HireAbility Vermont
Self-Employment Program Guidebook

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Chapter 1. Purpose

Using data from the most recent United States Census, it is estimated that 14% of Vermonters are self-employed. People with disabilities are, according to Census data, more likely to be self-employed than their non-disabled peers. Self-employment is an employment option that a good portion of HireAbility Vermont (HA) participants want to explore. HireAbility will be supportive, but realistic about self-employment options. Starting a small business can be difficult and successful participants will be those with a certain set of skills, personality traits, and an active support network.

The Self-Employment Guidebook contains guidance, tools, and resources on how to support participants in self-employment.

Self-employment is the state of working for oneself as a freelancer or the owner of a business rather than for an employer. Examples of self-employment include:

- Small business with less than 100 employees.
- Microenterprise business with 10 or less employees.
- Individuals who report their income to the IRS on a 1099 tax form.
- Individuals who rent a station in an established business like a cosmetologist, massage therapist, mechanic, etc.

Self-employment can be especially beneficial to some participants because it can naturally accommodate a person's disability and expand upon the number of employment opportunities. Exploring the opportunities and challenges of being self-employed will help the participant decide if that route is feasible.

The development of this guidebook relies heavily on the materials and guidance from Griffin-Hammis Associates, an internationally recognized consulting firm specializing in developing communities of economic cooperation and self-employment opportunities for people with disabilities.

Chapter 2. Reviewing Expectations and Requirements of the Self-Employment Process

The self-employment process is one that can be quite lengthy and requires a team effort between the participant, the Vocational Counselor (VC), and outside consultants. Each member of the team has certain responsibilities with participant commitment and involvement being key ingredients in this process. The self-employment process used by HA is designed to ensure that those who complete the process have an excellent chance to launch a successful business. To ensure that we have done all we can to help the person succeed, HA requires the successful completion of a series of activities and steps.

Participant Responsibilities

It is important that the participant understands at the very beginning of the self-employment process that they are expected to complete all assigned tasks. The VC will provide support and assistance, but the majority of the work that needs to be done, from research to writing a business plan, will be the responsibility of the participant.

Participants will be encouraged to consult with business professionals, legal counsel, and community partners as needed to support this process. Participants receiving SSI and/or SSDI benefits must work with a Certified Work Incentive Counselor (CWIC) to ensure that they know how self-employment will impact their benefits and what they need to report to the Social Security Administration.

Advantages and Disadvantages of Self-Employment

Self-employment is the right path for some people, but not for everyone. Sometimes it is the right path, but the timing is wrong, or the participant needs more training or technical skills development before launching a business. The VC and the participant should discuss some of the advantages and disadvantages of self-employment identified by those who are or have been self-employed.

Core Steps

Everyone starting a business follows the same basic steps. To ensure informed choice, make sure the participant understands these core steps:

1) Developing the Business Concept.
2) Assessing Business Feasibility.
3) Developing the Business Plan.
4) Launching the Business.
5) Maintaining the Business.

Finances should be discussed early in the process. HA will not commit to financially supporting a self-employment plan until that plan has been approved and determined to be feasible by HA. Under most circumstances, HA will provide no more than 50% of the start-up costs of the business. The participant must either provide the remainder or secure funding from an alternative source(s) with assistance from the VC or consultant.

It is important that the participant have ownership of the Business Plan. Ownership only occurs if the participant writes the Business Plan or works very closely with the resource person or organization doing the actual writing. The Business Plan serves as the roadmap for the participant as well as a tool to help secure any needed financial resources. Participants are encouraged to consult with business professionals, legal counsel and community organizations as needed.

Business Plans must be reviewed and approved by the VC before any commitment of HA funds is made. Business Plans leading to self-sustaining self-employment and requiring higher funding levels above $2,500 must also be reviewed and approved by the HA Business Cohort.

The participant must have some documented ownership in the business and be involved in the day-to-day operation of the business. If applicable, the business name must be registered with the Vermont Secretary of State's Office. Registration allows ownership of the business name, the right to claim bad debts, and the ability to purchase business insurance. It also allows the participant an opportunity to establish a "track record" for future lending needs. A business advisor, accountant or legal team can assist the participant with determining the best structure for a business.

Bookkeeping is a key element of running a small business. Every expenditure and receipt of income must be recorded, inventory records need to be maintained, tax and payroll forms need to be completed and filed, etc. A self-employed person must have a basic understanding of bookkeeping principles, and either the skills to keep the necessary records or the resources to hire a bookkeeping service. Participants are encouraged to consult with business professionals and community organizations as needed.

