

CEED PROJECT

ENTREPRENEUR WORKBOOK



Chicagoland Entrepreneurship Education for People with Disabilities Project, Copyright © 2016

Phone: (312) 996-7988

Twitter: @CEED_UIC

1640 W. Roosevelt Rd. (MC626)
Chicago, IL 60608

www.CEEDproject.org

CEED@uic.edu

ABOUT CEED

The **Chicagoland Entrepreneurship Education for People with Disabilities** (CEED) project is funded by the [Coleman Foundation](#). The CEED project is bridging entrepreneurship and disability by developing and providing a comprehensive entrepreneurship education and training program for people with disabilities and service providers working in Disability Community Agencies (DCA) and Small Business Development Centers (SBDC) in Illinois. This workbook uses a dual focused, person-centered approach that combines knowledge and practices from both disability and business, and targets the needs and barriers specifically experienced by people with disabilities looking to start or grow a business.

Project Team

[DEPARTMENT OF DISABILITY & HUMAN DEVELOPMENT](#)

Sarah Parker Harris (Principal Investigator)
Kate Caldwell (Post-Doctoral Fellow)
Rob Gould (Project Coordinator)
Chris Danguilan (Grad Student)
Carli Friedman (Grad Student)

[DEPARTMENT OF MANAGERIAL STUDIES](#)

Maija Renko (Co- Principal Investigator)
Sean Kemper (Grad Student)

[GREAT LAKES ADA CENTER](#)

Robin Jones (Co-Investigator)

[INSTITUTE FOR ENTREPRENEURIAL STUDIES](#)

Rod Shrader (Co-Investigator)

**DISABILITY AND
HUMAN
DEVELOPMENT
COLLEGE OF
APPLIED HEALTH
SCIENCES**



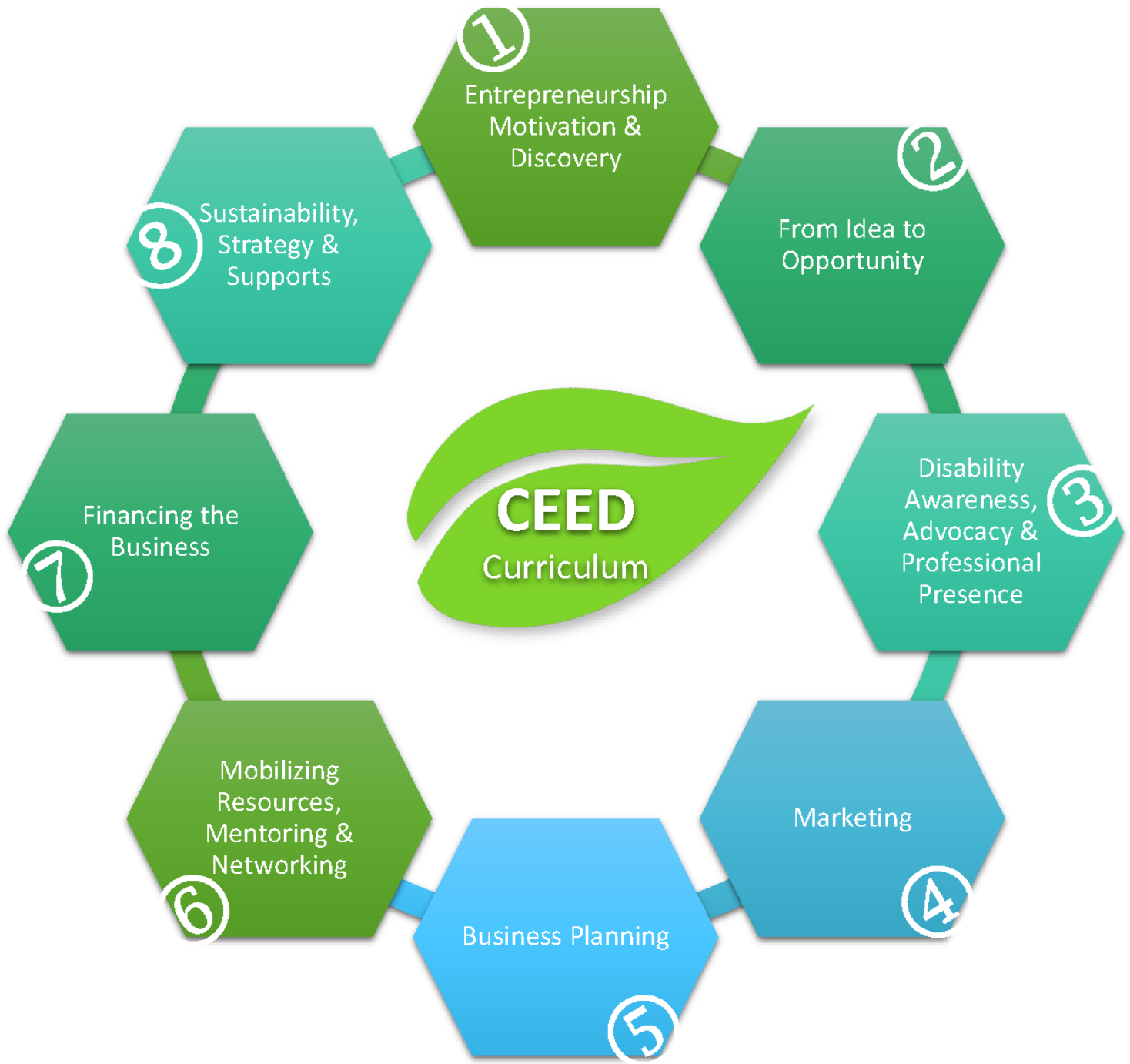
**Institute for
Entrepreneurial Studies**

great lakes
ADA Center
A member of the ADA National Network

Expert Panel

A panel of experts from both the business and disability fields have been involved in helping to develop the materials for the CEED project:

- Denise Ching, Illinois SBDC at UIC
- Andrew Fogaty, Alliance for Illinois Manufacturing SBDC
- Mary Lee Ahern, Access Living
- Kim Zoeller, Ray Graham Association
- Patricia Hardy, EME (Educated, Motivated, Empowered)
- Bridget Brown, Butterflies for Change
- Nancy Brown, Butterflies for Change
- Mary Rhodes, IL Customized Employment Project
- Joe Albritton, Mayor's Office for People with Disabilities
- Nancy Nauheimer, Northern Trust Bank, as part of Chicagoland Business Leadership Network
- Matt Hillen, Illinois Department of Commerce & Economic Opportunity



The trademarks and logotypes of third party organizations identified within this document belong to those organizations.

CONTENTS

- ENTREPRENEURSHIP, MOTIVATION & DISCOVERY..... 2
 - Key Topics 2
 - What (Exactly) is Entrepreneurship? 2
 - Profit, Growth & Employees 3
 - Models of Entrepreneurship & Social Entrepreneurship..... 5
 - Partnerships & Other Business Structures..... 6
 - Working with Family 7
 - Working with Service Providers 8
 - Person-Centered Planning & Customized Employment 8
 - Entrepreneurial Motivation 9
 - Entrepreneurial Discovery 10
 - Barriers & Facilitators 10
 - Planning Tools 11
 - Outcomes to Expect..... 11
 - Summary 11
 - In-Class Brainstorming Activities..... 12
 - Worksheet..... 13
- FROM IDEA TO OPPORTUNITY 16
 - Key Topics 16
 - Feasibility Assessment 16
 - Innovation & Mission Statement 17
 - Opportunity Recognition 19
 - The RAMP Model 19
 - Barriers to Disability-Entrepreneurship 21
 - Evaluating Business Ideas 23
 - Uncertainty & Change in the Business Environment..... 24
 - Barriers & Facilitators 25
 - Planning Tools 26
 - Outcomes to Expect..... 26
 - Summary 26
 - In-Class Brainstorming Activities..... 27

Worksheet.....	28
DISABILITY AWARENESS, ADVOCACY & PROFESSIONAL PRESENCE	31
Key Topics	31
Models of Disability	31
Disability Awareness, Access & Inclusion	32
Self-Advocacy in Entrepreneurship.....	34
Entrepreneurial Skill Building & Soft Skills.....	34
Professional Presentation	36
Resume Building.....	36
Dressing Professionally	36
Understanding the Management Process	37
Digital Literacy Skills.....	37
Barriers & Facilitators	38
Planning Tools	38
Outcomes to Expect.....	39
Summary	39
In-Class Brainstorming Activities.....	40
Worksheet.....	41
MARKETING.....	44
Key Topics	44
The Market & Marketing Process	44
Secondary Customer Research	44
Primary Customer Research	45
Market Segmentation & the Customer Matrix.....	45
Pivoting Your Business	45
Disability as a Market.....	46
The Marketing Plan	47
Marketing Strategy	47
Product Development & Branding.....	48
Sales & Customer Service	49
Co-Marketing & Co-Promotion	50
Barriers & Facilitators	51
Planning Tools	51

Outcomes to Expect.....	52
Summary	52
In-Class Brainstorming Activities.....	53
Worksheet.....	54
BUSINESS PLANNING.....	59
Key Topics	59
Components of a Business Plan	60
Value Proposition.....	60
Customer Segments.....	60
Distribution Channels.....	61
Business Activities and Resource Requirements	62
Strategic Partners.....	62
Revenue Sources.....	62
Cost Drivers.....	63
outline of a business plan	63
Business Planning & Employment Outcomes.....	65
Zoning & Legal Obligations	65
Family & Support Persons in Business Planning	66
Barriers & Facilitators	66
Planning Tools.....	67
Outcomes to Expect.....	68
Summary	68
In-Class Brainstorming Activities.....	68
Worksheet.....	69
MOBILIZING RESOURCES, MENTORING & NETWORKING	73
Key Topics	73
Understanding Service Systems	73
Business Service System	74
Disability Service System.....	75
Benefits & Incentives	77
Mobilizing Resources	79
Transition-Aged Youth	80
The Disability Sector as a Workforce	81

Networking.....	81
Mentorship.....	82
Barriers & Facilitators	83
Planning Tools	84
Outcomes to Expect.....	84
Summary	85
In-Class Brainstorming Activities	85
Worksheet.....	86
FINANCING THE BUSINESS	90
Key Topics	90
Financing for Providers	90
Financing for Entrepreneurs	90
Bootstrapping.....	91
Equity Financing.....	92
Debt Financing	93
Crowdfunding & Grants	94
Considerations	94
Financial Literacy.....	94
Financial Management.....	95
Estimating Start-Up Costs	95
Break-Even Analysis	95
Financial Assistance & Asset Development	96
Individual Development Account.....	96
Supplemental Needs Trust.....	96
ABLE Account	97
Barriers & Facilitators	97
Planning Tools	98
Outcomes to Expect.....	98
Summary	99
In-Class Brainstorming Activities.....	99
Worksheet.....	100
SUSTAINABILITY, STRATEGY & SUPPORTS	104
Key Topics	104

Sustainability & Growth	104
Start-Up Stage	104
Initial Growth Stage	105
Rapid Growth Stage	105
Sustainable Growth & Maintenance.....	106
Forms of Support	106
Personal Assistance Services.....	107
Natural Supports	107
Support Planning.....	107
Work-Life Balance	109
Intellectual Property	109
Barriers & Facilitators	110
Planning Tools	110
Outcomes to Expect.....	110
Summary	111
In-Class Brainstorming Activities.....	111
Worksheet.....	112
RESOURCES	116

CHAPTER 1

Entrepreneurship, Motivation & Discovery





ENTREPRENEURSHIP, MOTIVATION & DISCOVERY

This chapter will explain what entrepreneurship is and what some of the different models are for entrepreneurship and social entrepreneurship. This chapter will also talk about some of the misunderstandings people have about entrepreneurship as an employment option for people with disabilities. Finally, you will learn how other entrepreneurs discover business ideas and how one's personal dreams and goals relate to entrepreneurship.

KEY TOPICS

Currently there are **56.7 million** people with a disability in the United States. People with disabilities are employed at a lower rate than in the general population and experience a higher rate of poverty. Many people with disabilities who are looking for work are interested in pursuing self-employment and entrepreneurship. We know that at any given time, 10% of the general population is engaged in “nascent entrepreneurship”, or businesses that are just starting out. We don't know exactly how many nascent entrepreneurs with disabilities there are, but it could be over 15%.¹

Entrepreneurship is an attractive employment option for people with disabilities because it can address a lot of the barriers that are found when looking at more traditional forms of employment, such as discrimination in hiring, salary, or getting the accommodations one needs.

WHAT (EXACTLY) IS ENTREPRENEURSHIP?

Most people think of entrepreneurship as “starting a business.” The common understanding is that entrepreneurs create, organize, and manage a new business. Entrepreneurs work to grow their businesses despite challenges such as obtaining capital (money) and gathering resources to fund their business. An entrepreneur's business can be the creation of a new product or service, a new production method, or the creation of a new area of the market (business world).

Entrepreneurs can be found in every section of society and in every country. For example, a woman living in Mali who makes a vehicle capable of transporting frozen fish from docks to grocery stores can be an entrepreneur, and so, too, can be a man who opens a taco stand along a busy street in Manhattan. However, entrepreneurs are not just small-business owners. Entrepreneurs are focused on the growth of their businesses. While a business may start small, an entrepreneur's goal is to create growth on a larger scale.

7

Benefits of Entrepreneurship:

1. Participation in the mainstream economy
2. Economic growth
3. Attitudinal change
4. Improved quality of life
5. Independence, autonomy, & empowerment
6. Accommodations & flexibility
7. Integration & social participation

¹ Bureau of Labor Statistics. (2015). Persons with a Disability: Labor Force Characteristics Summary. Retrieved from Washington, DC: <http://www.bls.gov/news.release/disabl.nr0.htm>.

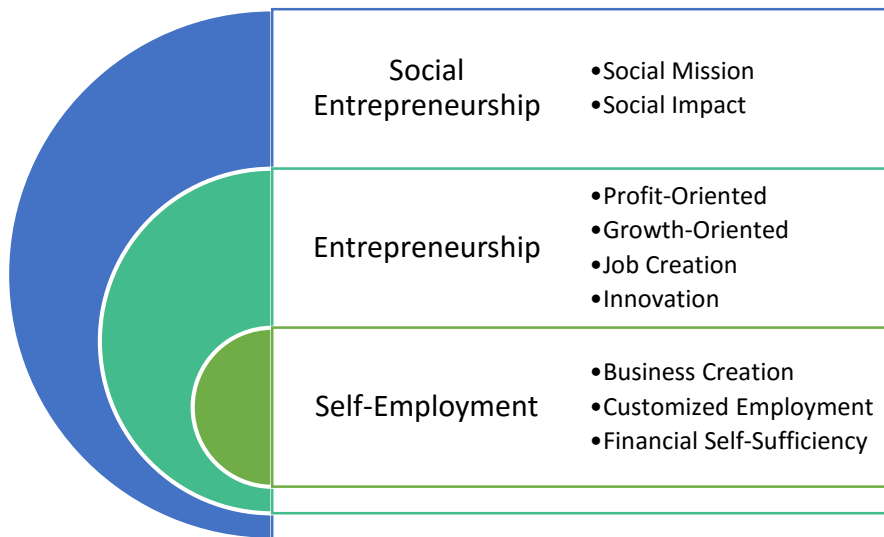
Reynolds, P. D. (2007). Entrepreneurship in the United States: The Future is Now. New York, NY: Springer.

There has been a lot of confusion in disability services around what exactly self-employment is, what entrepreneurship is, and how they are different. This is important to understand because it affects how people with disabilities can become entrepreneurs.

Self-Employment: An alternative to salaried and wage employment, where someone is paid for their work by someone else. Self-employment means creating a business that will provide a job for oneself. It is only meant to employ that one person with the goal of helping them become financially self-sufficient.

Entrepreneurship: Creating an innovative business with the goals of making profit (profit-oriented) and growing (growth-oriented). These are related because growth is needed to create a profit. While entrepreneurship creates a job for an individual, because it is growing it can create jobs for others.

Social Entrepreneurship: Creating a business that addresses a social need or problem in one’s community. Social enterprises are not only profit and growth oriented, but also have a social mission that is central to the business.



The figure on the left is of three concentric circles that show how self-employment, entrepreneurship, and social entrepreneurship are related. Self-employment is the smallest circle and is nested within entrepreneurship, because entrepreneurship has the goals of self-employment in addition to the specific goals listed above. Entrepreneurship is then nested in social entrepreneurship, which incorporates the goals of self-employment and entrepreneurship alongside the specific goals of social entrepreneurship listed above.

People can sometimes use the word “entrepreneurship” in a way that has a broader meaning to refer to certain attitudes and behaviors, such as risk-taking, innovation, and determination. In order to make the best use of opportunities entrepreneurs must have a high level of drive, commitment, and passion. An entrepreneur is determined to achieve his or her goals beyond the expectations of his or her peers. Combining personal dreams with business goals is an excellent way for an entrepreneur to succeed in creating a business opportunity.

PROFIT, GROWTH & EMPLOYEES

There are two main kinds of profit that are important to think about: **monetary profit** and **social impact**. Monetary profit is financial, meaning how much money a business is making after expenses are paid. Monetary profit can also be called net income. Social impact is how the business is helping address the need or problem in their community through its mission. A business’s social value and social impact can be hard to measure.

For entrepreneurs who want to expand their business, the profitability of their company will play an important role. In order to grow organically, from within, a company will need to reinvest its profits toward the growth of the business. So the net income of the business will determine the extent of its growth. For some businesses, money for growing their business is available from investors, but even they assess profitability (the ability of a business to make money) when making investment decisions. Being able to estimate this value can be beneficial for entrepreneurs in making decisions regarding the business. For example, managing immediate costs to keep expenses low can contribute to greater profits that can be put towards future growth.

Hiring employees is often necessary for both profit and growth because in order to grow, a business needs more revenue (income). More revenue means more production, and additional employees will often be needed to increase production. Also, bringing in more employees for tasks such as accounting or project management can result in more efficient operations, which will in turn increase the profit margin (the difference between profit and costs).

Entrepreneurs can hire employees with and/or without disabilities. Employees can also be family members or personal assistants who are being paid to provide support through essential services for the business. Since the business is intended to grow and create a profit, it has the goal of not only helping the entrepreneur become financially self-sufficient, but also helping employ others by creating these jobs. It is for this reason that entrepreneurship can be not just an employment strategy, but also an anti-poverty strategy (method to help reduce poverty). If each entrepreneur with a disability hired one employee with a disability, it has the potential to create 936,000 jobs nation-wide!

FACT VS. FICTION	
MYTH	FACT
1. Entrepreneurs are born, not made	Entrepreneurship is a discipline and it can be learned like any other skill.
2. You can't start a business without a lot of money.	There are many examples of entrepreneurs creating successful businesses without a large sum of money. Entrepreneurs instead should focus their energy on tasks such as creating a proof of concept (showing your business will generate revenue), and assembling a strong team.
3. Only unique ideas will be successful.	A unique, or novel idea in itself does not create value. The execution of the idea is what drives growth. The transportation company Uber did not invent a new mobile phone application or service, but because of a well-executed business concept, Uber has become very successful.
4. People must take a large risk to make profit.	This is incorrect and, in fact, potential investors want to invest in start-up companies with reduced risks.
5. Entrepreneurship is a young-man's game.	Entrepreneurship is for people of all ages and genders, not just young people. Although media outlets often focus on teenage entrepreneurs,

the current average age of an entrepreneur is 35. In fact, Walmart owner, Sam Walton, was 44 when he opened the first Walmart.

MODELS OF ENTREPRENEURSHIP & SOCIAL ENTREPRENEURSHIP

There are five types of for-profit entrepreneurs: 1) *commercial entrepreneurs*, 2) *home-based entrepreneurs*, 3) *serial entrepreneurs*, 4) *corporate entrepreneurs*, and 5) *social entrepreneurs*.

Commercial entrepreneurs are what you typically think of when you think of entrepreneurship, which is someone starting a for-profit business and are not starting it in their home. A home-based entrepreneur is someone who uses their home as their office space to grow their business. By using desktops and mobile devices, these business owners can find legal advice, research, and business forms online from their home. Serial entrepreneurs are individuals who start a business and then move on to another, accumulating a number of enterprises along the way. Mark Cuban, owner of the Dallas Mavericks basketball team, is an example of a serial entrepreneur, with a large number of businesses. Corporate entrepreneurs are men and women employed by large corporations that want to use entrepreneurial activity to pursue new opportunities within their companies.

Social entrepreneurship is separate and distinct from other types of entrepreneurship. It can sometimes be confused with a non-profit organization or socially responsible businesses. Non-profit ventures may be service-oriented and are often either educational or religious charitable organizations. While a social enterprise can be a for-profit, non-profit, or hybrid (combination of both) organization; social entrepreneurship has a primary social mission as well as being growth and profit oriented. In true social entrepreneurship the social mission must be central to the business itself.

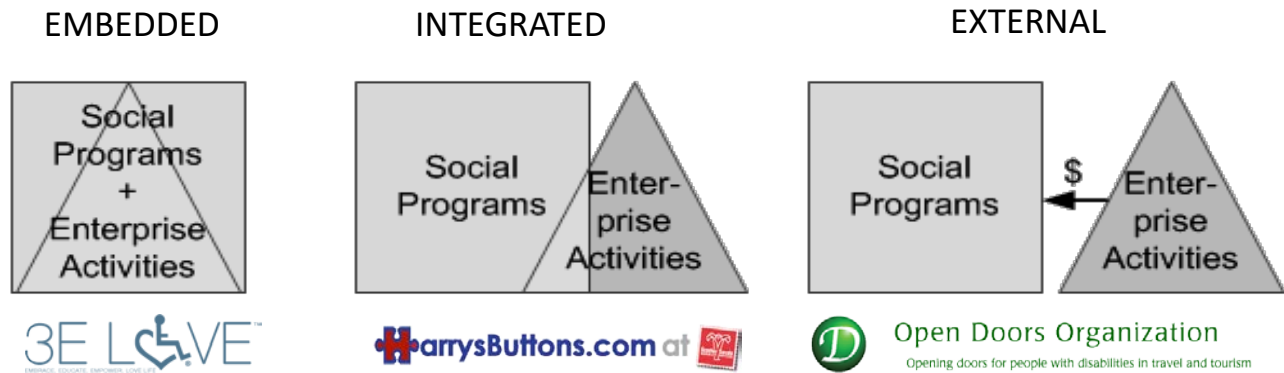
There are three types of social enterprises: (1) *embedded*, (2) *integrated*, and (3) *external*. Each of these types has a different relationship between the social program activities (i.e. social impact generating) and the enterprise activities (i.e. monetary profit generating).² In embedded social enterprises, the social program and enterprise activities are one in the same organization. For example, *3E Love* is a social enterprise that was started by people with disabilities, which sells apparel bearing a trademarked wheelchair heart symbol, and has a social mission to “Educate. Empower. Embrace.” disability. They see their apparel as being a conversation starter. So when someone buys a t-shirt it creates an opportunity for education, empowerment, and embracing disability.

In integrated social enterprises, the social program and enterprise activities are independent within an organization, but overlap. For example, *Harry’s Buttons* was started by the parent of a son with Autism and is associated with Easter Seals of Metropolitan Chicago. It began by creating custom buttons, magnets, and keychains. Now they make a variety of personalized products. Harry’s Buttons began by employing people with disabilities in different facets of the business. Most importantly, they provided opportunities for skill building and advancement within the business while paying workers a competitive wage so that people with disabilities had a role in running and managing the business. The relationship between Harry’s Buttons and Easter Seals is mutually beneficial.

In external social enterprises, the social program and enterprise activities are completely separate, but where the enterprise activities of one organization go to support the social programs of another. For

² Alter, K. (2007). Social Enterprise Typology. Retrieved from <http://www.4lenses.org/setypology>.

example, the *Open Doors Organization* has a separate for-profit business and non-profit organization. The for-profit business offers disability-related education and training to the travel and hospitality industry, while their non-profit arm advocates for inclusion and access so that people with disabilities can participate in tourism and leisure activities. The monetary profit generated through education and training activities go to support their non-profit activities.



PARTNERSHIPS & OTHER BUSINESS STRUCTURES

Who can be a partner? Anyone! If they choose, entrepreneurs with disabilities can partner with other people with disabilities, benefitting from having a similar perspective on an issue or a common sense of community. If they want, they can choose to partner with people who do not have a disability, benefitting from a diverse and complementary skill set and knowledge base. Potential partners can include family members or friends. Further, some entrepreneurs may choose to form a strategic partnership with an organization such as a Disability Community Agency (DCA). However, it is important to choose the right partner and business structure to achieve the entrepreneur with disabilities' goals and make sure that their needs are being met in the arrangement. Overall, there are six types of business structures:

1. Sole Proprietorship
2. Partnership
3. Cooperative
4. Corporation
5. Limited Liability Company (LLC)
6. Low-Profit Limited Liability Company (L3C)

A sole proprietorship is a basic type of business that the entrepreneur alone owns, rather than in a partnership. There are several different types of partnerships such as general partnerships and limited partnerships. Cooperatives are formed by people in order to meet a collective need. Corporations come in a variety of forms, such as S-corporations (suitable for smaller businesses) and C-corporations (a legal form often required for raising equity funding, such as venture capital (money invested in a new or expanding business)). Corporations can have one or multiple shareholders (owners of a company). Corporations can become non-profit organizations by filing for 501(c)(3) Tax-Exempt Status with the Internal Revenue Service (IRS). Corporations can be a very good way to organize even for small businesses and individual business owners. The liability (legal responsibility) protection they provide is

most established out of all of the different legal forms. A Limited Liability Company (LLC) is a hybrid that combines the benefits of a corporation with those of a partnership. A Low-Profit Limited Liability Company (LC3) provides a business structure for social enterprises that bridges the gap between for-profit and non-profit. This business structure has become important for social entrepreneurs who are seeking investors as those investments qualify as charitable contributions, which can help foundations meet their tax obligations by investing. More information on business structures can be found on the Small Business Administration's (SBA) website at the following [link](#).

Working with Family

For many entrepreneurs with disabilities, working with family members and friends is not only necessary from a financial point of view, but also in many cases desirable. Working with family is something that can be very helpful, especially if their family members are volunteering time or have business experience or are entrepreneurs themselves. This is true for entrepreneurs without disabilities as well! However, working with family can be tricky and can sometimes backfire if structures are not in place to make sure that the entrepreneur with disabilities is central to the business from the idea stage to planning to the operation of the business.

Working with family members can be particularly problematic if that individual is volunteering time for something that is an essential service. Meaning, that they are committing their spare time, while they work a full time job elsewhere, to helping out with something that requires more concentrated attention. It can also be a problem if a family member's or the family as a whole's needs are put before the entrepreneur with a disabilities'. For example, a family member may get carried away and take the business in a direction that the entrepreneur does not want. Another example is if there is a health-related or financial crisis in the family that is taking time and attention away from the business. Of course, such things happen and can make life difficult. However, this highlights the need to have a plan or structure in place to ensure the entrepreneur with a disability can continue to work as independently as possible (with support), and is often thought about too late.

One great example of working with family are mother and daughter team, and business partners, Bridget and Nancy Brown. *Butterflies for Change* is a social enterprise that offers a variety of workshops, training, and counseling about inclusive education. Their mission centers on advocating for people with disabilities to be more involved in their Individualized Education Plan (IEP) meetings. Bridget is a self-advocate with Down Syndrome who specializes in public speaking, advocacy, and self-determination, and her mother Nancy specializes in speaking about adapting curriculum and person-centered planning. Because they used person-centered planning in creating the business, it is structured so that each partner has their own area of expertise, speaking from their experience as a person with a disability and as a parent. This helps in marketing their business as well because Butterflies for Change can appeal to a larger market, but we will discuss that more in **Chapter 4: Marketing**. You can find more information on their website at: <http://butterfliesforchange.org/>.



Working with Service Providers

There are many ways to approach supporting entrepreneurship associated with a service provider agency. Often, these come about because the business was started through the agency's employment services or was funded by a microenterprise (very small business) program housed there. Some entrepreneurs choose to make their business independent from the agency, following an external model. Other entrepreneurs may want to maintain their relationship with the organization, following integrated or external models. This may be so that the entrepreneur can continue to access needed services, supports, or perhaps a network of customers based at that agency.

