Starting a Side Business in Retirement

Presented by Susan Tormollen

CAMP DO IT

Today, we are going to discuss the 3 advantages older professionals and retirees have when starting a side business.

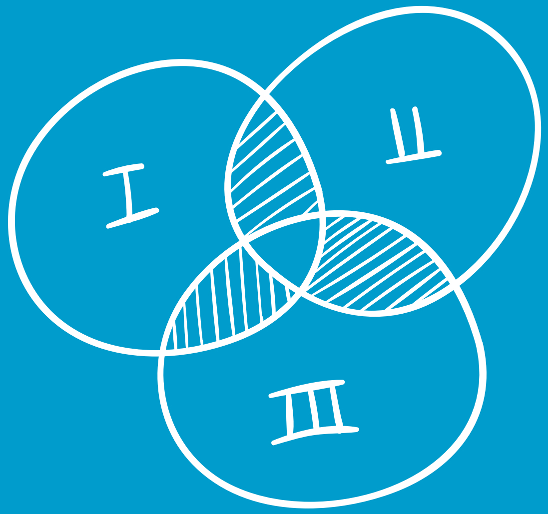
And take a quiz to see if YOU are ready to start your own side business!

- Corporate marketer > entrepreneur > both!
- Business dreamer > action taker
- Applying 30 years of learnings – motherhood the greatest teacher of all
- Believes everyone over age 50 needs a second “trade”
- Favorite things: my 21 year old daughter, vacations, new adventures

- Nearly two-thirds of Americans want to open small businesses when they retire.
- Most of those retirees are motivated by building a business and implementing a successful strategy.
- People age 55+ make up 21% of the U.S. population, but own a disproportionately high 50.9% of U.S. small businesses, according to new survey data from 3,000 entrepreneurs published by SCORE, mentors to America's small businesses.
- Retirees often have significant experience, capital and time to invest in a new small business

3 ADVANTAGES

Experience



Capital

Time

Advantage 1: Experience Gives You a Competitive Edge

- A 50 year-old entrepreneur is 2x more likely to have an extremely successful business than a 30 year old entrepreneur, a 60 year-old is 3X more likely.

- SCORE study found: Age and experience pay off, encore entrepreneurs are 25.1% more likely to cite their skills in effective business planning as a strength compared to younger business owners.

- THINK: Strategy, planning, management, execution, financial know-how, and knowing what you don’t know.

- **Bonus for the Women!** Female enterpreneurs’ chance of success is higher at later stages if life – regardless of how long they have been entrepreneurs.

LET'S CHAT!

1. What type of business are you considering starting?
2. Is this related to the skills/profession you had prior to retirement?

What’s the one thing that holds people back from starting a business?

What's the one thing that holds people back from starting a business?

FEAR

Some Top Fears

- Technology
- Failure, losing money
- Unknown

All Controllable! Remember you build business confidence through action.

Advantage 2: Financial Knowledge and Clarity

- Older entrepreneurs finance their business with retirement savings 52.3% more often than younger groups.

- Less frequently they use personal savings, personal credit cards or loans from friends/family.

- They are less likely to seek financial help or accrue debt from any source. Yet, when they ask, they were up to 62% more likely to receive non-government aid and 20-46% more likely to be approved for government aid.

TWO IMPORTANT FINANCIAL CAVEATS

1. You must do financial planning before significantly investing in your business.

- Talk to your financial planner
- Understand how much can you safely invest
- Determine your risk tolerance
- Put it in writing – have a financial runway

REVENUE PROJECTION

HOW MUCH DO YOU EXPECT TO SELL IN YOUR FIRST 12 MONTHS? (GROSS REVENUE)	$
	−
HOW MUCH WILL IT COST TO MAKE, SELL AND DELIVER YOUR PRODUCT/SERVICE? (COST OF GOODS SOLD)	$
	=
THIS IS THE DIFFERENCE BETWEEN WHAT YOU EARN AND WHAT YOUR PRODUCT COSTS (GROSS PROFIT)	$
	−
BUSINESS AND OPERATING EXPENSES (LIKE RENT, SALARIES)	$
	=

FINANCIAL PLANNING

YEAR 1 STARTUP EXPENSES	FIXED (ANNUAL COST)	VARIABLE (MONTHLY COST X12)