Chapter 3. Funding a Business Plan

HireAbility may not place an absolute dollar limit on specific service categories or total services provided. However, HA may set spending guidelines to ensure reasonable costs to the program. The Vocational Counselor may make an exception to the self-employment spending guidelines with the HA Regional Manager and Business Cohort approval. When considering exceptions to the spending guidelines, HA staff must consider the participant's ability to contribute to their services. The participant's contribution must be:

- Reasonable,
- Based on financial need, and
- Not so high as to effectively deny the participant a necessary service.

HA cannot require participants who are SSI or SSDI beneficiaries to provide funding towards their services, including self-employment.

Small business development requires a commitment of participant resources as well as time. The participant is generally responsible for securing or providing the majority of funds needed to start and maintain a business enterprise. HA will work with the participant to help search out potential resources and may provide up to $10,000 for business ventures expected to lead to self-sufficiency, to help leverage funds, pay for tools, inventory, supplies, etc. HA can provide up to $2,500 for business ventures intended to supplement other income but not lead to self-sufficiency. In limited situations, these funding levels may be waived with the approval of the HA Regional Manager or Business Cohort.

HA funding is not an automatic "grant". The IPE must outline how the HA funds will be specifically used, for example to purchase equipment and inventory, bookkeeping or advertising.

HireAbility Vermont will not support businesses that do not reflect well on the State of Vermont or would be considered an inappropriate use of state/federal funding.

HA funds are intended to supplement the resources and funding the participant has secured from other funding sources. The participant's resources could include such things as cash contributions, tools, or equipment to be used in the business, the value of space provided by the participant, a portion of the value of a vehicle to be used in the business, etc.

Evaluation costs, consultant costs, and disability-related accommodations are not included in the spending guideline in this Section. Additional costs after business start-up should be outlined as business expenses in the Business Plan and be part of the overall funding requirement.

The amount of HA funding support should be reflected in the Individualized Plan for Employment (IPE) once the Business Plan is developed. The amount of support provided will be dependent on the financial information provided in the Business Plan and the availability of support from other sources.

As the Plan is implemented and the business develops, unexpected expenses may arise beyond what was outlined in the IPE and the Business Plan. Some of these expenses may be best addressed through an amendment to the IPE.

Chapter 4. Social Security Benefits and PASS Plans

Social Security Benefits

Participants receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) must be informed that self-employment may impact their Social Security benefits. This is particularly true for participants receiving both SSI and SSDI because SSI and SSDI treat self-employment differently. The HA VC must refer all SSI/SSDI beneficiaries to a Certified Work Incentives Counselor (CWIC). There are many potential issues that can arise for SSI/SSDI beneficiaries related to self-employment and the support of a CWIC is essential.

Plan to Achieve Self-Support (PASS)

For SSI recipients with income in addition to their SSI benefit and for some SSDI beneficiaries, the PASS may be an option for establishing a self-employment enterprise. A PASS must be considered carefully as it creates another set of requirements and reporting responsibilities for the participant. HA VCs must utilize the local CWIC in evaluating the feasibility of a PASS for a participant’s self-employment idea.

Chapter 5. Developing the Individualized Plan for Employment (IPE)

Vocational Counselors often feel unsure of how to incorporate or support a self-employment goal during IPE development. The good news is that you can apply the same IPE development steps that you are familiar with to self-employment. What is different is that you will need to be thinking about self-employment, have conversations about self-employment, know the self-employment steps, and know your local self-employment resources. Let’s look at how you can support self-employment at each of the six major steps in the IPE development process.

Steps in the Process

1) Gather information about the person:

- Standard Process:
    1. Explain the HA service delivery process and goal of HA services (successful outcomes).
    2. Assist the participant to gather information about their strengths, interests, vocational skills, resources, and conditions for employment.
    3. Assist the participant to gather information about their rehabilitation needs (barriers to employment).
    4. Identify and facilitate activities to learn more about the participant's strengths, interests, and conditions for employment, if needed.
- Self-Employment Process*:* These tasks are the same whether the person is interested in self-employment or wage employment.

2) Brainstorm wage/self-employment ideas:

- Standard Process: Assist the participant with exploring all the potential ways to earn income (both wage and self-employment) consistent with skills and conditions for competitive integrated employment. If a wage employment idea is identified, follow the wage employment path.
- Self-Employment Process: If a self-employment concept is identified during the standard exploration of ways to earn income, explore the benefits and challenges of self-employment to help the person make an informed choice about this path. If self-employment could be a good fit, follow the self-employment path.

