



Entrepreneur Chic

WHY A CRAZY ECONOMY CAN BE FABULOUS FOR YOUR NEW CAREER. **By Kenrya Rankin Naasel**

WITH LAYOFFS KNOCKING down employees like bowling balls gone rogue, the economic outlook seems pretty bleak. But a sucky economy is actually the perfect time to step out on your own. For one thing, you can't fire yourself! And adversity can spur your energy and creativity, says Marcia Pledger, business columnist for *The (Cleveland) Plain Dealer* and author of *My Biggest Mistake and How I Fixed It: Lessons from the Entrepreneurial Front Lines*. So use our step-by-step pitfall-proof guide to join the more than half a million Latina entrepreneurs who are already controlling their own destinies.

Pick an Expertise

The first step is to decide exactly what you want to do, starting with why you want to do it. That will dictate your hours, your earning goals and the environment you need to thrive. For Maria McBride, an event producer and owner of New York City-based Maria McBride Productions, it was all about balance. "I started my business when I was ready to have children. I wanted to control my own schedule," she explains. Patricia Suarez launched her Pasadena, Calif., communications firm, Suarez/Frommer & Associates, because she didn't want to be locked into a fixed salary. The potential to earn more outweighed the risks of starting her own business.

Next comes your single most important decision: making sure that there is actually a market for the thing you love to do. That's exactly what Gladys Benitez-Reilly did when she started Viva Spanish! Language Programs, a company that teaches Spanish in schools and organizations in Cleveland.

drawer when it's done. "Things don't generally go as planned," Pledger says, "so it's critical to update it as things change."

Make It Official

Take care when picking a name. "This is crucial, as it's the face of your business," says Liliam M. Lopez, president and CEO of the United States Hispanic Women's Chamber of Commerce. Ask yourself three questions: Is it easy to remember? Does it give an idea of what you do? Is it already being used? You can figure out the first two with the help of friends; for the third, do a trademark search on United States Patent and Trademark Office's site (uspto.gov).

Next, click over to irs.gov/business for a free federal employer identification number (EIN). You'll need it to open bank accounts, apply for credit and register for a business license. Consult an attorney if you can afford it; she can help you decide how to structure your company. For most women,



"It won't feel like work if you're passionate," she says. "I took a look at my skill set and figured out what service I could provide that could be profitable and fill a need."

Write a Business Plan

A business plan is the most important document you'll ever create, as it describes exactly what your company does. Anyone who reads it should be able to see not only where your business is now, but also where you plan to take it. Check out the Small Business Administration's Small Business Planner at sba.gov for help with writing your plan, and visit government-sponsored score.org for free templates and mentoring.

The biggest mistake Pledger sees people make with their business plan is not writing one at all! "We operated with no real plan for years," Benitez-Reilly admits. "If we'd gone through the process, we might have defined our own direction, rather than relying on luck." And don't just stuff it in a

incorporating as a limited liability corporation (LLC) is your best bet for protecting personal assets. This way, your money is separate from that of your business, so if it goes under, you won't drown too. But don't worry if you are short on cash; legalzoom.com is an amazing low-cost resource that holds your hand through the process.

Get Your Financing Straight

Even before you make any money, open a bank account and get a credit card. "Too often, business owners don't seek a line of credit or build a banking relationship until they're in trouble. By then it's too late," Pledger says. Don't be that chica—apply now. Your business earns a credit score just like you do; having available (but unused) credit can boost that score and make you more attractive to lenders later. And if you wait until your cash flow needs to be supplemented, you may have a harder time proving that you're a good investment.

THE BOTTOM LINE ON WOMEN'S BUSINESS

10.1 million

Total number of women-owned businesses in the United States

745,246 Number of Latina-owned businesses (as of 2006)

3 million
Estimated number of Hispanic-owned businesses

121%
Increase in Latina-owned businesses from 1997 to 2006

\$400 BILLION

Estimated annual revenue generated by Hispanic-owned businesses

Nearly 1 in 10

Estimated number of women-owned firms majority-owned by Latinas

SOURCES: Hispanic Chamber of Commerce, U.S. Department of Commerce and Center for Women's Business Research

Now pull out that business plan and take a realistic look at how much you need to get going. "Without question, the biggest mistake I see with start-up companies is being undercapitalized," Pledger says. There's no denying that securing credit is one of the toughest challenges for young businesses, so try other options before begging the banker. First, turn to your personal savings. After setting aside six months of living expenses in a high-interest savings account, do you have anything left? This is your start-up capital. If it's not enough, go after funds that don't have to be paid back; the SBA maintains a list of grant programs. Then turn to family or friends, low-interest SBA loans or nonprofits like Acción USA (accionusa.org), which uses a microfinancing model to secure tiny loans from ordinary citizens who believe in your mission. Just take Lopez's advice when borrowing from loved ones: "Be up front with the potential risks and rewards, and have a clear time line for paying them back."

Be Sure to Insure

After you've poured money into your business, it's important to protect your investment—starting with yourself. "Buy disability insurance in case you can no longer work," Pledger advises. But don't stop there. "My husband's barber didn't have insurance on his paid-off building and it caught fire," she says. "Now he's lost most of his customers because he's working out of his mother's basement." Beyond securing insurance for fire and theft, you may need liability insurance, which protects you from lawsuits.

Spread the Word

Entrepreneurs can't afford to be modest—get yourself, and your ideas, out there. "You can have the best service, skills or products, but if people don't know that, business will suffer," Pledger says. "Networking can play a huge role in promotion, especially if you have limited funds." Join organizations that offer the most maneuvering for your money, and create profiles on professional networking sites such as linkedin.com. Your local chamber of commerce is also a fount of opportunities. "Many of our members have obtained business from the relationships they've established here," Lopez says. It worked for Benitez-Reilly. "I think the dollars spent joining organizations and partici-

pating in networking events have been the most effective way to market myself and my business," she says.

Now's also the time to develop a professional logo, business cards and website (art schools are a great source of low-cost, high-impact design talent). "Websites have played a significant role in leveling the playing field for small businesses," Pledger says. Make yours work overtime.

Know the Customer

Getting your service or product out to the public starts with figuring out who that public is—and how to reach them. According to Pledger, many entrepreneurs waste time targeting the wrong audience in the wrong way. Say you design clothing for mature women with curves. While a teen clothing line might benefit from a viral push on social networking sites, you would probably do better mailing catalogs to a targeted audience. It's also important to make sure your price is right. Like many newcomers, Suarez undervalued her services starting out. Lopez recommends checking competitors' price lists and reconciling those numbers with what you need to turn a profit.

Learn How to Adjust

You may not be rich (yet), but you're independent and happy—the way you were always meant to be! But when should you quit your day job? Most businesses are run part-time until they're profitable enough to support the owner's lifestyle. Just don't be afraid to take the leap—your company won't grow if you don't make the time to nurture it. It took Suarez about six months to go solo, while McBride's experience was more of a roller-coaster ride. "My business has varied from part-time to full time over the years as my children grew," she explains.

Consider your abilities and business plan at every turn in the journey, and you'll avoid growing faster than you can handle. Bring in help if you feel overwhelmed. Benitez-Reilly offers this advice: "It's time to hire staff when you find yourself bogged down with the minutiae of running your business instead of working on growing your business." Worried about the cost? McBride has the perfect solution: "Interns are a great way to test your employment needs." Just don't get too attached to the free labor—remember that the best interns have dreams of their own. □