

## You, Inc.

Five ways to become your own boss  
By Diane McCurdy



It might have hit you like a bomb one morning when you realized that you just could not stand to work for somebody else anymore. Maybe it was an idea that got under your skin and bugged you until you had to do something about it. Perhaps you've been starting up enterprises since you were a kid. It could have been a little sideline that you did for fun, and people couldn't get enough of it. Or, you just wanted more flexibility to take care of your kids or your parents.

If you want to start a business, you're in good company. There are more than 800,000 self-employed women in Canada, and there will be a million by 2010 if the growth rate continues at its current pace. In fact, according to a 2005 CIBC report, "the number of women-run businesses is rising 60 per cent faster than those run by men."

Going into business for yourself is a huge adventure, akin to setting off on a long mountain trek. A lot of it will be an uphill struggle that will require every bit of your strength. Without a great map and all the necessary supplies, you could end up stranded. And despite all your preparation, you will run into unexpected obstacles on your journey.

But you'll get stronger as you go. Each new peak will be that much easier to scale, and you'll be able to lift your head and take in the marvellous views that those who haven't made the trip will never know.

### Step 1 Know yourself

Just as you wouldn't head out on a rock-climbing expedition if you couldn't walk two blocks, it's best not to start a business if you're not personally suited to it. Before you start out, take a moment and ask yourself if you really have what it takes. If you're a chronic procrastinator, you'd better put off daydreaming about being your own boss, because you'll need definite entrepreneurial qualities such as focus, self-motivation and pit-bull tenacity. A successful entrepreneur can also see the opportunity at the other end of a problem, and has an unflinching belief in her work that will help her weather storm after storm. Just as important, however, is the ability to shoulder risks: Will you be able to sleep at night, knowing that you could be bankrupt in a year? How about a month?

Some people are born entrepreneurs. Victoria Sopik, for instance, was already displaying her eye for innovation, drive and dogged determination as a mere eight-year-old, when the precocious businesschild set up her first venture in her parents' basement in Toronto, looking after younger kids for 25 cents a day. The last time she worked for anyone other than herself, as a camp counsellor, she was 16.

Today, she is the president of Kids and Company, a chain of 20 daycare centres that provide backup child care for corporate clients in Ontario, Alberta and Quebec. Thousands of children have attended her child care centres. "I knew I could never work for anyone, so I found an area I excelled in and knew a ton about – child care – and made it my business," Sopik says. "And having eight children also helped!"

### Step 2 Determine your business

There are many ways to get into business. You can start with an idea for a product and find a way to bring it into a market. Or you can realize an existing market is being underserved and try to supply it. Or you can even begin with both the market and the product. With a franchise, for example, you're given a template to work from, and you have market-tested products as well as the support and training of a larger organization.

Renée Unger started with a product. After years of having her family and friends ask for the recipe of her homemade salad dressings, she and her then husband, Arnie, launched Renée's Gourmet Foods Inc. in 1985. Then came the hard part: figuring out how to compete. There were hundreds of dressings on the market. Even more daunting was the fact that their dressings, made with fresh ingredients and no preservatives, would cost more than the other dressings that line the aisles of grocery stores.

Their solution? Placing the products in the refrigerated-produce section. "This was a concept that was entirely new to Canada, and it removed any direct competition," says Unger. "We were challenged to create our own marketing strategies, part of which was creating new standards and educating the public. It's not only important to have a great product, but knowing where to hit and who to target are key components in a successful formula."

In 2006, after 21 years, the Ungers sold Renée's Gourmet Foods to Heinz Canada for an undisclosed multimillion-dollar price. Today, Unger works as a consultant for Heinz.

### Step 3 Do your research

You wouldn't start out on a trip without a map, would you? Prepare for your journey by learning everything you can about the field you're going into: Take classes, join organizations, talk to people in the field, read books on the subject, subscribe to trade publications and do research on the Internet. It's equally important to get schooled in daily business operations, such as the basics of bookkeeping, taxation, maintaining cash flow and making projections.

After four years of running her own hair salon and spa in Edmonton, Eveline Charles decided to expand. To help with the strategic planning, Charles joined the Risktakers Roundtable, a local group of business heavyweights who met once a month to help one another develop ideas for marketing, revenue generation and cost savings.

"I realized that as an entrepreneur, I often felt alone," says Charles. "I did not have all the answers to the issues I faced everyday and I was not afraid to admit it. Being part of the group has enabled me to forge alliances and seek the help of selected individuals to be part of my own advisory board. It has contributed to my professional development and helped me to grow."

Today, Charles runs eight operations in Edmonton, Calgary, Vancouver and Kelowna, B.C., with a ninth opening this fall. Her name is on her own product line. She's also established the EvelineCharles Academy, which teaches not only aesthetics and hairdressing, but a hefty curriculum of business skills as well, so her students will be equipped to start their own businesses.

### Step 4 Make sure you're ready financially

Keep in mind that most businesses only start to take off after five lean years.

There are a number of simple steps to take before you start out. Prepare a personal cash-flow statement and try to eliminate or cut back on anything that's not absolutely necessary. Make sure your credit rating is good, and if it's not, fix it. If you're in a high tax bracket, max out your RRSP contribution now. You probably won't be able to add to it for a few years after you start your business, so it's important that you invest ahead of time. Your retirement plan can also be an important financial backup if you need it. And before you quit your job to go into business, spend some time stockpiling savings, ideally enough to live on for a year while your business is in its start-up phase.

When Sabine Schleese and her husband, Jochen, a certified master saddler, started a customized saddle-making business in Ontario, they had only \$5,000 in cash, borrowed from her parents, but they found creative ways to finance their launch. "We had about \$30,000 in start-up funds, although they weren't really funds, since we simply traded my husband's Three-Day Event horse to a friend in Germany for 20 saddles, which we used as our start-up inventory," she says.

If you can, make your banker an ally, advises Schleese. "If you maintain an open relationship with your banker, he will understand what you are doing and he will be able to go to bat for you when you need him," she says. "We actually hired ours, and he is now a partner in the business."

### Step 5 Go for it!