> **Keep in mind:** some people may identify both wage and self-employment ideas. When that happens, use both paths to explore all options until a work goal is determined.

3) Research top wage/self-employment idea(s):

- Standard Process: Assist the participant to learn more about job ideas and identify the best match (e.g., labor market research on O*Net, informational interviews, work experiences, etc.).

- Self-Employment Process: Help the participant learn more about business concepts to identify the best match (e.g., labor market research on O*Net, informational interviews, work experiences, etc.), or refer to business professionals and/or community partners for assistance.

Be aware: the participant may need IPE services to finish developing their business concept as well as complete other steps in the self-employment process.

4) Determine work goal:

- Standard Process: Review findings from research activities with the participant and provide counseling and guidance to assist the person in making an informed choice about a work goal.

- Self-Employment Process: Review the information gathered about the business concept (whether partial or complete) with the participant to determine a work goal.

5) Identify supports for the work goal:

- Standard Process: Assist the participant with identifying:

  1. Steps to achieve employment goal,
  2. Barriers (disability or vocational) to completing steps and achieving goal, and
  3. Services/supports to address the barriers.

- Self-Employment Process: Assist the participant with identifying:

  1. Steps to achieve self-employment goal (Developing Business Concept, Business Feasibility, Business Planning, Launching the Business, Maintaining the Business),
  2. Barriers (disability or vocational) to achieving goal, and
  3. Services/supports to address the barriers.

6) Write, review, and sign IPE:

- Standard Process: Write the IPE with the participant and their representative, if appropriate, review it, and sign it.

- Self-Employment Process: These tasks are the same whether the person is interested in self-employment or wage employment.

Chapter 6. Exploring Self-Employment

Assessments

To avoid the pitfalls of entrepreneurial assessments, which assess "how entrepreneurial" a particular participant might be, use counseling and guidance to help the participant decide whether self-employment is worth considering.

Vocational Counselors can use the same basic counseling and guidance strategies to help someone explore both wage employment and self-employment. That includes sharing information and helping participants deal with important issues or concerns.

The critical issues with standard assessments for self-employment include the following:

- Standard entrepreneurial checklists, assessments, personality traits, etc., have not been validated for use with people with disabilities. That means the results do not give you a true picture of the person's likelihood of success.
- Assessment may contain implicit bias which can negatively impact the participant’s access to self-employment and run counter to informed choice (e.g. assessments can be skewed towards people who will run large businesses – not micro enterprises).
- Standard self-employment or entrepreneurial assessments cannot provide the level of information needed to determine whether a particular person can run a particular business.

When a participant does not have a specific idea they want to pursue, a career assessment may be helpful. These assessments are more in line with determining the participant's interests, skills, and aptitudes so they can explore various business options that would be in line with those strengths. Examples of various assessment tools can be found on **HireAbility's SharePoint page on Assessments**.

Identifying the Benefits

A critical step of exploring self-employment is helping the participant identify the reasons this option could be a good fit given their specific situation. Identifying the benefits of self-employment is essential for the person to make an informed choice. Once the participant has a list of the benefits and the challenges that apply to them, they can weigh out those factors and determine if self-employment is worthy of further exploration.

Benefits are the positive driving factors that lead a person to consider or pursue self-employment. Here are some benefits to consider:

- **Nature of the Industry**: Some people become self-employed because the nature of the work they plan to do is commonly done in a self-employed capacity. Examples include hairstylists, graphic designers, and event planners.
- **Opportunity**: Some people become self-employed because they already know how to make a product or provide a service that is in-demand. Examples include jewelry makers, cupcake bakers, and landscapers.
- **Way to Create Employment**: Depending on where a person lives, jobs may be in short supply. Self-employment provides a way to create employment when the options are limited.
- **Ability to Design Work and Work Environment**: Depending on the nature of the business, it may be possible for a person to design the work and work environment in a way that accommodates their disability.
- **Flexible Work Schedule**: Some people become self-employed so they can have work that allows them to schedule work for times of the day or days of the week that are best for them. This can help accommodate disability needs (e.g., coordinating personal care services, adjusting work hours for limited stamina, etc.) and other needs (e.g., childcare coordination).
- **Work from Home**: Depending upon the nature of the business, it may be possible for the owner to work from home at least some of the time. Working from home can help accommodate access to personal care services, eliminate the need to find accessible transportation, and make it easier to rest throughout the day if needed.
- **Autonomy Performing Work**: Depending upon the nature of the business, the owner may have more autonomy performing their work than they would as an employee. Greater autonomy can be beneficial for anxiety in an office setting or increasing motivation through creative freedom.
- **Higher Income and Assets**: Depending on the nature of the business, it may be possible for a person to earn more money performing work in a self-employed capacity than as an employee.

