

YOU, Inc.

PROGRESS GUIDE

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PART ONE — PROGRAM SUMMARY

◆ Session One: What it Means to Be a Free Agent

The free agency phenomenon is the most important change that's occurring in American business. It's happening both inside and outside the corporate structure. Today's connotation of a free agent invokes "every man for himself," or "sell yourself to the highest bidder," and the complete extinction of loyalty to any organization. But the kind of free agency discussed here is actually larger than any amount of money can express.

There are three kinds of free agents: the person who's in a corporate structure and who wants to stay and work within that framework; the person who's in a larger organization but who's thinking of making a change, whether permanently or temporarily; and the third kind of free agent who is actually running an independent business.

Today, you can be working for a Fortune 500 company and you might only be in your office 3-4 days a week. The other day you may never leave your home, but as long as your laptop and your telephone are plugged in and you're available to be reached, then you're at your job. In terms of what you actually do with your day, you are a free agent. The challenges you face — personally, professionally, and psychologically — are congruent with someone who owns their own business and works from a small office or home.

A truly successful career involves three things: something to offer, something to love, and something to hope for. Free agency means grasping the fact that you, and only you, are responsible for bringing these things into your life and work. If you have those three things, you definitely have the essentials for success.

There are four specific attributes that are absolutely essential to a free agent. They are shared by all successful free agents: First, to be an effective free agent you must be a **self-starter**. You've got to know what you want and want it enough to get up in the morning and go after it. The opposite of a self-starter is a procrastinator. Procrastinators usually underestimate the time it takes to complete a task and end up putting a lot of pressure on themselves. This leads to negative experiences, guilt, and avoidance of future tasks.

The second quality needed to be a free agent is being **outgoing** — someone who enjoys meeting people and understands the value of it. As a free agent, you have to showcase your abilities to as many people as possible. Meeting people face-to-face and being able to shake their hands is how things start to happen.

The third quality is a commitment to lifelong **learning**. As a free agent, you must dedicate yourself to self-education. Setting aside time and funds for this is essential.

The fourth and final quality is **optimism**. Successful free agents are optimists. Free agents are the kind of optimists who recognize things may not be perfect right now, but that they are moving in the right direction and things will turn out well in the end. This realistic optimism is an outlook cultivated by free agents.

These are the foundations of free agent success. There's nothing in it about money or education or family connections — only qualities of the heart and mind.

◆ Session Two: From Entitlement to Empowerment

Everyone has self-power, although not everyone realizes it. However, once you realize it, you never stop recognizing it. The self-power of being a free agent is in realizing you have the ability to make things better or worse, no matter what the situation.

Downsizing swept through American business in the late 80s and 90s. The lives of millions of people were affected by this trend. To put it another way, millions of people suddenly found themselves turned into free agents. People who had felt themselves automatically entitled to a level of power suddenly found this was no longer true.

2 When people lose a job or have benefits cut off, they feel their power evaporating. But there should also be a discovery of a new kind of inner power: A new freedom and autonomy. A free agent has the recognition that they can stand on their own and succeed on their own.

To think like a free agent, it's important to keep your identity and your aspirations intact no matter where the market may take you. As long as you keep your eyes open for opportunities, there's a good chance they'll appear in ways you never could have predicted. A free agent is able to understand that there are larger forces at work that may be beyond personal control. You can't always control these forces, but you can control your ability to respond positively and creatively. Change is the rule of contemporary business. By strengthening your unique skills and talents, you can enable yourself to respond successfully to sudden change.

Although an entrepreneur needs a sharply defined market niche, your focus should never become so narrow that a sudden change becomes a catastrophe. Here are some specific ideas for maintaining your free agent flexibility:

- First, **listen** closely to your customers and clients. Your customer's needs can change very quickly, but they rarely happen entirely without warning.
- Second, **broaden** your reach. Pay attention to developments in your field, including those of your competitors.
- Third, **stay in touch**. It's important to stay in touch with as many people as possible in all areas of your life. A support system is crucial in dealing with the stresses of free agency — and sometimes the people who are the most removed from your daily concerns can be the most helpful.

◆ **Session Three: The Importance of Horizontal Thinking**

Onward and upward! This was a mantra of American society from its very beginning. Generations of Americans were motivated by the idea that their children would live higher than their parents on the cultural and financial totem pole. Are we as a society still moving onward and upward? Yes, we're definitely going onward — but not necessarily upward. It may be uncomfortable to admit, but from a historical point of view, our society may be reaching a pinnacle of material wealth.

Horizontal movement is a broadening of how free agents define success. In section one, we discussed that free agents need three basic things — something to offer the world, something to hope for, and something to love. If you are to find those things in your work, you must look horizontally rather than vertically. You must know what you want, and want it enough to get up in the morning and go after it.

For free agents working within a corporate structure, opportunities for horizontal growth require a sharp eye and a clear understanding of a few basic ideas.

- Idea 1: many corporations have gotten the message that some layers of management can be eliminated. The good news is that decision makers are then often more accessible to employees.
- Idea 2: since management fat has been cut, your goals within the company should not focus on promotions. If you're a buyer for a retail store, be the best buyer you can be. If you're an account executive in an agency, tend to your clients with all your heart.

In the old, vertical model of career success, three motivating factors quickly come to mind: power, prestige, and money. These things may be important and desirable, but they exist in a vertical model of business relationships. In that mode, you constantly need to compare yourself to the next guy to measure your worth.

Many free agents put money first on their list of goals, but they usually find making money is not the source of greatest satisfaction. Instead, seeing how their company's success is tied to their effort, talents, and capabilities proves more rewarding. Money really isn't everything. The most important motivators to a free agent should be horizontal:

- freedom
- fun
- family.

Freedom — the right to call your own shots and stand or fall on your own decisions — is clearly an important free agent mind set. Fun doesn't depend on any outside information, praise, or criticism, and if it starts to need those things then it stops being fun. Family, used loosely, is the awareness and appreciation of people you care about and count on for support. The intent of this ranking of motivations is to clarify your thinking so you can create a career aligned with what you want out of life, both personally and professionally.

◆ Session Four: The New Marketplace

As a first step toward deciding what type of business you should be in, let's look at what business you're in right now. If you ask a free agent to describe his or her business, their answers usually center on the activities they perform for their customers. You might hear an answer like, "We do public relations consulting," or, "I'm a landscaper." If you ask the same question of a free agent working within a corporation, they'll often mention the division in which they work, what their role is, and to whom they report. Actually, there are several important elements missing from these answers. First of all, they overlook the marketing opportunity that could come from a powerful introduction. Secondly, they suggest that they haven't stepped back to see how their work fits in a larger picture. What role does your company play in the community, the economy, the world?

Sharply defining your business can be one of the most valuable moves you can make as a free agent. You may suddenly realize you're not doing what you thought you were doing, or you might realize that you actually want to be doing something quite different. Think about your business as it exists now, and ask yourself where you want to be in the future. What kind of business are you in at the moment, and is it what you want to be doing a year from now, or five years? The answers may surprise you and lead you to an exciting new vision of your career.

As you refine your business vision, be mindful of the environment in which your company currently operates as well as where it might operate in the future. Do some time traveling. Set your thought on new horizons, new ideas, and new strategies. This will hone your awareness and get you thinking beyond the immediate. The real goal is to catch the wave of what is happening instead of being swept up in the wake of others.

To get you started, we'll look at a number of trend categories that you should pay attention to — and try to place your business in the larger scheme of things: The first is **long-term economic trends**. The middle economic classes are dramatically shrinking while the upper and lower ends are expanding. The revolution in high technology and the bull market on Wall Street has created a new class of millionaires. Be aware that the polarization of wealth is likely to continue for some time into the future. Set your sights of your product or service to where the customers are.

The next category is **politics**. Pay attention to the message politicians use to attract support. They will be relevant to consumer needs. The third category involves **breaking technology**. The increased market opportunities created by the Internet are something all businesses need to consider.