Difficulties can arise in changing from one model to another as there are currently no best practices in this area or guidelines for how to do so. This can sometimes result in reverting to traditional approaches to employment. For example, there was a local food-service business that began as an integrated social enterprise as part of a state-wide agency where people with developmental disabilities were employed in making a food product alongside people without disabilities. The product was then sold in local markets and the profit went towards paying a competitive wage and supporting the agency's programs. However, there was a change in leadership who felt it was too costly to employ people with disabilities in actually making the product. As a result, the decision was made to continue the business using more of a charity-based approach; moving from what had been an integrated social enterprise to an external enterprise that does not employ people with disabilities and can no longer fulfill its original social mission.

Another interesting example is *Urban Meadows*. Urban Meadows is a flower shop that began as an integrated social enterprise owned and managed by the Thresholds organization in Chicago to employ people with mental illness. However, a former manager bought the business from Thresholds and cites the reason as being a disagreement in practices. The new business, known as *Urban Flowers*, wants to use a cooperative approach to provide community-based competitive employment for people with mental illness. In doing so, it is shifting from what had been an integrated social enterprise to an embedded one.



PERSON-CENTERED PLANNING & CUSTOMIZED EMPLOYMENT

Person Centered Planning is a method of designing a plan of action for an individual with a disability to achieve their self-defined goals. This goal development focuses on that person's potential in relationship to their specific skills, talents, and interests. Several person-centered planning strategies exist that can be helpful for entrepreneurs with disabilities in brainstorming not only their personal goals, but also goals for their business. These planning strategies can serve as a good starting point, and some examples include PATH (Planning Alternatives for Tomorrow with Hope), MAP (Making Action Plans) planning, and Discovering Personal Genius planning.

With so many states adopting Employment First³ policies and legislation, including Illinois, there has been an increasing focus on customized employment strategies. This is partly because they build upon supported employment strategies in a way that highlights person-centered planning. The customization of employment is the process by which an employer and employee negotiate the job duties and description based on their skills and abilities, and the employer's needs. Self-employment and entrepreneurship have been promoted as customized employment strategies because they create a job around someone's interests and skills. As explained earlier, entrepreneurship not only results in job creation for that individual, but also business creation and potential job creation for others in the future as the business grows. For these reasons, entrepreneurship holds great potential to address the problems of unemployment, underemployment, and also poverty for people with disabilities. The most important factor in deciding which model of entrepreneurship to use, is to consider the entrepreneur's unique goals and needs – to make sure that it is person-centered and self-determined.

ENTREPRENEURIAL MOTIVATION

Entrepreneurship means different things to different people. There are many reasons why people with disabilities want to start businesses. Usually it is because of a lack of other options or because of an interest or passion for something. The first is called "push motivation", because someone is pushed into pursuing entrepreneurship and this is typically done out of need. The second is called "pull motivation", because someone is drawn to pursuing entrepreneurship due to their interest or passion and this is typically due to an opportunity that presents itself. Below is a list of examples of push and pull motivations compiled from social entrepreneurs with disabilities in our previous research:

PUSH MOTIVATIONS	PULL MOTIVATIONS
<ul style="list-style-type: none"> • Boredom with other options, lack of interest, don't like other options • Productivity, feel time is not being well spent in current work • Current work is not a good fit, pace is too fast or too slow, too stressful • Health problems limit options • Difficulty finding other jobs due to economy and disability discrimination • Actual & expected disability discrimination • Lack of social interaction in current work • Want to change living arrangement 	<ul style="list-style-type: none"> • Dream or desire to start a business • Interest and passion for social mission • It is fun, want to do something they like • Want to be productive, contribute, to help • Born or chosen, have a talent • Self-advocacy/advocacy, social responsibility • Had an opportunity • Flexible, not confining or limiting • To have a "real" job or profession • Counteract stigma that someone cannot do something because of their disability • Social interaction with community, because they like people

³ The Employment First Initiative is a national policy strategy being implemented at the state level. States that have adopted Employment First policies mandate that service providers receiving federal funding give priority to integrated employment options first, affording everyone the presumption of employability, before directing consumers to center-based and day habilitation services.

ENTREPRENEURIAL DISCOVERY

Entrepreneurial opportunities emerge when there is a gap between needs in the market (i.e. “market needs”) and the means to satisfy those needs. Alert entrepreneurs will discover entrepreneurial opportunities through a process that is based on their perceptions about market needs, and the ways to satisfy those needs. This process has been referred to as **entrepreneurial discovery** in both the business and disability literature, and is an instrumental part of *Opportunity Recognition*, which will be discussed more in **Chapter 2: From Idea to Opportunity**. There has been some discussion about whether entrepreneurial discovery is an intentional process or an accidental one – it can be either or both! An entrepreneur can discover ideas by actively searching for an opportunity, even when they aren’t sure what opportunity they are searching for. Or an entrepreneur might come across an opportunity that is different from the one they were searching for!

BARRIERS & FACILITATORS

There are three main barriers that people with disabilities encounter in **Entrepreneurship, Motivation & Discovery**. The first is being taken seriously as an entrepreneur when people have difficulty seeing past someone’s disability to be able to view them as a business person. This barrier often affects people with disabilities when they are seeking access to education and training opportunities, when they are seeking finance and funding opportunities, and when they are seeking networking and mentorship opportunities. Service providers, such as Disability Community Agencies (DCA) and Small Business Development Centers (SBDC), can play a pivotal role in facilitating access to these critical areas of need.

Second, entrepreneurs with disabilities encounter a barrier due to their work history. This is because people with disabilities have historically had fewer opportunities to gain job skills and work experience. Accordingly, this area has gained increasing attention over the past decade for transition-aged youth (aged 16-24); however, people with disabilities outside of this age range still lack access to services that would allow them to develop job readiness skills and work experience. Entrepreneurs can work together with service providers, family members, or other support persons to identify such areas and develop a plan that will help prepare them for starting their business.

The third barrier that entrepreneurs encounter is the perception of risk. When it comes to disability employment, every effort is made to keep risks low and to invest in strategies that will have the highest likelihood of successful employment outcomes. So when it comes to entrepreneurship, providers in DCAs and VR often think of it as being a risky approach that has no guarantee of success. As a result, self-employment and entrepreneurship has been either reserved for those individuals with the highest support needs, who cannot find other employment options, or for individuals with very mild disabilities, who they believe will need the least amount of support. However, research shows that generally entrepreneurs are moderate risk takers, and also that those risks are very calculated ones. So far research has shown that firm success/failure rate (i.e. the business closing) for the first five years is no worse than the job retention/loss rates for supported employment.⁴ Further, statistics indicate that on average entrepreneurs with disabilities earn more money than individuals with disabilities in other employment.⁵ One of the best strategies to reduce risk and increase entrepreneurs with disabilities’

⁴ Callahan, M. (2000). Final Report of the Choice Access Project. Retrieved from Washington, DC: <http://www.marcgold.com/Publications/White/Final%20Report.pdf>.

⁵ RSA. (2012). Illinois Department of Human Services - Division of Rehabilitation Services Annual Review Report.

chances of success is for service providers in both the disability and business fields to work together, and improve their services and supports by sharing information and resources.

PLANNING TOOLS

Knowing where to start can be overwhelming for an entrepreneur, and that is where planning can really come in handy because it helps to provide structure and direction. In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [Customized Employment: Applying Practical Solutions for Employment Success, Volume 2](#) by the Office of Disability Employment Policy (ODEP).
- Illinois Association for Microboards and Cooperatives (<http://www.iambc.org/>) offers assistance with MAP/PATH person-centered planning.
- [Discovering Your Personal Genius for Entrepreneurship](#) by the Burton Blatt Institute at Syracuse University.
- Griffin-Hammis offers an online training on [Customized Self-Employment: Discovering Personal Genius](#).
- [Small Business Readiness Assessment Guide](#) by the Small Business Association (SBA).

OUTCOMES TO EXPECT

- A business idea
- A mission statement
- Preliminary organizational structure for the business

SUMMARY

- Recognize, describe, and explain entrepreneurship as an employment strategy.
- Think critically about different models of entrepreneurship and how they benefit person-centered, customized goals.
- Understand and explain the significance of entrepreneurship *by* people with disabilities vs. *for* people with disabilities.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Erin is an artist with an intellectual disability. She creates art at her day program, which they sell once a month during their Art Night fundraiser. She also creates paintings at home, which she sells at the local farmer's market on the weekends.
 - a. Is Erin self-employed or an entrepreneur?
 - b. What are the top three things Erin needs to learn about to help her with her business?
 - c. What steps do you think Erin needs to take next?
2. Alexis has a 21-year-old son, David, who has Autism. David is about to transition to adult services and they are trying to find out what employment options are out there. In the past, David has talked about wanting to be his own boss and Alexis heard from some other parents that it was easy to start a paper shredding business.
 - a. Do you think this is a good idea for David?
 - b. What are the top three things David needs to learn about to help him start a business?
 - c. What steps do you think David needs to take next?
3. Ben contacted you because he started a social group where people with disabilities from day programs and workshops in his area come together once a week for social activities and to build friendships outside of work. To make this happen, they coordinate transportation and personal assistance services between group members to benefit the whole group so that everyone can participate. However, Ben needs help growing the group because more people want to join than he can currently handle.
 - a. Is Ben self-employed or an entrepreneur?
 - b. What are the top three things Ben needs to learn about to help him with his business?
 - c. What steps do you think Ben needs to take next?

WORKSHEET

Do you want to be an entrepreneur or a social entrepreneur? (check one):

- Entrepreneur
- Social Entrepreneur

Why do you want to be an entrepreneur or social entrepreneur?

What is your idea for your business?

What is the need you see in the market and/or in your community?

How will your business help address this need?

What are your goals for your business?

1. _____
2. _____
3. _____
4. _____
5. _____

How will starting this business help you with your personal goals or dreams?

What business structure do you want your business to take? (check one):

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Cooperative | <input type="checkbox"/> Low-Profit Limited Liability Company (L3C) |

If you want to be a social entrepreneur, what kind of social enterprise were you thinking of?

- Embedded Integrated External

If you want to have a business partnership, who will your partners be?

What supports will you be working with? (check all that apply):

- Disability Community Agency: _____
- Small Business Development Center: _____
- Family & Friends: _____
- Other: _____

CHAPTER 2

From Idea to Opportunity





FROM IDEA TO OPPORTUNITY

This chapter will focus on the importance of innovation for entrepreneurship and in developing a mission statement. You will learn about opportunity recognition and how to evaluate your ideas to determine whether they are viable business opportunities. This chapter will also discuss the barriers faced by entrepreneurs with disabilities and how to deal with uncertainty and change in the business environment.

KEY TOPICS

Much effort has been spent to show that self-employment and entrepreneurship can be viable employment options for people with disabilities. What “viability” means here is that it can be a good job compared to other employment options, and that it is possible for an individual to make enough money to become financially self-sufficient. What researchers found was that, to their surprise, people with disabilities actually wanted to be self-employed at a higher rate than they were expecting (11%) – and at a higher rate than among people without disabilities (6%). Researchers have also found over the years that people who are self-employed report higher wages.

FEASIBILITY ASSESSMENT

One of the most important components of starting a business is conducting a feasibility assessment. This is a document that assesses how viable the business is and lets individuals with disabilities know what it would take to start the business and overall whether it is a good idea – to get an idea of what would “make or break” the business. A feasibility assessment primarily includes looking at four key areas: product & service issues, industry & market issues, financial issues, and organizational issues. However, it can be broadened to include an assessment of:

POSSIBLE FEASIBILITY ASSESSMENT COMPONENTS

- | | |
|---------------------------|------------------------------|
| • Competitive feasibility | • Market feasibility |
| • Concept feasibility | • Operational feasibility |
| • Cultural feasibility | • Organizational feasibility |
| • Economic feasibility | • Resource feasibility |
| • Financial feasibility | • Schedule feasibility |
| • Legal feasibility | • Technical feasibility |

There has been some concern that while people with disabilities may be starting businesses okay, a lot of these businesses might end up closing. In which case, it would not be an effective long-term employment strategy. However, the UCP Choice Access Project found that after a year of participating in a program offering customized self-employment services almost all of the businesses were still operating. Typically, this is referred to as the “firm’s survival rate,” and that rate can change drastically over the first five years of operation. The first-year survival rate tends to be higher among people with disabilities who are receiving self-employment services than in the general population. Beyond that, the Choice Access Project found that after five years the survival rate was comparable to the job retention

rate found in supported employment, which is currently at 68%.⁶ All of this points to evidence indicating that the majority of small businesses started by entrepreneurs with disabilities will survive the first year. Survival after that first year will depend largely upon having access to adequate resources and supports.

So far we've been talking mostly about self-employment, but what about entrepreneurship? There is actually a higher rate of nascent entrepreneurship (businesses just starting out) than self-employment in the general population. At any given time 10% of the population is engaged in nascent entrepreneurship. For people with disabilities, we expect this number to be as high as 15% if it follows what we've seen in self-employment. By providing entrepreneurship as a customized employment option, and not just self-employment, there is the potential to create over one million new businesses run by entrepreneurs with disabilities a year.

As you learned, entrepreneurship is more than just being financially self-sufficient. It also means being profit and growth-oriented. These are both essential to viability for entrepreneurs because profit and growth are what will allow the business to become self-sustaining. This will be discussed in more depth in **Chapter 8: Sustainability, Strategy & Supports**.

INNOVATION & MISSION STATEMENT

The innovative aspect of a business should not simply be that it is run by a person with a disability. That, in and of itself, is not innovative enough from a business standpoint. While it can be an important part of the business mission, that alone it is not going to help meet the goals of the business in becoming self-sufficient, profitable, and grow in the future.

Social innovation is a key element in social entrepreneurship. Generally, people become social entrepreneurs due to experiences with disadvantage. For social entrepreneurs with disabilities, we frequently find that their disability is what motivates them to want to start a business to begin with, due to the social problems or unmet needs they see in their communities. There tends to be a social aspect to the businesses that entrepreneurs with disabilities are creating, and many are choosing to become social entrepreneurs (some unintentionally!). That said, the social innovation aspect of business should not simply be that it is run by a person with a disability, because that alone will not help address the social problem or unmet need identified in one's community. If the business employs others with disabilities as well, on a larger scale beyond that one individual, that would qualify; however, it would have to be done in a way that is innovative in addressing the social problem of unemployment and underemployment facing people with disabilities. For example, organizations have employed people with disabilities to learn job skills that will hopefully transition to competitive employment for over sixty years now. As only 5% of the population go on to competitive employment, this has not translated to finding people jobs in the community.⁷ In the employment landscape we now have states beginning to implement Employment First policy and legislation, what would be innovative is using entrepreneurship as a vehicle for creating jobs that employ people with disabilities, and to provide opportunities for

⁶ Domzal, C., Houtenville, A., and Sharma, R. (2008). Survey of Employer Perspectives on the Employment of People with Disabilities: Technical Report. (Prepared under contract to the Office of Disability and Employment Policy, U.S. Department of Labor). McLean, VA: CESSI.

⁷ National Council on Disability. (2012). National Council on Disability Report on Subminimum Wage and Supported Employment. Retrieved from Washington, DC:

leadership, management, and advancement within the organization. This means shifting our focus from thinking of people with disabilities as employees, to recognizing that they can be employers.

A mission statement is a summary of the goals and values of a company. For entrepreneurs, the mission statement communicates to both the company's employees and customers its core objectives. A mission statement should be between one and two paragraphs, and it should answer any questions someone may have about what your company does.

As an entrepreneur with a disability, creating a mission statement is pivotal as it means deciding whether or not to disclose your disability. Depending upon what your business is and what you hope to accomplish, you may not actually need to disclose your disability status in your mission statement. For example, if an individual starts a business focused on making coffee that sources sustainable, organic ingredients then they may choose not to disclose. However, an entrepreneur, such as Lewis Beck of Lew's Brews, may choose to disclose their disability as part of their marketing strategy. Also, an entrepreneur may choose to disclose their disability for other reasons, such as networking with other entrepreneurs with disabilities, or as a hiring strategy to promote an inclusive, accessible workplace. In cases such as these, disability should also be included in the mission statement where appropriate.

If you are a social entrepreneur, your mission statement must include your social mission as well as your business activities. One problem in particular that people run into when it comes to the social mission is that too often the mission statement is written *for* the person with a disability and not *by* them. In order for the social mission to be effective it needs to actively include people with disabilities in developing that mission. "Nothing about us without us" is more than just a mantra, it is an essential business component within a disability context. If the mission statement is not inclusive, then how can the business be inclusive? Further, if the business is going to be operating in the disability sector it needs to understand the disability perspective. When people with disabilities have little to no input in developing the mission statement, it is difficult for that mission statement to then meet the needs of the community it is trying to reach with its products and/or services. In short, it makes good business sense to include the perspectives of people with disabilities in crafting one's mission! Two easy rules can help avoid this social mission trap:

1. Social entrepreneurs with disabilities should have a central role in developing the mission and social mission for the business reflected in its' mission statement.
2. Do research and development with the disability community and use that to inform the mission statement.

A person-centered business plan should help in keeping an entrepreneur with a disability (not just social entrepreneurs) central to the business in developing the mission statement. They can then decide



Photo of entrepreneur, Lewis Beck, at the Palatine Farmer's Market. Taken by Don Hashiguchi for TribLocal.

whether and to what extent they want to include others (both with and without disabilities) in advising on and helping to craft their mission for the business.

Even as an entrepreneur with a disability, you will still need to do research with the disability community if you want to sell your products and/or services there because each customer is different. While a social entrepreneur's experience as a person with a disability may be what gives them the idea to start their business, filling a need or gap that they see, they will still have to figure out whether other people with disabilities are having the same experience and whether there is a market for their product and/or service in order to decide whether the idea is a good business idea.

Organizations sometimes use similar models, but they are operated in segregated setting and without paying the minimum wage. These scenarios may still call the arrangement a social enterprise, but are not actually following the goals of inclusivity and wage generation suggested by entrepreneurship.

OPPORTUNITY RECOGNITION

An *entrepreneurial opportunity* is an opportunity to bring new goods, services, raw materials, and organizing methods into existence. This process of entrepreneurial discovery occurs when an entrepreneur is alert to a mismatch between the value of resources and their best use. A common theme in much research on entrepreneurial **opportunity recognition** has been the suggestion that entrepreneurs' previous experiences and knowledge play a crucial role in the process. Many different perspectives and theories converge on the view that in order to identify opportunities, entrepreneurs must somehow gather, interpret, and apply information about specific industries, markets, government policies, and social contexts. Previous life experiences help individuals to "connect the dots" between seemingly independent pieces of information; perceiving patterns that can constitute the basis for identifying specific entrepreneurial opportunities. The experience of disability is often a powerful part of an individual's identity, community, and culture. Such unique experiences and perspectives can provide a basis for particularly creative idea generation and opportunity perception.

The RAMP Model

In order for an idea to become a business opportunity, an entrepreneur must scrutinize every part of the idea before launching their business venture. Understanding the qualities of a successful business is also an excellent way to minimize surprises and achieve profitability as soon as possible. The RAMP model⁸ is a convenient and effective way to test the strength of your business idea. Each letter of the acronym represents a step for evaluation.

The R in RAMP refers to a business's return on investment "ROI". ROI is the goal of making more money than you put into the business. To predict a business's ROI, you must be familiar with net income and owner's equity. Net income is the amount of revenue your company generates minus the amount of expenses. Owner's equity is the amount of assets that are controlled by owners and/or investors of a company, excluding those who have loaned money to the business (e.g. banks).

ROI is typically measured as a percentage. To determine ROI, simply divide the benefit of an investment over the cost of the investment:

⁸ Allis, R. (2008). *Zero to One Million*: McGraw-Hill Education.

$$\text{ROI} = \frac{\text{Gain from Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$$

Keep in mind the ROI when you are assessing whether your idea is an actual business opportunity.

The A in RAMP refers to the advantages of starting a particular business. When considering whether an idea can become a business opportunity, think about how your business can successfully compete in the market, and identify potential obstacles that may stand in your way. There are four components to analyzing a company's advantages/obstacles.

1. A successful entrepreneur considers how their offering is superior to what the competitors are offering. This competitive advantage can be a result of being more nimble or customer oriented than competitors, having a superior product/service, offering a brand that stands for values that customers appreciate (e.g. inclusivity or social value creation), or having superior knowledge (intellectual property) that can even be protected through patents, trademarks, copyrights, or trade secrets.
2. Another part of identifying advantages is examining the business's cost structure. This includes doing research on the cost of supplies, manufacturing, and, if necessary, outsourcing.
3. Determining distribution channels is the next advantage an entrepreneur must consider. How will your product or service reach consumers? Will you sell it through the internet, to wholesalers, or to retailers? Do you have a unique way to distribute your product or service? Perhaps this unique method can give your company an advantage over its competitors.
4. When identifying advantages for your idea, it's important to examine possible disadvantages that may stand in your way to success. These obstacles are referred to as barriers of entry. They include: (a) economies of scale (costs savings associated with faster production), (b) brand loyalty, (c) capital requirements, (d) switching costs for the buyer, (e) access to distribution channels, (f) proprietary (ownership) factors, and (g) government regulations.

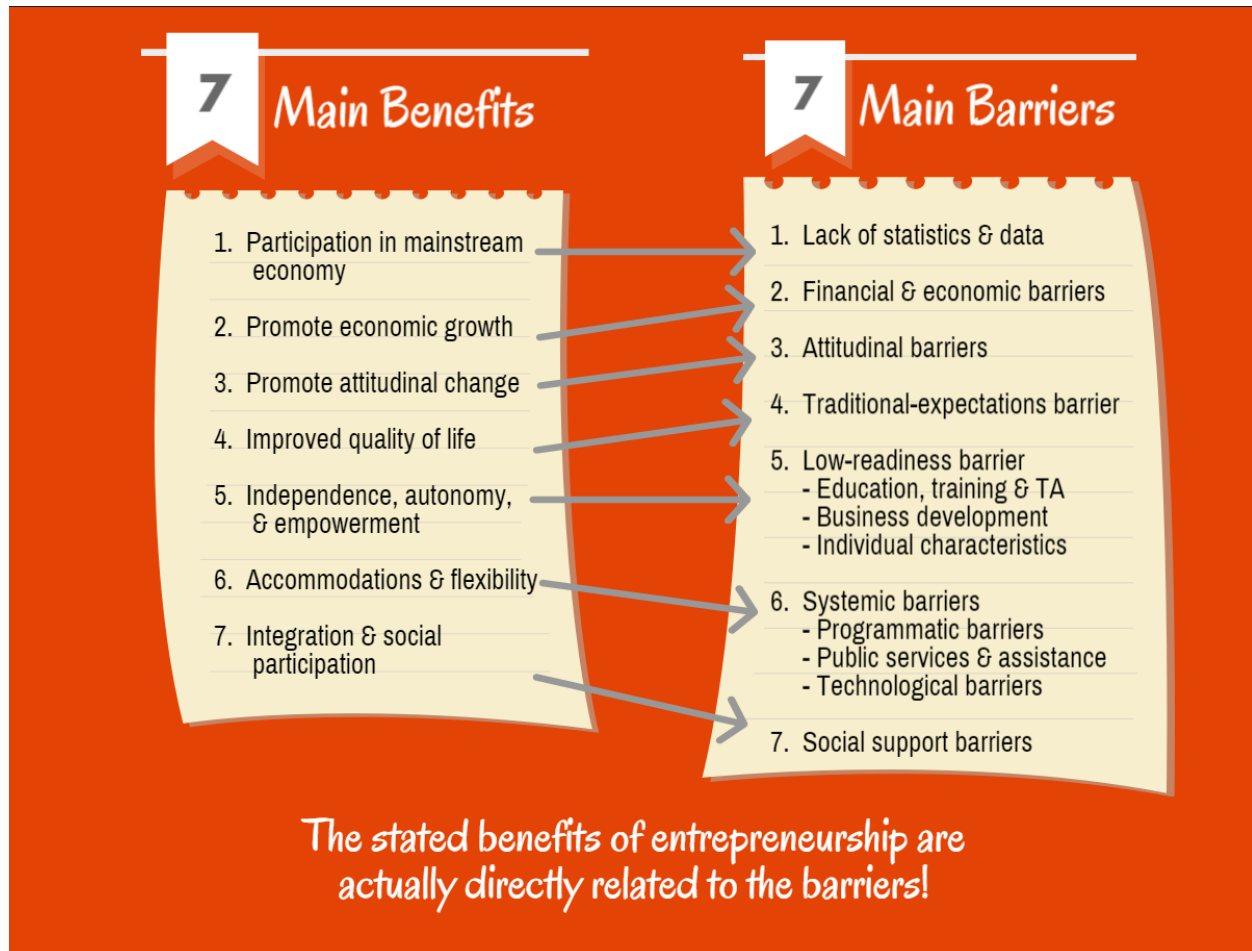
The M in RAMP refers to the market of your potential business. As an entrepreneur, you must analyze whether a need for your product or service exists. Once you have identified a need or problem, you must make sure that your idea effectively solves the need or problem. Next, identify the target customer of your product or service. Will your customer be another business, or will it be individual consumers? What are the demographics of your target consumers and how large or small is the target market? Finally, decide how much you are going to charge for your product or service. When you are determining pricing, make sure that you take into account all of the business's expenses, including overhead, and cost of goods. You must always consider the profit margin (the percentage of how much profit you make divided by revenue) you wish to achieve during these decisions. Pricing decisions also have to account for competitors' prices.

The P in RAMP refers to the potential of a business idea. There are three factors to consider when assessing the potential of your business idea. The first factor is risk. A risky idea can create a large reward, but this is not always the case. Sometimes, a relatively safe idea can create enormous value. As an entrepreneur, you must be comfortable with the amount of risk your idea involves. Another element of potential is the timing of your business. Shipping goods via drone technology is a great idea, but it is

not a business opportunity in 2015 because the level of drone technology isn't sophisticated enough to accomplish large-scale parcel shipping. Lastly, a successful new business has potential if it has a great team. Your task as an entrepreneur is to assemble a cohesive team, with your members sharing similar goals for the growth and direction of the business.

BARRIERS TO DISABILITY-ENTREPRENEURSHIP

When we talk about opportunity for people with disabilities, we also need to talk about the need for equal opportunity and the barriers to accessing opportunity. The main barriers that entrepreneurs with disabilities encounter can be grouped into seven categories:



It turns out that the barriers to entrepreneurship are actually directly related to the stated benefits for it! This is because the benefits can be thought of as the goals and objectives the one hopes to achieve through using entrepreneurship as an employment strategy, and these goals and objectives are based on the barriers that have been identified in disability-entrepreneurship research so far. However, this also means that as long as the barrier exists, it will be difficult to accomplish the benefit or goal associated with it. So for example, there is a lack of statistics and data on entrepreneurs with disabilities. While some information is collected on self-employment, our research has found it to be inadequate and inaccurate when with regards to understanding the participation of entrepreneurs in the mainstream economy.

Entrepreneurs with disabilities also encounter significant financial and economic barriers, which will be discussed in more depth in **Chapter 7: Financing Your Business**. For example, people with disabilities are disadvantaged when applying for loans. This is because many people with disabilities are living in poverty and asset poverty, and financial institutions will not give a loan unless someone can demonstrate a work history, credit history, assets, or collateral (something given up if a loan cannot be repaid. A house is an example). Additionally, once entrepreneurs with disabilities have started their business, they experience financial and economic barriers due to income and asset limitations placed on individuals receiving public benefits as well as disincentives to saving. These barriers make it difficult to determine whether and to what extent entrepreneurship promotes economic growth and financial self-sufficiency.

We have already touched somewhat on the attitudinal barriers that entrepreneurs with disabilities experience, such as not being taken seriously as a business person or being seen as capable of running a business. For some entrepreneurs with disabilities, these barriers are a powerful motivating force that drives them to pursue entrepreneurship and may even become part of their social mission as their business progresses with entrepreneurship becoming a vehicle for attitudinal change. Somewhat related to attitudes, is the traditional-expectations barrier, wherein entrepreneurs with disabilities are disadvantaged when service providers and family members have low expectations for them. These low expectations do not encourage entrepreneurial thinking, ultimately restricting the business' development and growth and limiting the ability of entrepreneurs with disabilities in achieving the quality of life that they desire.