STRATEGY:	For each work idea, make a list of the strengths, interests, and conditions of employment that align. This will help the person make a more informed choice about their work goal.

Identifying Challenges

It is also critical to identify potential challenges to self-employment, keeping in mind that everyone's situation is unique. For example, bookkeeping tasks may be a challenge for one person but not a challenge (or only a minor challenge) for another person. For each challenge that you and the participant identify, explore potential solutions, such as hiring a bookkeeper.

To make an informed choice about self-employment, uncovering challenges and solutions is essential. Here are some general challenges to consider:

- **Delayed or Inconsistent Income**: When a person is an employee, they get a paycheck once a week, every other week, or once a month. With self-employment, the person generally must wait until the business makes a profit to pay themselves. This may not happen right away so the person may have to wait several months to pay themselves. The business profits can also fluctuate, which means the person may not be able pay themselves a consistent amount.
- **No Employee Benefits**: When a person is self-employed, particularly a microenterprise with no employees, the business generally doesn't have a health insurance plan. A person who is self-employed also doesn't generally get paid sick leave, vacation, or other benefits like worker's compensation.
- **Bookkeeping and Taxes**: When a person is self-employed, it is essential they have the support or the ability to keep business financial records (business receipts, record of income), keep track of business income and expenses, and submit required tax and licensing forms.
- **Timeframe for Start-Up**: Depending on the business, it may take several months or longer to complete the self-employment steps (e.g., develop business concept, business feasibility, business plan), secure money for business start-up, and launch the business.
- **Maintaining the Business**: Once a business is launched, the person must have the supports or the ability to continually build or maintain business income, such as marketing to new customers or expanding the product/service line.

STRATEGIES:	• Connect participant to needed resources and support such as Certified Work Incentives Counselor for SSI/SSDI information or bookkeeping services. • Compare self-employment to being employed and the benefits and barriers to both.

Chapter 7. Developing the Business Concept

Developing the Business Concept is the first step in the self-employment process and is essential for building a strong foundation with any business.

The purpose of this initial step in the self-employment process is for participants to explore, expand, or refine their original business idea or theme to ensure they ultimately find a business concept that is a good fit for their unique strengths, interests, and conditions of employment. It is vital that participants fully complete this step before investing time and energy on Business Feasibility.

The Business Concept development process involves brainstorming and gathering initial information about multiple business ideas or themes, including potential products, services, customers, and unique selling propositions. Counseling and guidance will allow the participant to weigh the options and make an informed choice about whether to move forward with a business concept.

Many participants will need more support than the VC alone can provide to produce a Business Concept. Use a team approach when possible. Include family, friends, and business professionals in this decision-making process, if the participant would like their support and they are involved. It's ideal to engage that support as early as possible in the self-employment process.

Steps in the Process

There are three basic steps to developing a Business Concept:

1) Brainstorm and Research:

The heart of Business Concept development is a combination of brainstorming and research. Often this step begins with the VC gathering information about the prospective business owner’s strengths, interests, and support needs, and then brainstorming 1-3 initial business ideas or themes.

Then the focus shifts to researching those ideas by gathering information from industry experts and online sources, visiting related businesses, and in some cases trying the work to see how it fits. In many cases, participants and team members will expand the initial list of ideas and research as many as six possibilities during this step.

Brainstorming Strategies:

In general, potential business ideas often come from previous experience, hobbies, interests, inspirations, innovation, discovery, and unmet needs. Here are a few simple steps for brainstorming:

- Support the participant in identifying work ideas (wage and self-employment) that could be a good fit, using a list of the person's strengths and interests as inspiration, and tapping into the brainpower of their employment team.
- For every work idea that comes up, brainstorm one or two ways that work could be done through self-employment. When you include self-employment ideas you exponentially increase the employment options for the individuals you support!