Generational transition is the fourth category. The Baby Boom generation is now entering its 50s. The likes and dislikes of this huge demographic have driven American business for decades and, to some extent, will continue to for decades more. As the Boomer generation ages, attention to health care will increase. But there is also the growing buying power of the generation trying to distinguish themselves from their predecessors. New trends in music and sports will play a big role in markets.

Education is a trend that overlaps many of the other categories and will probably have a great impact on free agents. People are very concerned about how their children are educated. If you can see into the future of education in this country, you could probably make a great deal of money. The need to find better and more cost-efficient forms of education to counter the rising costs of higher education can lead to many possibilities.

Entertainment is an extremely important category to track. In fact, the entire American economy has come to be described as either service or entertainment driven. Our films and television shows receive world-wide demand.

The final category is in **personal development**. As the pace of technology increases and financial issues become more complex, people seem to be looking inward for some peace and quiet. There is a very strong demand for anything involving personal exploration.

◆ Session Five: The Corporate Free Agent

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Deciding whether to leave a company to start a business on your own can be very difficult. You don't want to lose close relationships developed over the years. Your corporate identity may have come to mean a great

deal to you both personally and professionally. Fortunately, you can be a free agent and keep your job. It's just a matter of thinking proactively about your work. If you're tempted to go out on your own just because you're frustrated with some aspects of your job, you may want to think twice. No one is completely free from red tape and bureaucracy. In fact, a person who starts a small business on his or her own has a lot to manage. So if you want to be a free agent without breaking the corporate tie, there are many good reasons for making that decision. There are several elements that any free agent working within a corporate environment should be aware of:

- In the old model of corporate life, a person could easily find a niche and simply last out his or her career in it. But the layers of management that used to provide a comfort zone just aren't there any more in a lot of companies. The free agent is someone who wants **action**, not just security. As a body in motion, you've got to have more energy than the bodies at rest, or your motion is going to come to stop. That energy must come from the heart.
- A corporate free agent must see their project in career terms and in larger **contexts** such as society.
- Though a free agent will find much resistance and resentment from mid-level employees, good work will often be recognized by the very top levels of the company. Once a worker is able to get beyond the issues of job security, they can move on to the kind of **self-fulfillment** goals important to free agents.
- If a free agent is committed to working within a corporation, there must be something about that **environment** that he or she really enjoys — perhaps even loves.

◆ Session Six: The Transitional Free Agent

In a study of how corporate workers feel about their jobs, Teresa Anabile identified five factors that seem to block creativity.

1. A sense of impending evaluation — a constant awareness that at a specific point in time your performance will be assessed and you'll be rewarded or criticized.
2. An awareness of always being **watched**. Even before a formal evaluation a worker is under constant supervision.
3. An emphasis on **external motivators** — this includes the common practice of performance based bonuses and incentives.
4. Workers feel they're in **competition** with others — both inside and outside their company — in a win or lose situation.
5. A sense of restricted **choice**. Within a corporation there are always limits on what you can or cannot do. Some companies offer more freedom than others.

For most people the effect of these restrictions depends entirely on how they are enforced. If a supervisor is a skillful administrator and a decent human being, a performance review can be a positive experience, even if it involves some criticism. But there is a type of extremely individualistic person who simply can't tolerate supervision. Between those who can be at ease in a corporate setting and those can't be comfortable with any type of constraints is a very large third category. This is the type of free agent, though working for a company, who may be ready to change. Using the factors listed above, can you tell which category you fall under?

If you're thinking about starting your own business, you should base your decision on the criteria that are most important to you and your unique view of the world. Here is a step-by-step procedure to help you make this decision:

- Gather as much information as you can. Talk to as many people as possible and make sure to get all sides of the issue — people who have decided not to leave the corporate world and people who have done so successfully, as well as those who decided to go back working for someone else. Read everything that seems pertinent.
- Create a list of alternatives. Challenge yourself to think of all the things you could do if you stayed with your employer. Don't feel inhibited; brainstorm.

- Imagine going out on your own. How many different scenarios can you envision? For example, would you want to be totally independent or would you want a partner?

When you are done, you should have two categories of possibilities. There are two components of actually arriving at a conclusion. First is the logical. How do the numbers add up? The other approach does not involve your head but your gut and your heart. As you look at the different possibilities, how do they make you feel?

There are seven myths about owning your own business that you should look out for in your list.

- **Myth 1: If I have my own business, I won't have a boss and I won't have to work long hours.** The reality is, you'll find yourself working harder than ever, because no boss is as demanding as yourself. Many free agents find they have to discipline themselves to stop working.
- **Myth 2: I'll be able to charge high prices and make money quickly.** There are a lot of expenses related to running a business. The significant portion of your charges may go into overhead and expenses of production.
- **Myth 3: As a free agent, I can deduct everything, so I won't have to pay taxes.** The truth is, paying self-employment tax is a real awakening to the realities of owning your own business. You will also have to cover federal, state, and local income taxes and face strict deduction laws. However a savvy free agent can work the system to their advantage.
- **Myth 4: I can set my own hours and only work when I want.** It's true that free agents have a certain flexibility in designing work days. But if you're not devoting significant time to developing your business, you are courting failure.
- **Myth 5: I'll only need a few good customers, and then I'll be set.** In determining the number of clients and markets you serve, there's a fine line between comfort and vulnerability.
- **Myth 6: As a free agent, I won't have to deal with office politics, meetings, frustrations and irrelevant phone calls.** The reality is that independent entrepreneurs need to constantly interact with other people for many reasons; to generate sales, learn new skills and to build professional and social relationships. You'd better not be grumpy either! You never know who will turn out to be crucial to your business.
- **Myth 7: I'm good at what I do, so how hard can it be?** Potential customers tend to stick with who they know, so issues of quality are only half the battle. You've also got to make sure people know about you and your products.

◆ Session Seven: The Free Agent Entrepreneur

There is a clear relationship between planning and success. Too many entrepreneurs tell themselves they can just wing it and make adjustments as they go along. Some can, but for a vast majority of free agents, a good business plan is an absolute necessity. There are certain principles that must be woven into the fabric of every free agent business. They may not be on the pages of your business plan but they should definitely be in the forefront of your thoughts. These principles constitute the **Triangle of Success**.

The Triangle of Success provides a very sturdy base for the success of your business. When all three sides are strong, there is balance and power for your company to grow on. Think of the triangle as a general mission statement for your work and always keep it in focus.

First, **believe** in the business you've chosen, and in your ability to manage it well. This may not always be easy, and there will be times when the going gets rough — but be steadfast in your commitment. Remember, high expectation of success is one of the single greatest factors in bringing it on. Second, **respect** your clients and customers. One of the greatest enjoyments of a free agent should be meeting all the people your business brings your way. Third, **enjoy** bringing your work and your customers together. Commit yourself to building a bridge between what you do and what your customers need. Once you are convinced that your

clients will be improved by the products and services you offer them, you will have no negative feelings about your business.

◆ **Session Eight: Marketing & Sales in the Free Agent World**

The bonds you create between your business and your customers are your lifeline. Marketing is a key element of that bond. Most free agents launch and build their companies through referrals and word-of-mouth marketing. Take time to strengthen relationships with your clients and customers.

Here are some other ideas for marketing your products or service. First and foremost, **write** something and get it published. It could be an article for a trade journal or newsletter in your industry. If you're in a retail business, try writing an article for a local newspaper or magazine. Make sure to include your name and some information about your company. If you think you can't think of anything, think again! Challenge yourself to come up with a topic that discusses your work and would interest an editor. But don't make an obvious sales pitch. Readers should feel they are discovering you, not that you are getting in their face. If you can't do this yourself, hire someone!

Another extremely effective vehicle for the written word is creating a **newsletter** about your business. Even if it appears only a few times a year, it can be an ongoing link between you and your customers. You could make your newsletter available on the Internet to avoid printing costs. If and when you do appear in print, a number of very good things will start happening. You'll start picking up customers who have happened upon your article. You might also hear from event organizers looking for speakers.

