


Self Employment Essentials
Part 1

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Background

- Implementing self employment for individuals with significant disabilities involves minimizing the fears of:
 - The prospective business owner
 - Rehabilitation professionals
 - Small business development professionals

Small Business Success

- Contrary to popular folklore, the success rate of small business is surprisingly high
- According to the US Small Business Admin.
 - 79% of small businesses are still operating after the initial 8 years
 - The long-term trend in employment is smaller firms
- Small business and self-employment
 - are a defining characteristic of the American economic landscape
 - Present a tremendous opportunity for many people challenged by the competitive labor market

Small Business Skepticism

- Many people remain skeptical regarding the viability of people with significant disabilities starting, operating and managing a business
- Let's take a look at some of the most often concerns and questions that are raised regarding business ownership for and with people with significant disabilities

Question:

Where Can I Get Grant Money?

- There are very few grant programs that give money to individuals
- Many people who start small businesses rely on:
 - Personal savings
 - Loans from family members
 - Micro-enterprise loans
- Your Small Business Development Center (SBDC) can help find financing
- Interest rates on these high-risk loans can be high
- For many folks with disabilities going into debt is not an option

Possible Sources of Revenue

- Social Security Work Incentives (PASS)
 - www.passplan.org
 - SSA "Red Book"
<http://www.ssa.gov/work/ResourcesToolkit/redbook.pdf>
- For assistance with a PASS or Benefits Analysis, contact your local Certified Work Incentives Coordinator or Work Incentives Planning Assistance (WIPA) program
- Contact your local Social Security office for more information about assistance with work incentives

Possible Sources of Revenue, cont.

- State Vocational Rehabilitation programs can and do fund self-employment
- Local Developmental Disability and Mental Health centers can assist through general funds and in some cases, Medicaid
- Schools can use Special Education funding to support student-owned business
 - Teach valuable work skills
 - Incubate a business idea that will last beyond graduation so the student is not unemployed
- You local Workforce Center (One-Stop) may also provide funding assistance
- *K-Fund* for people with intellectual disabilities

We recommend trying to blend a combination of these funding sources.

Question:
What types of assessments are best to determine if someone is right for self-employment?

- We do not believe in assessments as a form of predicting someone's suitability for self-employment
- There is no existing data that justifies such expensive time wasting
- Assistance no Assessment!

Assessments and Self-Employment

- Pencil and paper tests, vocational evaluations, psychometric assessments, etc. are not particularly useful or advised
- Person-centered approaches like Discovery are more useful as they seek to learn:
 - Unique gifts
 - Talents
 - Learning styles
 - Hope and dreams
 - Financial opportunities
 - Family and other supports

Question:

Does someone need to know how to read and write to operate a business?

- Operating a small business is a matter of degree
- Many small business owners perform most or all of the essential functions, but many do not
 - Writing a business plan
 - Completing invoices
 - Accounting
 - Assistive technology
- Business partners may handle those tasks that require reading or writing

Question:

How long should professionals support someone as a small business owner?

- Many systems are time-limited
 - Workforce Investment programs
 - Vocational Rehabilitation
- Use these carefully and incorporate long-term supports into the design of the business
 - Sales
 - Family
 - Possibly from state program funds

Question:

How much does a small business cost?

- Start up costs are wide ranging
- Some micro-enterprises start with little or no money and grow over time
- Most small businesses in the USA cost less than \$10K
- Recent examples of businesses owned by people with disabilities show average costs of approximately \$5K
- Ongoing support costs vary depending on the person and his/her disability (transportation, medication, instructional assistance)
- These would be necessary with or without a business

Question:

How long can we expect a small business to last?

- Small business life expectancy varies
- Most businesses change over time
 - Adapting to market changes
 - Changing customer preferences
 - Health of the business owner
 - The presence of other opportunities
- Taking on new products
- Moving to a new location
- Selling out and starting another business
- Longevity is a function of the business model and the owner's plans

Question:

Should families be involved in someone's small business?

- Family support is evident in many small businesses
- A most critical natural support and traditional in the US and around the world
- Families hire sons and daughters, make them business partners and launch new enterprises with them
- Give their sons and daughters money to support business start up or expansion

Question:

How small is too small?

- A business should generate revenue for the owner and employees (if any)
- Typically businesses grow in stages, as do their profits
- A careful approach should be used to generate enough money to live on without jeopardizing the safety net of various benefits systems
 - SSA
 - Subsidized housing
- Individuals facing unemployment or sheltered employment almost always earn more money in their businesses than the national average earned through sheltered work

Question:

What about interruptions caused by medical or therapeutic issues?

