

Ginny Wilmerding

Smart Women and Small Business

How to
Make the
Leap from
Corporate
Careers to the
Right Small
Enterprise

Includes
Insights, Advice,
and True Stories
from Women
Entrepreneurs



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the Leap from
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Ginny Wilmerding



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*For my parents,
who taught me the virtues of
small business and self-employment,
despite my career girl ambitions*

FOREWORD

Deborah Moore, C.B.I.
Sunbelt Business Advisors Network

For the past 10 years I've owned a business brokerage and mergers and acquisitions company in Pennsylvania that is part of a national network (of which I am also an owner). Sunbelt Business Advisors Network has grown to become the largest business brokerage firm in the world, with over 300 offices. We assist business owners in selling their privately held businesses, and we help buyers evaluate those companies.

When I got an unexpected call from Ginny Wilmerding last fall, I spoke with her for nearly an hour and subsequently invited her to come and meet with me in Pennsylvania. I immediately sensed that her book had the potential to propel many women into entrepreneurial action and also to make positive impacts on the brokerage and franchising industries. Helping men and women find small businesses to secure their financial freedom is what our industry is all about. I read Ginny's book and loved the way she made the small business world so accessible and full of options.

I myself owned three small businesses prior to getting into brokerage, and over the years I've mentored a number of women who needed help with their careers or wanted to know how I got started. One of the reasons I chose to open a business brokerage firm as my next venture was to help more women get into business. I wanted to take the mystery out of business ownership for women seeking to be entrepreneurs.

Although my practice has been successful and has led me to places I'd never thought possible, I have helped only a few women become business owners, and I've been surprised at how few women approach me about becoming one. The number of women who inquire about buying a business at my firm is less than 5 percent, and the number of those who actually succeed is even less than that.

On behalf of my firm, Sunbelt Business Advisors, I helped establish an initiative within the International Business Brokerage Association (IBBA) to encourage business ownership among women. I've always been on the lookout for grassroots efforts that would open women's minds to the advantages of the small business world and alternatives to starting companies from scratch.

I became an owner of the Sunbelt national network in 2002 when five Sunbelt office owners from around the country, including myself (I was the only woman), orchestrated a franchisee buyout of the company. I became one of the five charter board members (and again, the only woman) for Sunbelt Business Advisors Network, based in Charleston, South Carolina. On that board with me was the charismatic original founder of Sunbelt, Ed Pendarvis. He liked to joke with me that "There's not one yes-man on our board, and there's certainly not a yes-woman!"

It was Ed who gave me the opportunity to open the first Sunbelt office in the northeastern United States 10 years ago. Today, at least 8 percent of Sunbelt's brokerage offices are women-owned. Five years after I opened my first office, Sunbelt gave me the "Office of the Year" Award. That same year, I received the national ATHENA Foundation Award as well as the Governor's award for being one of the top 50 business women in the state. In 2005 I became the first woman president of the Pennsylvania Association of Business Brokers. I mention these honors to draw attention not to myself but to the huge opportunities for women in the world of small business.

I wish this book, *Smart Women and Small Business*, had been available 12 years ago, when I was exploring options for myself. I remember being a little guppy in a big, male pond. I was fortunate enough to have received the support and encouragement from my husband Bill to leave my corporate job in telecommunications and find the business that

channeled my experience and talents, and *so can you*. There's no need to take or stay in a job that's a poor match for your interests, desires, experience, or capabilities.

Have you looked at other women entrepreneurs and wondered, "How did they do it?" In writing this book, Ginny has scoured the country for inspiring examples of women, not unlike you, who have carved out interesting niches for themselves in the small business world. She has also shared her own small business experiences. This book is a tremendous asset for women who are looking for a way to evaluate whether business ownership is for them, and for those who are already navigating business plans, due diligence, and financing.

I admire Ginny for her research and her commitment to get the word out, to inspire, influence, and assist women in harnessing their entrepreneurial spirit. It is my hope that this book becomes a small business classic. I think of Ginny and her book as a master gardener that will plant the seed of entrepreneurship in you. Don't miss out on a fantastic way to channel your skills and talents in the small business world. You won't look back.

D.M.

Reading, Pennsylvania

March 15, 2006

P R E F A C E

I wrote this book because it did not exist, and there was a huge need for something like it. As a consumer of small business advice books, I found many volumes that struck a chord with me personally and helped me come to the conclusion that small business offers the perfect fit for millions of midcareer businesswomen (and I recommend many of those titles in this book). However, none of the small business books that really impressed me were written from a female point of view, and none of the nonfiction titles about women's disillusionment with their careers or struggle to make time for family had anything innovative to say about the allure of small business. Nothing I read gave would-be women entrepreneurs the sense of multiple choice (not just start, but buy, join, franchise, consult, or partner) that I feel is critical.