Advertising still has a role for many free agent businesses, but it may not be right for you. The more you learn about marketing, the more educated your decisions will be in the area. Printed display advertising, for example, is a traditional marketing option. This type of ad features graphics or your logo in a newspaper or magazine. When it's effective, it brings visibility and creates demand for your product or service. But your customers may not be the type who review ads in newspapers before deciding on a purchase. Remember, by writing an article, you can appear in the same publication at no cost, and perhaps even get paid for it. All advertising vehicles — including phone directories, newspapers, radio, and TV — have advantages and disadvantages. Weigh your options and calculate the cost per potential buyer for each choice you make. Also have plenty of patience. The average consumer needs seven to nine exposures to a message before deciding to buy!

◆ **Session Nine: The Involuntary Free Agent**

Now we will discuss a different species of free agent: the involuntary free agent. Many of these individuals were affected by the downsizing trends of the late 80s and 90s, and also from the disappearing American manufacturing sector. These free agents have been brought into being not by choice, but by powerful forces in our society. But even seemingly difficult circumstances offer great opportunities. Taking advantage of them requires a sharp understanding of the current economy. It also requires insight into yourself and what you really want from life, and about what you really have to offer.

In his book, *Job Shift*, William Bridges provides an in-depth analysis for the issues of translating job skills. As he puts it, many free agents are in the position of wanting to do something new but only knowing how to do the old thing. To find a way out of that dilemma, Dr. Bridges says four personal characteristics need to be assessed. Four elements make up the **DATA** acronym: your **desires**, your **abilities**, your **temperament**, and your **assets**.

- **Desire:** To measure your desire for a particular job, you must measure your *cognitive dissonance*, a kind of internal contradiction. It's the difference between the way we want to think of ourselves and our situations and the way things really are. If there is a great gap between reality and what you truly desire to do, your work will begin to suffer. Only when a free agent enjoys their work can a natural motivation flow.

- **Abilities:** Your abilities are what you have to contribute to a marketplace. You need to be able to select a market in which you can excel and be able to compete. A recent study found there are only three basic abilities essential for finding a niche in any marketplace — and you don't need all three. If you can excel in one of these broad areas you can do well. The first ability is **communication**. You should just be able to express your thoughts and be able to pay attention when other people do the same. The second ability is to have some familiarity with **computers**. You don't have to be a whiz. It's just a matter of not being intimidated by these machines, which have opened up whole new job industries. The third ability is simply being able to **get along** with others at a fundamental level. Even the most independent free agent entrepreneur quickly finds that you must develop a certain degree of people skills in order to deal with customers and suppliers.
- **Temperament:** Temperament is the third part of DATA. Here are ten questions you can ask yourself to help get a sense of your temperament. They can be answered either yes or no, but think about real life situations that they call to mind.
 1. My moods are strongly influenced by the people I'm with.
 2. I often put off unpleasant tasks until the last moment.
 3. I like to figure things out for myself, rather than asking for help or information.
 4. On several occasions when working with other people, I've felt held back by their limited abilities.
 5. Once a schedule has been created for a project, I feel very uncomfortable if that schedule is revised.
 6. In meetings I generally let others do the talking.
 7. I sometimes find that I've raised my voice without realizing it.
 8. I'm not comfortable making long-term plans.
 9. If people say things that annoy me, I believe it's best to keep that feeling to myself.
 10. If a meeting is scheduled for nine o'clock, I assume it will begin at ten past nine.

You don't have to take the results of these questions as the gospel truth, but they should provide some insight into the type of work situations you feel most comfortable with.
- **Assets:** The fourth and final element in DATA are your assets. This can be understood in several ways. Taken literally they can refer to your savings accounts, home equity, or family support. It can also mean any important business relationships useful to you as a free agent. Consider your personal resources you've identified and how you can put them to use.

◆ Session Ten: Turning Ideas Into Realities

How does an idea turn into a successful business? And once a company is up and running, how does it generate new products or services, while overcoming the day to day obstacles that crop up? Here are three methods of goal setting used for transforming ideas into reality. You can use goal setting effectively regardless of where you are on the free agent spectrum. Think about your goals, and decide which method seems best for you.

The process of reaching a goal is like driving a car. If you've known how to drive a car for a while, it all seems to happen automatically. While you're mentally keeping track of what's happening in your immediate vicinity, at the same time you're aware of your destination. Both your body and mind are maintaining a dual focus. For a free agent entrepreneur, this dual focus is a key element in developing effective business goals. It's a matter of balancing long-term objectives with the daily demands of business operations. There are no rigid formulas for setting goals. Different people use different approaches.

One method is called **meeting yourself in the future**. Here's how it works. Think of a specific date three or four years from now. Write it down on a piece of paper. While looking at the date, imagine walking into a room and shaking hands with yourself on that future day. What is your future self like? How does your future self feel? Do you seem happy, content? Now have a conversation with your future self. Find out about what you are doing, and how your business is going. Are you satisfied? Are you still a free agent? Ask about lessons learned over the years concerning free agency. Keep an open mind. At first, this exercise might seem a bit

silly. But the real purpose is to provoke an inward contemplation that you might not otherwise experience.

Another technique is called **designing your perfect day**. It involves daydreaming about what you would do if there were no boundaries — if there were nobody to say, “Wait a minute! You can’t do that!” Spending time contemplating a world of open-ended options has a very liberating effect. This exercise will reveal your interests, your values, and your work style preferences. Perhaps the greatest value of goals is that they serve as markers of success.

◆ **Session Eleven: Strategies for Overcoming Obstacles**

Every business has highs and lows. A Fortune 500 company may be a billion dollars in the red at the end of a given financial period, and twelve months later they’ve turned a billion dollar profit. Free agent business can undergo the same type of fluctuations, although not quite as dramatically. Unfortunately, not all free agents have the resources to weather the down times. The good news is that a small number of causes account for the vast majority of failure. By learning to read the danger signals and taking prompt action, you can eliminate the most serious problems before they even begin.

The first potential danger sounds so obvious you’d think every free agent would immediately be aware of it, but each year it takes thousands of small business by surprise. Simply put, they don’t have enough **money**! These businesses are undercapitalized when they start out. The amount of money you need to start a business varies from industry to industry, but you must be prepared to go for a significant period of time without turning a profit.

Before you start out in any free agent business, it’s very important for you to carefully calculate the expenses you’ll be facing in the first twelve to twenty-four months. There are professionals who can help you with this, but don’t rely on one advisor. Talk to other people in your industry. When you get all the information needed to make an accurate estimate of the capital you’ll need, double the figure. Remember that you will encounter all kinds of hidden costs.

The second problem to watch out for is related to the first. This is weak **accounting** practices and poor financial advice. Bookkeeping and financial planning may not be the most fun part of running a business, but it’s certainly one of the most important. So if you’re daunted by the prospect of sitting down with a ledger and a calculator or a spreadsheet program, pay someone to do it for you. Those will be the wisest dollars you’ll ever spend.

The financial advice you’ll need depends on the type and complexity of your company. Financial advisors can give you the specific numbers your company needs. They can also help you weigh the benefits of incorporating. They can help you decide whether it’s better to buy or lease a new piece of equipment. They can offer suggestions on ways to shelter your income from taxes. This is especially valuable because tax laws are often complex and constantly shifting. Your bank also plays an important role in your financial planning. Significant time should be spent in finding a bank that feels right for you. A good banker may eventually play a key role in the survival of your business.

The third major cause of small business failure is excessive **reliance** on just a few major customers. To many free agents, 80% of the revenue comes from only one or two customers. This can be very dangerous. If you’re doing almost all your work for just a couple of clients, your business is not really an independent entity. You may call yourself a free agent, but you’re virtually an employee of your customer. If this customer decides to go elsewhere, you, in effect, have been fired. You can avoid this problem by making customer acquisition and lead generating a top priority.

There are at least three more danger signals to watch out for. The first of these pertains to the **overhead** on your place of business. This is more of a concern to retail companies than to free agents who just rent offices. When you’re deciding on allocation for your free agent business, make sure you know what your real needs are and don’t pay for anything more. **Loss of customers** is a big problem free agents will have to deal with. A surprisingly high percentage of customers are lost because of a negative experience on the

phone. It may seem simplistic, but when you're on the line with a customer, the future of your business is on the line with you. Price, quality, and friendly service are all important. Think about it the next time someone puts you on hold. There's one more thing that a free agent should watch out for. But for want of a better phrase, it's simply **sudden change**. Actually it's not sudden change itself as much as how well you *handle* sudden change. Keep your poise and tell yourself you can handle the crisis.