Research Strategies:

The purpose of research, when developing a Business Concept, is to gather more information about a business idea so that the participant can decide if it's a good fit and if the idea shows some potential for profit. It may be necessary to use multiple strategies like those listed below to conduct the research:

- Explore Internet and social media resources.
- Visit businesses in the same industry.
- Talk with business owners in the industry.
- Ask industry experts for advice (informational interviews).
- Be a customer at a similar business(es).
- Observe the work being done in at a similar business(es) (job shadow).
- Try t the work (paid work experience, apprenticeship, etc.).

Determine Level of Support Needed:

As a VC you need to understand the basic processes for brainstorming and research so you can help participants get the level of support they need. There are two levels of support:

- **Informal support:**

  The participant can complete brainstorming and research with limited support from you, the VC. Participants who might need only informal support include those who:

  - Are skilled at brainstorming and research.
  - Have already done a substantial amount of brainstorming and research on their own.
  - Have family, friends, mentor, etc. that can provide the majority of the support they need.

- **Formal support:**

  The participant needs formal, one-on-one support brainstorming ideas and conducting research activities. For this level of support you, the VC, are monitoring rather than providing support. Participants who might need formal support include those who:

  - Have a disability that impacts their ability to brainstorm and research.
  - Want to try doing the work as a part of the business concept research.
  - Have a Most Significant Disability.

2) Look for a Match:

Once the participant has researched the key details about each business idea and used those facts to create business concepts, it's time to look for matches. Things to consider and discuss with the participant include:

- The degree to which each business concept matches the participant's strengths, interests, and conditions of employment.
- The business concepts that show potential to make a profit. Remember, a detailed feasibility of the business concept is NOT needed at this point, initial research should show the potential for profit.
- The amount of support the participant will need to operate each business (e.g., bookkeeper, accountant, hiring employees, social services, etc.).

3) Review and Decide:

The final step in developing a Business Concept is to review concepts that are a match (from the previous step) and decide if one, or a combination, is worthy of moving forward with a Business Feasibility assessment.

Through this step you are supporting the participant to make an informed choice. Look at each of the potential business concepts with the participant and talk through the following:

- What makes it a good fit? How does it match the participant's strengths, interests, and conditions of employment?
- What supports are available for the participant to develop, launch, and maintain the business?
- What is the potential for the business concept to make a profit? What are the reasons it will or won't?
- Are there any wage employment ideas the participant researched and are any a stronger or weaker match?

At the end of this step, you and the participant will decide if it makes sense to move on to Business Feasibility with a business concept.

What if none of the Business Concepts are worthy of pursuing?

Through this process it's possible the facts could show that none of the business concepts are worth pursuing, none match the participant, or none show the potential for profit. If this should happen, simply return to brainstorming work ideas for both wage and self-employment. Much of the information gained developing previous Business Concepts can be used when you and the participant explore new ideas. Knowing what doesn't work can be invaluable in narrowing your focus on what does work!

Chapter 8. Assessing Business Feasibility

Business Feasibility is the second step in the self-employment process. It provides critical information when deciding whether to move forward with a business plan.

The goal of Business Feasibility is to find the middle ground, to learn enough to demonstrate whether the business will likely succeed, and to lay the foundation for business planning and launch.

To determine Business Feasibility, the participant and team members conduct more in-depth research on the business concept. The outcome of Business Feasibility is a business concept that fits the participant and is financially viable. Participants cannot move forward in the self-employment process until this outcome is achieved.

When done well, an assessment of Business Feasibility not only demonstrates if a particular business is viable, but it also helps guide the participant through business planning and launch. The information collected in this part of the process will be used to create a document that could eventually become the business plan. The template used to display this information can be decided on an individual basis. It just needs to contain the pertinent information described in the steps below. Sample templates are included in the resource section of this guidebook.

There is always some degree of risk associated with starting a new business. There are no guarantees of immediate success or a flawless process. The Business Feasibility step provides the best opportunity to more fully understand and proactively address potential risks.

Steps in the Process

There are three basic steps to assessing Business Feasibility:

1) Gather Industry Information:

Engage in both direct and indirect market research about the product and services, customers, competition, capability, and financial considerations of the business.

Direct Market Research: Information collected directly by the entrepreneur and members of the business design team. Examples include talking with owners of similar businesses, interviewing potential customers, selling sample products, and collecting data about sales.

Indirect Market Research: Facts, figures, and industry information collected by others. Examples may include industry reports, business statistics, or articles from resources such as a Chamber of Commerce, Small Business Development Center, trade association publications, the internet, and social media.