Many entrepreneurs with disabilities also experience what is known as a low-readiness barrier, due to a lack of access to education and training opportunities as well as a lack of awareness about technical assistance, business development services. Individual characteristics also affects the low-readiness barrier as demographics such as race, age, and gender affect one's educational opportunities. This barrier impacts the goal of independence, autonomy, and empowerment because education and training, technical assistance, and business development services provide entrepreneurs with disabilities with the necessary tools.

The systemic barriers facing entrepreneurs with disabilities are difficult because they require change on a state or federal level. However, there are some things that can be done on the local and organizational level to try and mitigate the effects. For example, there are significant barriers in public services and assistance that will be discussed in further depth in **Chapter 6: Mobilizing Resources, Mentoring & Networking**. Programmatic barriers can exist in federal and state programs, but they can also pose barriers to people with disabilities in disability community organizations when a program or internal policy has not been developed to meet the needs of entrepreneurs with disabilities, and the provider is attempting to serve that individual using an approach designed for something else. Programmatic barriers also exist in SBDCs when entrepreneurs with disabilities encounter difficulties in access or accommodation. Also there is a "digital divide" that affects people with disabilities' access to and use of technology. This happens when people do not have the same opportunities to access technology, such as individuals who do not have a cell phone or who rely upon the public library and public transportation in order to use the internet. However, there are additional access barriers in using the technology for people with a variety of disabilities.

Finally, many people with disabilities encounter social support barriers. The average size of the social support network for people with disabilities is significantly smaller than among people without disabilities. Research has shown that “social capital” (social support networks) plays an important role in finding job opportunities and internships for transition-aged youth, which helps in achieving the goals of community integration and social participation. It also plays a critical role for entrepreneurs in gaining industry experience, establishing and growing their customer base, networking, and mentorship. All of these barriers are precisely the types of experiences that lead people with disabilities to think entrepreneurially and seek solutions to addressing disadvantage through entrepreneurship.

EVALUATING BUSINESS IDEAS

Entrepreneurs apply their passions to executing a business opportunity. This process begins with creating a business idea. A business opportunity results when the entrepreneur extracts commercial value from his or her idea. The opportunity might be creating an innovative idea in a new or established market, or exploiting new or existing products or services.

Creating a viable business idea is the first step to entrepreneurship. There are four questions that you, as an entrepreneur, should ask when creating your idea:

1. What is your business idea?
2. What “pain” does your business solve?
3. Who is the customer and who is the consumer?
4. What does the market look like?

First, as an entrepreneur, you must be able to describe your business in detail. This includes what product or service your new business will provide and how it will create commercial value. Next, your idea must talk about an opportunity in the marketplace, and how your business will be able to take advantage of this opportunity. For example, Ukrainian immigrant and computer programmer Jan Koum, while living in the United States, was unhappy about how expensive it was to communicate with his friends and family back home. This included his mother, with whom he lived on a disability allowance after she was diagnosed with cancer when he was younger. So Koum solved this “pain” by creating the inexpensive cellphone application, *WhatsApp*. Third, your business idea must identify your target customer. This is important because an entrepreneur should be familiar with who is buying and using the product or service. Finally, you must identify and describe the current market for your products. This involves doing research and understanding the products and services of your competitors.



WhatsApp

Creating a business idea takes creativity and involves **knowledge, imagination, and evaluation**. An entrepreneur must possess several characteristics in order to generate a creative idea. Entrepreneurs must view the world from other points of view to recognize opportunities in a market. Problem-solving skills assist an entrepreneur in creating solutions to potential obstacles. Also, an entrepreneur must have a high level of optimism so that he or she can discover better options than what is currently available. In order to search for the best solution, an entrepreneur must be open to experimentation so that an idea can be tested several times. Finally, collaboration is important for an entrepreneur. Relying on those with superior knowledge in fields like finance, computer science, and marketing can result in additional value for an entrepreneur’s business.

Not every idea is going to be a good *business* idea, and that is okay! It does not mean that those ideas won't lead to a good business idea, but they just need work. As these ideas develop it's important to constantly check whether the direction your business is going continues to meet your unique goals and needs.

Business ideas for entrepreneurs with disabilities can be evaluated in terms of the desired employment outcomes. In other words, will this business result in the outcome the entrepreneur with disabilities wants it to? Once you have your business idea, it can be evaluated by using a feasibility assessment to answer the following four questions:

1. Is it innovative?
2. Will it be profitable enough?
3. Can it grow?
4. Will it fulfill its mission?

If the answer to any of those questions is “no”, then the idea still needs work. DCA service providers also have a set of specific employment outcomes that they look for in evaluating employment options, such as how many hours are being worked (i.e. full- or part-time) and whether it pays a competitive wage. These variables should be included when evaluating the profitability of a business.

The following tool can be used by entrepreneurs to evaluate and decide whether or not to go forward with a business idea:

STEP ONE	STEP TWO	STEP THREE
Creating the Business Idea:	Evaluating the Idea (Part 1): <i>Is it a business idea?</i>	Evaluating the Idea (Part 2): <i>Is it a “good” business idea?</i>
<ol style="list-style-type: none"> 1. What is the business idea? 2. What “pain” does the business solve? 3. Who is the customer and who is the consumer? 4. What does the market look like? 	<ol style="list-style-type: none"> 1. Is it innovative? 2. Will it be profitable enough? 3. Can it grow? 4. Will it fulfill its mission? 	<ol style="list-style-type: none"> 1. R = Return on investment 2. A = Advantages 3. M = Market 4. P = Potential of the business idea

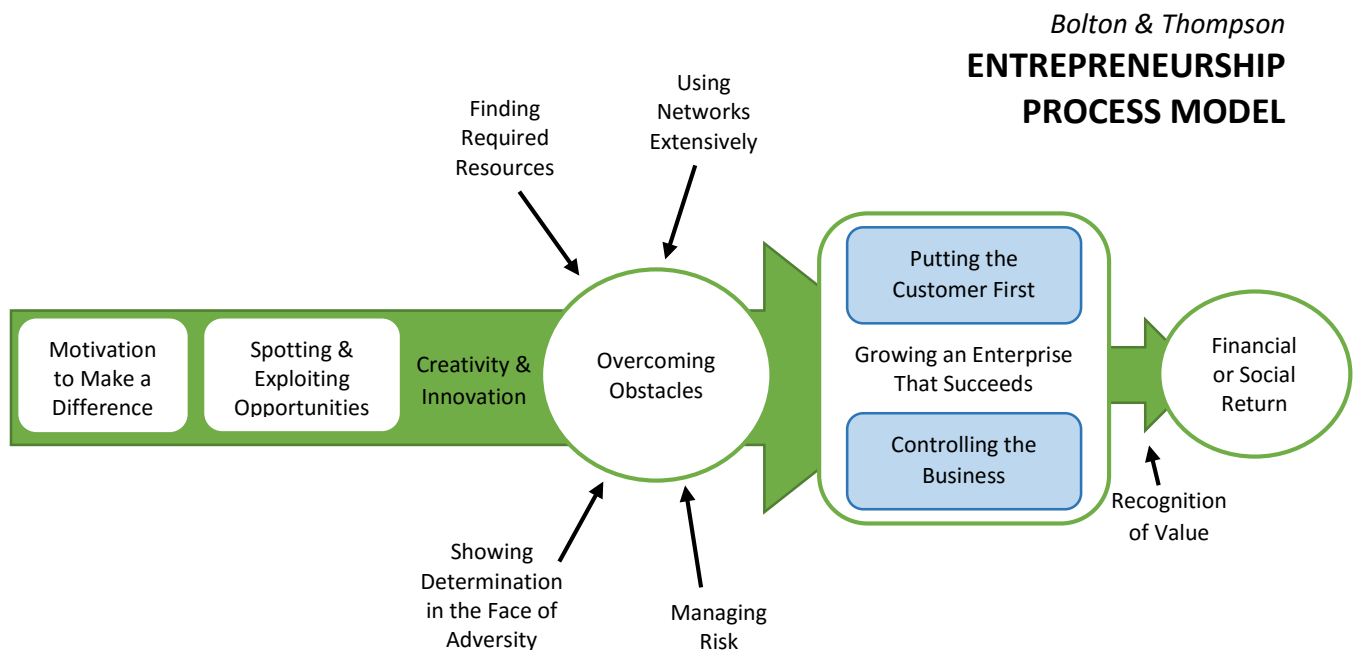
The question remains, at what point should an entrepreneur decide not to go forward with the business as a whole? If the idea does not pass the four key areas of the feasibility assessment listed earlier (product/service, industry/market, financial, organizational) then the idea needs to be changed so that it does pass the feasibility test. If the motivation is not there to make the changes needed, then that is the point at which an entrepreneur must decide whether or not to go forward with their business.

UNCERTAINTY & CHANGE IN THE BUSINESS ENVIRONMENT

Each entrepreneur’s business will go through periods of ambiguity, uncertainty, and possibly failure. As an entrepreneur, you must be prepared for these moments and embrace them whenever possible. Sometimes, these periods can end up being extremely valuable for the growth and overall success of a new business venture.

One example of uncertainty entrepreneurs face during the early stages is negative cash flow. A negative cash flow means that more cash is leaving your business than entering it. Negative cash flows occur for various reasons, such as a seasonal nature of sales, and they are certainly not reasons to give up on your entrepreneurial dreams. However, it is vital that entrepreneurs provide a plan for how to manage a cash flow.

The key to dealing with uncertainty is partly in the mindset of the entrepreneur. When uncertainty happens, a flexible, optimistic way of thinking can result in innovative solutions. As an entrepreneur, you must respond quickly to problems as they arise, and possessing a high degree of openness can assist in your response time. However, as discussed previously, entrepreneurs with disabilities encounter structural barriers that contribute to uncertainty. For this reason, it is also useful to prepare for multiple outcomes so that you can have a plan for action if something unpredictable occurs or if one strategy is not successful. Finally, in times of uncertainty, it can be helpful to focus your business team’s attention on things that you can control. For example, making sure you are spending money wisely and that your products or services are of the highest quality possible. Or, if you are having difficulty attracting investors, focusing on providing quality customer service and building up your reputation via word of mouth. The entrepreneurship process model below shows the relationship between creativity and innovation in not only recognizing opportunities, but also in overcoming adversity. This involves showing determination, managing risk, gathering resources, and networking:



BARRIERS & FACILITATORS

Of the barriers discussed previously in this chapter, the two that affect entrepreneurs with disabilities most as they progress **From Idea to Opportunity** are the low-readiness barrier and the traditional-expectations barrier. Support persons can play an important role in addressing both of these barriers.

The best way to improve your readiness is to work with your service providers, family, or other support persons to identify and pursue opportunities for education and training, technical assistance, and small business development services. It is important to set high expectations for you and your business, and that others take you seriously as a business person. Entrepreneurs with disabilities often look to providers, family members, and other support persons for advice and guidance, and this affects how many entrepreneurs see themselves and the possibilities that lay ahead. Expectations should be high, but not unrealistic.

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [Feasibility Checklist](#) by the Illinois Department of Commerce & Economic Opportunity (DCEO)
- [A General Guide to Conducting a Business Feasibility Assessment/Study](#) by Iowa Vocational Rehabilitation Services
- [Making Self-Employment Work for People with Disabilities](#) by Griffin-Hammis.
- Infographic on [Creating Mission & Vision Statements](#) from Top Nonprofits.

OUTCOMES TO EXPECT

- Evaluation of your business idea.
- Whether or not your business idea is feasible, given the opportunities available and without regard to the resources controlled.
- An updated mission statement

SUMMARY

- Think critically about idea discovery.
- Understand the significance and influence of opportunity recognition.
- Recognize, describe, and explain barriers to disability-entrepreneurship.
- Critically analyze business ideas, particularly as they relate to employment outcomes.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. José, a man with Down Syndrome, has been working at a local bakery for almost two years now. He loves baking and wants to open up his own business so that he can make more money, but he's not entirely sure what that would look like. José is in the idea stage of his business development.
 - a. Do you think this is a good idea for a business? Why or why not?
 - b. What are the top three things José needs to learn about to help him start his business?
 - c. What steps do you think José needs to take next?

2. Mary-Anne and two of her friends have a passion for recycling. They want to start a business together to help others in their neighborhood recycle more by teaching them what can and cannot be recycled and helping to collect their recycling and take it to a local recycling center.
 - a. Do you think this is a good idea for a business? Why or why not?
 - b. What are the top three things Mary-Anne and her friends need to learn about to help them start their business?
 - c. What steps do you think Mary-Anne needs to take next?

WORKSHEET

What are the 3 biggest barriers you think you may run into in entrepreneurship?

- 1. _____
- 2. _____
- 3. _____

What strategies could you use to try and address these barriers?

- 1. _____
- 2. _____
- 3. _____

What is your vision for your business? What is the business opportunity?

What “pain” does the business solve? How does your business solve the customer’s problem?

Who is your customer?

Who is your consumer?

Who is your target market?

What does the market look like? (This may be a question that you need help from an SBDC to answer):

What is your mission statement?

Does your business have a social mission? If so, what is it?

Is your idea a “business” idea? (check all that apply):

- Is it innovative?
- Will it be profitable enough?
- Can it grow?
- Will it fulfill its mission?

Is your idea a “good” business idea? (check all that apply):

- R – It has return on investment
- A – It has advantages
- M – It has a market
- P – It has potential

Is the business idea feasible?

- Yes
- No

In order to know for sure, you will need to do a feasibility assessment! There are some listed in the resources above. You can also get help from DCA and SBDC providers to fill one out.

CHAPTER 3

Disability Awareness, Advocacy & Professional Presence



DISABILITY AWARENESS, ADVOCACY & PROFESSIONAL PRESENCE

This chapter will focus on key issues in disability-entrepreneurship, starting with looking at our awareness of disability and the way we think about it. In this chapter you will also learn about the role that self-advocacy plays in entrepreneurship as well as the importance of professional presence, including how to “dress for success” and essential skills for entrepreneurs with disabilities.

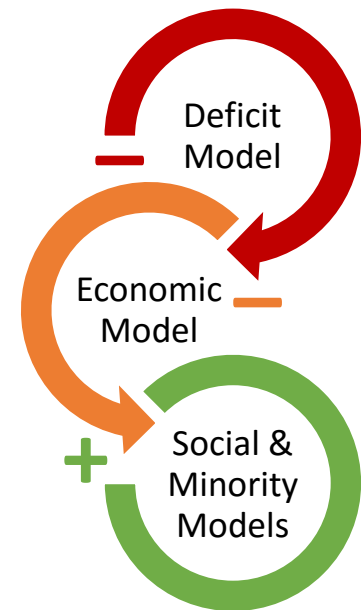
KEY TOPICS

MODELS OF DISABILITY

Throughout history, the way that disability has been looked at is known as a **deficit model** of disability. Often it is referred to as the “medical model” or the “individual model.” At the core of this model is the idea that a disability is something wrong with an individual that needs to be fixed or eliminated. Essentially it sees disability as a deficit. This way of thinking about disability can be harmful because it focuses on an impairment and doesn’t see the whole person, and you can still see this model today in some of the practices we have in medicine and education where instead of meeting people where they are and working with their individual skills and needs, the focus is on trying to get them to meet “normal” standards. However, practices such as this imply that people with disabilities are not normal and that there is something wrong with their disability.

There is another model of disability, the **economic model**, which specifically focuses on the problem of employment. In this model a disability is defined as something that limits a person’s ability to work. This model is often found in rehabilitation or disability policies, and is similar to a deficit model because it focuses on a person’s impairment or their “functional limitations.” This way of thinking about disability can be problematic because it is based on a traditional idea of work that is inflexible and emphasizes performance as an indication of worth and value. The economic model also overlooks an individual’s talents and capabilities. Where this model can be harmful is when looking at how people with disabilities are being compensated for their work. There are huge disparities in pay as well as in finding full time work that pays a competitive wage. A lot of times, people with intellectual and developmental disabilities do volunteer work in the areas they are interested and passionate about because they cannot find anyone willing to pay them to do that work at what they feel they are worth. This can serve as a powerful motivation to pursue entrepreneurship.

The **social model** of disability recognizes that while individuals have impairments, it is not that specific impairment that is actually disabling. Instead it is the social environment that creates the disability. This way of thinking about disability is helpful because there are barriers that are preventing people with disabilities from being able to access things that they would otherwise be able to. For example, having steps to enter a building instead of a ramp prevents many people with disabilities from being able to



access that building. This has particular significance for entrepreneurs with disabilities when that building is a bank or funding organization. Further, there are barriers even after someone enters. For example, if an organization does not have materials available in braille or in electronic files that are legible by screen readers, then people who are blind or visually impaired cannot access that information. Also, if information is not available in plain language then many people with intellectual and developmental disabilities cannot access it. This has particular significance for entrepreneurs with disabilities in applying for necessary licenses and certifications.

A **minority model** of disability means looking at people with disabilities as a minority group, similar to other minorities such as women or people of color. This means recognizing that, as a minority group, they experience disadvantage in society. This way of thinking about disability is helpful because it allows for programs and policies to “level the playing field” and provide equal opportunity for people with disabilities. For entrepreneurs with disabilities specifically, being seen as a minority is important because it would allow them to benefit from contract incentives afforded to minority and women-owned business enterprise (M/WBE) programs. Such programs vary from state to state, where some have disability-specific business enterprise programs and others do not. In Chicago, individuals can apply for M/WBE program certification as a Business Enterprise owned by People with Disabilities (BEPD): <http://www.cityofchicago.org/city/en/depts/dps/provdrs/cert.html>.

DISABILITY AWARENESS, ACCESS & INCLUSION

Disability awareness starts with the language that we use, and there has been a lot of debate recently in this area when talking about disability. Best practices for service providers promote the use of **person-first language**, which states that a person is more than just their disability – they should be seen as a person, first. An example of person-first language would be to say “a woman with an intellectual disability” or a “person who uses a wheelchair.” However, there are a growing number of people in the disability community who use **identity-first language** because they feel person-first language portrays disability as something negative and that can be removed, when in reality it is part of one’s identity as a disabled person. As an entrepreneur with a disability, deciding whether to use person-first or identity-first language is a personal choice. Whichever you choose, it is important to use consistent language for your business and to be able to explain why you chose that language. If you have customers who also have disabilities, it is important to learn what language your customers prefer.

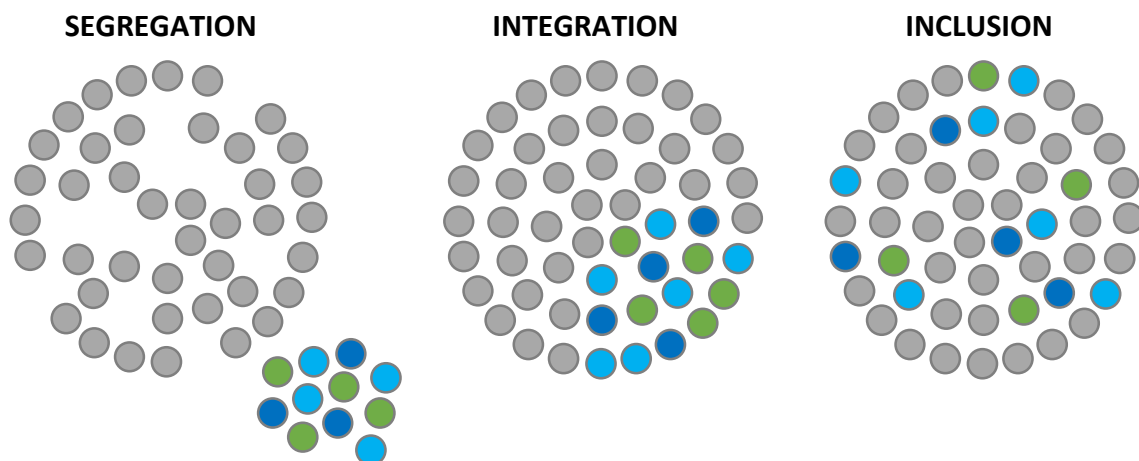
One area of concern that has gained a lot of attention in disability employment is providing access and accommodation for employees. When looking at entrepreneurs with disabilities, however, this area shifts slightly because it means looking not only looking at the work environment of the entrepreneur, but also thinking of them as an employer who will need to be knowledgeable about making accommodations for employees who have disabilities and making their business accessible for customers with disabilities.

The Great Lakes ADA Center at the University of Illinois at Chicago (UIC) has a lot of wonderful resources that can be found on their website. If you have any questions or are looking for something specific, you can call their toll-free information line, which provides informal guidance on the Americans with Disabilities Act (ADA) and Accessible Information Technology (AIT) at 1-800-949-4232. In particular, the Great Lakes ADA Center has created a guide for employers and businesses that entrepreneurs with disabilities may find helpful. Topics in this toolkit are listed below, and can be found at the following link: <http://adagreatlakes.com/BusinessToolkit/>.

“The purpose of this guide is to assist businesses and employers in locating resources and answers to questions on the Americans with Disabilities Act (ADA). Information is provided to assist employers in successful recruitment, hiring, and retention of individuals with disabilities. This guide also includes materials necessary to ensure that businesses have the information needed to better serve customers with disabilities.”

EMPLOYMENT	BUSINESS
<ul style="list-style-type: none"> • Employment Overview • Defining a Disability under the ADA • The Recruitment, Application, and Hiring Process • Reasonable Accommodations • Veterans with Disabilities • Emergency Preparedness and Using Employee Information • Responding to and Resolving Charges of Discrimination • Resources 	<ul style="list-style-type: none"> • Overview of Title III - Places of Public Accommodation • Architectural Accessibility • Serving Customers with Disabilities • Tax Incentives • Internet Accessibility • Resources

The Job Accommodation Network (JAN) is another great resource that provides guidance on workplace accommodations and disability employment issues at a national level. JAN has a wealth of online resources available, including an Access & Compliance series that includes practical guides for employers and employees for requesting reasonable accommodations under the ADA. JAN provides free consulting about technical assistance and job accommodations and can be reached by calling 1-800-526-7234 (Voice) or 1-877-781-9403 (TTY). JAN also has several resources specific to entrepreneurship, which can be found at <https://askjan.org/entre/index.htm>.



Figures like the one above are useful in understanding what inclusion means, and how it is different from integration alone. You may have heard people arguing that integration is not enough. This is because integration began as a response to segregation; when people with disabilities were separated from the rest of society in large institutions or hospitals. However, when people were integrated into

the community people realized that, while they were now in the community, they were still separated from others. This has been especially true when you look at the work settings where many people with disabilities are employed. Inclusion refers to not only integrating people into community-based settings, but in a way that they are living and working alongside people without disabilities. One of the largest concerns providers have had about self-employment and entrepreneurship is that it would not be inclusive. However, this has been shown not to be the case. Entrepreneurship involves a high amount of social participation and interaction with the community while developing and growing their business.

SELF-ADVOCACY IN ENTREPRENEURSHIP

Self-advocacy is using one's own voice to advocate for your rights and for something you believe in. It means learning to speak up for yourself and making your own decisions about your life. Some people will need support in making decisions, but their decisions should still be their own (i.e. self-determined) and learning self-advocacy skills can help do that.

For entrepreneurs with disabilities, the need for self-advocacy begins the moment they decide they want to be an entrepreneur! From when you decided to start a business through the development of your business idea, to all of the decisions involved in starting and growing your business towards a future goal, you are integrally involved in each of those decisions and self-advocacy skills make that possible. A good business structure that incorporates person-centered planning with self-advocacy principles ensures that your voice does not get lost or overlooked in the entrepreneurial process. This is particularly important when working with family members, friends, or service providers and becomes even trickier among partnerships where multiple entrepreneurs with disabilities are working together!

BELIEFS AND VALUES OF SELF-ADVOCACY	PRINCIPLES OF SELF-ADVOCACY
<ul style="list-style-type: none"> • Being a person first • Making our own decisions • Believing in my value as a person • Having other people believe in you as a person 	<ul style="list-style-type: none"> • Empowerment • Equal opportunity • Learning and living together • Institutions are bad for people • Non-labeling

Inclusion International as cited in <http://mn.gov/mnddc/parallels/seven/7c/2.html>.

ENTREPRENEURIAL SKILL BUILDING & SOFT SKILLS

There has been an increasing focus on improving **soft skills** for youth with disabilities as these skills have been found to play a role in successfully finding and keeping a job after high school. It is also an area where students with disabilities need more attention than they have been getting compared to what have more traditionally been thought of as “work skills.” Soft skills are the learned social and emotional interpersonal techniques used to maximize successful communication in more formal environments. These skills should be person-centered and include self-confidence, appropriate social behavior, and awareness and attention to other people's needs. Soft skills also include “people skills”, which center on people other than oneself such as teamwork, work or project presentation, and leadership.

The Office of Disability Employment Policy (ODEP) worked together with young adults with disabilities to create “Skills to Pay the Bills: Mastering Soft Skills for Workplace Success.” Through activities, this book helps youth with disabilities learn the following soft skills: 1) communication; 2) enthusiasm and

attitude; 3) teamwork; 4) networking; 5) problem solving and critical thinking; and 6) professionalism. These activities were created with competitive employment in mind; however, it can be wonderfully expanded to address entrepreneurship. For entrepreneurs with disabilities, soft skills are essential for conveying their business idea, approaching investors and funding organizations, working with business partners and employees, networking with other organizations and the community, building a customer base and providing customer service.

In addition, there are several **entrepreneurial skills** essential for building a successful company. One of the most important of these skills is *decision-making*. Entrepreneurs who make smart decisions, especially in uncertain situations, can successfully grow their young business. Poor decisions can cost a company a lot of money, prevent a company from achieving its goals, and sometimes even destroy a business. Some people with intellectual and developmental disabilities may have difficulty making decisions, and will need support. This area is crucial, because if they do not receive the appropriate amount of support in making decisions, they will most likely not have success in starting their venture. Most service provider organizations that work with people with disabilities have already outlined a policy for decision-making, which usually use either supported-decision making or active decision-making strategies.

5

**ENTREPRENEURIAL
SKILLS:**

1. Supported decision-making
2. Critical thinking
3. Teamwork
4. Leadership
5. Communication

The most important decisions require *critical thinking skills*. Effective critical thinking can require a lot of energy, so many people avoid it. But, an entrepreneur must embrace and practice critical thinking in order to become better at it. Critical thinking skills involve problem-solving, reasoning, and calculated risk-taking.

The next critical skill for entrepreneurs is *teamwork*. Entrepreneurs have to trust their employees and delegate certain tasks when necessary. Sometimes employees or support staff will possess skills that an entrepreneur does not, or they may be better at certain things. In these instances, it is important to support, trust, and listen to other members of one's organization. Most great ideas come from within a young business. Sometimes, you need to follow the ideas of others, regardless of their job title or position in your organization.

As well as being a good team member, entrepreneurs need to be excellent *leaders*, and this is especially true when things are not going well within an organization. A good leader must persuade other people to work together during times of uncertainty for the company. Taking a group of people with different opinions and getting them to commit to a common goal, the success of your business, is a remarkable skill. Together, teamwork and leadership are important because they involve working with other people and persuading them to unite towards a common goal.

Entrepreneurs also need to have effective *communication skills*. Everybody in an organization has to know what their job is, and how they are contributing to the success of the company. As the leader of a company, you need to emphasize this to each individual in your organization. You may think that you have been clear, but they will not necessarily understand without consistent reminders. For example, talk to them whenever you can, and explain to them the importance of their work tasks, and that other team members are relying on them to get the job done.

Decision-making, critical thinking, teamwork, leadership, and communication are five of the most important skills that an entrepreneur must possess in order to ensure success in their business venture. These skills, like almost any skill, can be improved with analysis, practice, and experience. However, it is important to remember that there are additional skills which can also assist you in your business ventures. These include opportunity creation, resource gathering, negotiation, and storytelling.