Over the last five years, I've been putting the pieces together in my own mind of what a single concise volume could offer to women like me and you, and this is that book. I wrote it because I had something to say, ideas that I felt compelled to articulate for the benefit of all the women who are dreaming entrepreneurial dreams.

Before John Wiley & Sons offered me a publishing contract, my future editor Laurie Harting pitched my book proposal to a number of decision makers at her firm. Laurie told me later that all of the *women* at that meeting could be seen nodding their heads in recognition at the concepts in the book. I feel indebted to Laurie and those women for recognizing the commonality of women's professional angst and desires and realizing that I had something innovative to say.

Preface

My editor and her colleagues took a chance on me even though I'm not a famous columnist, prominent corporate executive, or conference speaker with a national platform to reach potential readers. And actually, that is a crucial point. I speak with authority simply because *I'm one of you*—a smart, go-getting business woman—and because I've experienced many of the things I write about in this book. In my prior careers, I've owned, operated, and consulted for decidedly non-high-tech small businesses; I've worked for big corporations, both American and foreign; I've held high-level positions in high-tech start-up companies (that no longer exist); and I've spent some of my prime career years not working at all. I'm also a parent of two children, and some of the entrepreneurial wisdom I've collected over the years comes from my daily struggles to manage a household and family.

Like many of the readers of this book, I've had interruptions and twists and turns to my business career that make me, on paper, an interesting but nontraditional candidate for jobs. But I've grown uninterested in selling myself by reputation, pedigree, or resume accomplishments. I'm not really compelled to prove myself in the corporate world. Indeed, more and more I desire to emulate my father, a small businessman and real estate investor who can actually boast that he never, ever put together a resume. He has led an independent, noncareerist, successful professional life as a small businessperson. A self-made man, he retired early, and his retirement income comes not from a pension plan but from an income stream he built over the years from his various business investments. He's well respected and well known in his community, and he has always had time for family and hobbies. In some ways, I want just what he has had . . . but there's a difference: I want the female version of it.

I want the satisfaction and economic success that come with being a successful business owner, but caring for my family is an equally important if not higher priority than providing for them. Here, my mother sets a good example—her second career as a real estate agent allowed her to be present for me every day after school. Like my mother, I don't have a wife at home to attend to family and household needs; I *am* the wife.

Moreover, like many other women, I have a broad array of motives for being a self-employed business owner, and wealth creation is not at the tip-top of my list (but it's *on* the list!).

This book does not presume affluence or dual-income households. Whether I am affluent or of modest means, I do, after all, want a *life*. However, this book does emphasize one of the wonderful realities of being self-employed: You can choose how fast you want your business to grow and how hard you will work. You must also accept the consequences of that choice. I want the freedom to work intensely if I so choose, but I also want the freedom to pursue a more modest return if it allows me to spend more time with my family or simply preserve my sanity. What I want for you, the reader, is to find the small business that's right for you and to operate it in such a way that it delivers the financial rewards you're seeking. I also want to help you avoid the trap of being in a business that delivers such minimal financial returns that it's not worth your time.

I've been struck over the last few years by how many women want what I want, yet aren't going after it and don't know where to start. The small business world is filled with both women and men, but there's certainly no national PR campaign or recruitment effort to get our best and brightest career women to give it all up for small business. The popular media instead seem forever focused on comparing women's progress in the corporate world to that of men, and lamenting that it still seems to be a man's world up in the highest echelons.

The down-to-earth world of business brokers and small business transactions, in contrast, is rarely featured in newspapers and magazines. But that world, too, is populated mostly by men, and those men's clients are also largely male. All this, despite the fact that women can relate better to the small business pitch than most men, and that they are hungrier than ever for solutions to the business career quandary! Women need ideas other than just turning their hobby into a business in their guest room—mostly because those businesses start small and stay small and can't support them. This hunger for solutions actually presents a market

opportunity (and labor opportunity) for business brokers, business owners, and franchisors, but most don't see it.

Who This Book Is For

I'd conjecture that the profile of my women readers looks something like this: You're educated, talented, business-minded women with at least 10 years of work experience under your belt. You're interested in building on your past corporate or professional work experience to do something entrepreneurial and not necessarily corporate. You've been intrigued for some time by the idea of running your own business. You'd like to set some finite limits on the amount of time you're willing to devote to work, because most of you have other responsibilities (chief among them family) and interests or avocations. Some of you are working but disillusioned; others have left the work force and are trying to figure out how to reenter it.