When times are good, it's easy to celebrate. It's also easy to become complacent. Enjoy your successes when they occur, but recognize that these may be just peaks in the business cycle. Make sure that preparation for leaner times begins in the comfort of prosperity. Here are some tips for taking advantage of peak periods:

1. Set aside money for the future. The time to create a rainy day fund is when the sun is shining.
2. Keep your expenses in line. There's a temptation to splurge, but you know maximum prosperity can't last forever.
3. Always keep looking for new business. If you lay the foundation, your new prospects will be there when you need them.
4. Keep an eye on the future. Update your business plan, and explore how your new achievements can take your venture to the next level.
5. Offer support to other entrepreneurs. Your fellow free agents will appreciate your support and will remember you when the road gets bumpy.

◆ **Session Twelve: Twelve Essential Lessons for Free Agents**

1. If there is something you don't know, **find out**. There is nothing more dangerous to free agent success than ignorance. Be smart enough to face the fact that you weren't born with universal knowledge. For example, you weren't born knowing how to file self-employment taxes. So seek out the best advice you can find and take the time to attend classes or to gain practical experience on your own.
2. When you ask questions, **listen** to the answer. Once again, what could be simpler? But so often we only hear what we want to hear. When you ask a customer or a supplier for feedback, but don't really listen to the response, you're just going through the motions of growing your business. When a person you trust gives you advice, make sure you pay attention. You'll avoid a lot of dangerous situations.
3. **Look** before you leap. Once in the mid 1980s, I started a project that was going to need some expensive marketing materials. I went ahead and ordered them — and when the project fell through the only thing left was \$2500 in printing bills. Now I see I should have evaluated the situation much more carefully before I placed that costly order.
4. Don't try to wing it. Going into a business venture without a **plan** is like playing tennis without a net. You can't really tell how well you're hitting the ball. Once you've made a plan, you should be flexible enough to change it if the situation warrants — but that's a very different situation from not having a plan at all. Spontaneity is an admirable quality, but I've learned the hard way that good planning can cut half the time off a project, and can double prospects for success.
5. Keep the lines of **communication** open. When we stop communicating, we start interpreting other people's thoughts as actions based solely on our own imagination. For a free agent, that's a dangerous state of affairs. So keep the dialog going, even if it means some heated discussions.
6. Don't move too fast. Some projects and processes can't be rushed. You risk the chance of losing everything you have gained. **Patience** is a key virtue.
7. Be well **prepared** financially. We've seen that inadequate capital is a major cause of small business failure. Talent, skill and good planning can take you along way down the road to success — but if you don't have financial resources to support your strategies, not much can happen. Be prepared and keep some money in reserve.
8. **Don't assume anything**. From inside our own mental fishbowls, we can forget the rest of the world

doesn't necessarily see things the way we do. Different people and different companies have their own standards of quality, deadlines, and pricing.

9. **Don't force fit.** Sometimes people and companies just don't mesh well together. When that happens, it's better to walk away than endure countless hours of frustration and failure. One of the best ways to avoid problems in this area is to be very clear about your need and your way of doing business. Sometimes, as free agents, we're so focused on signing up a client that we forget we're going to have to work with this person, perhaps under the pressure of deadlines and delivery dates. When you work for someone under those constraints, good rapport is a necessity. So remember, if the shoe fits, wear it. But don't force a fit. Just politely head for the door.
10. **Trust** your instincts. If your guts tell you this job is trouble, heed your instincts. Don't assume that everything will be fine while you passively watch from the sidelines.
11. Be **realistic**. You know how much you can get done in a given period of time, so don't let others put you on an impossible schedule. Trying to perform superhuman tasks is the quickest way to jeopardize your reputation.
12. **Don't assume you know better.** "Been there, done that" are four dangerous words. Every situation is unique, and if you overlook that fact, you blind yourself to potential problems. Wisdom is based on cumulative experience, but every encounter is a fresh opportunity for success or failure. One of the real challenges of free agency is treating your one thousandth client with the same enthusiasm and consideration that you showed your first. That's not only a test of professionalism, it's a test of character.

PART TWO — THE TOOLBOX

◆ A Working Solo Self-Quiz

Answer yes (if you agree) or no (if you disagree) in response to the following statements.

- | | | |
|--|------------------------------|-----------------------------|
| 1. I'm a self-starter. Nobody has to tell me to get things going. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 2. I enjoy competition and do not get intimidated easily. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 3. I can make decisions if I have plenty of time. If I have to make up my mind quickly, I often think later and regret what I've decided. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 4. I have willpower and self-discipline. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 5. I feel comfortable knowing that I don't have all the answers and feel comfortable taking advice from others. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 6. I get things done on time. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 7. I'll take over if I have to, but I'd rather have someone else be responsible. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 8. I am adaptable to changing conditions. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 9. I can give three clear reasons why I want to go into business for myself. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 10. I am good at planning ahead. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 11. Once I create a plan, I consider it finalized. I follow it to the letter, no matter what else may come up. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 12. I understand that working solo may entail working 12-16 hours a day, six days a week. I am willing to devote the energy needed to make my business a success. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 13. I have seriously reviewed the financial needs of my solo business. I have enough money set aside, even if my business does not make any income for three to four months. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 14. I have a good understanding of my strengths and weaknesses. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 15. I feel comfortable asking others for help. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 16. I have carefully reviewed whether I could make more money working for someone else. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 17. I could hire experts to help me, but I'd rather do it myself, since I trust my own judgment more. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 18. My family and/or loved ones go along with my plan to start a one-person business. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 19. I find a big thrill in taking risks at any time. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 20. I am in good physical health. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 21. Once I make up my mind to do something, I am committed to finishing it. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 22. I know other self-employed individuals and have seen how their businesses work. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 23. I am prepared to lower my standard of living, if necessary, until my business becomes a success. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 24. I am willing to devote the time, energy, and money to my new business, even though I understand that many new businesses don't succeed. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| 25. I have a clear understanding of what success means to me, and I know that money is only one of the measuring factors. | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

Did you respond to all the statements? Were there some things you hadn't considered before? Of the 25 statements, your responses all should be "yes" except for numbers 3, 7, 11, 17, and 19. Keep in mind that these statements are only geared to start you thinking about personal qualities of solo business owners. For now, reflect on the statements above, and think about your answers — and what they reveal to you.

◆ The Ten Easiest Ways to Choose What Your Solo Business Should Be

Anyone who wants to succeed by working solo can do so — if they discover the business that matches their unique interests and abilities. Begin with some thorough and honest introspection. Make a list of anything and everything you may want to do as a solo enterprise. For now, stay open to every possibility — an idea that at first may seem impractical, may point the way to the answer you’ve been looking for. Don’t be afraid to get feedback from and do some brainstorming with friends, family, or colleagues — they may be able to see qualities in you that you have overlooked yourself.

The following is a fun exercise that will help you get started. To maximize its results, allow yourself at least 24 hours for the images to “simmer” in the back of your mind. Find a quiet spot, where you won’t be distracted. Get comfortable and jot down your ideas.

- Think back to when you were young. See yourself on the school playground. Who was that person back then? What were you like? What interested you? Did you have a favorite sport or subject in school? Jot down some memories of those times.
- What awards or achievements have you received in your life that gave you special recognition? These don’t have to involve only major events. Try to remember what it was brought that you that recognition and how you felt receiving it.
- Come back to the present and consider the things you do as easily as breathing and walking. What are the activities that you don’t even have to think about to do well? Stay open to possibilities — everyone has something to put on this list.
- Imagine that you have ended up on a desert island. But this is a magic desert island, where you can bring anything or anyone you want. What and/or who will you bring?
- What are the things you do that others have complimented you on? Try to recall their voice as they told you the compliment and what you were doing. Also try to remember how you felt when they said those wonderful words.
- Think back to some of your most recent pleasurable experiences. What common key ingredients were in them?
- If someone asked you to name some of your favorite group activities, what would they be?
- You have been given the magic power to design your perfect day. What would you do? Take your time to design this day. What activities would you do? Now, if this were not a single day but every day, how might you design it?
- What can you talk about for hours and hours, until your friends say, “Enough already!”?
- And lastly, if money did not matter, how would you create your life? Or, as one of my seminar participants observed, “If every job paid a dollar, what would you do?”