PROFESSIONAL PRESENTATION

Resume Building

It is important for you, as an entrepreneur, to market yourself as a professional. To do so, you should have a resume of your skills prepared. Your resume should include your biographical information, such as your name and contact information. Your resume should also include important information in headings, such as Education, Work Experience, and Skills. Your resume should list your accomplishments and highlight how you have assisted your former companies/employers in solving problems or meeting goals. Your resume should also list your experiences, and tell your story. Your resume should be typed, organized using headings, and be in chronological order. There is no set format for a resume and there are many sample resumes online to guide professionals and entrepreneurs.

Dressing Professionally

While hard work, knowledge, and skills are the most important part to running a successful business, how you present yourself is also a significant part of getting people to see you as a professional. Some entrepreneurs find they may need to adjust how they dress according to the situation and the particular industry they are in. As a general rule, dressing professionally can be broken down into two categories: business formal and business casual.

Business formal usually means wearing a two-piece, matching suit. Suits can be quite expensive; however, it is recommended that entrepreneurs own at least one, two-piece suit in a conservative color such as navy blue, black, or grey. You can generally find a cheaper suit at places like Burlington Coat Factory, Macy's, or Nordstrom Rack in the range of \$150.00. Thrift stores also carry business clothes, but try to get a suit top and bottom that match as closely as possible in the same color.

If you are in a situation where "business casual" is the appropriate dress code, then entrepreneurs may relax the formality of their clothing, but it still must be professional. This involves wearing a formal bottom, like dress pants or skirt. However, in addition to the darker colors listed previously, the bottoms can also be khaki. In business casual, one doesn't have to wear a coat or tie at all.

For both business formal and business casual, it is important to ensure that an entrepreneur's appearance is neat and clean. This means making sure that their clothes are ironed so there are no wrinkles, their hair is combed, their nails should be trimmed with no dirt under them, their breath should be fresh, and if they are wearing perfume or cologne it should not be too strong. For some entrepreneurs working with people with disabilities who may have chemical sensitivity, they may need to find an unscented substitute for perfume, cologne, or deodorant.

It is important that entrepreneurs with disabilities be taken seriously in their professional life, and dressing professionally will go a long way to making clients and customers respond positively to them and respect them as a business person.

UNDERSTANDING THE MANAGEMENT PROCESS

The management process refers to you handle the day-to-day operations of your business. It involves identifying and setting goals, planning how to accomplish these goals, and finally executing that plan. The management process often relies upon a patchwork of disability services and supports. For example, you may use existing disability planning documents in lieu of business planning, such as benefits or PASS plans, IEP/transition plans, or MAP/PATH plans. Also, you might obtain legal advice or services from your state's protection and advocacy organization, or you may appeal for assistance with accounting and financial matters from a caseworker managing your special needs trust. Moreover, you may use personal assistance hours provided by the state to help you with business services such as assistance with creating marketing materials or packaging and distributing their products. These are all legitimate uses of such services as entrepreneurs work towards the goal of becoming financially self-sufficient. Such services can be instrumental (and often are essential) to entrepreneurs with disabilities in starting out. However, they can become problematic if the business does not grow beyond that initial reliance on disability services. There should be a plan created to replace essential business services with formal positions in the future, as your business grows and begins to make a profit. This will be discussed more in **Chapter 8: Sustainability, Strategy & Supports**.

DIGITAL LITERACY SKILLS

Digital literacy is demonstrated skill in the use of technology such personal computers, smart phones, and tablets. Knowledge in this area includes navigating the internet or software programs, and engaging with a variety of these platforms through their specific interfaces. For example, ways to enter or access information and remotely communicate with other agencies or individuals. Platforms include social media, research databases, streaming entertainment media, or electronic commerce. Digital literacy has become a necessary part of gathering information and engaging with businesses and social communities. Yet, many people with disabilities have not had the same opportunities as people without disabilities to learn and develop digital literacy skills. This is known as a "digital divide" and is largely the result of barriers in accessing technology. These barriers may be because a website or software is incompatible with screen readers, or because some special education programs have not included curriculum that involves working with computers, or because someone relies upon their public library and/or public transportation in order to get a computer where they can use the internet. There are many exciting things that can be done right now to create opportunities for entrepreneurs with disabilities to learn digital literacy skills that will help them start and grow their business: from basic essential skills that address online privacy, safety, and word processing; to more advanced skills like logo design, social media, and even coding or designing apps. Within the past year there has been increasing attention in supporting people with disabilities who are interested in STEM careers (Science, Technology, Engineering, and Math), and this certainly includes entrepreneurs! If you, as an entrepreneur, have interests that fall in one of these areas, it might be a good strategy to connect with other individuals and organizations doing work in this area who can bring additional resources and support to your team.

For example, No Boundaries is a program in the Chicagoland area designed to help transition-aged youth and adults with disabilities find integrated employment through “experiential on-land and on-line” learning. This tuition-based program is a collaboration between JJ’s List and Search, Inc. and includes learning self-advocacy and digital literacy skills among others, and provides opportunities for internships and mentoring. While the program was not designed specifically with entrepreneurship in mind, it can be customized to an individual’s personal goals and has a lot of elements that entrepreneurs may benefit from, such as elevator pitch, smart with money, and problem solving.



BARRIERS & FACILITATORS

There are three barriers that entrepreneurs with disabilities tend to run into when it comes to **Disability Awareness, Advocacy & Professional Presence**: 1) the accessibility of business services; 2) skill building opportunities; and 3) perceptions related to type and severity of one’s disability.

Since many organizations that provide business services, such as Small Business Development Centers, receive public funding, they should be compliant with the Americans with Disabilities Act (ADA). However, it is not uncommon for entrepreneurs to run into problems with inaccessible entrances or not having a sign language interpreter available, as well as finding the materials may not be available in accessible formats such as in large print, braille, for screen reader use, or in plain language formats. This can be done by working together with your local ADA Center to make sure that your local SBDC is accessible to people with disabilities!

Entrepreneurs with disabilities often do not have the same access to skill building opportunities as people without disabilities. In the early stage of entrepreneurship, you can explore and learn new skills that can help to identify and refine your ideas as they develop and eventually grow your business. It is understandable that this can also feel overwhelming, but don’t worry. You do not have to do it alone! In fact, connecting with others who have different areas of expertise that can help you learn is a great strategy for building your social network and creating mentorship opportunities, as we will discuss more in **Chapter 6: Mobilizing Resources, Mentorship & Networking**.

We have touched some already how the stigma of disability can affect entrepreneurship. In particular, the type or severity of someone’s disability can lead others to question their competency as a business person. This is where self-advocacy makes a big difference. You should think about self-advocacy as a skill that can be learned and practiced. The more you do it, the better you will get at it! Service providers, family members, and support persons can also help to advocate for you and with you as you learn how to advocate for yourself.

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [ADA Checklist for Existing Facilities](#)

- Great Lakes ADA Center [Business Toolkit](#)
- Job Accommodation Network [Access & Compliance Series](#)
- [Skills to Pay the Bills: Mastering Soft Skills for Workplace Success](#) by the Office for Disability Employment Policy (ODEP)
- [No Boundaries](#) program by JJ's List and Project, Inc.
- [Google Impact Challenge: Disabilities](#)
- [DigitalLiteracy.gov](#)
- [Resume & CV Resources](#) by Purdue Center for Career Opportunities (CCO)
- [Dress to Impress: Business Casual vs. Professional](#) by Purdue CCO Career Blog

OUTCOMES TO EXPECT

- A resume
- Increase in self-advocacy skills
- Increase in business-related soft skills
- Increase in entrepreneurial skills
- Increase in digital literacy skills

SUMMARY

- Understand and explain the significance and influence of different models of disability.
- Think critically about self-advocacy as a set of skills that need to be learned.
- Understand and explain the significance and influence of presenting oneself professionally.
- Recognize, describe, and explain essential skills for entrepreneurs including: resume building, soft skills, interviewing, and where to ask for additional help in professional skills (e.g. computer literacy).

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Kayla spent several years working in a sheltered workshop before finding work volunteering at a local animal shelter. She loves working with animals, but wished that it paid because she wants to move to an independent apartment with her boyfriend. Kayla knows a lot of people in her neighborhood who have pets, so she decided to start a dog walking and pet sitting business. Kayla doesn't have a resume or paid work history.
 - a. Can Kayla use her experience at the animal shelter to show customers that she can be trusted to care for their pets?
 - b. What are the top three things Kayla needs to learn about to help her to help her with her business?
 - c. What steps do you think Kayla needs to take next?

2. Jonathan is a young man who has multiple disabilities. He is non-verbal and uses assistive technology to communicate. He loves technology and working on his business, which is an app that helps people find and rate accessible restaurants, entertainment, and activities in their area. He has a lot of help and support from his family and friends as well as a personal assistant and job coach. With this support, he can really put his ideas into practice. However, with so many hands helping, Jonathan sometimes feels like his voice gets lost in the process and he doesn't get to make the final decision on things.
 - a. Would learning self-advocacy help Jonathan?
 - b. What are the top three things Jonathan needs to learn about to help him with his business?
 - c. What steps do you think Jonathan needs to take next?

WORKSHEET

What are your company's core values?

1. _____
2. _____
3. _____
4. _____
5. _____

What language do you prefer to use?

- Person-first language
- Identity-first language
- Other: _____

What language do your customers prefer you use?

- Person-first language
- Identity-first language
- Other: _____

Which of the following steps will your business take to be inclusive?

- I will hire employees with disabilities.
- I will hire people from other minority groups (e.g. veterans, people of color, women, LGBTQIA).
- I will make sure my marketing materials are accessible, and that the places I market my business are accessible, both in-person and online.
- I will make sure the places that sell my products and/or services are accessible, both in-person and online.
- If the places where I want to market or do business are not accessible, I will advocate so that they become accessible to people with disabilities.

Are there any other steps you will be taking to make your business inclusive?

Which of the following accessible formats will your business use? (check all that apply):

- Large print
- Braille
- Audio
- Plain language/ Easy Read
- Electronic/ E-text
- Described video
- Closed captioning
- Live captioning
- ASL interpreter
- Web accessibility/ W3C

How would you say you are at the following skills?

	😊 Good	😐 Okay, but could be better	☹️ Not very good
Business Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Entrepreneurial Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Soft Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Self-Advocacy Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Digital Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For those areas where you need to improve your skills, let's brainstorm 3 to 5 steps you could take to get better!

1. _____
2. _____
3. _____
4. _____
5. _____

How do you like to make decisions?

How do you want to communicate your entrepreneurial decisions to the people you are working with?

CHAPTER 4

Marketing





MARKETING

This chapter will discuss the importance of marketing for entrepreneurs with disabilities. In particular, you will learn about markets and how to “pivot” your business to be effective. You will also learn about what market segmentation is, what the targeting process is, and why they are important.

KEY TOPICS

Starting a business can be very simple in today’s digital world. In 2015, a start-up company can create a product or service and sell it on their website. However, it is not a simple task to attract customers and make a profit for a sustained period of time. As an entrepreneur, you want to make sure that your product will be a success, and you must do research to find out what customers need, and raise customer awareness through marketing to help promote your new business idea. Customers want to know that the marketing is relevant to them and the things that they are interested in.

THE MARKET & MARKETING PROCESS

The goal of marketing is to promote a brand, product, service, or business, and to establish a long-term relationship with customers. The key components of marketing strategy are known as the **Marketing Mix** or the “5 Ps”: *people, product, price, place, and promotion*. For service marketing, two additional P’s have been added to account for *process* and the *physical environment* (i.e. the “7 Ps”). These can be expensive for a new business venture, therefore entrepreneurs must create positive relationships with their customers by giving them what they want, when they want it, and in the way that they want it. This can be accomplished by doing market research. There are two kinds of customer research methods: primary and secondary. Entrepreneurs may want to start with secondary research first, as it is more cost-effective, in order to identify their target customer and get a big-picture idea of the market before doing more specific (or “targeted”) primary research.



Secondary Customer Research

Secondary customer research is research done using information from sources such as the internet and libraries. It is an effective method of determining your target customer. A **target customer** is the customer who could benefit the most from your business idea. Secondary research can help find not just the biggest potential market, but also any unserved niche markets, which may help you remove direct competition and enable you to grow your business. Information about U.S. census data will be extremely useful to learn about the growth of certain geographic regions, the trends in the age of a population, and the skillset of a specific region. Other useful secondary resources include local chambers of commerce and Small Business Development Centers (SBDCs) located in specific communities.

Primary Customer Research

Unlike secondary sources, where you are gathering information from research that has already been conducted, primary customer research is the research that you personally conduct. Primary research is essential for new businesses as having expert knowledge of the demographics and characteristics of a market will help you to understand what *your* customer wants. If you understand what the customer wants, you can solve the right problem, and customers will pay you for this solution.

Primary customer research involves talking with current or future customers or with distributors and retailers who do business with these customers. The objective is to learn about the growth of the market, which customers are in the most “pain”, how customers make purchases, and how often customers make those purchases. Ultimately, the goal is to learn how you can meet the demands of these customers. This kind of research can be accomplished by doing informal focus groups, online or in-person surveys, and phone surveys.

MARKET SEGMENTATION & THE CUSTOMER MATRIX

Market segmentation is a marketing strategy that takes a broad market and divides it into narrower categories. As an entrepreneur, segmenting your target market is an important strategy for early growth. You want to identify and isolate the customer in the biggest need of your product or service. Segmenting the market will help you accomplish this task. First, you should create a customer matrix to identify the different types of customers who would purchase your product or service. Then, identify four key areas related to each customer: the “pain” they are in, the benefit they would receive from your product or service, the distribution channel that would deliver your product or service, and the current businesses against whom you will compete for your customers’ resources. A customer matrix will enable you to identify your target customer as well as other customers that you can attract later.

In addition to a customer matrix, creating a customer profile will help in developing the marketing plan because it helps visualize the people that you are trying to reach and how to better reach them. A customer profile typically includes factors such as age, income level, education, purchasing habits, purchasing locations, and purchasing methods.

PIVOTING YOUR BUSINESS

Often times, the research data will force you and your team to adjust some of your hypotheses and conduct more tests. This means the process of market testing and tweaking your business ideas can take several cycles before you create that perfect product or service for your target customer. The process of changing directions in your business plan is called “pivoting.” Pivoting happens quite often, and it does not reflect a failed business or a diminished product. In fact, there have been many famous examples of companies which were saved because of pivoting! Companies like Wrigley, Nintendo, Hewlett-Packard, Nokia, Instagram, and Twitter all became household-names because they understood that they could maximize their growth and profits by changing their model. Starbucks is possibly the most famous case of a company achieving wild success after pivoting. In 1971, Starbucks was a company that sold espresso makers and coffee beans. A decade later they evolved into a coffeehouse business, and now they are a brand that can be found throughout the United States and in many parts of the world.

DISABILITY AS A MARKET

For people with disabilities, marketing raises an interesting concern if the target market they want to reach are other people with disabilities. This is because there is such a large rate of income and asset poverty among people with disabilities that some worry it is not financially viable or socially responsible. In other words, there are two misunderstandings that are commonly made: first that a business targeting disabled consumers will not be profitable, and second that a for-profit business may be seen as exploiting a financially vulnerable population. However, market research has shown that people with disabilities, their families, and associates actually represent a huge consumer group. People with disabilities have buying power projected at \$200 billion and, together with family and associates, are a trillion-dollar market segment. Making a profit all depends on how the business is positioned! To tap into this market, one should consider additional revenue streams, such as public benefit reimbursement in addition to the disability consumer market. There is a growing interest in serving people with disabilities as a market, and entrepreneurs with disabilities can use their personal experience with disability to gain a competitive advantage. Further, because of the aging of the population, the number of people with disabilities will be increasing. As a result, this is a market that is still growing.

The figure on the right can be a useful tool specifically for entrepreneurs with disabilities in deciding how they want to position their business relative to the disability community on three elements: 1) being owned by a person with a disability, 2) employing people with disabilities, and 3) serving people with disabilities. There are benefits to each element, and a business that is positioned where they intersect should result in those benefits combined.



Two terms that you hear often when talking about the disability market are the “business case for disability” and the “return on disability.” The business case on disability is an argument used to encourage businesses to hire and retain employees with disabilities. Further, it argues that businesses cannot afford to overlook people with disabilities if they want to remain competitive in the market.

The “return on disability” argument suggests that there is a significant “return on investment” (ROI) for hiring and retaining people with disabilities. This means that if a business puts money and resources into hiring employees with disabilities they will get just as much back and more. It tells them that their effort will be worthwhile. When looking at the “return on disability,” market research found that 25%⁹ of large companies were interested in tapping into the disability market. However, these companies were not allocating the necessary resources to make that actually happen. Entrepreneurs with disabilities can take advantage by filling this gap either themselves, or by partnering with larger organizations that do not have the same amount of experience in the disability community who can allocate resources and/or fund the business’ start-up efforts.

⁹ Donovan, R. (2014). Annual Report: The Global Economics of Disability. Return on Disability: Creating Value Through Disability.

THE MARKETING PLAN

The marketing plan provides a structure for new businesses who want to build customer relationships. A marketing plan can be used for the introduction of a new company or for the launch of new products or services in an existing one. It can also be used when a company wants to pivot into a new direction. It is important to make sure the marketing plan remains consistent with the long-term goals and objectives of the company. A Small Business Development Center (SBDC) will be able to help you with your market analysis and in developing a marketing strategy and plan for your business. This often involves completing a **SWOT analysis**, which assesses a business's *Strengths, Weaknesses, Opportunities* and *Threats* in the market. Strengths and weaknesses refer to things that are internal to your business, whereas opportunities and threats are external social or environmental factors that may affect marketing efforts.

A marketing plan can take several different formats depending upon the needs of your business, but in general they follow the milestones outlined below:

1. **Executive Summary**
2. **Current Marketing Situation**
 - a. Goals & Objectives
 - b. Customer Profile
 - c. Competitors
3. **SWOT Analysis**
4. **Marketing Strategy**
5. **Action Programs**
6. **Budgets**
7. **Controls**



MARKETING STRATEGY

There are numerous marketing strategies available to you as an entrepreneur. Because entrepreneurs tend to have more limited resources than large corporations, their marketing approach also tends to be different! You may choose to use more than one marketing strategy, or develop alternative marketing strategies to help pivot your business. Several marketing tactics available to entrepreneurs include *customer referral* or *“word-of-mouth” marketing*; *giveaway marketing*; *digital marketing*; and *marketing at trade shows and exhibitions*.

Customer referrals are the most effective marketing tools because they are free and they gain additional customers. Customers gained through word-of-mouth advertising tend to be more loyal and generate higher revenues than other customers. Remember that word-of-mouth referrals involve face-to-face communication. Facebook ‘likes’ and Yelp ratings do not count as word-of-mouth referrals because a level of trust has not been established.

In some contexts, giving away free products or services can be beneficial to the growth and long-term profitability of a business. However, it is important to only give away limited consulting or sample products when you believe the customer is likely to return and when the cost of the product or service is low. If the product or service is too expensive, it reduces the likelihood of repeat customers. Also, remember that giving away free products or services naturally lessens the credibility of the product or service in customers’ eyes.

Digital marketing on the internet and using social media can be beneficial to a marketing plan. These methods are powerful because they can be distributed to a targeted audience. However, advertising via the internet can become an expensive endeavor. It is important to learn exactly how much it costs to acquire a customer via internet ads. Inexpensive advertising outlets on the internet can include blogs, twitter, email, e-newsletters, podcasts, Facebook, and YouTube. If used effectively, internet ads can meet, and even surpass the attention that you are seeking. Successful internet marketers make sure that their ads provide an element of free products and services, make it easy for users to pass the message to their friends and family, make sure that their email server can handle the traffic, and take advantage of existing social networks.

Finally, attending trade shows and exhibitions is important for the marketing of many types of products or services. These places are excellent locations to meet and negotiate with sales representatives, and also to find out who the competitors are and what they are doing. If interested in selling a product or service at a trade show, you may want to consider renting a space and hiring someone to assemble an attractive-looking display booth. You should visit a trade show first so that you can see what is effective and what is not.

PRODUCT DEVELOPMENT & BRANDING

When it comes to developing a product or service, entrepreneurs go through four stages: 1) customer identification or discovery, 2) customer validation, 3) design, and 4) going to market. In the first stage, an entrepreneur must identify a problem that potential customers have and then come up with a solution to that problem. This can result in an improvement on an already existing product or the creation of a totally new product. The second stage of customer validation is where an entrepreneur will find out if they have the correct solution for the targeted customer. Depending upon the outcome, the entrepreneur can then determine whether the solution can be produced, how much it will cost, as well as the total time it will take to produce.

With regards to design, it is important to determine whether that product will need to be protected. This is information that a lawyer who is experienced with intellectual property law can help you decide. If the product does need to be protected, the entrepreneur will need to create preliminary drawings that can be used to apply for a patent. Patenting can be expensive, and defending a patent in court even more so. This is why many entrepreneurs choose to protect their products in other ways, such as using trade secrets. Entrepreneurs will also need to build a working prototype of their product. The prototype does not have to closely resemble the final product in appearance, but it should resemble the function of what you are trying to protect. This prototype will help you communicate your idea to customers and potential investors. A business that offers a service will likely not have a physical prototype, but their design will instead resemble a storyboard or a flowchart that explains the service to its customer and potential investors. Entrepreneurs will also want to think about what copyrights and trademarks they will need to secure in order to protect their intellectual property. For example, their logo and brand identity.

From creating a marketing plan, to product development, to customer service . . .

KEEP ACCESSIBILITY IN MIND!

Be sure that your products, marketing strategy, and marketing materials will be accessible to people with a variety of disabilities. Also be aware of how inaccessibility can affect your marketing. For example, if you are relying on Facebook to reach customers, because of its difficulty for people who are blind or low-vision, you will likely have trouble reaching those customers.

When bringing a product to the market, a strong brand communicates what the company does and, at the same time, begins to establish trust with customers. Developing a strong brand requires the entrepreneur to communicate the uniqueness of the company. Branding can also be used as a mechanism to grow the community of customers and other stakeholders around the business. This will create a sense of trust and credibility among loyal customers. Having a creative name and logo makes it easy for people to recognize a company when they look at business cards, websites, products, etc. A lot of times when people think about a brand, they remember its logo or a catch phrase or jingle that conveys the company's brand messaging and reinforces their market positioning. When thinking about creating a brand, it is important to be consistent. Do not change the message when trying to reach out to new and different audiences! This will confuse all of the potential customers. At some point it may become necessary to change and re-brand the business in order to pivot it. However, this should be done deliberately and consistently. Perhaps the most important part of branding is to keep promises. Happy customers are the best source of referrals. If your business promises to deliver a product within three days, make sure you can deliver!

SALES & CUSTOMER SERVICE

Once your business is up and running, remember that while the focal point is selling to customers, you must interact with the customer in the process. The quality of your customer service is therefore very important to attracting people to your new business and building customer loyalty and satisfaction with your brand. Customers have many options in the marketplace, and when they choose to buy a particular product, they expect to get what they pay for and to be treated with professionalism and respect.

In this digital age, customer service becomes even more important especially with the ease of writing online customer reviews through forums such as Yelp or through social media platforms. A particularly bad review can go viral, and can turn the public away from ever considering buying from your company.

In order for a business to provide the best customer service it can, it should ensure that all employees who interact face-to-face with customers (not just in person, but online and over the phone), provide the best experience possible for the customer. This includes training employees to be knowledgeable about the products or services being sold, and to be patient and professional in addressing customer questions and concerns.

A business must make its customers happy. But the old saying, "the customer is always right," does have its limits. When dealing with a difficult customer try keep your cool, to communicate your policies clearly, and to actively listen to their concerns. However, also remember that you cannot please everyone and if you have attempted to address a customer's issue, but they are being unreasonable, you cannot allow that one customer to monopolize your energy and focus. Attempt to diffuse the situation and, if all else fails, give them a refund if it will allow you to be done with a difficult customer.

The way you interact with customers and the service they receive from your employees will have an impact on their satisfaction with your company, and it will impact the likelihood that they will buy from you again or recommend you to their friends and family.

CO-MARKETING & CO-PROMOTION

Some Disability Community Agencies (DCAs) will be interested in co-marketing or co-promoting with the entrepreneurs with disabilities that they are serving and supporting. **Co-marketing** is when two companies work together to collaborate on a co-branded offer that promotes both of their products or services, which are still sold separately. **Co-promotion** is when two companies work together to promote a product or service under one brand name. An example of co-promotion can be found in *Super Bowl XLIII Goes 3D*. Intel, PepsiCo, and DreamWorks collaborated to create a 3D double-play for the Super Bowl, wherein a 3D television spot promoting DreamWorks aired that required viewers to use new technology 3D glasses developed by Intel, and which were distributed prior to the game solely via PepsiCo SoBe Lifewater branded products. In effect, the offer itself promoted each of the brands that were collaborating by requiring the parts to create the whole. An example of co-marketing can be found between General Mills and Nestlé when they released *Pillsbury Brownies with Nestlé chocolate*. By using ingredient co-branding, this marketing strategy increases the attractiveness of the offer for customers loyal to the brands. In effect, this is attracting Pillsbury customers to Nestlé products, and Nestlé customers to Pillsbury products.

The benefits of co-marketing and co-promotion lay in reaching a larger share of the market by combining resources under one marketing strategy. As such, they may also be used as cost-effective marketing strategies in some cases. However, there are some concerns to consider when deciding to co-market or co-promote. First and foremost, neither of these strategies should be viewed as a way to recoup value for services provided. This is an area where it is easy to get tripped up. These services and supports are being provided as part of the organization's employment services program, as such using such arrangements for reimbursement would be similar to "double charging" people for a service. Second, it is important that entrepreneurs with disabilities voluntarily decide to participate and not feel pressured into it. For someone with a disability starting a business, they may see the opportunity to collaborate and pool resources as something that is either "too good to pass up" or perhaps that declining an offer from their DCA may appear unappreciative or ungrateful. Further, they may believe the services and support they are receiving are contingent upon their agreeing to co-market or co-promote. Many do not realize that this would only be the case if the DCA had provided a microenterprise grant to the entrepreneur and that were a condition of the grant. Third, when deciding whether or not to use one of these strategies it is important to make sure that it is consistent with both businesses' mission statements. These concerns can and should be addressed by drafting a co-marketing or co-partnership agreement in plain language and having both parties sign it.

Finally, it bears mentioning that the successful marketing of a business started by an entrepreneur with a disability will, by association, serve to positively promote the DCA that has facilitated their entrepreneurship. So rather than thinking of entrepreneurs with disabilities as being a "burden" on organizational resources, it is beneficial to look instead at the value they add to the organization.

BARRIERS & FACILITATORS

As an entrepreneur, one of the barriers you may encounter in **Marketing** is whether or not to disclose your disability, because it could affect the way that people see their business. While disclosing your disability can be used as a marketing tool to get potential customers' attention and persuade them to buy your product or service over a competitor's, it can also be problematic since people are so used to thinking of disability as charity. As a result, when they are approached by an entrepreneur with a disability selling their product or service, it can create confusion when they ask where their money is going to. Some people even get upset when they find out the entrepreneur is keeping the profit, and do not realize the amount of work it is taken for that individual to get there.

You may also run into difficulties if people misuse your logo or brand identity to promote their own organization without your knowledge or consent. In particular, we have seen this happen with one social entrepreneur, Stevie Hopkins of 3E Love (<http://www.3elove.com/>), whose trademarked wheelchair-heart logo is continually being used by charities and causes without his permission. The BIG problem here is that the missions of those organizations often go against everything that the social mission of the business stands for, and as a result is devaluing their brand identity and diluting their customer pool. Instead of embracing, educating, and empowering people with disabilities, many of these organizations seek to fix or eliminate people with disabilities.



It is important to develop a clear mission, and to practice conveying that mission to potential customers. For example, by working on and practicing your elevator pitch. You can also practice your customer service skills, and focus on how and when to balance those with self-advocacy skills.

When it comes to marketing, the digital divide and accessibility may also pose a barrier for you and your business. In society today, a lot of marketing happens online and anyone who is lacking skills using computers, the internet, or social media will be disadvantaged in the marketplace whether or not they have a disability. Add to this the fact that many websites, software, and apps don't have accessibility features necessary for users with disabilities to use them, and it places entrepreneurs with disabilities at an even greater disadvantage. Service providers are in a wonderful position to help facilitate access to technology and learning how to use it, and are an excellent resource for entrepreneurs to work with!