No matter how high your level of formal education, if you're a smart woman with good business sense, this book is for you. Higher education degrees and rarefied social standing are not prerequisites for success in the world of small business. You may be drawn to this book because you've worked in support roles in small companies, seen the mistakes your business-owner bosses have made, and determined that you could do it better if only given a chance. Some of you may have cringed at the typically male way your employer runs the show, and something tells you that a female approach to the business might improve performance.

Not explicitly represented in my audience is the younger, extremely driven career woman, because, as a prominent female professor at Harvard Business School pointed out to me, this book's message "won't capture their attention." Most of them aren't ready to listen to it. But "ten years out," she said, it's another story. With a little more real-life experience, they'll be open-minded enough to focus on alternatives to the high-powered jobs for which they were groomed. Privately, I hold out hope for that forward-looking younger reader, too.

I've been told by many women I've interviewed or talked to about this book that "The timing is just right for your book," "This is a cutting-edge, modern dilemma," and "There is a huge demand for books that help women reenter the work force." I do not disagree, but I also consider the topic quite retro.

Certainly, the desire to have fulfilling work, and at the same time a happy home life, is not new. Dual-income households have been the norm for a while. For many decades now, women have had the opportunity to be well-educated, and both they and society at large have expected them to play a huge role in the economy—and in their families. Likewise, women business owners and entrepreneurs are commonplace these days. There is nothing brand-new about offering help and advice to women who want to find their place in the business world.

What is brand-new, however, is giving women multiple options to chew on in one book, and packaging that advice with helpful gender-specific insight. Why haven't mainstream media picked up on the nuance of small business choices for women? Why haven't national organizations like the Small Business Administration (SBA), in their outreach to women, loudly advocated buying businesses or franchises as an alternative to starting companies from scratch? I believe it's because there are widespread misconceptions about both the affordability and riskiness of those options versus start-ups—especially among women.

What's Inside This Book

While somewhat philosophical in the beginning, this book gets down to business in fairly short order. In Chapter 1, I zero in on some tricky issues for women that are background themes to the book, including the difference between *professional* and *business* orientation, women's attitudes toward money and risk, and their expressions of ambition. Chapter 2 is about entrepreneurial career planning; it advocates a paradigm shift among women who may have never considered small business to think of it as a worthy target of their highest career ambitions. Chapter 3 imparts the secret that business brokers and serial business owners have

always known: Buying a business is much easier than starting one (even if you don't have deep pools of capital); and Chapter 4 offers practical advice on finding, evaluating, and closing on the right business.

Chapter 5 gives still more options—acquiring a franchise or a territory for a direct sales company. Chapter 6 explains how one can work for, consult for, or partner with existing business owners rather than buying a company outright. Chapter 7 illuminates the family company option for those who could possibly consider working with, partnering with, or taking over a business from a relative. It's not until Chapter 8 that would-be entrepreneurs will read about starting a company from scratch; although that is a natural choice for many, most would be wise to consider other alternatives first.

Chapter 9 is filled with advice on how women can best prepare themselves and their businesses to obtain financing. Chapter 10 is about the benefits and tricky challenges of operating a business with partners, especially other women. Chapter 11 brings together the main ideas of the book and urges readers to get started on their own search. And the appendixes, finally, offer a tool kit and sample documents to help women think through and plan for their transition into small business.

This book is not an academic paper or even a business case, although I've worked in academic business research, appreciate the empirical approach, and have referenced such sources throughout. Rather than third-person commentary that leaves the student to draw her own lessons, *Smart Women and Small Business* offers observation, analysis, advice, and common sense. In writing this book, I've interviewed more than 50 women and experts and have written about their experiences as well as my own in anecdotal form. The simple goal of our collective voices is to educate and inspire.

Other books aim to raise awareness of the difficulties women face in their careers, and in so doing to advocate societal change. This book does not. Now, don't get me wrong. I laud those who advocate for either corporate policy changes or government programs that would make it easier for women to balance family and work and remain in their chosen career tracks. I also hasten to point out how many *men* need and

would benefit from such reforms. But can we really wait around for political solutions to our career challenges? Probably not in our prime career lifetimes.

Smart Women and Small Business urges women not to wait around for public action but instead (or in addition) to act on a personal level and take their lives and business careers into their own hands . . . and into the realm of small business.