◆ Charting Your Road Map to Success with a Business Plan

“As important as your past is, it is not as important as the way you see your future.”

— Tony Campolo

Your destination is the summit of your business success. Like professional climbers, to reach your desired goal you need a map and a detailed plan of attack for the climb. For the solo entrepreneur, those tools are found in a business plan.

• Why Most Business Owners Resist Business Plans

It's a sad fact that many new business owners don't see the obvious relationship between planning and success. They think they can “wing it” and make their plans as they go along. Some feel that a business plan would limit their creativity or spontaneity. Others are in the dark about where to begin. Of the dozens of reasons why business owners resist using business plans, here are five of the most common I hear when I'm consulting with small business owners. Read on and see if you've been raising these same objections toward writing a business plan — and discover how a change in your thinking can lead to fewer headaches, greater peace of mind, and increased chances for success as you grow your business.

• **Excuse #1: My business is simple. Plans seem too complex.** It's true that some business plans seem complex. More often, it's the *idea* of a business plan that intimidates free agents. In essence, a business plan is a guideline, a map to follow. It's created when you start your business, and it keeps you on track to your final destination, points out potential obstacles along the way, and shows you the route to reach your goal. A plan should include include:

- a statement of purpose
- a business description
- an assessment of the market and a marketing plan, including channels of distribution
- a description of production of the product or service
- an assessment of management abilities
- a timetable and projections
- projected finances

Large businesses often hire consultants to create extensive business plans for them, particularly if they are seeking venture capital or major funding. But business plans can be very basic documents and be just as valuable. For a solo business, 5-10 typed pages can contain all the information that's needed.

• **Excuse #2: Business plans are only for the big guys. My business is only me, so I really don't need a plan.** Actually, every business can benefit from a business plan, no matter what size it is. Once an entrepreneur begins to formalize things on paper, he or she reviews goals, operations, or marketing ideas at a deeper level — and discovers all the areas not fully thought out. Writing a business plan provides the chance to change ideas or develop them further on paper — without the risk or cost for fully implementing them to see if they'll work.

• **Excuse #3: I'm too busy trying to get everything else going in my business to write a business plan.** Seasoned solo professionals know that the hours spent creating a business plan is time invested well. Writing a plan helps you identify problems, correct organizational errors, establish priorities, and maximize your most valuable re-source — your time.

• **Excuse #4: What if I change my mind after I've written my plan?** A business plan is guiding tool, but it's not cast in concrete. Small business owners who use their plans most effectively view them as organic documents—the plans change as the owners and businesses change. Your business plan will also be important as you solicit feedback from friends and advisors such as lawyers, bankers, or accountants. A written plan gives them a way to understand you business goals. If you'll be approaching a bank for funding, your business plan and your tax returns are the two most important documents they'll want to review.

- **Excuse #5: I don't know how to write a business plan, and I'm afraid I won't do it the right way.** There are two basic truths to remember when writing your plan:
 1. There is no single “right way” to write a business plan.
 2. While others may review a business plan, the most important person it serves is you, the business owner.

These two points are particularly important for free agents, and that is why I encourage individuals launching independent businesses to write their own plans as opposed to hiring someone else to do it for them. No one understands your dreams and goals as well as you do — and in the end, it will come down to you to follow or change your plan. And in writing it, you're going to learn a lot about yourself and what you want your business to become.

◆ **The Secrets of Writing a Business Plan**

The biggest secret about writing a business plan for a solo business is that there is no big secret to it all. By the end of this session, no mystery will remain for you, because you'll have the core of your own plan in hand. While there are no big, dark secrets, I do have a few tips for you as we begin:

1. Don't fall into the trap of “**paralysis of analysis.**” Are you the type who feels you must make each section of your plan perfect as you go along? Try to stifle that urge. It will drive you crazy, and it might put a halt to your progress. Just plow on ahead, even if you don't have every single detail right now. Remember, this is an organic document, which means it will grow and change over time.
2. Keep a **double vision** of your business — of how you see it now, and how you see it in 3-5 years. While you'll be writing your plan for your business as you see it now, don't forget that you're also trying to lay the foundation for where you'll be in the years ahead.
3. Give your plan **time** to stew — for a specific amount of time. A business plan, is like a good pot of soup — it gets better as you give it time to simmer. While it's possible to sit down and write your complete business plan in a single, intensive day, it's usually better if you can work on it over time. This way, the ideas can develop and be refined.

◆ **The Seven Must-Have Components of a Successful Business Plan — and How They Will Help You Reach the Top**

There are seven components to include in your business plan. First you need to...

1. State Your Purpose:

This is a short section, but it may take some thinking (and some stewing time) until you distill the essence of your business purpose down to a few sentences. Don't be intimidated — jump right in by brainstorming a list of all the reasons your business exists. Begin by writing the sentence:

“The purpose of my business is _____ for _____.”

The first blank is a brief description of your business activity; the second concerns your customers. Now, put your mind in gear and fill in the blanks. The statement of purpose combines what a business does as well as reasons why a business exists. For example, if you're starting a catering business, your list might include phrases such as “to provide low-calorie, healthful food for harried working mothers,” “to create one-of-a-kind cakes and desserts for upscale party hosts,” or “to offer private residential dinners for homebound patients who miss their favorite restaurant food.”

Your goal is to come up with 1-3 sentences that summarize your business and its customer focus. It's a challenge, but worth the work. Ask any experienced free agent. Your statement of purpose may be the most frequently spoken phrase out of your mouth during the first few months of your business. During that time, you'll be asked to explain to friends, relatives, business advisors, and potential customers what

your new business is all about, and if you've completed this exercise, you'll be prepared — and sound like the intelligent, on-the-ball new business owner you are.

Take your time to do this step, but don't expect to finish it at this point. Let it sit and simmer, and know that it will become clearer as you fill in the details of the other parts. Now let's move on to the second part of your business plan. Which asks you to answer the question. ...

2. What Business Is This?

In this section, you write a brief description of the business. Answer questions such as:

- What type of business is it?
- Where is it located?
- What are its major products and /or services?
- What are its unique features?
- What is the history of the business?
- What future directions could this business take?

Writing this section is lot of fun, because you have a chance to really think about the focus of your business. How narrow or broad you make the scope of your business is a very personal decision — but it can have significant impact on the success of your enterprise, both in its early period and in the years ahead. Too narrow, and you may be limiting yourself to a small niche without flexibility. Too broad, and you may have a difficult time convincing customers what specifically makes your business special.

Having a strong idea of your business focus will also help you put on blinders to distractions that will inevitably creep up in the early stages of your business. Say you run a medical transcription service out of your home. Then one day someone tells you that they've heard that people can make a lot of money selling medical home testing kits. Since you're in a medical-related field, they thought you'd be interested. Is this a distraction or a legitimate possibility for expanding your focus? With a strong focus, you can easily decide that this opportunity is really a distraction from your core business, and it doesn't make sense for you.

Achieving a balance between narrow and broad, and staying flexible in your focus, is an ongoing challenge, because changes in your customer base, the economy, and other factors will all come into play.

3. Define Your Market

When asked why he robbed banks, outlaw Willie Sutton replied, straight-faced, "Because that's where the money is." (Are you chuckling? So did the courtroom. The judge, however, was not amused — and sent him to jail.)

Like Sutton, your goal is to go "where the money is." For you, the solo business adventurer, that means finding the market for your product or service. For this section of the business plan, it's time to commit to two key things: developing a profile of who your customers are and why they will buy your product or service.