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [Marketing 101](#) and [Marketing 201](#) by the Small Business Administration (SBA)
- [The Business Case for Hiring People with Disabilities](#) by the Employer Assistance and Resource Network (EARN)
- [The Business Case](#) by Think Beyond the Label
- [Creating Value Through Disability: 2014 Annual Report](#) by Return on Disability

OUTCOMES TO EXPECT

- Target Customer & Customer Profile
- Market Analysis
- SWOT Analysis
- Marketing Strategy
- Marketing Plan
- Logo & Brand Identity
- Intellectual Property Protections
- Business Cards & Marketing Materials
- Co-Marketing or Co-Promotion Agreement (when necessary)

SUMMARY

- Understand and explain the significance and influence of market positioning.
- Explain the relationship between market segmentation and the targeting process.
- Think critically about their role in marketing and what supports they need.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Priya is a young woman of short stature and has recently started a business designing clothing for other people of short stature. Her father works in marketing and has helped her with her logo as well as with setting up a website and an Etsy page to sell her clothing on. However, Priya doesn't have enough customers. She's finding herself with more down time than she likes. Priya also wishes she could make more clothes, but she cannot seem to sell all of the ones that she already has.
 - a. Is Priya doing a good job of marketing her business?
 - b. What are the top three things Priya needs to learn about to help her with marketing?
 - c. What steps do you think Priya needs to take next?

2. Last year Chris started a business making and selling coffee. He knows that there are two other people with disabilities in his city who are selling coffee, but he feels his is different because he focuses on using quality, organic ingredients that he sources himself to make coffee for the same price as his competitors. He also focuses on selling his coffee at local farmer's markets and in a local organic grocery store chain.
 - a. Is Chris doing a good job of marketing his business?
 - b. What are the top three things Chris needs to learn about to help him with marketing?
 - c. What steps do you think Chris needs to take next?

WORKSHEET

What is the size of the market your business is in?

How many people may be interested in this type of product and/or services? _____

How much is spent on this type of product and/or service each year? _____

Is this market: Getting bigger Getting smaller Staying the same

What are the different parts of this market (segments), and which will your business be focusing on?

What is your “share of the market”? (You may need help from an SBDC provider to figure this out):

What is your customer profile? In other words, what do you know about your target customer? Try using the Five Ws (Who, What, When, Where, Why):

Who are they? _____

What are their buying behaviors? _____

When do they buy or need services? _____

Where are they located? _____

Why do they buy or seek services? _____

What information do you still need to know about your target customer?

What are 3 to 5 things you can do to find the information (research) you need to know about your target customers?

1. _____
2. _____
3. _____
4. _____
5. _____

What will your product and/or services be?

What benefit would your customers receive from purchasing your product and/or services?

Who are your competitors?

Will your product and/or services need intellectual property protection? (To find this out you may want to talk to a lawyer to learn what your options are):

- Yes
- No
- I don't know

What is your strategy for pricing your product and/or services? Do you want it to cost the same as your competitors, or less, or more? (This may be something you want to discuss with an SBDC provider):

Where will you be selling your product and/or services? What is the best way you think you can reach your customer?

Brainstorm 3 to 5 ways that you can promote your product and/or services?

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

Where do you want to position your business in the disability community? (check all that apply):

- It is a disabled-owned business enterprise.
- I want to hire people with disabilities.
- I want to market my product and/or services to people with disabilities.

How have you branded your business?

- I have a name for my business.
- I have a logo and/or trademark.
- I have a slogan, catch phrase, and/or jingle.
- I have asked potential customers (researched) what they think about my company name, logo, and slogan to find out if they liked it and thought it was a good fit for what my business does.
- I have checked whether my name, logo, and slogan need any legal (intellectual property) protections.

Let's do a SWOT analysis! What are your businesses' strengths, weaknesses, opportunities, and threats?

STRENGTHS:	WEAKNESSES:
OPPORTUNITIES:	THREATS:

What are your competitors' strengths and weaknesses?

Have you met with your local SBDC to do a market analysis?

- Yes
 Not yet, but I will
 No

Have you met with your local SBDC to write up an in-depth marketing plan?

- Yes
 Not yet, but I will
 No

Are you interested in co-marketing or co-promoting?

- Yes, I am interested in co-marketing.
 Yes, I am interested in co-promotion.
 Yes, I am interested in both.
 No.

If you answered yes to the question above, you will need to have a co-marketing or co-promotion agreement so that your rights are protected. That means there should be nothing in the agreement that you don't agree with. This document should be written in plain language if you need that accommodation, and both parties making the agreement will have to sign this document. You may want to consult a lawyer before making a co-marketing or co-promotion agreement.

CHAPTER 5

Business Planning





BUSINESS PLANNING

This chapter will focus on the ins and outs of business planning. You will learn about the benefits of business planning, when to do or revise a business plan, and why to do it. This chapter will also discuss the structure of a business plan and what information it should include.

KEY TOPICS

A business plan is a process of strategic decisions that entrepreneurs implement with the goal of earning profit. Entrepreneurs can gain several benefits from creating a business plan for their startup venture. A business plan provides a clear statement of your vision and sets out the core values of your business. This will help provide the structure for you to stay focused on the goal of monetizing your idea. Next, a business plan describes the industry in which your business will operate and details how you will achieve success. It includes the strengths and weaknesses of your company as well as the strengths and weaknesses of its competitors. It also offers a description of your target customer and the products and services that you provide, as well as how you plan to stay profitable. In doing so, a business plan will highlight your marketing strategy for attracting customers. Accordingly, all of the research and information provided in the marketing plan will also be included in the business plan overall.

A business plan acts as a timetable to help you achieve your goals! This can be beneficial to keep your vision on track and monitor performance as you complete various benchmarks along the path to launching your company and growing it further on down the road. It is important to remember that although your business plan assists you during the early stages of developing your company and expressing its vision and goals to potential investors, business plans are also very beneficial for guiding the direction of your business in the future. A lot of entrepreneurs with disabilities make the mistake of thinking of their business plan as an unchanging document that is made when they are just starting out, and usually it is done for a specific purpose. Often times this is to apply for self-employment assistance or small business grants. As a result, entrepreneurs with disabilities will create a very specific type of business plan that results from filling out forms for assistance, and then never use it again or update it. What usually ends up happening is that a year or two later the entrepreneur may find themselves facing a situation that could have been addressed proactively through business planning, but which has since become a larger problem.

In today's world, not every entrepreneur will need a traditional business plan. In fact, often in the tech world an investor will ask for what is called a *pitch deck* instead of a full business plan. A pitch deck is a compilation of slides that summarize the essential information on the company. It is like a PowerPoint version of the executive summary of the business plan. However, in order for an entrepreneur to be able to produce the pitch deck, they need to have done the background research for it. This means that even if entrepreneurs may externally communicate with a pitch deck instead of a full business plan, they still need to have that plan figured out for themselves to be able to convincingly talk about their business and to compile the deck. Even if an entrepreneur feels they do not need a full, traditional business plan, they still may need a financial plan, a marketing plan, and a support plan along with some of the components of a more traditional business plan. In short, the format of your business planning should meet your needs and make sense for your business!

COMPONENTS OF A BUSINESS PLAN

In developing a business plan, there are seven major components that need to be taken in to consideration: 1) the value proposition; 2) customer segments; 3) distribution channels; 4) business activities and resource requirements; 5) strategic partners; 6) revenue sources; and 7) cost drivers. We will go over each component to explain what it means. Implementing these seven elements into your business plan will help you provide a clear statement of the vision and core values of your business. You should note that, depending upon the businesses mission, some of these components may turn out to be seemingly unimportant. What is important, however, is that you take the time to think about that component before deciding not to include it. This practice will help to strengthen your business plan overall and may lead to ideas that would otherwise have been overlooked.

Value Proposition

The value proposition is the benefit that a customer receives from using a product. It is the reason why customers go to your company instead of going to a competitor. When creating a value proposition, you have to find out what the customer values, and use that to differentiate yourself from your competitors. Take an example from the transportation service, Uber. Uber knows that people who use taxi services value the convenience of finding a taxi as quickly as possible. By using a smartphone application feature, Uber can connect to its customers quickly and meet them at their desired pick-up location. Uber has become a successful business venture because it identified a “pain” that its target customers had, and created a value by relieving that pain. Value propositions are clear statements that can be found in products, services, prices, and images.

As discussed in **Chapter 1: Entrepreneurship, Motivation & Discovery**, in social entrepreneurship there is also a social value proposition that is central to the mission of the business. Whereas a value proposition is usually something that is measurable, social value is harder to measure. This is because you want to see the impact that the business is having in addressing the social problem or need in the community and generating social value.

One example of a value proposition could be found at Tim’s Place, a restaurant in New Mexico serving up “breakfast, lunch, and hugs seven days a week!” Customers come from far and wide to visit Tim’s Place and get a hug from owner Tim Harris. In fact, they have even installed a hug counter in the restaurant, and people love to have their photo taken with Tim in front of it. Even President Obama has gotten a hug from Tim, which you can see video of here: <https://youtu.be/AqTIHMOVYs0>. Tim’s hugs have a perceived value, and one that has become sought after and can be counted. More importantly, people can only find one at Tim’s Place.



Photo of Tim Harris and his hug counter, from News.com.au.

Customer Segments

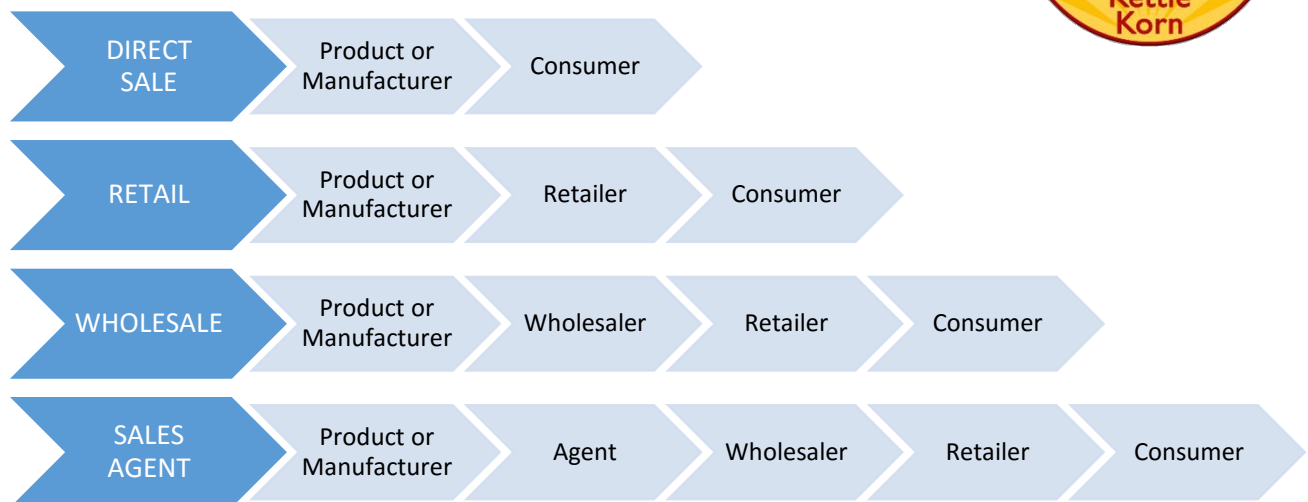
As discussed in **Chapter 4: Marketing**, customer segmentation is important for entrepreneurs because it identifies a narrow group of target customers who are most likely to use your product to solve a “pain” that they have. One mistake that entrepreneurs typically make is that they define their target market

too broadly. If your company’s target market is too broad, your business will not reach all customers within that market. Individual customers have different needs and purchasing behaviors, and want to be reached through different means. Individual customers also belong to different age groups, income levels, and cultures. Therefore, it is more practical to divide your market into several segments and then identify which segment your business will target first.

For example, Jordan NeuroScience, Inc. is a company that makes medical devices. The company developed a brainwave monitoring device that could detect brain disease in people. However, the company realized through customer segmentation that its target customer was not actually the patients themselves, but rather it was marketing to the hospital administrators that would create a maximum profit.

Distribution Channels

Distribution channels are the methods that businesses use to deliver their product to the customer. While most *services* are delivered directly to the customer, most *products* usually go through a distributor or a retailer. This person is known as an “intermediary.” If a business involves selling a product, then the intermediary is the direct *customer* and the individuals who purchase the product are the *consumers*. It is important to understand who both the customer and the consumer are (if they are two different entities) because the direct customer must be convinced that there is value in selling the product to the end consumer. There are many different types of distribution channels, and if you remember in **Chapter 2: From Idea to Discovery**, the innovative aspect of a business may be in how its products or services are distributed. Some examples of basic distribution channels are direct sale, retail, wholesale, and via sales agent. For example, *Poppin Joe’s Kettle Korn* is a business owned by Joe Steffy, an entrepreneur with Down syndrome. Their gourmet kettle korn is sold using a variety of distribution strategies. Poppin Joe’s does direct sales to customers at fairs, craft shows, car shows, and other events throughout Kansas City. However, they also have an agreement with Walmart to use its vast distribution network to sell their product in its stores.



Business Activities and Resource Requirements

Business activities depend upon what one's business looks like and can include activities such as manufacturing, technology platforms (i.e. smartphone applications), research and development, and distribution. A company that makes designer socks must focus its business activities on building a quality facility to manufacture them (e.g. a factory), while a company that delivers handicrafts to marketplaces must focus its business activities on obtaining and maintaining a reliable transportation network (e.g. a fleet of vehicles). Resource requirements include humans, machines, intellectual property, and capital. Again, the bulk of a business's resource distribution depends on what type of business it is. In short, a business will require certain resources in order to complete certain business activities that are necessary to achieve its mission and generate a profit.

Strategic Partners

Sometimes, it is beneficial to form partnerships with other companies to share resources that entrepreneurs would otherwise not have access to. Strategic partnerships are usually formed for a specific purpose, or to achieve a specific outcome. An example of this would be a wholesaler partnering with a supplier in order to save money on warehouse and manufacturing facilities. In the past, high-tech companies have combined their resources and worked together in one industry, while simultaneously competing in another. An example of this can be found in the companies that worked together to promote Blu-Ray technology. Together, companies that used Blu-Ray DVDs collaborated to beat out HD-DVDs, but at the same time competed against one another in Blu-Ray based products.

For entrepreneurs with disabilities, forming strategic partnerships with Disability Community Agencies (DCA) can be a double-edged sword. On one hand, it offers several benefits and can reinforce that relationships as a source of support as discussed in **Chapter 1: Entrepreneurship, Motivation & Discovery**. On the other hand, it could hinder an entrepreneur's independence and desire to prove that they can run a business on their own. Accordingly, depending on your needs and desires, one strategy could be to have a partnership during the start-up stage of business development and then identify a specific milestone at which that strategic partnership will either end or be re-negotiated.

Revenue Sources

It is important for your business plan to identify the sources of revenue from which your business will receive money. A successful business should create sales from more than one customer and more than one product or service. It is risky to rely on only a single customer or product/service because markets often shift and customers might disappear. A solid revenue model describes the different ways that your business will make money. Below are examples of six common types of revenue generators for making money:

REVENUE MODEL	DESCRIPTION
Subscription	Customers will pay a periodic fee to become members that benefit from your product or service.
Fee-for-Service	Unlike in the subscription model, fee-for-service only charges for the amount of products or services that a customer uses.
Volume or Unit-Based	Customers pay a fixed price for a certain amount of products or services, and receive discounts for volume purchases.
Licensing	Customers pay to resell the company's product/service to the consumer. This is often seen in technology-based and pharmaceutical companies.
Advertising	Companies sell advertising space to other companies. These customers do not directly use your product or service.
Markup Model	A business buys a product or service and then increases its price before selling it to consumers.

Cost Drivers

A business plan must identify the expenses that a business will incur. These expenses can be fixed or variable. For example, a retail outlet employs a fixed number of sales associates so the employer knows how much their wages will cost each month – it is a **fixed cost**. However, during a busy season the employer will hire additional employees on a temporary basis – this is a **variable cost** because it changes for that period of time. Expenses will differ depending on the type of business, but in general they include:

- **Marketing or Advertising Expenses:** The cost of acquiring new customers and keeping them.
- **Inventory Expenses:** The cost of maintaining goods available for sale.
- **Office or Retail Space Expenses:** The cost per square foot of the space used to do business.
- **Support Expenses:** The cost of hiring staff.
- **Direct Expenses:** The cost of producing the product or service.

OUTLINE OF A BUSINESS PLAN

The following is one example of what a business plan might look like. As mentioned previously, not all business plans need to follow a traditional template and sections like those presented below can seem overwhelming. The sections of a business plan should suit your needs and your business's needs. For example, planning for the management and operations of your business allows for brainstorming strategies to make sure you will have enough support to run and manage your business in a way that highlights your strengths and compensates for areas where you may be weaker. So, think of this outline as a jumping-off point to give you ideas of what you would like to see in your business plan!

- I. EXECUTIVE SUMMARY
 - a. Description of the Business
 - Concept and the Business
 - Opportunity and Strategy
 - b. Target Market and Projections
 - c. Competitive Advantages
 - d. Costs
 - e. Sustainability
 - f. The Team
- II. THE INDUSTRY AND THE COMPANY AND ITS PRODUCT(S) OR SERVICE(S)
 - a. The Industry
 - b. The Company and the Concept
 - c. The Product(s) or Service(s)
 - d. Entry and Growth Strategy
- III. MARKET RESEARCH AND ANALYSIS
 - a. Customers
 - b. Market Size and Trends
 - c. Competition and Competitive Edges
 - d. Estimated Market Share and Sales
 - e. Ongoing Market Evaluation
- IV. THE ECONOMICS OF THE BUSINESS
 - a. Gross and Operating Margins
 - b. Profit Potential and Durability
 - c. Fixed, Variable, and Semi-variable Costs
 - d. Months to Breakeven
 - e. Months to Reach Positive Cash Flow
- V. MARKETING PLAN
 - a. Overall Marketing Strategy
 - b. Pricing
 - c. Sales Tactics
 - d. Service and Warranty Policies
 - e. Advertising and Promotion
 - f. Distribution
- VI. DESIGN AND DEVELOPMENT PLANS
 - a. Development Status and Tasks
 - b. Difficulties and Risks
 - c. Product Improvement and New Products
 - d. Costs
 - e. Proprietary Issues
- VII. MANUFACTURING AND OPERATIONS PLAN
 - a. Operating Cycle
 - b. Geographical Location
 - c. Facilities and Improvements
 - d. Strategy and Plans
 - e. Regulatory and Legal Issues
- VIII. MANAGEMENT TEAM
 - a. Organization
 - b. Key Management Personnel
 - c. Management Compensation and Ownership
 - d. Other Investors
 - e. Employment and Other Agreements
 - f. Board of Directors
 - g. Shareholders, Rights, and Restrictions
 - h. Supporting Professional Advisors and Services
- IX. OVERALL SCHEDULE
- X. CRITICAL RISKS, PROBLEMS AND ASSUMPTIONS
- XI. THE FINANCIAL PLAN
 - a. Actual Income Statements and Balance Sheets
 - b. Projected Income Statements
 - c. Projected Balance Sheets
 - d. Projected Cash Flow Analysis
 - e. Breakeven Chart and Calculation
 - f. Cost Control
 - g. Highlights
 - h. Investor's Return
- XII. APPENDICES

The Small Business Development Center at the Illinois Department of Commerce and Economic Opportunity (DCEO) has developed a great [Step-by-Step Business Plan Workbook](#) that can help in working through some of these sections.

BUSINESS PLANNING & EMPLOYMENT OUTCOMES

When service providers think of the types of employment outcomes they want to achieve for people with disabilities, they focus on things like hiring and retention as well as wages and salaries. For entrepreneurs with disabilities the expected outcomes will be little different. While still primarily concerned with making sure you can become financially self-sufficient, business planning helps to ensure that your goals as an entrepreneur will be met. Furthermore, a business plan is an excellent person-centered tool to help you establish a timeline and strategy for meeting your business goals in a timely fashion. A good business plan needs to meet business-specific needs or concerns as well as disability-specific needs or concerns.



ZONING & LEGAL OBLIGATIONS

It is important to understand the zoning laws of your community before you launch your business as that will have a big impact on where your business can operate. A city divides property into commercial and residential zones. Commercial buildings cannot be made on residentially zoned properties. It is possible to change the zoning of a property, but that can get expensive and it can take a lot of time. If you want to find out how property is zoned in your city, contact your local planning agency. The Small Business Administration (SBA) has more information on basic zoning laws available on their website: <https://www.sba.gov/content/basic-zoning-laws>. Here, they also discuss home-based business zoning and leasing commercial space. Running a home-based business is one way to still have a business on a residentially-zoned property. However, make sure to check over the home-based business zoning laws as there may be restrictions on appearance, traffic, noise, and other business operating activities.

Many times, entrepreneurs with disabilities start by using facilities at their DCA. Eventually, you may grow out of this space in one way or another, and can run into difficulty finding a new space either because it is too expensive or because it requires you to have certain licenses, such as a food sanitation license. More often than not, in these cases, entrepreneurs end up working from home or remain in a space at the DCA, which can limit their business's growth. One option for finding a facility in which to work is by using cooperative community spaces such as a shared-use kitchen, like Kitchen Chicago (<http://kitchenchicago.com/>), or a makerspace (<http://spaces.makerspace.com/>). These facilities usually charge a fee to use them; however, they provide access to space and equipment as well as maintain the necessary licenses with the city, have insurance, and undergo the necessary city inspections.

One question that comes up for any entrepreneur is whether they will need to apply for a business license or officially form a legal entity in order to start their business. The short answer is, no you don't have to... but it is a good idea to consult a lawyer while you're in the process of business planning to make sure that this does not get in the way of achieving your goals and objectives as the business continues to develop. There are some perils to simply starting to operate without incorporating or having insurance. For example, liability issues can be very significant, especially with food-related businesses, or when operating in partnership with someone but without a partnership agreement. It is

also highly advisable to keep the money of the business completely separate from one's personal finances from the beginning on.

When it comes to business ownership, there are some concerns about whether it is possible for people with intellectual and developmental disabilities to legally own a business, particularly if they are not their own guardian. There are no best practices in this area to guide ownership decisions for entrepreneurs with disabilities, so this topic is going to take some creative thinking! The most important thing, however, is to remain person-centered and to recognize that there is a great deal to be said for the "pride of ownership" and how it can affect an entrepreneur's self-efficacy. Most of the entrepreneurs with disabilities that we have worked with have gotten around this issue by not bothering to form a legal entity or apply for a business license, instead making sure that they can still conduct their business activities without it. However, this can limit one's creativity, increase legal liabilities in case anything goes wrong, and limit the growth of their business. For those individuals we have worked with who are trying to get a business license or other certifications, they have mostly met access barriers in the licensing process because materials were not provided in plain language or they required passing an exam that did not allow for test-taking accommodations.

The Mayor's Office for People with Disabilities (MOPD) in Chicago has a handy guide covering **3 Simple Steps to Obtain a Business License**. More information can be found on their website by clicking on this [link](#). The first step is to determine the legal entity of the business. The second step is to register your business with the Internal Revenue Service (IRS) and with the Illinois Department of Revenue (IDOR). The third step is to apply for a business license. More detail and contact information can be found on their website.

FAMILY & SUPPORT PERSONS IN BUSINESS PLANNING

Family members and support persons play a crucial role in business planning. Their advice has a significant impact on whether an entrepreneur decides to do a business plan or not, and on what form planning takes. When planning for a business, it can become difficult at times to tell the difference between the family's or organization's needs and the entrepreneur's needs and needs for their business. Sometimes there will be overlap or areas where planning on one relies upon planning for the other, and those family or organizational needs should not be ignored because the person with a disability may be relying upon them for their entrepreneurship. In these situations, the most important tool you should utilize is person-centered planning because it allows those needs to be incorporated into business planning in an appropriate way; focusing on how they relate to you and your business, and what systems and supports need to be in place in order for you to reach your goals and objectives.

BARRIERS & FACILITATORS

There are four main barriers you may run into during business planning. First, you may find a lack of knowledge about disability when you approach and seek out business services. This lack of knowledge, in the past, has negatively affected business services providers' ability to help create a business plan that takes disability benefits and services into consideration. One way to address this barrier is to seek out SBDC providers who have taken steps (e.g. the CEED provider training) to inform themselves about how disability services and supports relate to entrepreneurship, and what disability-specific needs and concerns should be taken into consideration when creating a business plan.

A second barrier you may run into is that the materials for learning about business licenses, certifications, zoning, and various other requirements are written in inaccessible language. This is an area where the Mayor's Office for People with Disabilities (MOPD) can help in explaining and making sense of this information. The MOPD for the City of Chicago can be reached at (312)744-7050 or TTY: (312)744-4964, and they offer workshops, which can be found on their website at: <http://www.cityofchicago.org/disabilities>.

The third barrier is that many entrepreneurs with disabilities do not plan for their business, or that a business plan is created in the beginning stages, for a specific purpose, and then never looked at again. As an entrepreneur, even if you choose not to complete a traditional or full business plan, you still need to have a plan for your business! Service providers can play an instrumental role here in facilitating the creation and implementation of a business plan and in making sure that it is updated periodically to reflect changes in the business or in the business environment. This will be discussed in more depth in **Chapter 8: Sustainability, Strategy & Supports**.

Finally, involvement of family and other support persons in your business planning can be a wonderful resource. Especially if those family members or support persons have experience starting a business themselves! However, as discussed earlier in this chapter, it can also be a barrier if family involvement causes you to feel that your voice is getting lost in the process. Making sure that your business planning process is a person-centered process is key to addressing this barrier, and this should be done at every step along the way.

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [The Plan: A Step-by-Step Business Plan Workbook](#) by the Illinois Department of Commerce and Economic Opportunity (DCEO) SBDC and the Small Business Administration (SBA)
- [How to Write a Business Plan](#) by the SBA
- [Registration, Licenses & Permits in Illinois](#) by the SBA
- [Job Readiness Checklist \(Form IL488-2431\)](#) by the State of Illinois Department of Human Services (DHS)
- [Initial Proposal for a Self-Employment Enterprise \(Form IL488-0283\)](#) by DHS
- [Work Experience/Work First/Community Service Worksheet \(Form IL444-4044\)](#) by DHS
- [3 Simple Steps to Obtain a Business License](#) by the Mayor's Office for People with Disabilities (MOPD)
- [Business Information Sheet](#) (and Pre-Application Form) by the MOPD
- [American Bar Association Pro Bono Initiatives](#) by Entrepreneur.com
- [Entrepreneurship & Innovation](#) by the 2014 ABA National Lawyer Referral Workshop
- [Equip for Equality](#), Illinois legal Protection & Advocacy (P&A) organization for people with disabilities
- [Employment First Blueprint](#) for Illinois by Equip for Equality

OUTCOMES TO EXPECT

- Value Proposition
- Business Plan
- Licensing & Certification (when necessary)
- Strategic Partnership Agreement (when necessary)

SUMMARY

- Recognize, describe, and explain the components of a business plan and the information needed to complete them.
- Explain the relationship between business planning and employment outcomes in entrepreneurship.
- Understand the implication and significance of a person-centered, customized business plan.
- Think critically about their role in business planning and what supports they need.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Nikki has always made chocolate truffles to give friends and family members as gifts during the holidays. Lately, everyone has been saying that they are so good she could sell them. After thinking about it, Nikki decided that she really wants to start a business to sell her chocolate truffles. However, she was told that she will need to register her business with the city and get a sanitation license. She is worried because she doesn't know how to fill out the paper work or understand the process.
 - a. Would learning business planning help Nikki?
 - b. What are the top three things Nikki needs to learn about to help her with her business planning?
 - c. What steps do you think Nikki needs to take next?
2. Doug is skilled at fixing mechanical things, and about two years ago he thought it would be a good idea to start a repair business. A job coach came up with a business plan for him and he started doing odd jobs here and there. However, the work wasn't consistent, didn't pay as much as he would like per job, and he felt like he was seen more as a handyman than a repairman.
 - a. Would learning business planning help Doug?
 - b. What are the top three things Doug needs to learn about to help him with business planning?
 - c. What steps do you think Doug needs to take next?

