



MATURE ENTREPRENEUR PLANNING GUIDE



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INTRODUCTION: OPPORTUNITY HAS AN UNLIMITED SHELF-LIFE

“Age is the acceptance of a term of years. But maturity is the glory of years.”

- Martha Graham.

This guide has been created for those in the mature stages of their life who are considering starting or purchasing a small business. There will always be opportunities for enterprise, no matter what your age, lifestyle or financial situation may be.

In this great country, opportunity has an unlimited shelf life. As long as you can sell a product/service for more than what it costs you to produce and deliver that product/service, you will have a profitable business venture.

While the model for success may be simple, owning and operating a small business is no easy task. Depending on your particular venture, there can be many factors that come into play in regard to developing, operating, marketing and managing your business.

This guide will help you evaluate the feasibility of your idea and develop a plan to help you visualize what will be involved in pursuing a business venture. While all business ventures have an inherent risk factor, taking the time to develop a plan will bring you closer to recognizing worst and best case scenarios for your venture. It is this risk/reward analysis that will help you make a better informed decision whether this is the right opportunity for you at this time in your life.

Why You? Why Now?

Why choose to pursue entrepreneurship at this stage of your life? According to AARP Public Policy Institute 16.4% of the 5.6 million baby boomers over 50, in 2008, were self-employed. Furthermore, one out of three made the transition to self-employment after age 50.

So why you, why now?

- You may be an ex-government or military worker who is eligible to receive retirement benefits and pensions after 20 or 30 years of service. You may have a decade or two before you wish to pursue retirement and are eligible for social security.
- You have always dreamed of pursuing your own business, but haven't had the time to do so until now.
- You may want to generate extra income outside of retirement benefits.
- You are searching for a better work/life balance as you try to juggle the demands of caring for your parents and at the same time raising children.
- You want the independence and flexibility of working for yourself.

Some of you will be pursuing business ownership out of necessity. Corporate layoffs and downsizing have left many people jobless. While there are labor protections against age discrimination, the reality is that many mature job seekers have attained a level of experience that would require a higher wage, thereby giving them a competitive disadvantage against younger workers in the applicant pool with lower wage expectations.

Whatever your rationale may be, self employment can provide a rewarding career path for those who are prepared to bring leadership skills, marketing skills, operational skills and financial management skills to the table. Yet while considering whether this is the right time for you, you should also consider the risk involved in starting your own business.

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Traditionally, small businesses have a limited success rate, with less than 20% of small businesses surviving five years of operations. There are many reasons why businesses fail, but usually the common denominator is inadequate planning.

While we can't make any guarantees, the fact that you are even reading this document is a sign of your commitment to avoid the common mistakes that many others make when approaching their ventures. Perhaps it is your maturity and experience that will lead you to develop a plan, assess risk, and follow the path to successful small business ownership.

Second-career entrepreneurs face the same concerns as their younger counterparts, but some issues become more significant when you start a business at this stage in your life. Before embarking on your self-employment journey, consider the following questions:

- Do you feel physically up to the challenge of working long hours?
- Are you a member of the “Sandwich Generation,” who bear the dual responsibilities of caring for children as well as caring for elderly parents?
- Do you have enough money saved and adequate financial resources to support yourself while you are building your business?
- Do you plan to tap into your retirement nest egg to fund your business?
- What will be the financial impact on you and your lifestyle if the business fails?
- Do you and your spouse agree on your plans? Will you be working together? Do you both have the same level of commitment to the business start-up?
- What skills do you need that you do not have? What new skills can you learn?

- What's the succession plan for this business?

Only you can decide whether this is the right time in your life to pursue self employment. An equally important decision you will have to make is what level of risk you feel comfortable in undertaking and how much time, energy, and resources you can invest in the business. If you feel you have found the right opportunity, we encourage you to utilize this guide and follow up with some free and confidential business counseling at the New York State Small Business Development Center (NYS SBDC) nearest you. The SBDC can help you in your decision making process.

Whether you have grand plans for a second career or if you are just looking for a part time venture to generate supplemental income, if you are thinking of starting a venture, your partners at the NYS SBDC will be there to help you go from concept to reality.

This guide has been developed for a very large and diverse audience. Because of that, our ability to tailor this to your specific needs does have some limitations. We remind you that you always have the opportunity to reach out to our counselors for free and confidential business counseling that can address your specific concerns that may not be addressed on the following pages.