4. Define Your Production Process

- What are your facility needs? Will your business need unusual space or physical requirements such as extra electric capacity, fuel or light?
- Will you need any equipment? If so, what kind, and how much will it cost? Do you currently own it, or will you need to obtain it?
- Will you be dealing with suppliers? If so, who are they, and what products or services will they provide?
- Do you anticipate doing all the work yourself? Will you hire other independents? If so, who are they, what are their responsibilities, and what is their pay scale?

Unless your business activities are very complex, distillation to one or two paragraphs should be all you'll need for this section of your business plan. After reading them, even a complete stranger should be able to understand the basic operations of your business and the unique flavor you bring to doing your chosen work.

As we move from considering the day-to-day operations of your business, it's time to think about management issues and the people involved in making your business run. The fifth section of your business plan will focus on...

5. Managers, Associates, Advisors

As the owner of a solo business, you're the boss. But there are often many other individuals who play a role in the activities of your business. This section of your business plan addresses your abilities as the business owner and the role of others you've assembled to help you along the way.

Begin by summarizing in 2-3 sentences your particular abilities, training, or experience as they relate to the business. This may be as general as, "I've been baking bread since I was 12 years old," if you're starting up a bakery. Or, "My degree is in botany and I've worked for the past four years at Evergreen Garden Center," if your business is focused on landscaping.

Next, mention any associates you intend to involve in your business and what role you see them playing. What are their skills and qualifications? What benefits will they bring to your business? Are they also independents? How will they be paid?

Third, list the individuals who will serve as your advisors, such as a lawyer, accountant, or insurance agent. We'll be exploring how to pull together such a team, but for now, list these people and how their expertise will help you manage your business better.

Finally, describe the procedures that you'll follow to make sure you're running the business instead of having it run you. Will you have regular meetings with your advisors? Will you set aside a certain time each month and quarter to review your finances and your operations plans?

This section will indicate to others that you understand that your solo business doesn't operate in a vacuum. It will help you identify others you can turn to for advice and assistance. And if you're using your business plan to raise money for your enterprise, it will demonstrate that you've carefully thought through your management needs. Your funders will feel more secure knowing that other skilled professionals are standing by to assist you — and making sure their investment is used well. One or two paragraphs may be all you need to summarize the management section. It will depend on how detailed your plan becomes regarding advisors and associates.

The sixth section of your business plan lays out the time frame of your business launch and its growth plans. Let's now move on and discover how to...

6. Chart Your Timetable

Something magical takes place when you finally pull out a calendar and set specific dates for your business to happen. Dreams and plans make the leap from imagination to reality.

This section of your business plan is designed to give you and those who will read it a better understanding of the timetable of key events for your business.

Here you should chart out dates for launching the business and your target growth dates and goals. For example, if you're starting a financial consulting business, you might establish a launch date, then specify that "after six months, my goal is to have 10 regular clients."

Remember that these projections are primarily a guide for you. Ask yourself how these goals feel. Do the weeks and months chart out? Are they realistic? Break down the timeline to weekly milestones and see if the tasks can be achieved in the given time frame.

These projections are not intended to boast or prove to others that you can make your business huge overnight. Actually, you may find that keeping things small has its advantages — chiefly, that your venture is easier to control. If you're seeking outside funding, bankers and financial advisors will be more impressed with the fact that you have charted realistic growth rather than grand schemes that may be risky or too difficult to accomplish. As seasoned entrepreneurs know, it's often better to under-promise and over-deliver.

In this section, also include two other general projections — one for three years out, another for 5-7 years in the future. Although these may be in the most general sense, they will give you a long-range target on which to focus. Isn't it exciting to envision the "big picture" for your business in the future?

The seventh, and last, segment of your business plan concerns money. It's here that you'll...

7. Calculate Your Finances

There are three key reports that form the basis for financial analysis and decision making in small businesses. As Gerry Dodd explains in his small business management workbook *Basic Finances*, they are;

- **Profit and Loss Statement:**

This is also known as a P&L or an Income Statement. It is a summary of business transactions over a period of time (usually a month, quarter, or year). It shows the difference between your income and your expenses for the period. A P&L Statement helps you analyze how the business for where it is and gives you an idea of what may be expected in the future. Solo businesses vary so greatly that it is nearly impossible to create a “typical” P&L Statement. The one featured on the following page reflects a home-based graphic design business (low overhead). A certain amount of money is set aside each month for estimated federal and self-employment taxes that are due each quarter. By tracking income and expenses over time, free agents can assess whether these figures are increasing or decreasing, and if the business is showing a profit.

- **Balance Sheet**

The Balance Sheet presents the financial picture of a business on a given date — its assets (things you own, such as equipment), liabilities (debts you owe), and ownership of the business. It is usually prepared as of the last day of month and answers the question, “How did we stand financially at that time?” It shows you whether you own the business or whether your creditors do.

- **Cash-Flow Statement**

As its name implies, a Cash-Flow Statement shows the focus of cash into and out of a business. It tells how much cash is needed, when it will be needed, and where it will come from. One of its major uses is to alert you to potential cash shortages enough in advance for you to budget accordingly. A Cash-Flow Statement can dramatically increase a business’s chance of success as a profitable operation. It forces you, the manager, to be more realistic and disciplined in your thinking by always focusing your attention “on the bottom line” — on the economics of the situation.

For the purposes of writing your business plan, you’ll want to include a projected Profit & Loss Statement, a simple Balance Sheet, and a projected Cash-Flow Statement.

◆ Sample Profit & Loss Statement

NORTHERN LIGHTS GRAPHIC DESIGN		
For the quarter ended March 31		
REVENUE		\$78,750
Cost of Goods Sold	20,000	
Printing	8,500	
Supplies	5,500	
Subcontracted Services	12,000	
Total Cost of Goods Sold		(46,000)
EXPENSES		
Entrepreneur's Salary	13,000	
Payroll Taxes	995	
Utilities	1,050	
Equipment	375	
Insurance	650	
Postage/Courier	750	
Promotional Expense	2,400	
Travel/Entertainment	425	
Professional Development	395	
Professional Services	1,500	
Dues and Publications	400	
TOTAL EXPENSES		(21,940)
Net Income before Taxes		10,810
Taxes		(3,243)
NET PROFIT		\$7,567

◆ Making Your Projections

If your business is up and running, your financial reports will be based on actual numbers and your best-guess estimates of future business activity. If you're starting fresh, try to compile realistic estimates based on your research and understanding of your business needs and goals.

Remember, these figures are not set in stone. They can be refined and updated as your information and business ideas change. Take care in compiling them, however, since they will be an important tool in guiding you to success.

◆ Projected P&L Statement

If your business has been going for some time, your business checkbook already provides the basis for a P&L Statement. If you're just launching your business, you'll want to create a projected P&L Statement for the first year of business.

To begin, estimate the "typical" income and expenses you anticipate in a given month in your business. The easiest way to do this is to create two sheets of paper, labeled "income" and "expenses."

Now go back through your notes and scan through your thoughts on your daily operations. Consider all the expenses. These are expenses that you will incur, whether you do a freightload of business or none at all. They include, but are not limited to, the following:

- Rent (if applicable)
- Utilities (if applicable)
- Telephone
- Office equipment
- Office supplies
- Insurance
- Taxes
- Bank charges
- Professional services
- Dues and publications

Don't forget to include overhead expenses that may be particular to your business such as:

- Special equipment
- Vehicles
- Licenses or registrations

Then consider expenses that may vary according to the amount of promotion you do, such as:

- Marketing materials (brochures, flyers, and so on)
- Postage
- Advertising

In some businesses, there will be expenses that vary based on the quantity of work you do, including:

- Raw materials or merchandise
- Subcontractors
- Shipping/freight

If some of these expenses are one-time start-up costs, indicate that on your list with a star or asterisk. Stationery, business cards, and brochures, for example, are expenses that you won't have every month — but you will have to account for them in the first few months of your business.

Next, on the second sheet, tally up your projected income. Estimate how many customers you will have in a month and how much income you expect to take in. Make a guesstimate based on your research. Also, by adding up your expenses, you'll have a pretty good idea of how many customers you must have each month to stay afloat.

