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secondcareers

At this stage in life, to start or not to start a business

By Andrew N. Karlen

In this era of longevity of life, mergers, early retirement and downsizings, second careers are popular and often necessary. After years of employment, entrepreneurship can look awfully attractive. But, it's not for everyone. How can you decide whether launching your own business is right for you?

Perhaps the most essential thing is to approach the decision with a balanced perspective. The lenses of probing questions and critical thinking will serve you far better than rose-colored glasses. Considering focus questions such as the following can be a productive beginning.

PASSION, PRACTICALITY

What is the deeply personal passion you will bring to this business to make it special?

You're going to be spending a lot of time with this business. You'll stay up nights with it, care for it, worry about it when it gets sick, ride and fall with its highs and lows, nurture its growth, brag about it when it does well and make excuses for it when it doesn't. That requires a level of commitment that making money alone can't buy.

The business will be an expression of your own values and what you think is important in the world.

What marketplace need will it fulfill?

Passion must merge with practicality. It is essential to have a clear vision of who your customers will be and what your business will do to change their condition for the better.

What transferable knowledge, skills and experience do you bring from your previous life? Are they enough?

After years of employment, it is not uncommon for a person to ponder why

she shouldn't go into business for herself instead of making the boss rich, or to have the assumption that the skills that made him a valued employee will make him a successful entrepreneur. The pitfalls of this reasoning are part of what Michael Gerber calls the "e-myth" in his classic book, "The E-Myth Revisited."



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You know what you will do in years 1 and 2 — but what about after that?

Somehow, the notion of going it alone has acquired an aura of romanticism. But the excitement and inertia of having left your job and launching your new business will wear out. Then the bravado turns to burnout. Think growth and success from the start.

CAPITAL, FAMILY CONSIDERATIONS

How will you capitalize the business? What will your cash flow be like?

Undercapitalization and insufficient cash flow are two primary reasons why businesses fail. Having the money to open your doors doesn't establish your business, at least not for very long. You will need to sustain the business until you start writing business and customers pay you. And, making money doesn't necessarily mean having money. Telling your

vendors about your accounts receivable has a limited shelf life.

What are your expectations and what are the realities, regarding time, effort, family impact, etc.?

You've sold yourself on the dream and sit down with your spouse for a rational discussion of the future, including the options if you do not go into business. But, because you can't contain your confidence and enthusiasm, rationality gives way to seduction. Then, when the hard times come — and they will — just when you need the support of your loved ones, you may instead face questions about the bill of goods you sold them.

KNOW WHERE YOU'RE GOING

What relationships will you need?

Customers and suppliers, of course. However, you will also need an accountant, insurance person, banker and attorney. Information technology professionals, business coaches and marketing/communications advisers may also be critical members of your team.

Do you have a business and strategic plan that identifies your company's strengths, challenges, key message points, target audiences, potential referrers and networking options?

You can't afford to figure this out as you go. No less a philosopher than Yogi Berra reminds us that "You've got to be very careful if you don't know where you are going, because you might not get there."

A new business can make for a profitable second career. Don't sabotage your success at the beginning by short-circuiting your deliberative and planning process.

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