WORKSHEET

What is your value proposition?

If your business is a social enterprise, what is your social value proposition?

What distribution channels will your business use to get your product and/or services to your customer?

- Direct sale: _____
- Retail: _____
- Wholesale: _____
- Sales agent: _____
- Other: _____

What will your business activities be?

What will you need in order to do these business activities? These are your resource requirements:

Are you thinking of making any strategic partnerships? Yes No

If you answered yes above, how do you think a strategic partnership will help you?

Where will your business be getting its revenue (making money) from? This is the revenue source:

- Subscription: _____
- Fee-for-service: _____
- Volume or unit-based: _____
- Licensing: _____
- Advertising: _____
- Markup model: _____
- Other: _____

Let's brainstorm what your cost drivers are going to be! Will you be spending any money on the following things? Will those be fixed or variable costs?

- Marketing or Advertising Expenses: _____ Fixed Variable
- Inventory Expenses: _____ Fixed Variable
- Office or Retail Expenses: _____ Fixed Variable
- Support Expenses: _____ Fixed Variable
- Direct Expenses: _____ Fixed Variable
- Other: _____ Fixed Variable

Do you want to apply for a business license?

- Yes I'm thinking about it No

Are there any other licenses or certifications you will need for your business? (You may want to talk with a lawyer or SBDC to get help with answering this question):

Have you met with your local SBDC to write up a full business plan?

- Yes Not yet, but I will No

How often do you want to update your business plan and/or pitch deck? _____

You should probably go ahead and add this date to your calendar so that you remember to do it!

If you are planning to have a strategic partnership, you will need to have a strategic partnership agreement so that your rights are protected. That means there should be nothing in the agreement that you don't agree with. This document should be written in plain language if you need that accommodation, and both parties making the agreement will have to sign this document. You may want to consult a lawyer before making a strategic partnership agreement.

CHAPTER 6

Mobilizing Resources, Mentoring & Networking



MOBILIZING RESOURCES, MENTORING & NETWORKING

This chapter will focus on understanding the disability and business service systems. In doing so, it will explain the benefits and incentives available to entrepreneurs with disabilities in each, and provide an overview of the importance of mobilizing resources, networking, and mentorship to disability-entrepreneurship. You will also learn about issues specific to transition-aged youth, and the role of people with disabilities as an underutilized yet valuable workforce.

KEY TOPICS

UNDERSTANDING SERVICE SYSTEMS

People with disabilities, their families, and service providers are familiar with the “alphabet soup” that is the disability service system. Having to juggle things like IEPs, ISPs, HCBS waivers, and VR. It can become overwhelming, and it is easy to confuse one transition or service plan with another, or to try and multi-purpose service plans by using one to fill out another. The CEED curriculum tries to use these existing forms and build from them, rather than asking you to fill them out again. Another area where there is a lot of confusion and misunderstanding is in what services and supports are available for entrepreneurs with disabilities. Currently, many entrepreneurs with disabilities are operating outside of any service system. Moreover, when they do work within a service system they tend to choose one or the other; that is either disability services or business services. However, entrepreneurs with disabilities should be able to benefit from both the disability and business services. The problem has been a combination of not knowing what is out there, and also the systems have been too separate and have not been working together until now. So let’s get started!

In general, the government funds three types of programs in the business sector that are called “entrepreneurial assistance programs.” These programs include technical assistance, financial assistance, and government contracts. These programs often overlap, meaning that a program that offers one service will typically offer another. The government also funds several types of employment programs in the disability sector, including ones for “entrepreneurship training and support.” However, of the twenty-two programs that should provide entrepreneurship training and support, only three provide those services to half of their participants or more. This is often because entrepreneurship and self-employment are not being offered as possible employment strategies, or are only being offered as a last case scenario. There is a huge disconnect here given what we know about how many people with disabilities are interested in entrepreneurship.

It is also interesting that at no point do the business programs and disability programs overlap, making it difficult to get services from both. Because all of these programs receive government funding, they are required to be accessible in compliance with the Americans with Disabilities Act (ADA). So, when seeking services, do not hesitate to request accommodations. Doing so helps everyone in the end!

Business Service System

For entrepreneurs seeking assistance, there are national networks that provide resources at the local level. These can be found in a database on the **Small Business Administration's** (SBA) website organized by state: <https://www.sba.gov/tools/local-assistance>. The SBA itself has regional offices and at least one district office in each state. The SBA district office acts like a hub to connect entrepreneurs with resources available in their local community. These resources include Small Business Development Centers (SBDC), the Service Corps of Retired Executives (SCORE) Association, Minority Enterprise Development programs, and Women's Business Centers. In addition to connecting individuals to these programs, the SBA district office offers financial assistance for businesses through guaranteed loans, special loan programs for businesses doing international trade, and guaranteed loans for veterans.

The **SCORE** Association program (<https://www.score.org/>) pairs entrepreneurs with experienced business executives who volunteer to serve as counselors, advisors, and mentors. Some entrepreneurs with disabilities who have worked with SCORE mentors have said they found their counseling and advice on business matters very helpful; however, these executives tended to be older and did not have as much knowledge or experience with new and emerging technology and innovation. Also, they tended not to know as much about the disability sector as the entrepreneurs had hoped. These concerns taken into consideration, SCORE can and should still be a valuable resource for entrepreneurs with disabilities who are seeking advice, expertise, and business mentoring.

The **Minority Business Development Agency** (MBDA) (<http://www.mbda.gov/>) is a national network of centers that focus on providing services and support to racial and ethnic minorities, and there is at least one in each state. The MBDA Business Center for Illinois is located in Chicago and the services they offer include financing, bonding assistance, mergers and acquisitions, education and training, and networking. Sometimes when we speak to business centers that serve minorities and ask about how many people with disabilities they serve, it is something they have not thought much about. However, many people with disabilities are also minorities that would benefit from these programs. The MBDA also helps businesses become certified as a *Minority-Owned Business Enterprise (MBE)*, which makes them eligible to compete for government contracts.

The Office of Women's Business Ownership is actually part of the SBA, and each SBA district office has an appointed representative to advise women entrepreneurs. The SBA oversees a national network of **Women's Business Centers** that have at least one office in every state. The Women's Business Development Center (<http://www.wbdc.org/>) for Illinois is in Chicago and is also one of Illinois' SBDCs. They provide services for start-ups as well as established businesses, and offer a variety of events and workshops. The WBDC has a Latina Program, an Early Childhood Education Entrepreneurship Program, and even sponsors an annual Entrepreneurial Woman's Conference. They also assist in getting certification as a *Women's Business Enterprise (WBE)*, which makes them eligible to compete for government contracts. The WBDC also advocates for using this certification as a marketing tool. Similar to MBDA business centers, sometimes women with disabilities are being under-served by Women's Business Centers. However, there are a lot of resources and opportunities available by participating in these networks that can benefit women entrepreneurs with disabilities.

While there is not currently a national or state network for disabled-owned businesses on the same scale as there are for minority-owned and women-owned businesses, within the city of Chicago a

business can register in the **Business Enterprises Owned by People with Disabilities (BEPD)** Initiative. Certification as a BEPD business allows entrepreneurs to compete for city contracts. Anyone located in Cook, DuPage, Kane, Will, Lake or McHenry counties can register as a BEPD. More information can be found on their website at this [link](#).

You've heard a lot about **Small Business Development Centers (SBDC)** already! SBDCs are part of a national network that help small businesses and entrepreneurs, and they have offices throughout the state are usually associated with a community college or university. You can find the SBDC that is closest to you at this [link](#).

In general, information about SBDCs in Illinois can be found on the Illinois Department of Commerce and Economic Opportunity's website at <http://www.illinois.gov/dceo/SmallBizAssistance>. Once you locate the SBDC closest to you, their website will have more individualized information about workshops, events, and what services they provide. Generally, the services and supports available at SBDCs include:

1. One-on-one business advice and management assistance.
2. Assistance with the development of business plans.
3. Help with accessing market information and the development of marketing plans.
4. Assistance with accessing business financing programs.
5. Assistance with financial analysis and planning.
6. Access to business education and training opportunities.
7. Specialized services in technology, innovation and entrepreneurial development



Currently, **Technology, Innovation and Entrepreneurship Services (TIES)** are being offered at five SBDCs in Illinois: Carbondale, Champaign-Urbana, Chicago, Peoria, and Rockford. TIES staff help entrepreneurs commercialize new ideas into innovative products, services, and business models. More information can be found on their website at this [link](#).

Disability Service System






You may notice that the disability employment service system looks pretty different from the business service system. Programs for youth are separated from programs for adults, which are separated from programs for veterans, and some are even separated based upon the type of disability. For example, the *Randolph Sheppard Vending Facility Program*, sometimes referred to as the "blind vendors program", is the oldest business ownership programs for people with disabilities in the U.S. and has been around since 1936. It provides people who are blind with the opportunity for employment by owning and operating automatic vending machine facilities.



Overall a lot of changes in disability employment are expected following 2015, since the reauthorization of the *Workforce Innovation and Opportunity Act (WIOA)*. In Illinois, WIOA Works was established through **Illinois WorkNet Center** to help with implementing the changes. A lot of great information is available on their website: <https://www2.illinoisworknet.com/>. This includes information on exploring careers, training and credentials, qualifying for jobs, job openings and recruiting, networking and connecting, and layoff assistance. The information that Illinois WorkNet provides specific to starting a business can be found at this [link](#).

There are five types of service providers that assist in disability employment: Employment Networks (EN), Workforce ENs, Vocational Rehabilitation (VR), Work Incentives & Planning Assistance (WIPA) projects, and Protection and Advocacy for Beneficiaries of Social Security (PABSS). As an entrepreneur, the services you can receive vary depending upon the type of provider. You can search for a provider using an online search tool through the *Ticket to Work* (TTW) Program:

<http://www.chooseworkttw.net/findhelp/>:

Employment Networks (EN)		“Private or public organizations that can help with career counseling and assistance with job placement, including helping understand how benefits may be affected by work.”
Workforce ENs		“ENs that are part of a state’s public workforce system. Workforce ENs provide access to a wide array of employment support services, including training programs and special programs for youth in transition and veterans.”
Vocational Rehabilitation (VR) agencies		“Usually work with individuals who need more significant services. In some states, this includes intensive training, education and rehabilitation. They may also provide career counseling, job placement assistance and counseling on the effect that working may have on Social Security disability benefits.”
Work Incentives Planning & Assistance (WIPA) projects		“Organizations within your community that are authorized by Social Security to provide free benefits counseling to Social Security disability beneficiaries to help you make informed choices about work.”
Protection and Advocacy for Beneficiaries of Social Security (PABSS)		“Represent eligible beneficiaries to remove barriers to successful employment and will help you understand your rights regarding conditions of employment.”

Employment Networks help with career planning, job placement, providing ongoing employment support, and benefits counseling. As for Workforce ENs, **Illinois WorkNet** is the primary one for Illinois. Vocational Rehabilitation (VR) agencies are what many people think about first when they think of employment services for people with disabilities. VR services include intensive training, education, rehabilitation, career counseling, job placement assistance, and benefits counseling. WIPA projects provide free benefits counseling, and are staffed by Community Work Incentives Coordinators (CWIC). The WIPA for Chicago is in the **Mayor’s Office for People with Disabilities (MOPD)**. The PABSS program provides legal support, advocacy, information to assist social security beneficiaries with their employment-related concerns. **Equip for Equality** is the PABSS organization for Illinois.

	EN	WF	VR	WIPA	PABSS
Benefits/Work Incentives Counseling	● *	● *	● *	●	●
Career Planning/ Counseling	●	●	●		
Job Search and Placement	●	●	●		
Ongoing Employment Support	●	●	●		
Training Programs		●	●		
Special Programs for Veterans and Youth-In-Transition		●	●		
Tuition Support for College Coursework			●		
Rehabilitation Services			●		
Legal Support and Advocacy					●
Assistance with Accommodations	●	●	●		●

* If a benefits counselor (Community Work Incentives Coordinator, or CWIC) is on staff.

From Choose Work TTW: <http://www.chooseworkttw.net/about/meet-your-employment-team/index.html>

Advisors at Choose Work TTW recommend using a combination of providers, such as using WIPA as a first step, working with VR to get ready to work, and then find an EN for ongoing, continued support.

BENEFITS & INCENTIVES

For small business owners, *benefits* are usually thought of as hiring incentives for employees, because factors such as health and retirement plans can influence someone's decision as to whether or not take a job. Typically, a small business owner knows that there are some benefits their business is required to provide by law, and these additional benefits are the *incentives*. The law requires employers to pay Social Security taxes, unemployment insurance taxes, worker's compensation, and Family and Medical Leave (FMLA) when requested. For people with disabilities, however, "benefits" are usually thought of as public benefit and assistance programs, such as Supplemental Security Income and Social Security Disability Insurance (SSI/SSDI), Medicaid and Medicare, food stamp programs (i.e. Supplemental Nutrition Assistance Program - SNAP), and Temporary Assistance for Needy Families (TANF). Often times these are programs that they and their family members rely upon, and in some cases may be one of the reasons motivating them to become an entrepreneur. Every entrepreneur with a disability that we have worked with has stated that one of the largest barriers they face is the fear of losing their benefits if their business makes too much of a profit. This limits how successful entrepreneurs with disabilities can be, because they have to balance how much profit they make with the support they will need from public programs. As such, one of the most important factors in disability-entrepreneurship is benefits planning. Benefits planning allows individuals to figure out how much they can make before it will affect their benefits, identify strategies for saving and asset development both now and in the future, and figure out at what point they will no longer need to rely upon benefits. However, some entrepreneurs

with disabilities may not want to “get off of benefits”, may not see it as a realistic goal, or may be concerned that if their business fails they will have difficulty reapplying for benefits. Benefits planning will help to highlight and work through some of these critical issues. This can be done by working with a benefits counselor, through providers mentioned previously, to complete at least a *Plan to Achieve Self-Support* (PASS) if not to develop a more comprehensive benefits plan. More information on the PASS program can be found on the Social Security Administration’s website at this [link](#).

Within disability employment, an incentive is something, like a tax deduction or credit, used to encourage employers to increase diversity and hire people from groups that traditionally experience barriers to finding work. For example, the *Work Opportunity Tax Credit* (WOTC) is a tax credit available to employers who hire employees with disabilities. In order to do this, employers need to submit a WOTC certification request to the Internal Revenue Service (IRS) twenty-eight days after a new hire’s start date. This program is currently in hiatus for 2015, but encourages employers to continue submitting WOTC certification requests. Programs such as these can help by making hiring employees more affordable for entrepreneurs with disabilities.

There are many tax incentives available for you as an entrepreneur and small business owner. Your home office, car, travel, food, entertainment, phone and internet, health insurance, and education expenses may all be tax deductible. For example, the cost of any workspace that you use for your business, regardless of whether it is rented or owned, can be deducted as a home office expense. Further, if traveling for business or meeting with a client, 50% of those meal expenses can be deductible. Also, the interest on a business loan can be tax deductible. The basic rule of thumb is to ask yourself, “Is this an ordinary expense in my line of work?” If you are not sure, you can consult with a tax professional.

The *Impairment-Related Work Expenses* (IRWE) program can be a useful incentive. IRWE is a deduction of expenses that are needed for work from someone’s earnings. This can only be done if those earnings are believed to be substantial and may include things such as transportation costs, specialized work-related equipment, and assistive devices. IRWE is excluded from earned income when determining the monthly social security payment amount. Another incentive is *Unincurred Business Expenses* (UBE), wherein business expenses can be deducted from one’s net earnings from self-employment. This only applies to business expenses that are given to the business that would otherwise have cost money if the entrepreneur had paid for it. For example, if a friend provides unpaid help or if equipment is provided free-of-charge by a DCA or VR.

Self-Employment Assistance (SEA) is available to people who are receiving *unemployment insurance* (UI). For States, participation in the program is voluntary so it will vary depending on where you live. Illinois began to pilot SEA in 2012. SEA allows individuals to receive the same weekly amount they would in regular UI benefits, even though they are working on starting a business instead of looking for jobs. This “work” also includes other self-employment activities such as entrepreneurial training, business counseling, and technical assistance. People receiving SSI/SSDI can apply for SEA through VR.

Entrepreneurs with disabilities can also use an incentive called *Property Essential to Self-Support* (PESS), which allows for the exclusion of essential property for people who are looking to re-enter work or start their own businesses. There are three categories for PESS:

CATEGORY 1	Property Excluded Regardless of Value or Rate of Return	Any property used in trade or business or personal property that you are required to have as an employee – like inventory or goods and tools or other equipment.
CATEGORY 2	Property Excluded up to \$6,000 Equity, Regardless of Rate of Return	Up to \$6,000 of non-business property that is used to produce goods or services that are essential to a person’s day-to-day activities. For example: Land used to produce fruit or vegetables solely for consumption by a recipient and his or her household.
CATEGORY 3	Property Excluded up to \$6,000 Equity if it Produces a 6% Rate of Return	Up to \$6,000 of non-business income-producing property. This only applies if the property yields an annual rate of return of at least 6%. For instance, a rental property.

From the Social Security Disability Help Glossary: <http://www.disability-benefits-help.org/glossary/property-essential-to-self-support>.

Programs that allow for savings and asset development (e.g. IDAs and ABLE accounts) will be discussed in **Chapter 7: Financing the Business**.

One disability employment program that is underutilized, and that many don’t realize can be used for disability-entrepreneurship, is the *Ticket to Work* program mentioned earlier in this chapter.

Ticket to Work is a program offered by the Social Security Administration (SSA) that involves working with Employment Networks (EN), which are all required to provide support for self-employment and entrepreneurship. However, even though it *should* be possible, it can difficult to find an EN that understands the needs of entrepreneurs with disabilities and how to provide support for business development. That doesn’t mean it can’t be done!



MOBILIZING RESOURCES

When forming your new business, you will need to gather and maximize resources that are controlled by your business – this is resource mobilization. Commonly, people think of resources as money. However, resources are any asset you have at your disposal that you can utilize to help your business grow. For example, perhaps your business is able to access government funding, or you are eligible to participate in a mentorship program like the *Goldman Sachs 10,000 Small Businesses program*. These would be valuable resources that are potentially available to you. Other valuable resources would include volunteer support, material donations, creative ideas, and fundraising capabilities. All of these are important resources that can benefit you and your business. These resources, when used effectively, enable your company to improve and grow. Also, resource gathering does not need to be sought exclusively outside of your company. Of course, the most important resource for a business is its people! When mobilizing resources, make sure that your efforts support the overall mission of the business as

well its long-term sustainability. Your mobilization efforts should never diminish your company's integrity and reputation.

Operating in a business incubator can be an effective strategy for a start-up because it brings all of the resources an entrepreneur should need under one roof, similar to the shared spaces mentioned in **Chapter 5: Business Planning**. This is why many of these programs are specialized, such as technology incubators or environmentally conscious incubators. Generally, entrepreneurs pay a fee to join, which allows them to reserve times to use the space and equipment for their business. While there is no formal network for these programs, some are associated with universities while others operate independently. There are currently over eighty incubator, accelerator, and shared space programs in Chicago alone! Incubator Illinois maintains a list of twenty-four incubator programs across Illinois: <http://illinoisincubators.org/>.

TRANSITION-AGED YOUTH

Transition-aged youth face specific issues when choosing to pursue entrepreneurship, primarily because they are transitioning from the child service system to the adult service system. Anecdotally, entrepreneurship appears to be offered as an employment strategy differently in each system. Often, self-employment or entrepreneurship is included as a form of job tasting when youth with disabilities are figuring out what kind of work or post-secondary education they would like to pursue after graduation. This can lead to entrepreneurship being included in someone's *Individualized Education Plan* (IEP) and a strategy being formed to try it out for a while. For some youth with disabilities, they end up using this IEP plan as a kind of trial business plan. However, because the goals of an IEP are not the same as the goals of an actual business plan, it falls short of meeting all of the needs by focusing too much on the individual and not as much on the business itself. Another effect of including entrepreneurship in an IEP is that often the staff and support persons involved in creating IEPs are not that familiar with the system of business services or disability employment services available. Subsequently, IEP plans are often created that are not maximizing these resources, and sometimes not using them at all. This puts the entrepreneur with a disability at a disadvantage. So while IEPs can be a crucial tool for youth with disabilities who are interested in pursuing entrepreneurship, it is important to think of them as a tool – a jumping off point that needs further growth and development to become a fully-fledged business idea.

Another issue to keep in mind for youth with disabilities who are interested in entrepreneurship is the need to get work credits. These credits are required to receive social security benefits. The number of credits needed to qualify to receive benefits depends upon age. However, it is generally recommended that youth with disabilities begin earning credits when they become "transition-aged" as younger workers can qualify with fewer credits. So effectively, the earlier you start the fewer credits you will need to qualify to receive benefits. The question becomes, then, whether entrepreneurship can be used to earn work credits. The answer is – yes, they can!

"If you are self-employed, you earn Social Security credits the same way employees do (one credit for each \$1,220 in net earnings, but no more than four credits per year). Special rules apply if you have net annual earnings of less than \$400. For more information, read *If You Are Self-Employed...*" (SSA, Publication No. 05-10022).

THE DISABILITY SECTOR AS A WORKFORCE

We hear a lot of times about how hiring workers with disabilities is good for business. For entrepreneurs with disabilities, all of these reasons still apply! People with disabilities represent a large, and relatively un-tapped workforce. One of the largest barriers in employment for people with disabilities is hiring discrimination. This is a fantastic opportunity for entrepreneurs with disabilities to choose to hire employees with disabilities in creating truly inclusive workplaces. Some entrepreneurs may want to hire employees that do not have disabilities or who have different kinds of disabilities that can complement their own impairments, and that's great too!

NETWORKING

Networking is essential for any entrepreneur as they are developing and growing their business. For entrepreneurs with disabilities, this becomes even more critical because people with disabilities tend to have restricted social networks that differ both in size and composition. The size of their social networks is much smaller, about three people on average. This is because many people with disabilities do not have the same opportunities to develop social connections with others outside of family members and service providers. Yet, these social networks have been shown to play an important role in successful employment outcomes, such as finding work and retaining jobs — sometimes referred to as “social capital.” When starting your business, it is important to make a concerted effort to look for and create opportunities to grow and strengthen your social network. How you build your social network for your business can be intentional and strategic. Networking is a business tool and network resources, network activities, and network support are all factors that energize entrepreneurship.

In general, networking is a mutually beneficial activity of information and resource exchange among individuals, groups, and organizations who share common goals which create value for all members. An entrepreneur should recognize that they are operating as part of this network, rather than independently from it. Close friends and family members (*strong ties*), and acquaintances and business contacts (*weak ties*) comprise one's social network.

Building and maintaining a good network of both strong and weak ties is important for the success of any company. The difference between strong and weak ties is that a relationship with weak contacts is usually built through business correspondence, whereas strong ties can be fostered outside of the business environment. Weak ties can be helpful because the relationship is strictly business, whereas family and friends can sometimes create barriers since business decisions may directly affect them. An efficient network is a person-centered one; where no matter at what point the entrepreneur enters, their needs are assessed and they can gather the necessary information and advice through their contacts. Good networks include members from diverse backgrounds. This means finding networking partners with a variety of business expertise as well as those with a variety of disability expertise.



A great strategy for expanding your network is forming connections with those who already have a strong, established network in place. These connections serve as a gateway to an even larger, more robust network. Building a business network involves gaining access to key individuals in the industry. This can be accomplished by creating a contact list of classmates, teachers, friends, colleagues, family members, and members of organizations. Then call or email each member of the list and ask them for specific help. For example, this can involve asking for help in connecting to someone in the industry, asking for assistance in joining a particular networking group, or finding out about industry events to attend. Also, you should always take copies of your resume or business cards with you to events. Contacts can then connect with you and other people in their network. Creating a profile on social network sites like Facebook, Twitter, and LinkedIn can also provide valuable contacts in the industry's online community. This requires doing some research to see what social media sites other people in the industry are using. Remember to make any online profile professional, organized, and as accessible as possible. Use keywords where possible to target the profile to people who share similar interests. When attending an event, such as a trade show, town hall, or networking event, remember to reach out and establish new contacts. If you only speak with your current contacts, you are not expanding your networks. After meeting a potential contact at an event, entrepreneurs should be sure to mention where and how they met them when adding them to their online network so that they remember who they are. Once an entrepreneur with disabilities has reached out and made contacts, it is important to stay in touch with them and respond in a prompt fashion. People will appreciate this and be more willing to help in the future.

MENTORSHIP

Mentors are an important part of an entrepreneur's network. Entrepreneurs with disabilities need examples of people who have succeeded in starting businesses, as well as to learn from people who have not been as successful and have tried various approaches and strategies. It is important that entrepreneurs with disabilities have mentors that they can get advice from. This should include people with and without disabilities, who can give advice from different perspectives. There is no limit to the number of mentors or advisors an individual can have. Indeed, entrepreneurs often have advisors with expertise in specific areas that they can draw upon in developing and growing their business. Entrepreneurs with disabilities should also consider the option of creating an advisory board if they want something more formal that will provide structure to their business. Of course, this depends upon the goals and needs of the individual and their business.

A mentor, also known as a personal advisor, is an excellent resource for an entrepreneur. As an entrepreneur, you can have one mentor, or several, who can serve as personal advisors. Generally, if there are multiple mentors, it is wise to make sure that they have no contact with each other so that the advice that they give you will be objective. Mentors are beneficial because they offer a wealth of experience and wisdom to the entrepreneur and the business. For example, an experienced salesperson can be an excellent asset to an entrepreneur whose business has not yet generated any sales. Additionally, since mentors do not have a financial stake or interest in the entrepreneur's business the entrepreneur can feel comfortable asking his or her mentor for advice. A mentor can also be a good resource for moral support. If an entrepreneur has worries about their business or wants to chat about their dreams and aspirations for the business, a mentor can be a person to talk to.

You will want to choose a mentor that serves as a role model, both personally and professionally. For example, when starting a new restaurant business, it is wise to choose a mentor that has succeeded in the same industry. Likewise, if you have children, finding a mentor who is a parent could offer tailored advice and inspiration to you as they try to find a work-life balance. It may be difficult to find someone who is a parent with a disability who is also an entrepreneur; however, this mentor could be a parent with disabilities who is working, or also a parent who is also an entrepreneur but does not have disabilities.

It takes time to cultivate a relationship with potential mentors and advisors. Once you have taken the time to establish a good level of rapport (compatibility), you can then ask this person to act as their mentor/advisor. Remember that you may not always receive pleasant advice and guidance from their mentors. In fact, oftentimes you may totally disagree with their mentors and advisors. However, it is important to keep an open mind and listen to what they say without taking a defensive position. This will ensure that you benefit fully from your mentor's advice before making any decisions. Hopefully, one day you will become a mentor to another entrepreneur and can share your experience and advice! Remember Tim Harris, from **Chapter 5: Business Planning**, who started his restaurant Tim's Place? He also decided to start a non-profit organization called *Tim's Big Heart Foundation* (<https://timsbigheartfoundation.org>). Part of their mission is to provide advice and mentorship to other people with intellectual disabilities who want to become entrepreneurs.



A really interesting example of how people with disabilities can form advisory boards can be found in the Illinois Association of Microboards and Cooperatives (<http://www.iambc.org/>). Their approach is one meant for person-centered planning; however, it has wonderful potential to be applied to entrepreneurship. A microboard is a non-profit organization designed to serve one individual (i.e. the person with disabilities), who serves as the core member of a Board of Directors. The other members of the board create a circle of support around the individual.



BARRIERS & FACILITATORS

There are four main barriers that entrepreneurs with disabilities run into when it comes to **Mobilizing Resources, Mentoring & Networking**. These barriers begin with the accessibility of information and locations where that information is to be found. If the information itself and vehicle for delivering that information is inaccessible, then people with disabilities cannot possibly access or use those resources. As mentioned in **Chapter 3: Disability Awareness, Advocacy & Professional Presence**, service providers can make a huge difference by making sure that their organization is accessible both in its physical location, on their website and social media, and in the materials they provide.

