur. But if you’ve read to this point and your passion and commitment and faith are still strong . . . go for it!