- A small business naturally accommodates a host of personal needs
- Many business close during the week for a variety of reasons
- This will greatly affect a business with limited hours so having an employee or business partner is wise strategy

Question:

Does the business owner have to do everything and work 100 hrs. etc?

- Many business owners work long, hard hours while others do not
- Profitable businesses grow and hire people
- It's not easy and the work can be especially challenging for someone who has never done it before or worked a steady job
- Starting a part-time or after school business may be a viable option
- May be viewed as a family activity

Question:

What about rural areas?

- Rural communities are rich in opportunity
- People still buy goods and services locally
- The business idea must match or meet local community needs
- The person – not the market – must always come first in order to ensure commitment to the process
- There are always unmet needs
- Internet and technology provides opportunities to distribute goods and services internationally

Question:

What about using sheltered workshops and other day programs to prepare people for work?

- Segregated settings come with stigma
 - Identifies people as different
 - Promotes the notion of people as incompetent
- Interrupt the natural flow of activity and personal interaction common in communities
- Learning valued work and social skills only occurs in typical environments

Question:

What if someone is unmotivated by money?

- Many people have not been exposed to family or professional expectations of career success
- Bright futures are seldom predicted by medical and other professional personnel
- Creating opportunities to use personal talents, skills and to explore work environments can help make the connection between effort and pay like most everyone else
- Linking effort to tangible results is another way

Question:

How welcoming are the business community and other resources to people with disabilities?

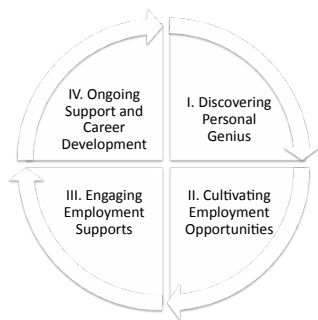
- Many business professionals have little or no experience with people with disabilities
- Many are obligated by law to assist, if they are publicly funded
- Most are generally welcoming
- Don't expect full service – come with ideas
- Check the Small Business Administration website (www.sba.gov) to locate nearby services

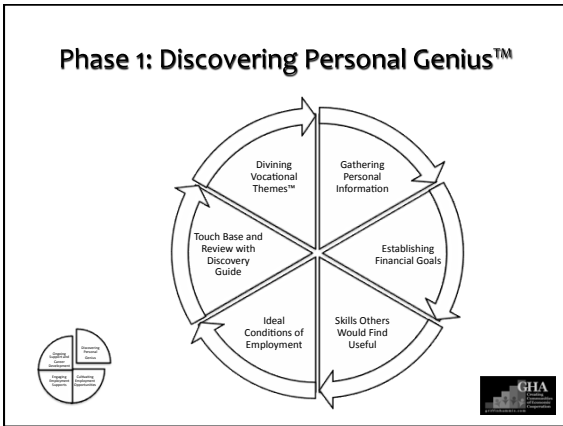
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Part 2**

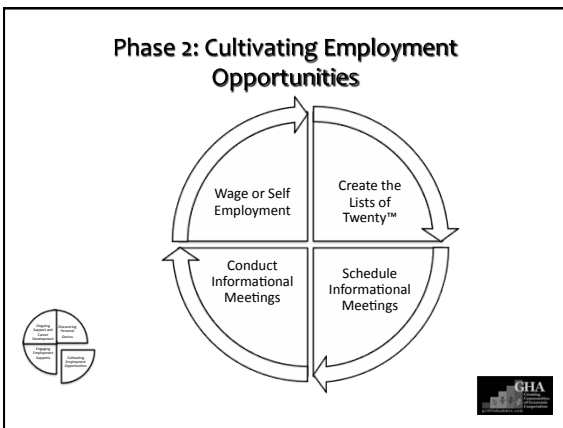
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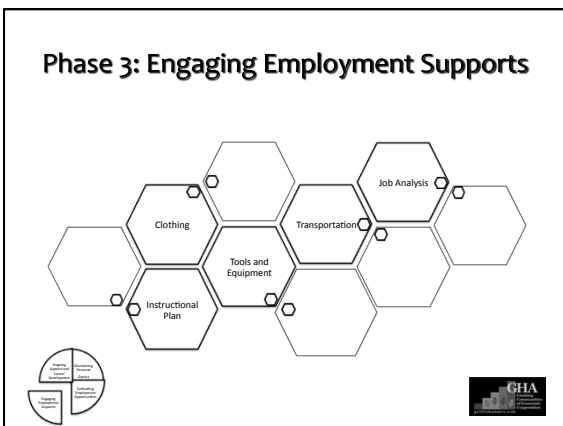