Currently, many entrepreneurs with disabilities are not using the service system due to the lack of knowledge about entrepreneurship among disability service providers, and the lack of knowledge about disability among small business service providers. However, both of these service systems are there to help you, connecting you to opportunities and networks you can use to start and grow your business.

Entrepreneurs with disabilities agree that one of the biggest barriers is the lack of benefits education and counseling. Especially given how common the fear is of losing benefits once their business begins to be successful in making a profit. This in turn limits the growth and further development of the business. Entrepreneurs should meet with a benefits counselor (CWIC) who can answer more specific questions and help problem solve issues as they come up. The benefits counselor can also serve as a useful resource when creating the business plan.

Last but not least, the size and composition of one's social network can be a significant barrier for people with disabilities, who often lack networking and mentorship opportunities. Service providers, family members, and other support persons can help connect you with other people, such as finding business contacts or mentors with business experience. Also, their advice can help you to make the most of networking events and mentoring opportunities.

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [Required Employee Benefits](#) by the Small Business Association (SBA)
- [Hiring People with Disabilities](#) by the SBA
- [Tax Benefits for Businesses Who Have Employees with Disabilities](#) by the Internal Revenue Service (IRS)
- [Working for Yourself with Ticket to Work: Achieving Financial Independence](#), a Work Incentives Seminar Event (WISE). A transcript of the presentation can be found [here](#).
- [Property for Achieving Self-Support \(PESS\): A Self-Employment Resource that SSI Doesn't Count](#) by the University of Montana Rural Institute for Inclusive Communities
- [Social Security Disability Benefits](#) pamphlet by the Social Security Administration (SSA)
- [2015 Red Book: A Guide to Work Incentives](#) by the SSA
- [Plan to Achieve Self-Support \(Form 545\)](#) by the SSA
- [How you Earn Credits](#) by the SSA
- [Resource Guide for Small Business: Illinois Edition](#) by the SBA
- [Organizations Both of and for Persons with Disabilities](#) by the Independent Living Institute
- [Employment Mentoring Manual](#) by the National Research & Training Center on Blindness & Low Vision
- [Certification for Disability-Owned Businesses](#) by the US Business Leadership Network (USBLN)

OUTCOMES TO EXPECT

- Benefits Analysis
- Plan for Achieving Self-Support (PASS)
- Mentors & Advisors
- Networking Opportunities
- Social Media Profile
- Increase in Social Network Size & Composition

SUMMARY

- Recognize, describe, and explain the resources currently available in their community.
- Think critically about what supports they need and future resources they could mobilize to support their business.
- Critically examine the relationship between their public benefits and entrepreneurship.
- Understand and explain the significance and influence of social networks and mentoring in achieving employment outcomes.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Dawn has a public speaking business aimed at raising awareness around disability issues. It has been very successful. In fact, it has been too successful! Last year she was told that she made too much money and had to pay \$1,000 back to social security or else she would lose her disability benefits.
 - a. Are there any resources that would help Dawn with this problem?
 - b. What are the top three things Dawn needs to learn about to help her with her business?
 - c. What steps do you think Dawn needs to take next?
2. Omar wants to start a business to increase the accessible, affordable housing options available in his city. He thinks this can be done by renovating buildings on major public transportation lines that are in foreclosure using universal design principles so that anyone, regardless of disability, could live there. Omar has experience with construction from before he acquired his Traumatic Brain Injury and knows a developer in his area who specializes in universal design. He also heard that there might be some funding or incentives available for contractors who are making buildings accessible.
 - a. Do you think having a business mentor would help Omar?
 - b. What are the top three things Omar needs to learn about to help him with his business?
 - c. What steps do you think Omar needs to take next?
3. Vanessa is a wheelchair user who found herself in a really bad situation six months ago, which led to her seeking a shelter for victims of domestic violence. However, she and her case worker had the hardest time finding a shelter that was accessible for people with disabilities. They eventually found someone who was willing to make their location accessible, but Vanessa realized it would only work for people with her type of disability and was only temporary. Vanessa, her case worker, and the shelter manager who made the accommodations decided that they wanted to work together to open an accessible domestic violence shelter for women and children with disabilities in their city.
 - a. Could Vanessa use her partners' networks to help with their business?
 - b. What are the top three things she needs to learn about to help her with this business?
 - c. What steps do you think Vanessa needs to take next?

WORKSHEET

Are you getting any disability benefits right now such as SSI/SSDI or Medicaid/Medicare?

- Yes: _____
- No

Do you have a PASS plan to help plan for your disability benefits?

- Yes, I have one and included my business in it.
- Yes, I have one but it does not include my business.
- No, I don't have one yet.

Do you want to meet with a benefits counselor to discuss your business and benefits planning?

- Yes
- I'm thinking about it
- No

Where is your closest benefits counselor, and who is the contact person there?

Where is Small Business Development Center (SBDC) closest to you, and who is the contact person there? If you want to use a minority or women focused SBDC, you can put their information here:

Are you interested in registering as a minority-owned (MBE), women-owned (WBE), or disabled-owned (DBE) business enterprise? (check all that apply):

	MBE	WBE	DBE
With the City of Chicago	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
With the State of Illinois	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
With the US Business Leadership Network (USBLN)	N/A	N/A	<input type="checkbox"/>

How will you benefit by registering as a minority, women, or disabled-owned business?

Are there any tax-incentives that you can use? (You may want to meet with an SBDC provider, lawyer, and/or benefits counselor to help you answer this question):

Are there any business incubators, accelerators, shared-use spaces, or makerspaces that would help you with your business?

Do you have an elevator pitch prepared to tell people about your business?

- Yes, and it takes _____ minutes.
- Yes, but I haven't practiced it.
- Not yet.

Which of the following marketing and networking tools do you have?

- Business cards
- Website and/or online storefront (Etsy, eBay, etc.)
- Social media (Facebook, Twitter, etc.)
- Other: _____

Take a moment and think about your social network. That is the people that you see and talk to a lot:

How big is your social network? (The number of people in it): _____

What kinds of people are in your social network right now? (strong & weak ties): _____

Now let's think about what you want your social network to look like:

How big do you want your social network to be? _____

What kinds of people do you want in your social network? _____

Brainstorm 3 to 5 possible networking opportunities that you can use to meet people and talk to them about your business! This will help grow your social network:

1. _____
2. _____
3. _____
4. _____
5. _____

Is there anyone you know that has a good social network that can help introduce you to people? This may be someone who has a business similar to yours, or who can help you meet people who match your customer profile: _____

Do you want to meet with a SCORE mentor?

- Yes
 I'm thinking about it
 Not really

Brainstorm 3 to 5 areas where you could use someone's advice, expertise, or mentorship:

1. _____
2. _____
3. _____
4. _____
5. _____

What are some strategies you can use to find people with the advice, expertise, or mentorship above? Is there anyone in your social network who may know of someone who could help you?

1. _____
2. _____
3. _____
4. _____
5. _____

Do you want to have an Advisory Board, Board of Directors and/or Microboard? Yes No

If you said yes, list them here:

_____	_____
_____	_____
_____	_____
_____	_____

CHAPTER 7

Financing the Business





FINANCING THE BUSINESS

This chapter will focus on understanding how businesses are financed and what the different sources of funding are for new businesses. In doing so, you will also learn about the economics of a business model and when a business breaks even.

KEY TOPICS

FINANCING FOR PROVIDERS

It is important to distinguish between financing for providers and for entrepreneurs with disabilities. The reason is because increasingly Disability Community Agencies (DCA) have been looking towards innovative strategies, such as social entrepreneurship, to offset their costs and supplement their bottom line. However, this typically results in the creation of enterprises that employ people with disabilities, but that do not facilitate their becoming entrepreneurs themselves and starting their own small business. This raises a concern that funding meant to support self-employment and entrepreneurship for people with disabilities may not be reaching people with disabilities. Service providers working at DCAs have concerns as well about how they can financially support people with disabilities pursuing entrepreneurship when they have limited financial resources. Further, emerging Employment First policies and legislation prioritize competitive employment, and not all providers are aware of whether entrepreneurship qualifies. It does! The Workforce Innovation and Opportunity Act (WIOA) recognizes entrepreneurship as a customized employment strategy, as did the Workforce Investment Act (WIA) before it.

A microenterprise approach has proven extremely effective in helping entrepreneurs with disabilities start businesses through providing seed funding. In this approach, a DCA receives a grant or loan to provide microfinancing to help with starting several small businesses of people with disabilities they are providing employment services to. It is important that services and supports continue to be provided while the business is starting-up, which may include things like job coaching or providing a space to work on their business and conduct market research. The goal is to work with the entrepreneurs to develop their business idea, plan accordingly, and start their business. The important thing to focus on when working with a microenterprise program is to plan for the future, after the initial investment, to ensure that your business can continue to grow and become able to support itself.

One recent start-up that gained a lot of media attention is *Moira's Ventures*, in Florida (<http://moirasventures.com/>). Moira Rossi received a microenterprise grant from a state-level DCA to start her business as a self-advocate, community activist, and public speaker. The mission of her business is to create self-help training materials to help other self-advocates. It will be exciting to watch as Moira grows and develops her business in the future!



FINANCING FOR ENTREPRENEURS

Many people with disabilities and their families are living in poverty or asset poverty, which means that they have difficulty in applying for small business loans because they do not have collateral or a credit

history. People with disabilities may also have difficulty applying for microloans from organizations that serve impoverished and disadvantaged populations, because they are unsure of how to work with individuals receiving disability benefits and facing asset limitations. For these reasons, it is critical to think about your financing options as an entrepreneur.

Many expect people with disabilities to rely upon financial resources from their families. While this does sometimes happen, we have found that usually this is not the case. Instead, entrepreneurs with disabilities want to be independent, and try to develop or adapt their business ideas so that they will have low overhead and start-up costs rather than relying upon family members or placing additional strain on their personal or family finances. So let's look at the big picture here! Not only are many entrepreneurs with disabilities, operating outside of the service system, but also they are not using sources of personal or family financing to start their businesses. For this reason, it is important that entrepreneurs consider alternative sources for funding, just as entrepreneurs without disabilities do.

Bootstrapping

The term **bootstrapping** refers to an entrepreneur using as few resources as possible to start a business.

Nowadays, more than half of the funding sources for entrepreneurs come from the entrepreneurs themselves. Entrepreneurs use their own personal finances for several reasons. First, because startups are brand new, the high probability of failure for new ventures means outside investors are hesitant to give money. This is especially true if a business does not have a competitive advantage over existing competitors. Thus, entrepreneurs usually rely on their own resources for securing capital.

The firm survival rate for new businesses in general is 50%, and for businesses by people with disabilities it is estimated at around 68%! Yet, entrepreneurs with disabilities cannot get business loans because they are seen as being a higher risk due to the stigma of disability and lack of understanding about disability benefits.

There are several techniques that you can use in bootstrapping to start a business. First, launch the business as soon as possible. This will enable you to receive valuable feedback from customers, and it also tests the business model for possible weaknesses. Create a website, rent a small kiosk at a local shopping mall, or if interested in the wholesaling business, negotiate a *consignment detail* with retailers. Consignment is an agreement between a wholesaler and a retailer that enables the retailer to pay only for products that have been sold in the store. Any product that is not sold can then be returned to the wholesaler for no additional cost.

Second, keep your operating expenses as low as possible. Keep in mind that the largest single expense that you will have to pay are employee salaries and wages. Since the primary goal in the beginning of starting a business is survival, entrepreneurs with disabilities will want to keep their payroll tight, and only hire full-time workers when absolutely necessary. In order to limit costs, consider hiring independent contractors, temporary help, or sub-contracting work to other companies. During the start-up stage, entrepreneurs with disabilities should also leverage supports from service providers, such as job coaching and personal assistance services, which they can use their benefits to help pay for until their business becomes profitable.

Third, do not purchase expensive equipment or facilities if you do not have to. Although these are essential assets, property, buildings, and equipment reduce the flexibility of a business because these

assets cannot be easily converted into cash, and cash is what every young business needs for survival. Instead, rent equipment and facilities when possible. A lease will typically not require a down payment, and the monetary obligations will be spread out over time. Also, purchasing equipment can be risky due to the fact that the increase in the progress of technology may make these purchases obsolete after only a couple of months.

Finally, as an entrepreneur you need to be assertive in managing money in your business dealings. The goal is to make sure your customers pay quickly, sometimes this means needing to follow-up on your accounts receivable in-person. *Accounts receivable* is money owed to a company by its debtors. Also, try to establish a good relationship with suppliers. This could lead to a supplier giving you more time to make a payment. It could also lead to establishing small credit accounts with multiple suppliers, which can increase your creditworthiness and enable you to seek more favorable business agreements when purchasing supplies.

Other ways to successfully bootstrap your business are to work from home, use social media outlets, find ways to motivate employees without the use of money, and offer positions to student interns who are looking to gain work experience.

Equity Financing

Outside investors are willing to place their money in a business venture because they seek an ownership stake in that business, and they expect their stake to increase. The amount of ownership one has in a business is referred to as equity. **Equity financing** is different from **debt financing** because with equity, the investor is not guaranteed any return on their investment. However, if successful, an investment can yield a more profitable return than a loan. There are several common sources for equity financing.

The most informal source of equity financing comes from family and friends. This source is very common because it is often the only source available at startup. If considering exchanging capital for equity with friends or family, be very careful. Failed business ventures can create strained relationships among loved ones who are partnered together. It is important for entrepreneurs to remember that they are engaging in a business deal, and they should always put everything in writing in case disagreements arise.

Private investors, also known as “angels,” are another informal source of financing. These individuals are usually business acquaintances, but they can be difficult to find because they generally stay hidden until deciding to reveal themselves. *Angel investors* typically invest \$25,000 to \$100,000, but can group together with other angel investors to raise up to \$1,000,000. In return, they may demand up to 40% of the company and seek a return of twenty to thirty times the amount of their original investment. Angel investors prefer to invest in technology ventures, manufacturing, and service companies. They generally stay away from high-risk, low margin businesses like retailers, but specialized businesses like restaurants will occasionally attract an angel investor who has experience in the area. An advantage of working with angel investors is that they tend to make their decisions quicker than other sources of capital. Also, angel investors generally enjoy working with new entrepreneurs because they like experiencing the excitement of starting new ventures.

Venture Capitalists (VCs) are private companies that manage investments professionally. They possess a great deal of experience and resources that can be advantageous to a company. However, they also demand significant portions of a company’s equity and require a position on the Board of Directors. Moreover, VCs will bring in managerial expertise to the business, limiting the entrepreneur’s control. If

choosing to gain investment from a VC it is a good idea to wait until after the start-up stage, because entrepreneurs will be able to control more of equity in negotiations.

Debt Financing

Sometimes entrepreneurs will choose to finance their business through debt instead of through equity. However, this method of finance requires collateral, which means that the lender will have rights to something that you own if you are not able to pay back the money you owe. Collateral can be property, buildings, equipment, inventory, supplies, a house, or a car. However, entrepreneurs should try to avoid offering personal assets as collateral. There are several ways to finance through debt. Because so many entrepreneurs with disabilities live in asset poverty, this financing strategy will likely not be accessible to them. However, this strategy is being included so that you can be informed of all of the possible options.

Commercial banks do not usually give loans to entrepreneurs without a *positive cash flow* because they want to be repaid in cash. Positive cash flow refers to the amount of cash coming in to the business being greater than the amount of cash leaving the business. This creates a problem because most start-ups have not generated any sales. If a company does not have a positive cash flow, banks will only offer loans that are guaranteed with collateral. When approving a loan, commercial banks consider five important criteria: *character, capacity, capital, collateral, and condition*. Because the bank's decision is based on a future prediction (whether or not you can repay the amount borrowed), character and capacity are the two most important criteria.

5

Criteria for Bank Loans:

1. Character
2. Capacity
3. Capital
4. Collateral
5. Condition

Commercial bank loans are regulated to the point where it can be difficult to secure capital from these institutions. Commercial finance companies, also known as “hard asset” lenders, on the other hand, have emerged as an alternative to commercial banks. These companies are not restricted by as many regulations as commercial banks. They make their decisions based on the quality of collateral that a business possesses. However, they also charge up to 5% more on interest rates.

Perhaps the best option for debt financing for entrepreneurs with disabilities is a Small Business Administration (SBA) loan. This loan is through commercial banks, but it is backed by the government, and can be used to apply for loans up to \$2 million. The SBA also has a microloan program that makes it easier for entrepreneurs to borrow small amounts of cash (up to \$35,000). If choosing this method, entrepreneurs might be required to participate in business training workshops. ACCION is another organization that provides micro- and small business loans, including financing and assistance for people with disabilities (<http://us.accion.org>).

Crowdfunding & Grants

Other options for obtaining funds without losing equity in the business include *crowdfunding* and *grants*. Websites like [Kickstarter](#) and [Indigogo](#) offer entrepreneurs the opportunity to pitch their idea to the general public. In exchange for donating to the business, the business will offer individuals discounts, free services, and early versions of the product. Sometimes the rewards, especially on social crowdfunding sites such as [StartSomeGood](#), are inexpensive items such as postcards or pens. Finally, the United States requires that all federal agencies give a portion of their budget to *Small Business Innovative Research* (SBIR) grants. If interested in applying for this type of funding, check for announcements by the individual agencies to see whether the entrepreneur qualifies. To qualify for an SBIR grant, a company must have fewer than 500 employees, be owned by a U.S. citizen, be technology-based, and be profit-based.



Considerations

Most people believe that raising money, or capital, is the most important component of starting a successful business. While true that many start-up companies fail due to a lack of sustaining capital, creating a sound business plan and targeting that first customer are actually more essential elements of creating a business. Many inexperienced entrepreneurs incorrectly assume that with enough money they can make any business successful. Large sums of money, however, will not turn a bad business idea into a good one! Also, when an entrepreneur has more money than they need, they are prone to spend it unproductively. Before entrepreneurs begin seeking funds from outside sources, they should consider the following points:

1. Raising funds is time-consuming
2. Have a proof of concept
3. Have a financial plan

First, raising funds is very time-consuming, so entrepreneurs need to make sure they can afford to step away from the business for large periods of time. Second, make sure that your business has a *proof of concept* before raising funds. In other words, your business plan needs to be strong and should be tested in the market with real customers. Third, you need to make sure that you have a financial plan for the future of your business. Potential funders will want to know, with as much accuracy as possible, what benchmarks your business will hit in subsequent months, and how much capital will be needed to help reach those goals.

FINANCIAL LITERACY

There have been some wonderful efforts to improve access to financial literacy programs for people with disabilities. However, these programs focus primarily on personal finances and not on what would be necessary to understand finances necessary to own and operate a business. Additionally, while resources for financial literacy relevant to entrepreneurship exist, they are often not provided in accessible formats or plain language for people with disabilities. Entrepreneurs with disabilities can use both kinds of financial literacy programs. They can use programs provided by Disability Community Agencies to develop their basic financial literacy, and then use SBDC programs to build upon that foundation to develop skills in understanding their business finances.

FINANCIAL MANAGEMENT

For many people starting a business, the line between their personal and business finances can get blurry. Often people use what personal finances they have available to help start their business, and then when their business starts to make a profit they have to make decisions about balancing personal finance needs with how much money they put back into the business to keep it going. However, in managing your finances it is really important to distinguish between personal and business finances. This should be done when developing the financial planning part of your business plan, and may include decisions such as setting a predetermined percentage of your profits aside to go towards personal expenses if you are not taking a salary. Further, you may also need to identify appropriate services that can be paid for as business expenses, such as personal assistance, and therefore be an expense you can deduct on your taxes.

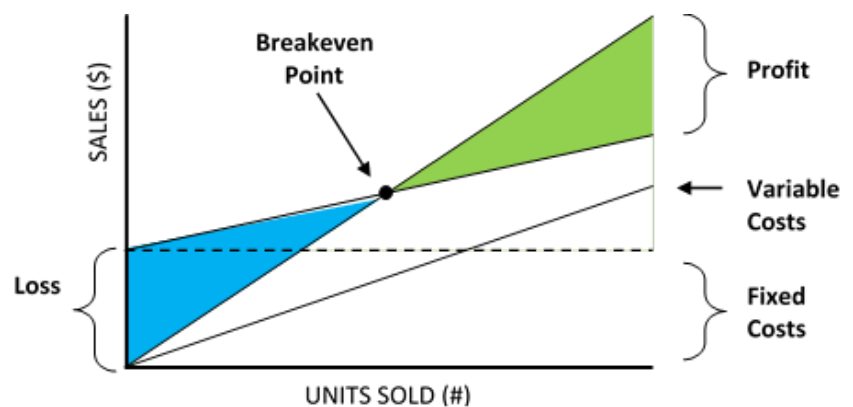
Similarly, if you are living and/or working with family members, your financial management can become even more complicated. This is because it necessitates balancing personal, family, and business finances, which may overlap. For example, if a family member contributes money to your business or volunteers their time helping with your business, it is important to plan in advance how they want to be compensated and in what kind of time frame. Formalizing this process helps to clear up potential confusion about what everyone's roles are as your business is starting up and as it grows over time. Further, it is possible that an entrepreneur with disabilities' family may have a crisis and need to rely upon profit from the business to help get through a difficult period. If this happens it is important to agree upon a plan for the business to either recoup those expenses in the long-term, or to determine whether the business can survive accepting those expenses as a loss.

Estimating Start-Up Costs

Many of the initial expenses of a new business will be incurred before the business begins its operations. These expenses are called **start-up costs**. Estimating start-up costs is important because an entrepreneur needs to figure out how much capital they will need to have in order to keep the business running until the breakeven point (see below) is reached. Remember that startup costs are often estimated and will most likely change.

Break-Even Analysis

A **breakeven analysis** is used to determine the date (and the amount of sales) when a business' revenue matches its expenses. This is important because this is the point in time that the business is ready to create a profit! A breakeven analysis will help to determine how much revenue will be needed to pay ongoing business expenses. You can find the *breakeven point* by dividing the fixed costs by the difference between the unit selling price and the variable costs:



$$\text{Breakeven point} = \text{fixed costs} / (\text{unit selling price} - \text{variable costs}).$$

In addition to understanding profitability through breakeven analysis, you also need to understand their business cash flows. Poor cash management is a frequent stumbling block for entrepreneurs. Even a profitable business can run out of cash if clients take a long time to pay but the entrepreneur cannot delay payments to suppliers and personal, for example.

FINANCIAL ASSISTANCE & ASSET DEVELOPMENT

During financial planning, you should start thinking about savings plans and ways to develop your assets. Doing so will place you in a better position to apply for loans and attract investors in the future. There are several tools available to you for starting a business that will not affect your benefits:

Individual Development Account

An **Individual Development Account (IDA)** is a matched savings account through the *Corporation for Economic Development (CFED)*. IDAs make it possible for low-income entrepreneurs to start a savings account that is exempt from public benefit asset tests to help people with disabilities begin to accumulate assets for one of three purposes: home-ownership, post-secondary education, and to start or expand a small business. Eligibility for IDAs is based on income, assets, and credit history. While a lack of credit history should not work against an applicant for an IDA, having a bad credit history will. A *matched savings* account means that for every dollar that is saved, account holders receive another dollar. Most IDA programs offer a one-to-one match like this, but some may offer more. This can go as high as an eight-to-one match, where for every one dollar saved the individual would receive eight dollars in match money. People with disabilities who are receiving social security can save up to \$2,000 before it affects their benefits. IDA programs usually require participants to take part in a financial literacy course and may provide counseling for money management. You can find your closest IDA program on the CFED website at: http://cfed.org/programs/idas/directory_search/.

Supplemental Needs Trust

Some people with disabilities, in particular those with intellectual and developmental disabilities, have been using **Supplemental Needs Trusts** for entrepreneurship. These are often referred to in conversation as a “special needs trust.” These are trusts that have been set up on behalf of the person with disabilities, but which do not disqualify them from receiving public benefits even when they are funded by the person with a disability’s own assets. The trust must be established and managed by a *trustee*, who can be a family member or third party but who cannot be the person with a disability (the *beneficiary*). This option is problematic because the person with a disability does not have any control over the funds, as how much an individual receives is entirely up to the trustee’s discretion. How it works is that the money in a supplemental needs trust does not count towards the \$2,000 resource limit, and can be used to pay providers directly for food, clothing, and shelter. However, if money is paid directly to the individual, it will be taken out of their social security payment. How entrepreneurs with disabilities are currently using these trusts are to provide personal finance support and help pay for non-business expenses.

There are various different kinds of supplemental needs trusts, but can be divided generally into *first-party special needs trusts* and *third-party special needs trusts*. What is described above is a third-party trust. Different types of third-party trusts include family special needs trusts, court-ordered special needs trusts, and pooled special needs trusts. A first-party, or “self-settled”, trust is funded entirely by the person with a disability’s own assets, but is still established and managed by the trustee. Each state

has very specific regulations for the administration of supplemental needs trusts so it is important to check what the requirements are for your state.

ABLE Account

The *Achieving a Better Life Experience* (ABLE) Accounts have gained a lot of attention since the ABLE Act was passed in 2014, but it is up to each state to implement it. Illinois passed **ABLE account** legislation in July of 2015. ABLE accounts (529A accounts) are based off of education-related 529 savings accounts, but with several key differences. To be eligible for an ABLE account there has to have been an onset of disability before the age of 26.

Up to a total of \$14,000 a year can be contributed to the account, and anyone can make a contribution, including the beneficiary. The total account limit is set at each State's ceiling for 529 accounts; however, for individuals who are receiving social security, only the first \$100,000 is exempt from the \$2,000 resource limit. Any amount saved over that limit would put the individual's benefits in jeopardy. Allowable expenses for ABLE accounts include any related to "living a life with disabilities," which includes education, housing, transportation, employment training and support, assistive technology, personal support services, health care expenses, financial management, administrative services, and other expenses. This is great news for many entrepreneurs with disabilities! It gives more control over the funds to the individual with disabilities as federal law requires the *owner* of the account to be the beneficiary. It is expected that it will cost less to set up an ABLE account than a supplemental needs trust, but that many families will choose to have both.



BARRIERS & FACILITATORS

Entrepreneurs with disabilities experience four main barriers when **Financing the Business**, including financial literacy, discrimination, asset poverty, and fear of losing their benefits. When it comes to financial literacy, people with disabilities experience multiple barriers. This begins with opportunities to learn and develop math skills in school, and continues when you look at access to business education and training. Often when people with disabilities do have an opportunity to learn applied math skills, these are primarily focused on learning how to manage personal finances and not business finances. Finding a financial literacy program can help you learn the basic skills you will need to start your business, and will prepare you for courses that teach you more about business finances.

People with disabilities also experience discrimination when applying for assistance from financial institutions and lending organizations. This is primarily due to beliefs associated with the stigma of disability and not believing that people with disabilities can be "competent" business owners. It is also due to a lack of understanding about the disability benefits system and whether or not it is possible for someone who is receiving disability benefits to qualify for a loan. In fact, we once were interviewing someone who worked at a lending organization who said that they worked with an entrepreneur with disabilities, but the more we spoke with them they began to question how they could possibly work with that client when they were receiving social security benefits. It is possible, but you have to get your foot in the door first! Again, entrepreneurs can work with service providers, family members, and other support persons to seek out financial assistance, which will likely involve advocating and educating

people about disability benefits and disability-entrepreneurship. Having a strong business plan (including a financial plan and benefits plan) will also be a powerful tool in helping to advocate and educate financial institutions and lending organizations about the potential of funding your business.

Applying for funding also presents barriers because entrepreneurs with disabilities are often living in poverty and asset poverty. As a result, many do not have a credit history, have a bad credit history, or do not have any collateral or savings. Adding this to the asset limitations and disincentives to saving that you find in social security, many people with disabilities think that having assets or a savings account is just not possible for them. However, asset development programs are available that can help discuss your options.