CONTENTS

<i>Foreword: Deborah Moore, C.B.I., Sunbelt Business Advisors Network</i>	<i>xi</i>
<i>Preface</i>	<i>xv</i>
CHAPTER ONE	
The Business Mind-Set: Your Key to Success	1
<i>Business Orientation</i>	2
<i>Women's Attitudes toward Money</i>	3
<i>Being Realistic about Risk</i>	4
<i>Career Ambition versus Life Ambition</i>	5
<i>Envision Your Future—Find a Female Role Model</i>	7
CHAPTER TWO	
Business Career Planning: A New Way to Work Smart	11
<i>Career Planning—Then and Now</i>	12
<i>Phase Two Career Goals</i>	13
SMART WOMAN PROFILE: FINDING OUT WHO YOUR FRIENDS ARE	15
<i>Redefine What a Great Career Means</i>	17
<i>Small Business Definitions</i>	19
<i>Reasons to Love the Small Business World</i>	20
AUTHOR INSIGHT: TAKE A CONSULTING GIG TO FIGURE OUT IF SMALL BIZ IS FOR YOU	21
<i>About Money</i>	23
<i>What You Have Going for You</i>	24

CHAPTER THREE

Why Start from Scratch If Someone's Done It for You? 27

- Statistical Food for Thought* 28
- Downsides to Starting from Scratch* 29
- Review Your Goals and Compare Starting to Buying* 31
- Not Invented Here—How Will This Make You Feel?* 32
- AUTHOR INSIGHT: ARE YOU AN IDEA WOMAN OR
A BUSINESSWOMAN? 34
- Assess Your Strengths* 36
- Great Concept, But Can I Afford to Do It?* 37
- Valuing Businesses for Sale* 39
- BUSINESS BUYER PROFILE: REALITY CHECK—CAN I SWING
THIS FINANCIALLY? 40
- Why Small Businesses Are for Sale* 42
- Considerations When Beginning Your Search* 44
- Talk to Other Women Who Have Done It* 45

CHAPTER FOUR

Finding the Right Business for You 47

- BUSINESS BUYER PROFILE: FIRM CRITERIA PLUS RESEARCH LEAD
TO THE PURCHASE OF A STAFFING COMPANY 49
- Which Business Type Suits You?* 51
- Where to Look* 59
- Working with Business Brokers* 62
- BUSINESS BROKER INSIGHTS: A PROMINENT FEMALE BROKER
SHARES HER TIPS 63
- Sample Ads for Businesses on the Block* 64
- Evaluating the Industry and the Target Company's Niche* 66
- The Process of Shopping for a Company* 68
- Hmm . . . This Still Doesn't Feel Right* 74

CHAPTER FIVE

Franchises and Direct Selling Companies 77

- Franchising Basics* 78
- Women in Franchising* 82

Contents

<i>Risk Profiles of Franchisees and Franchisors</i>	84
FRANCHISEE PROFILES: “NOT INTERESTED”—STORIES OF WOMEN WHO CHANGED THEIR MINDS ABOUT FRANCHISING	86
<i>Researching Franchise Opportunities</i>	88
FRANCHISING SUCCESS STORY: CASH FLOW RELIEF, BULK DISCOUNTS, AND FLEXIBILITY	92
<i>Franchise Consultants, Brokers, and Referral Sites</i>	93
<i>Warning Signs</i>	95
<i>Is Franchising Right for You?</i>	98
<i>Direct Selling: Franchising’s Poor Cousin</i>	99
<i>Direct Selling Industry Resources</i>	100
<i>Party Plan Sales Model Examples</i>	101
DIRECT SELLING BUSINESS PROFILE: DO WHAT YOU LOVE, AND GET OTHERS TO DO IT, TOO	103
<i>Trunk Shows: Highbrow Direct Sales</i>	105
<i>Final Thoughts on Businesses in a Box</i>	108

CHAPTER SIX

A Piece of the Pie—Working for, Consulting for, or Partnering with Existing Business Owners	109
PROFILES OF JOBS IN SMALL BUSINESS: TEMPORARY PLACEMENT TURNS INTO 13-YEAR CAREER; A COOL SMALL COMPANY FINDS HUGE DEMAND FOR TEMPORARY POSITION	110
<i>Common Consulting Opportunities</i>	113
CONSULTANT PROFILE: SETTING UP A PROFESSIONAL PRACTICE TO CONSULT FOR SMALL ENTERPRISES	115
<i>Consulting as a Stepping-Stone to Business Ownership</i>	117
<i>Buying a 50–50 or Minority Stake in a Business</i>	120
AUTHOR INSIGHT: JUMPING INTO A NEW ROLE AT AN EXISTING COMPANY	122

CHAPTER SEVEN

The Family Business Advantage (for the Lucky Few)	127
<i>Luck and Good Management</i>	128
<i>Transitions in Established Family Businesses</i>	130