Your start-up costs, your marketing expenses, and fewer customers may result on your business not showing any profit in the first months. That's why it's important to have a projected P&L for the entire first year of your business — so you can carefully follow if you're on track for the date you expect to break even or make money.

◆ **Projected Balance Sheet**

If your business is already under way, you can create a simple balance sheet by listing the assets of the business (such as equipment) against the liabilities (debts such as bank loans). The final figure will indicate if you or your creditors own your business at this time. If you're just launching your business, your projected balance sheet will be fairly straightforward, since we're assuming that you may have few assets, such as equipment, but probably some loans or other liabilities.

◆ **Projected Cash-Flow Statement**

This financial report will vary a lot, based on the type of business you have. Do you need to buy large quantities of materials or supplies in advance of making an income? Will you keep an inventory of items? If so, then cash-flow projections will be crucial to running your business, since your suppliers will want to be paid — and you may not have customers who have paid you at that time.

If, however, your business operates as a service business that bills customers upon completion of the work, your cash-flow situation may be a bit simpler. That's not to say you don't need a projected cash-flow statement, however. You will always have some monthly costs to cover, and a project may have expenses you may be required to cover in advance. Unfortunately, you may have customers who don't pay you right on time. A projected cash-flow statement will also help you budget for the four times a year your estimated tax payments are due.

These three reports will each be on single sheets of paper at the end of your business plan. They may take a while to prepare, but they'll be very valuable tools as you launch your business.

◆ Plan Your Work, Work Your Plan

The final tip is: Use your plan! You've spent the time and energy writing this plan so you could have a working tool to guide you in your business. Resist the temptation to toss your plan into some bottom drawer once you've finished writing it or are through with the bank. Remember, your plan is designed as a personalized road map for your business. Refer to it often, update it as you reach your intermediate destinations, and add to it with new ideas.

STAYING CONNECTED — Personally, Professionally, and Electronically

“Interdependence is a higher value than independence.”

— Stephen Covey

It's remarkable how much our culture is fascinated by the idea of the loner. But when we peel away the layers of idealism surrounding this image we discover that no major achievement is accomplished alone. As a contemporary free agent charting your business adventure, you realize that your success will result, in large measure, from the ground crew, support staff, or community you create around you. In this section you will discover how to create and extend your personal and professional community.

- **The benefits of connecting with others:** When asked about the rewards of reaching out and staying in touch with others, these five benefits topped the list for experienced entrepreneurs:
 1. Access to a broader vision. It's easy to become isolated and very subjective about your work and decisions. Your involvement—whether in an informal network or in a more structured organization — can be the catalyst to expand your vision and your opportunities.
 2. Sharing tasks to complete them more easily. Like barn raisings of an earlier era, sharing tasks among a community often can allow you to achieve results quicker, cheaper, and more efficiently. There is power in numbers; by combining with other free agents, you can leverage the group value while still remaining independent.
 3. Mutual motivation. It's funny how most of us can offer someone else encouragement and inspiration but cannot give it to ourselves. If you feel yourself lagging and feeling overwhelmed by your self-imposed tasks, turn to others for feedback. A support team can shore up your confidence and get you started on the path again with renewed energy.
 4. Less solitude. While most independent entrepreneurs revel in the freedom of working on their own, they also admit that it can be lonely at times. Phone calls, lunches, mail, and e-mail from colleagues take the edge off the harsh feelings of isolation.
 5. Satisfaction of giving back to a community. For many solo entrepreneurs, the chance to contribute their unique talents or abilities to their community brings rich personal satisfaction. It is rewarding to recognize that your business operates solo but not in a vacuum. Because of your hard work, determination, and personal vision you are able to have a positive impact on the lives of those around you.

- **Making connections through professional associations:**

One of the best ways to expand your professional network and connect with other independents in your field is by joining an association. Membership in an association can bring benefits such as educational programs, publications, and group discounts on purchases of insurance, equipment, or supplies. Most of all, associations link you with other professionals and enable you to access the collective experience of each organization's members. Finding an organization that matches your interests and business needs is not difficult. Here are five ways to get connected:

1. Use the *Encyclopedia of Associations*. This directory, published by Gale Research, is a comprehensive listing of thousands of associations. You can find a copy in most public libraries. The directory includes contact information and a brief description of each organization. Cross-references allow you to track down related interest areas easily.
2. Read publications, including the ads. Many associations publish journals or magazines for their members (and sometimes for the general public also). Keep an eye out for these publications. Reading ads in publications also can tell you about association activities or programs that can provide valuable contacts for you.
3. Read the fine print of business cards. If you read the small type on the business cards of colleagues in your interest area, you'll probably discover that many include the names of associations to which these professionals belong. By conducting this research, you will soon learn the key organizations of your industry.
4. Seek out the leaders in your field. As you become more involved in your professional arena, you also will become familiar with the names and activities of leaders in your field. When reading articles by or about them, keep an eye out for references to professional organizations in which they participate. A good step toward becoming recognized in your field is to get actively involved in organizations other leaders value and participate in.
5. Take part in local or regional events sponsored by national organizations. Many national associations sponsor local and regional events, and these gatherings are a good way to sample the "personality" of the organization and what it can offer you. The collective wisdom and power of an association can bring your solo business significant benefits — it's worth the effort to check them out!

- **Staying Connected Through Seminars, Conferences, and Workshops:**

In addition to expanding your knowledge base and professional network, conferences and seminars also provide an opportunity for you to "toot your own horn" as a speaker or presenter. As you gain experience in your field, stay aware of opportunities to contribute. At first, these will likely be volunteer efforts. But they will give you the chance to see if you enjoy public speaking and will provide you experience and credibility if you decide to pursue future opportunities.

- **Professional Connections Through Regional and Community Organizations:**

In contrast to the connections you can make at national conferences specific to your industry, regional and community organizations offer a different type of professional networking opportunity. In these settings you'll connect with business owners of all different kinds. Membership in the local Chamber of Commerce or other traditional associations can bring you into contact with community business leaders, which is a connection particularly valuable to solo businesses with a local customer base. Colleagues can help you interpret local regulations, give you tips on available business services, match you up with associates or employees, or do cooperative marketing with you. Membership also gives you a community presence and credibility. Your business will be listed in organizational business directories or featured in area newspapers.

- **Staying Connected With Your Suppliers:**

Another level of connection comes from your network of suppliers and service providers, such as your

bookkeeper, lawyer, or other firms that support your company's efforts. These businesses can have significant impact on your effectiveness and maintaining strong relationships with them makes smart business sense. One of the most powerful ways of building a strong network of supportive suppliers is easy, inexpensive, and effective: Show your appreciation. Your upbeat attitude turns you into a "preferred customer," one who often gets special treatment when it comes time for a rush job or discounts. Referrals you send to other companies create more business for you, as your suppliers pass on the news of your solo venture to their wider circle of contacts.

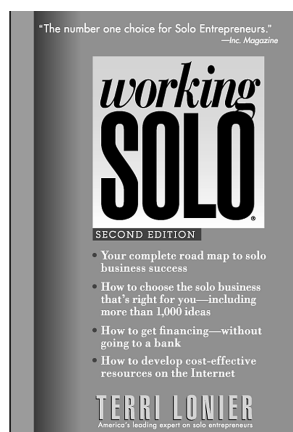
Remember, the majority of solo business customers come from word-of-mouth referrals. The more people who about your business, the wider your customer base will be. Let your informal network spread the good news about you and what your business has to offer.

- **Staying Connected Electronically:**

Using the computer, you can connect to a world of information and contacts anywhere in the world without leaving your office. The Internet is the core of a national superhighway for electronic data exchange, and a lifeline for today's free agent.

BOOKS

To boost your understanding of self-employment and your success as a free agent, be sure to check out Terri Lonier's *Working Solo* series of bestselling books.