The fear of losing one's benefits is one of the largest barriers affecting how people with disabilities are financing their businesses. A lot of this fear comes from the fear of having to live without support if their businesses fail and they have to re-apply for disability benefits. What this means is that entrepreneurs with disabilities are keeping their businesses from growing, from becoming too successful, and essentially from becoming sustainable in the long-term. Entrepreneurs with disabilities need education and training about how decisions such as these will affect their business development. They also need to engage in benefits planning and consider strategies for financial assistance and asset development. This is where the CEED program can help!

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [MyMoney.gov](#) financial literacy education website
- [Money Smart: A Financial Education Program](#) by the Federal Deposit Insurance Corporation (FDIC)
- [Financial Literacy Information for Young People with Disabilities](#), an InfoBrief from the National Collaborative on Workforce and Disability for Youth (NCWD/Youth)
- [Financial Literacy Games](#) from Real Economic Impact (REI)
- [Banking Status & Financial Behaviors of Adults with Disabilities](#) by REI
- [Financial Capability of Adults with Disabilities](#) by REI
- [Self-Employment Assistance Center](#) website
- [Individual Development Accounts \(IDA\)](#) by the Corporation for Enterprise Development (CFED)
- [Assets for Independence Resource Center](#) by the U.S. Department for Health & Human Services
- [Special Needs Trust Planning](#) from the American Bar Association (ABA) CPSolo Magazine
- [Able Account Program \(Public Act 099-0145\)](#) by the Illinois General Assembly

OUTCOMES TO EXPECT

- Increase in Financial Literacy
- Breakeven Analysis
- Financial plan
- Applying for/ Receiving Funding or Financial Assistance

SUMMARY

- Recognize, describe, and explain different funding sources.
- Understand and explain the economics of starting and growing a business.
- Understand and explain the significance and influence of financial literacy.
- Think critically about their role in financing and what supports they need.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Lisa began working at a home and garden center three years ago. In this job, she got to learn a lot about plants and found that she had a talent for making gift arrangements. She is in the process of starting her own business making and selling gift baskets in her free time, at night and on weekends when she's not working at the home and garden center. However, Lisa is finding that it is costing her a lot of money to make each basket even though she thought she would be saving money by using her employee discount to buy materials from her work.
 - a. Is Lisa doing a good job of managing her money?
 - b. What are the top three things Lisa needs to learn about to help her with financing her business?
 - c. What steps do you think Lisa needs to take next?
2. Matt has started a business selling packaged coffee and scone mixes in the same city as Chris from week four. However, he keeps running into a problem. When he sells his products in person sometimes people get angry at him. At first they think his business is a charity, and they are happy to buy his coffee and scone mix. But when they find out that he keeps all of the profit that he makes they get upset and tell him he should be giving the money to people who really need it. Matt is confused because he works hard as this is his main source of income and most of it goes back into running his business. Now he has started to wonder if he is mismanaging his business finances.
 - a. Is Matt doing a good job of managing his money?
 - b. What are the top three things Matt needs to learn about to help him with financing his business?
 - c. What steps do you think Matt needs to take next?

WORKSHEET

Are you interested in improving your financial literacy skills?

- Yes, I need to learn basic financial literacy.
- Yes, I need to learn financial literacy for my business.
- No, I don't need financial literacy education.

Let's brainstorm 3 to 5 strategies you can use to improve your financial literacy!

1. _____
2. _____
3. _____
4. _____
5. _____

What supports are you going to need to help manage your finances?

What kinds of assets or savings do you have?

- | | |
|--|--|
| <input type="checkbox"/> I don't have any, but my family does. | <input type="checkbox"/> I have an ABLE Account. |
| <input type="checkbox"/> I don't have any, but my business partner does. | <input type="checkbox"/> I have an Individual Development Account. |
| <input type="checkbox"/> I have a Special Needs Trust. | <input type="checkbox"/> I have some savings: \$_____ |
| | <input type="checkbox"/> I have some assets: \$_____ |

Let's brainstorm 3 to 5 strategies you can use to improve your asset development!

1. _____
2. _____
3. _____
4. _____
5. _____

What kind of financing do you want to use to start your business?

- Bootstrapping
- Debt Financing (For this you will need a loan)
- Equity Financing (For this you will need investors)
- Crowdfunding
- Microenterprise Funding or Grants

Have you applied for any loans in the past?

- Yes, I currently have a loan for: \$ _____
- Yes, I have gotten a loan in the past for: \$ _____
- Yes, I have applied but have not gotten them. I applied _____ times.
- No, I am interested but have not applied.
- No, I do not want to apply for a loan.

Do any of the service providers (DCA and SBDC) or organizations in the disability community that you are involved with have microenterprise funding or small grants that you can apply for?

- Yes
- I don't know
- No

Does anyone in your social network, or who has become your advisor or mentor know of any opportunities where you can apply for funding or grants to help you start or grow your business?

- Yes
- I don't know
- No

If you are doing equity financing, what are 3 to 5 strategies that you can use to finding investors?

1. _____
2. _____
3. _____
4. _____
5. _____

Let's estimate what your start-up costs are going to be! Look at your cost drivers from the worksheet for **Chapter 5: Business Planning** where you listed all of your expenses:

How much will you spend in one-time costs? (Things you pay for once): \$ _____

How much will you spend in ongoing costs? (Things paid for regularly): + \$ _____

Total start-up costs = one-time costs + ongoing costs: _____

Estimating your start-up costs will help you know how much "seed money" you will need to start your business, either through loans, grants, investors, or crowdfunding depending upon the financing strategy you have chosen.

How much "seed funding" will you need? That is money to start your business: \$ _____

What is your breakeven point going to be? To answer this question, you will need to know your fixed and variable costs from the worksheet you filled out for **Chapter 5: Business Planning**. You will also need to know how you are pricing your products and/or services. The fixed costs should be for a set period of time, which can be per week, month, or year. The variable costs should be per unit. The formula below will let you know how many units will need to be sold per week/month/year in order to break even:

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Fixed Costs}} \quad / \quad (\$ \underline{\hspace{2cm}} \text{ Unit Selling Price} - \$ \underline{\hspace{2cm}} \text{ Variable Costs}) = \$ \underline{\hspace{2cm}} \text{ Breakeven Point}$$

When you have more than one product and/or service, this calculation becomes more complicated. However, there are some helpful templates you can use, and you can get help from an SBDC provider to figure it out.

Do you want to meet with an SBDC provider to write an in-depth financial plan? This may mean also meeting with a benefits counselor to make sure that your financial plan will not affect your benefits.

Yes

I'm thinking about it

No

CHAPTER 8

Sustainability, Strategy & Supports



SUSTAINABILITY, STRATEGY & SUPPORTS

This chapter focuses on developing strategies for growth and sustainability for small businesses for entrepreneurs with disabilities. In doing so this chapter will discuss forms of support and enlisting members of a customized support team to assist in entrepreneurship. You will also learn about planning for the future and balancing work and family life.

KEY TOPICS

SUSTAINABILITY & GROWTH

Sustainability refers to having the capacity to last. In thinking about sustainability in disability-entrepreneurship, it is important to differentiate between *financial self-sufficiency* and a *self-sustaining business*. Most of the focus in disability employment has been on achieving financial self-sufficiency as a successful employment outcome for people with disabilities. The emphasis in self-employment and entrepreneurship has been on finding or creating a job that will allow that individual to support themselves and lessen their reliance upon public benefits, eventually becoming economically independent.

Self-sustainability focuses on the business, not the individual. A business that is self-sustaining has to, at the very least, break even on a continuous basis. That means that after paying salaries to employees (sometimes just the owner's salary, as in self-employment) and covering all the other costs of the business, there is no deficit or surplus. It is at this breakeven point that the business becomes self-sustaining, and in order to be viable the business has to breakeven year after year. However, at breakeven there will be no extra funds to invest back in the business for its future development. So while this may be a strategy for low-asset types of service businesses that people with disabilities may start, entrepreneurship implies growth, or at least a willingness to grow. That would mean that instead of just being able to breakeven year after year, the entrepreneur should have a profit from the business so that they can invest back in the business and grow.

Companies typically progress through four major stages of growth. These stages are known as startup, early growth, high growth, and stable growth. When an entrepreneur reaches a point that indicates the business is ready to grow to its next stage, they will need another infusion of cash. Thus, entrepreneurs should be familiar with their business's four phases of growth:



Start-Up Stage

At the **start-up stage**, entrepreneurs are still developing their business model and testing ideas with target customers. Because the proof-of-concept stage does not usually include large sales figures, your funding source will most likely come from personal funds, friends, or family. In addition to ensuring that there is enough capital you will most likely seek customers, and developing methods of distributing your

product or service. During startup, you are responsible for several elements of the business. This includes negotiating with suppliers and distributors, securing facilities for operations, and hiring labor.

The number-one priority during the start-up stage is survival. You will realize it is time for your business to move to the next stage when customers are coming to you, instead of you having to go to the customer. Furthermore, revenue will surpass the amount of money initially invested in your business, which means that you will have some money to spend to grow the business. Finally, you should have a team in place with the required skills to reach the next stage of development.

Initial Growth Stage

The next stage, called **initial growth**, begins when your business model has proven to be successful and your business has established a stream of revenue from its target customer. This is where you see early growth. At this stage, your primary focus is cash-flow. You need to assess whether your business can generate enough cash to pay for its expenses as well as support the growth of your business. Businesses will typically have a few employees in this stage, and you will continue to be responsible for several components of your company. At this point, securing resources is key, and you will have to determine whether the business is going to remain small or if it will move on to the next stage, rapid growth.

If you choose to grow rapidly, you will need to transition into new customer markets, and will need additional funding to keep up with growth. If your cash flow cannot sustain this growth, funding will generally have to come from angel investors, or venture capitalists (VCs). Usually, investments from angel investors or VCs can be anywhere from \$500,000 to \$5,000,000.

Rapid Growth Stage

The **rapid growth** stage carries a lot of risk because the funding required to sustain it is quite expensive, and there are few guarantees that the business will succeed at this level. These investments will be considerably higher than they were in the early growth and transition stages. Investments in the range of \$5,000,000 to \$20,000,000 are called mezzanine financing, or bridge financing, and are normal for this stage. In addition to the more common angel investors or VCs, commercial banks will also become viable options during rapid growth because they would be attracted to the company's assets. These assets include cash, receivables, inventory, and property, buildings, and equipment.

At this stage, entrepreneurs must focus on scaling up production and distribution, and implementing control systems in order to maintain quality. Moreover, since there will be no time to hire quality employees, you will need to already have them in place. In order to remain profitable during this stage, you will need to start delegating their responsibilities to competent staff members.

Typically, at the third stage of growth you should keep in mind that you will need to plan for liquidity due to the fact that at some point their investors will be interested in cashing out of the business and receiving a return on their investment (ROI). Liquidity can occur in the form of an initial public offering (IPO) or an acquisition. Also, you should be prepared to take on an entirely new role within the business at this stage. After an IPO or an acquisition, founders can even be removed by their boards of directors, investors, or creditors. This usually happens when the founder lacks the skills required to propel a business venture into the fourth stage of growth. These are all important things that entrepreneurs need to consider when deciding how you want to grow your business.

Sustainable Growth & Maintenance

The final phase of growth is the period of maintaining market share within the industry. Entrepreneurs will find that the business, which will be large at this point, can remain stable if it continues to be innovative, competitive and flexible. If not, it will slowly lose market share and eventually fail. There are four strategies that can help maintain growth to ensure that your business is sustainable:

STRATEGIES FOR GROWTH

1. Scan and assess the environment in which your business will operate. Study your business's industry, its target market and its competitors. Identify whether your business's marketplace is growing or shrinking. Also, do another SWOT analysis of your business.
2. Plan your business's growth strategy. Assess your business model and look for any weaknesses that need to be addressed. Set a large goal for the growth of your business. Then set smaller goals that will help achieve this large goal. Finally, make sure to allocate resources to the success of these goals.
3. Hire someone to implement the growth plan and hire employees who have experience working in growing companies. Also, provide quality training to employees so that they can keep up with the changes of your business.
4. Create a growth culture by involving every member of the organization in the growth plan and reward those who achieve growth goals.

While these four strategies are intended to maintain businesses that have grown larger, they also offer some guidance for entrepreneurs with disabilities who have chosen to maintain and sustain a small business.

You may choose not to grow your business any further. For example, in our work we met a young woman who was stuck living in a nursing home and wanted to start a business so that she could move into an apartment with a friend and live independently. She used a microenterprise grant from a local disability organization to start a business selling coffee goods. Her business was a success, but after she moved she decided that she did not want to grow this business. Instead, she really wanted to start a new business doing something that was closer to her heart. The original business had been created for a specific purpose, and in her mind that purpose had been achieved. She wanted to start a new business for this new phase of her life.

FORMS OF SUPPORT

There is a lot of emphasis placed on the rights of people with disabilities to live and work independently. In order to be independent, however, most people with disabilities rely upon some form of support. In fact, most people rely upon forms of support to be independent, regardless of whether or not they have a disability! For people with disabilities, this support has been a way to reduce the impact of barriers and promote equal access and opportunity.

Support is also instrumental to entrepreneurship. No entrepreneur does it alone. Social networks and supports are necessary resources when you are starting a business. Through them you can gain access to information, to financial opportunities, and also seek advice and reassurance. Entrepreneurs not only rely upon the help of family and friends, but also enlist the help of lawyers, accountants, and so on.

Further on down the line, as their business grows, they begin to hire employees to fill essential services. For entrepreneurs with disabilities, this may mean that once their business begins to be profitable enough they can hire someone to take over for the support that a job coach or personal assistant was providing. It can also mean hiring friends and family members who had been providing unpaid work, or hiring an employee to take their place if desired.

Personal Assistance Services

For over twenty years now it has been suggested that people with disabilities use **Personal Assistance Services** (PAS) to help with self-employment, and have even recommended they be considered a business expense. However, a lot has changed during this time and there is no clear solution as to how to actually put this idea into practice. It seems as if everyone is doing it differently, and that is because they are! The reason is because everyone's needs are different, and also because it depends upon how each State is providing PAS.

Self-directed personal assistance services are provided by State *Medicaid* under the *Home and Community-Based Services* (HCBS) waiver program. However, the degree to which PAS are self-directed depends on how each state is regulating the program. In a growing number of states now, family members can be hired as a *Personal Assistant* (PA). In Illinois, PAs are sometimes referred to as *Personal Support Workers* (PSW). PAS were originally intended to help individuals with disabilities with their personal care and activities of daily-living, and a lot of people assume they are limited to the home setting. However, *Workplace Personal Assistance Services* (WPAS) are possible using the HCBS waiver. Some states require that the use of PAS for work be approved by Vocational Rehabilitation (VR), so some entrepreneurs with disabilities choose not to distinguish between PAS and WPAS for that reason. It does not appear to offer them any real benefit, so instead they have simply used PAS in the workplace, particularly when they work from home. It is important to note that, for entrepreneurs with disabilities, PA/PSWs working for them are still providing personal care. They are not providing support for the business, but rather for the entrepreneur themselves so that they can work on their business. According to the National Collaboration on Workforce and Disability for Youth (NCWD/Youth), personal assistance is anything that allows a person with a disability to do something that a person without a disability can do.

Natural Supports

Natural Supports are personal associations in one's social network who can provide mentoring, friendships, and opportunities to socialize. This can include family and friends as well as other members of the community. In disability employment, people with disabilities and providers have been encouraged to use natural supports as voluntary sources of support that can provide assistance with work tasks without needing to be paid. Natural supports in the workplace are often co-workers. Entrepreneurs with disabilities are constantly relying upon natural supports as they are starting their businesses. It is expected that reliance on natural supports will lessen as the business grows and they begin to hire employees; however, that it will remain a vital source of support for entrepreneurs with disabilities. Also, business partnerships can be a wonderful source of natural support.

SUPPORT PLANNING

No one runs a business alone. Every entrepreneur relies upon planning, services, and networks of support. Support planning is essential to make sure that the entrepreneur is getting the support that they need to work towards accomplishing their goals and objectives in a person-centered fashion.

During the start-up stage, the accommodations and business support needs of entrepreneurs with disabilities are met by using a combination of forms of support. As your business grows and develops, you will need to begin implementing a business organizational structure that can meet these needs in order to become self-sustaining.

ACCOMMODATION & SUPPORT NEED CHECKLIST		
	Need Identified	Associated Support Person
<input type="checkbox"/>	Need help understanding profit/cost, supply/demand, financial planning, identify investors and funding sources.	Chief Financial Officer (CFO)
<input type="checkbox"/>	Need help managing money, accounts, and taxes/benefits.	Accountant
<input type="checkbox"/>	Need help managing day-to-day operations of the business.	Chief Operations Officer (COO)
<input type="checkbox"/>	Need help with legal aspects of the business, certification, and compliance.	Lawyer
<input type="checkbox"/>	Need help understanding the market, identifying and reaching customers.	Marketing Manager
<input type="checkbox"/>	Need help with daily tasks, reminders, scheduling, and time management.	Personal Assistant, Administrative Assistant, Executive Assistant

Many entrepreneurs with disabilities feel that they have to wait until their business becomes profitable before hiring any employees. However, what this overlooks is that hiring employees may be necessary in order to make a profit; especially if they are needed to provide an accommodation. For example, since many entrepreneurs with intellectual and developmental disabilities have difficulty with financial management, getting assistance with their finances will be a critical accommodation needed for their business's success.

Creating a **support plan** can help entrepreneurs with disabilities to make the transition from relying on services and informal supports to hiring employees and implementing more structure as their business grows. Developing a support plan begins with an initial assessment of needs using the checklist above. It will also help in identifying people who have expertise in these areas that can help meet these needs. In turn, this will help to grow the entrepreneur's social network. This information should be used to assemble a comprehensive *Entrepreneurship Support Team* (EST) to help entrepreneurs in the start-up stage of their business. When a support person joins the EST they should agree, in writing, to commit to providing that support for a set number of years. This number should be based on the break-even analysis and when the entrepreneur estimates they will be able to hire a few employees. If a member of the EST cannot make this time commitment, then a plan should be made to fill in the gap. Then, a plan should be made for transitioning once the business meets the breakeven point. This will involve re-assessing what the entrepreneur's needs are and evaluating the roles of each EST member.

Work-Life Balance

People with disabilities who want to find work have difficulty finding work. We know this to be true, and it is one of reasons that motivates people to pursue entrepreneurship. But, many entrepreneurs with disabilities are also working full or part-time jobs as they are starting-up their business. For entrepreneurs with intellectual and developmental disabilities, they may have volunteer positions in addition to multiple part-time positions, leaving little time for them to work on their business. In comparison, entrepreneurs without a disability spend on average 47 hours during the start-up stage on their business, and on average 63 hours during the growth stages. This may not be feasible for entrepreneurs with disabilities who are working other jobs, who have conditions that limit the amount of time they can spend working, or who have limited support hours provided. One strategy to address this concern is to find a way for entrepreneurs with disabilities to be paid for the time spent on their business. For example, through the Self-Employment Assistance (SEA) program. Another strategy is to plan effectively to make the most use out of the time that is spent on the business! So that when the entrepreneur with a disability is working on their business, their supports for what they are working on are ready to go and they can give it 100%.

The possibility of burn-out is real. Keep in mind the old adage, *you can't help someone before helping yourself*. This means not only informing yourself about disability-entrepreneurship before helping entrepreneurs with disabilities, but also not overloading yourself with responsibilities for providing support. Support planning is a strategy to find balance. It is about mobilizing resources to make sure that no one person, including the entrepreneur with disabilities, is taking on more than they can handle. It is okay to set limits and say, "No, I don't feel I have the time..." or "I don't feel I have the expertise to handle this." Then work with the entrepreneur with disabilities to find someone else who can fill that gap.

INTELLECTUAL PROPERTY

Intellectual Property (IP) is an intangible asset that does not exist in physical form, unlike physical property. The intellectual property of a business may include a unique idea or invention that no other business uses. Because intellectual property is an asset, businesses can buy, sell, or trade their intellectual property.

Nowadays, businesses value intellectual property more than before, so it is very important to understand your intellectual property rights as an entrepreneur. You can turn your unique ideas into intellectual property when you register your idea with the government. However, you must legally protect their idea quickly. This is because the United States follows a "first-to-file" process for intellectual property. This means that the person who registers intellectual property first—and not necessarily the person who created the idea—becomes the owner of that property. Entrepreneurs must understand these rights in order to a) protect their property, and b) avoid using the intellectual property of others.

There are four kinds of protection for intellectual property: *Patents, Trademarks, Copyrights, and Trade Secrets*. Patents can be unique product designs. Trademarks can be a business logo. Copyrights can be any materials that a business has created or the content of their website. Trade Secrets can be a unique recipe or customer list. If used correctly, entrepreneurs can leverage their intellectual property to establish their product in the marketplace and gain a competitive advantage.

BARRIERS & FACILITATORS

There are two main barriers that affect entrepreneurs with disabilities when it comes to **Sustainability, Strategy & Supports**. The first is in how we measure participation in entrepreneurship. We simply are not collecting data on entrepreneurs with disabilities, and this is important information that you can actually use when you market your business. Currently, the only data that is being collected stops at case closure in self-employment, but we know that this number is not accurate. Right now we are not collecting statistics that would let us know for sure how many people are interested in entrepreneurship as an employment strategy, how much profit the businesses are making on average, what the size of the business is or how many employees they have, or what the success/failure rates are for the first 1-5 years of operation.

The second barrier is that entrepreneurs with disabilities run into disincentives to growth and profit. We have touched on this topic in earlier chapters when discussing how the fear of losing benefits can limit business development as well as the availability of hours that support persons are available. Profit and growth can also be hampered by difficulties in finding sources of funding because of difficulties in applying for a loan or in finding investors. The best way to facilitate profit and growth for your business is to be proactive by addressing each of the individual barriers contributing to this larger one.

PLANNING TOOLS

In addition to the worksheet at the end of this chapter, there are several existing tools that can help you plan for your business. These include:

- [Individual Service Plan Development & Implementation](#) by Illinois Department of Human Services (DHS)
- [The Guidebook of Laws and Programs for People with Disabilities](#) from Illinois Legal Aid
- [Personal Assistance Services \(WPAS\) in the Workplace](#) by the Job Accommodation Network (JAN)

OUTCOMES TO EXPECT

- Individualized Service Plan (ISP)
- Individualized Employment Plan (IEP)
- Support Plan
- Personal Assistance Services
- Entrepreneurship Support Team (EST)
- Financial Self-Sufficiency
- Self-sustaining Business
- Growth Strategy

SUMMARY

- Understand the implication and meaning of sustaining a business.
- Recognize, describe, and explain different models of support (e.g. natural supports, formal services, IAMC, etc.).
- Think critically about their role in sustaining a business, long term and what supports they need.
- Critically analyze how strategizing and building support networks influence sustainability.

IN-CLASS BRAINSTORMING ACTIVITIES

You will be working together in groups to resolve the following scenarios in class, addressing each of the discussion questions below:

1. Jessica started a business last year when her service provider began a microenterprise program that provided a start-up loan, a job coach, and a work space that allowed her to teach dance lessons to other people with disabilities. However, after the program ended she had trouble keeping her business going by herself, particularly in finding dance space that she can afford. Her service provider says that she can use their space during weekday lunch hours, as it will be unoccupied then. Also, a teacher from the high school she used to attend volunteered a classroom for an hour and a half after school, but can only assure that it will be available three days a week and not on the weekends.
 - a. What supports does Jessica have already? Are there any other supports that you think would help Jessica grow and run her business?
 - b. What are the top three things Jessica needs to learn about to help her with her sustaining her business?
 - c. What steps do you think Jessica needs to take next?
2. Walter started a successful business making varieties of popcorn that are carried and sold in a small grocery store chain that only exists in his state. He has one part-time paid employee, who began working for him as a personal assistant when the business was just starting out. Also, his family help out when they have free time on a voluntary basis. Walter wants to expand his business by opening an online store and shipping to other states.
 - a. What supports does Walter have already? Are there any other supports that you think would help Walter grow and run his business?
 - b. What are the top three things Walter needs to learn about to help him with sustaining his business?
 - c. What steps do you think Walter needs to take next? What supports would help him?

WORKSHEET

What do you hope to achieve with your business, and how will you know if you are successful?

What are 3-5 things you would like to see your business do in the next three months? These are your short-term objectives:

1. _____
2. _____
3. _____
4. _____
5. _____

What are 3-5 things you would like to see your business do in the first year? These are your medium-term objectives:

1. _____
2. _____
3. _____
4. _____
5. _____

What are 3-5 things you would like to see your business do in the first five years? These are your long-term objectives:

1. _____
2. _____
3. _____
4. _____
5. _____

What can you do to test your business model and proof of concept to see if it will work?

Let's take a closer look at who your competitors are! If you want, you can work with an SBDC to do a full competitor analysis, but to start with think about the following questions:

You listed who your competitors are in the worksheet for **Chapter 4: Marketing**, and looked at their strengths and weaknesses. But what are your competitor's basic objectives?

What marketing strategies are your competitors using?

How do you think your competitors will respond when your business enters the market?

What is your competitor's share of the market? _____

What are 3 to 5 things that you can do to attract customers away from your competitors and towards your business?

1. _____
2. _____
3. _____
4. _____
5. _____

How will you know when you are ready to grow your business?

How much do you want to grow your business?

- Some but I still want to keep it small because: _____
- I want it to grow rapidly because: _____
- I want it to grow slowly because: _____

What are 3 to 5 things that you will need so that your business can sustain this kind of growth?

1. _____
2. _____
3. _____
4. _____
5. _____

How will you know when you are done growing?

Do you currently have a service or support plan?

- Yes, I have a service plan: _____
- Yes, I have a support plan: _____
- Yes, I have both a service and support plan: _____
- No, I do not have either.

Let's put together your Entrepreneurship Support Team (EST)! Use the Accommodation & Support Need Checklist to help fill this out. You can give your team a snazzy name if you want to. In fact, put that name right here: _____

Name of support person:	What is their role? You can give them a title if you want:	How long will they commit to being part of your EST?

When someone has to leave your support team, how will you transition so that you are not left with a gap in support? Will they have to help you find a replacement? Will you need to know in advance?

How much time can you spend working on your business each week? (in hours):

Mon_____ + Tues_____ + Weds _____ + Thurs_____ + Fri_____ + Sat _____ + Sun_____ = Total_____

If you can, try to schedule this time in advance and have all of the services and supports you will need there so that you are ready to go!

RESOURCES

Along with this handbook you will receive a copy of *Accessing Entrepreneurship: A Community Resource Guide for Entrepreneurs with Disabilities* along with a copy of the CEED project's infographic on "Understanding Entrepreneurship & Disability." For further reading, please check out our articles below. [A plain language summary of each article as well as an audio version of that summary can be found on our website at: \[www.CEEDproject.org/articles.html\]\(http://www.CEEDproject.org/articles.html\).](#)

Caldwell, K., Parker Harris, S., & Renko, M. (2016). **Social Entrepreneurs with Disabilities: Exploring Motivational and Attitudinal Factors.** *Canadian Journal on Disability Studies*, 5(1), 211-244.

Renko, M., Parker Harris, S., & Caldwell, K. (2015). **Entrepreneurial Entry by People with Disabilities.** *International Small Business Journal*.

Parker Harris, S., Caldwell, K., & Renko, M. (2014). **Entrepreneurship by Any Other Name: Self-Sufficiency versus Innovation.** *Journal of Social Work in Disability & Rehabilitation*, 13(4), 317-349

Parker Harris, S., Renko, M., & Caldwell, K. (2014). **Social Entrepreneurship as an Innovative Pathway to Employment for People with Disabilities: Exploring Political-Economic and Socio-Cultural Factors.** *Disability & Society*, 29(8), 1275-1290.

Parker Harris, S., Renko, M., & Caldwell, K. (2013). **Accessing Social Entrepreneurship: Perspectives of People with Disabilities and Key Stakeholders.** *Vocational Rehabilitation*, 38(1), 35-48.

Caldwell, K., Parker Harris, S., & Renko, M. (2012). **The Potential of Social Entrepreneurship: Conceptual Tools for Applying Theory to Policy and Practice.** *Intellectual and Developmental Disabilities*, 50(6), 505-518.