Success

TWO IMPORTANT FINANCIAL CAVEATS

2. Understand your WHY

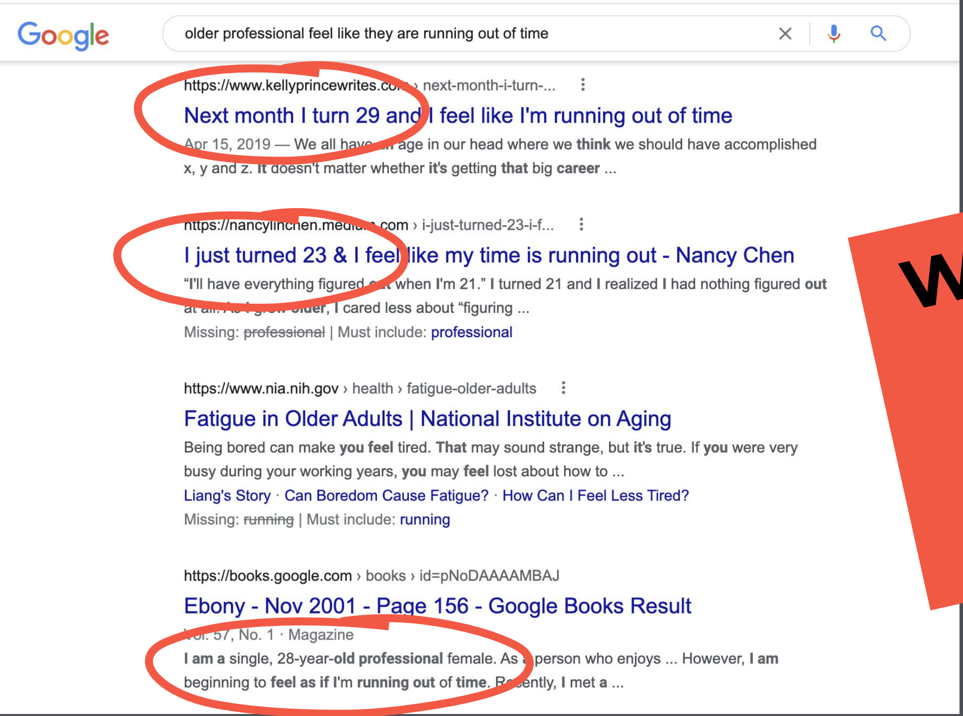
- Why are your PERSONALLY starting your business?
- Challenge, curiosity, meaning, adventure, incremental income
- What is the mission/purpose of the actual BUSINESS?

Your WHY impacts the financial decisions you make. You may also find you can accomplish your goals without investing in a business.

LET'S CHAT!

1. Do you know your personal WHY? If yes, are you willing to share it with the group?
2. Will you make a very detailed financial plan before investing in your business?

Advantage 3: Time is on your side!



Time really is on your side!

Personal Networks

Education and Training

Day-to-Day Schedule

Where/How	How much time?	How many days a week?	**Extra Hours**
Morning			
Lunchtime			
Evening			
Before Bed			
Social Media			
TV			
Cleaning			
Waiting			
Weekends			
Efficiencies			
Other			

Action + Attitude

“Keep moving ahead because action creates momentum, which in turn creates unanticipated opportunities.”

Are you ready to start?

Are you healthy?

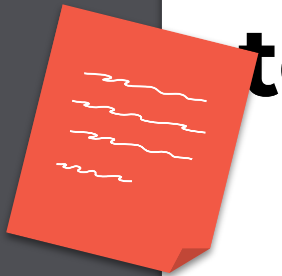
01

Is everyone in your household and family healthy?

02

Can you find 10 hours per week to work on your side business?

03



Do you consistently have 10 hours per week to work on a side business?

04

Would you like to make incremental income?

05

Would you like to try something new?

06

Are you interested in learning new things?

07

Are you organized
OR
willing to become more organized?

08

Does saying “I am an entrepreneur” excite you?

10

Are you ready to work hard?

09

9+	7-8
You are ready, my friend!	**Probably, but consider the “no’s” carefully**

Less than 7? You have the heart of an entrepreneur, but now may not be the best time.

Some Great Resource:

SCORE

www.score.org

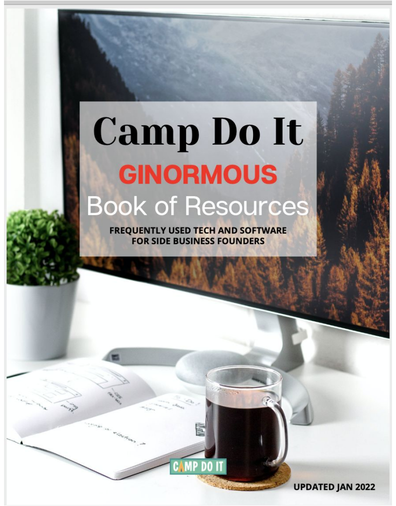
AARP

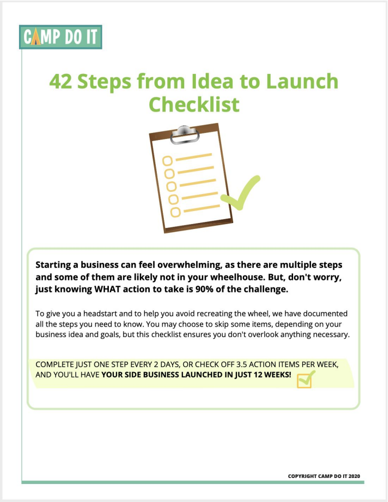
https://www.aarp.org/work/small-business/

https://treasurevalley.score.org/

Some Great Resource:

Plus, helpful tools from Camp Do It, including the Business Planning Workbook, Ginormous Guide to Tech and 42 Step Business Launch Checklist





Q&A

Thanks!

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