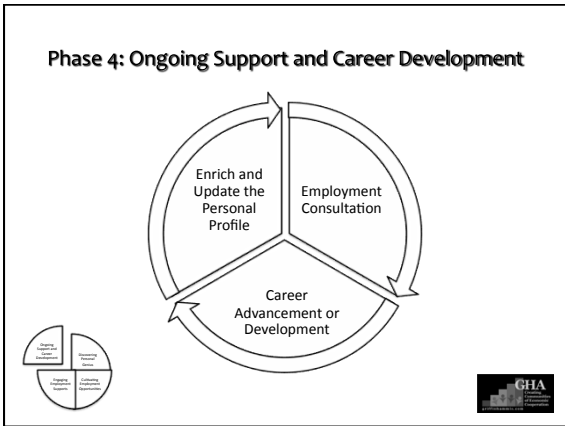
The Phases of Customized Employment











Customized Self-Employment

- Discovery is always the first step
 - Complete a Discovery Staging Record
- Discovery will help to determine options for employment and the “fit” that makes sense.
 - Wage Employment
 - Self-Employment
 - Both
- Ideal Conditions would reveal Self-Employment as the best option

Vocational Profile

- Complete the DSR
- Three Vocational Themes
- Ideal Conditions of Employment
 - Reveal Self-Employment as a desirable fit
 - Most workable accommodation
- Think in terms of starting a business
- DO NOT think in terms of “dream jobs” or job descriptions

Remember....

- Self-Employment should not be approached as an alternative to day programs
- Self-Employment must make sense for the individual as revealed through Discovery
- Self-Employment should be approached for its economic validity as well as making sense for the individual.

Other Considerations..

- Resource Ownership
 - A mutually beneficial process of acquiring materials, equipment, or skills, that when matched to a job seeker’s interests and customer needs generates profit for the business and wages for the employee.
- Business Within A Business
 - A small, independent business that operates within a host business to provide complimentary products or services not provided at the host business.

Plan for Self-Employment

- Develop a self-employment development plan
- Must include the prospective business owner
- The Plan includes:
 - Lists of 20
 - Timeline for action
 - Support strategies
 - Referral plans (SBDC, One-Stop, VR, etc.)
 - Benefits Analysis

Plan for Self-Employment

- Create a List of 20 for each theme
- Combine ideas
- Refine and select 5-6 places to conduct informational interviews
- Let information guide the next steps
- Pay attention to opportunities to contribute as a supplier or business within a business
- Look for “market entry points”

Business Development

- Develop a timeline for informational interviews
- Begin informational interviews
- Refine business ideas
- Observe similar or related businesses
 - Pay attention to processes and equipment
 - Note oncoming competition and market openings
- Formulate several business ideas/models
- Further research job seeker match

Be open to recognizing a wage job fit during this stage of exploration.

Feasibility

- Design a feasibility study to test one or two solid business ideas
- Use at least two forms of testing
 - Sell some items
 - Conduct a local survey of potential customers

Feasibility Testing Ideas

- Set up at a flea market
- Consign items with a retailer
- List items on eBay
- Solicit customer feedback via phone or email surveys
- Review data

Write a Business Plan

- Develop a business plan that addresses market & Potential Business Owner (PBO) needs
 - Represents the Ideal Conditions of Employment
 - That generates a profit
- Create a reasonable production schedule
 - Tied back to cash flow and budget

Review and Approvals

- Work with Potential Business Owner, funders, family, other stakeholders to:
 - Gain agreement
 - Review and refine approaches
 - Align funding
 - Set a launch date
- Make sure all stakeholders are clear on their roles and commitments
- Review initial production plan
- Anticipate problems and create contingency plans

Launch and Grow

- Refine marketing, growth, production, customer service and support strategies
- Review business operations weekly to begin
- Fade to monthly and then quarterly if operations are smooth
- Adjust strategies as needed
- Compare revenue to projections and adjust

Refine Business Supports

- Work with business owner and other stakeholders to gain agreement
- Review and refine approaches to maintain business operations
- Fade rehabilitation supports to business supports (i.e. family, employees, public transit or shipping companies, contractors, etc.)
- Financial plan should reflect the move from rehabilitation to business supports

For More Information

- Making Self-Employment Work for People with Disabilities (Cary Griffin, David Hammis, Molly Sullivan and Beth Keeton)
- Visit our website: www.griffinhammis.com

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