Working Solo,

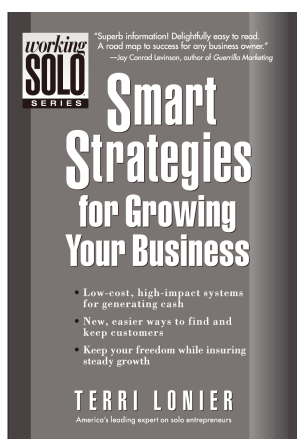
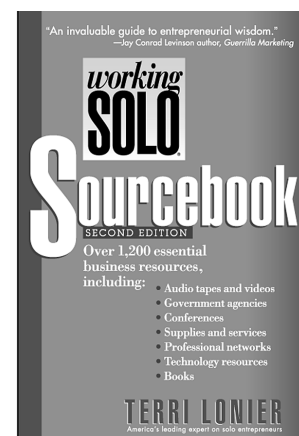
second edition, by Terri Lonier, 1998.

This easy-to-read guide is your complete road map to solo business success. It's an indispensable resource you'll refer to again and again as you begin — or further — your solo venture. Named the #1 choice for solo entrepreneurs by *Inc.* magazine and the “free agent’s bible” by *Fast Company* magazine.

Working Solo Sourcebook,

second edition, by Terri Lonier, 1998.

A companion to *Working Solo*, this handy, one-stop reference is your ticket to more than 1,200 business resources — each designed to help you make your solo venture a resounding success. You'll find details on books, magazines, audio and video tapes, Web sites, associations, services, supplies and much more.



Smart Strategies for Growing Your Business,

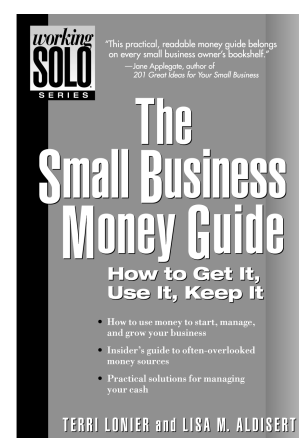
by Terri Lonier, 1999.

Chock-full of take-control strategies, this guide features 50 mini-chapters that address the most important business challenges you'll face as you grow your solo company. It's the book you need to put you in the driver's seat as you maneuver the twists and turns, peaks and valleys of your road to business success.

The Small Business Money Guide,

by Terri Lonier and Lisa M. Aldisert, 1999.

This book combines a thorough discussion of basic money issues with a strong dose of common sense, taking you step-by-step through any and all financial situations. It's guaranteed to take the mystery out of money for your solo business.



These books are all published by John Wiley & Sons, and are available at your favorite neighborhood bookseller, or online at barnesandnoble.com or amazon.com. To read sample chapters from the books and learn more about them, visit the *Working Solo* Web site at www.workingsolo.com.

Also be sure to check out Terri Lonier's online newsletter, *Working Solo eNews*, the free monthly e-mail newsletter that brings news, information, tips, and insights on self-employment (as well as special *Working Solo* offers) to your e-mailbox each month. To subscribe, send an e-mail to: Terri@workingsolo.com.

SOLO RESOURCES

Enhance Your Business Building Library with These Great Titles from Nightingale-Conant!

62 Free Ways to Grow Your Business Profits:

*Plus Dozens of Other Marketing Tactics to Attract New Customers
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The 10 Minute Marketer's Secret Formula:

A Shortcut to Extraordinary Profits Using Neighborhood Marketing

By Tom Feltenstein

25610CDD

Pure Genius:

Dan Sullivan's Lifetime Focusing System for Total Self Mastery

By Dan Sullivan

22160CD

Secrets of Successful Self Employment:

Moving from Paycheck Thinking to Profit Thinking

By Paul & Sarah Edwards

13380CD

I Know What to Do, So Why Don't I Do It?

By Nick Hall, Ph.D.

25330CDD

The Secrets of Word of Mouth Marketing

How to Trigger Exponential Sales through Runaway Word of Mouth

By George Silverman

25090CD

**All available from Nightingale-Conant at 1-800-525-9000
or visit our website at
www.nightingale.com**

Web Sites:

Biz Plan Pro, **www.pasware.com** The products offered on this site can take your business or marketing planning from “dreaded” to “done” in a few easy steps; offered in both PC and Mac versions.

Entrepreneurial Edge Online, **www.edgeonline.com** An offshoot of the Lowe Foundation’s excellent small business efforts, this print and electronic zine focuses on reaching an entrepreneurial audience with strategies, opportunities, and resources for small business owners.

Entrepreneurial Parent, **www.en-parent.com** An online morale booster, with FAQ’s, articles, advice and solid information for those juggling the responsibilities of a family and business start-up.

Garage.com, **www.garage.com** This site is dedicated to helping entrepreneurs and investors come together in building innovative businesses. Garage.com embodies the spirit of innovators who have launched world-class businesses from humble beginnings in garages and basements.

iPrint, **www.iPrint.com** Design and order your letterhead and business cards at this sophisticated interactive print shop on the Web.

IRS, **www.irs.ustreas.gov** When it’s time to do your tax planning, here’s the site to turn to for finding answers and forms you need.

The Mining Company, **http://sbinformation.miningco.com** Let the Mining Company’s team “mine” the treasures of the Internet for you. Guides are available to bring you information on a huge assortment of topics, including small business.

WITI, Women In Technology International, **www.witi.com** Connect with fellow women technology professionals and entrepreneurs at this site.

Associations and Organizations:

AAHBB (American Association of Home-Based Businesses) PO Box 10023, Rockville, MD, 20849. 301-963-9153; **www.aahbb.org** This nonprofit association provides a network of and for home-based businesses through local chapters around the country.

The Ed Lowe Foundation, 58220 Decatur Road, PO Box 8, Cassopolis, MI 49031-0008 **http://www.lowe.org** Spreading the message of entrepreneurship through education, tools, programs, and a top-notch Web site.

IBA (Independent Business Alliance), 111 John St., New York, NY, 10038. 800-559-2580; 212-513-1446. Serves home-based and small businesses, offering insurance and financial programs, many exclusive to IBA members.

NASE (National Association for the Self-Employed), PO Box 612067, Dallas, TX 75261-2067. 800-232-NASE. **www.nase.org** NASE has over 300,000 members, and acts as a watch-dog for the self-employed community.

NAWBO (National Association of Women Business Owners), 1100 Wayne Avenue, Silver Spring, MD, 20910. 301-495-4975 **www.nawbo.org** NAWBO promotes business ownership by women and serves as a forum for education and professional development.

NBA (National Business Association), 5151 Beltline Road, Suite 1150, Dallas, TX, 75240. 800-456-0440; **www.nationbusiness.org** This organization has 40,000 members who receive discounts on a wide range of services and products, from auto rentals and office equipment to prescriptions.

NFIB (National Federation of Independent Business), 600 Maryland Ave., SW, Suite 700, Washington, DC 20024. 800-634-2669; 202-554-9000, **www.nfib.com** An advocacy organization that promotes small business utilization by the federal government.

SBA, **www.sba.gov** An ideal place to start your quest for small business info and resources on the Internet, this granddaddy of small business sites is filled with solid information and links to a wide range of resources.

SCORE (Service Corp of Retired Executives), **www.score.org** With locations in every region of the country, this association provides business start-up mentoring through its ongoing programs and free online business counseling via its Web site.

SSA (Support Services Alliance, Inc.) PO Box 130, Scoharie, NY, 12157. 800-909-2SSA; **www.ssainfo.com**
This association focuses on small businesses of 50 or fewer employees.

Magazines:

Business Week, Forbes, Fortune, Kiplinger's, and Money are good for keeping up with general business news. While they include many articles of interest to solo entrepreneurs, they are targeted to businesses of all sizes. The following publications focus primarily on small businesses and their owners.

Fast Company, 77 North Washington St, Boston, MA, 02114. 800-688-1545. **www.fastcompany.com**

Home Office Computing, 156 West 56th Street, New York, NY 10019, 800-288-7812. **www.smalloffice.com**

Inc., 38 Commercial Wharf, Boston, MA, 02110. 617-248-8000. **www.inc.com**

Success, 733 Third Avenue, New York, NY, 10017. 800-234-7324, **www.successmagazine.com**

Working at Home, 733 Third Ave, New York, NY, 10017. 212-883-7100, **www.workingathome.net**