Customers: A description of the people (including demographics) who will buy the products or services and why. Include how much they are willing to pay and approximately how many customers are in the service area.

Competition: Gathering facts about the competition is also critical; this helps determine if the market is saturated. Facts collected could include a brief description of the main competitors, their strengths and weaknesses, how the proposed business's products or services are better than competitors', and how much of the target market is served by each competitor.

Capabilities: The facts that determine how much the business could produce or deliver. The business must have the capability to meet sales goals for it to succeed. The facts should be used to document the amount of time the participant can devote to the business and the amount of product that can be produced or services that can be delivered each week, month, or year.

Financial Considerations: The business must be able to make a profit that meets the participant's earning goal for the venture to be worthwhile. Facts should be gathered to document the cost to produce the product or deliver the service, the price, sales projections, critical factors to reach sales projections, fixed expenses, industry standards, projected net profit, and the potential financial resources the participant could use to support business start-up.

2) Test the Market:

Testing the market is absolutely invaluable! The participant can get experience producing the product or delivering the service and get feedback from customers. It is also a great way to estimate the market potential, get pricing information, prove feasibility of the concept, and eliminate ideas, all of which can give the participant a head start on business planning.

There is no limit to the number or range of testing strategies that can be used. In many cases it will make sense to use a combination, or even all the strategies below.

- Sell a few items and collect data about what was sold.
- Facilitate a telephone survey.
- Create some advertising and analyze the results (flyers on bulletin boards, social media, mailings, etc.).

Once testing is complete, the information gathered should be used to further refine the concept. This may include modifying the product or service to better meet customer needs or to strengthen the competitive edge. The information gathered may also reveal the need for additional research on pricing, production, or financials.

3) Evaluate and Decide:

The final step is evaluating the facts that were gathered and making an informed choice about whether the business concept will likely succeed.

Reviewing Business Feasibility results and supporting a self-employment candidate with deciding whether to move forward is one of the most important steps in the process.

The Business Feasibility documents you review with the participant and their team should be understandable to people without business expertise. This allows for open and logical conversations, and the ability to ask questions, and address concerns that come up.

In certain cases, especially regarding high-cost plans, the Business Cohort could also be available during this step to review feasibility documents and provide feedback for the participant to make an informed decision.

Profit and Business Owner Fit and Supports are two major factors for the participant and VC to consider when evaluating whether to move forward.

Profitability: For a business to succeed (and be worthy of pursuing) it must be likely to generate a sufficient profit. To evaluate profitability, confirm how much net profit the participant needs the business to generate, and review the facts to see whether the business can generate that much profit, and if the critical factors for reaching sales goals can be met (e.g., enough potential customers, sufficient production capability, etc.).

Business Owner Fit and Supports: During the Business Feasibility assessment process, the participant will learn more about the business concept. Help the participant determine if the business concept still matches their strengths, interests, and conditions of employment, if the participant has (or can acquire) the skills/supports needed to perform their business tasks, and if they have (or can afford) sufficient support for other business tasks (e.g., contractors).

If it is determined that the business concept is feasible and worth pursuing, support the participant with the next step, Business Planning.

What if a Business Concept is Not Feasible?

After gathering details about what it takes to produce and sell the product(s) or deliver the service and operate the business, the participant will be able to identify what pieces they can do and what pieces they need help doing. If it appears the participant does not have access to the needed support, explore options for securing support.

It's possible the facts and figures gathered during the Business Feasibility process show that the business concept doesn't have enough potential customers or is not profitable. When that happens, explore if there are any adjustments that could be made to the business model so that the business could be feasible.

If you identify a way to resolve the feasibility issues, move forward with developing the business plan.

After exploring alternative options and adjustments, you and the participant may find that the business idea still will not work. If this is the case, help the participant draw from all the information you have helped them gather about themselves to find a wage or self-employment concept that works.

Chapter 9. Developing the Business Plan

Business Planning is the third step in the self-employment process, and the focus is on developing a plan to successfully launch and maintain the business.

Business Planning is the process of documenting a business' core goals and activities. The result is a road map, or business plan, that lays out the strategies for successfully launching or growing a business.

Another component of Business Planning is obtaining start-up funding to help ensure the business has a path to success.

Steps in the Process

There are four basic steps to develop the business plan:

1) Determine the Business Plan Template:

Determine the appropriate business plan template to use. It will serve as a guide and outline important information that prospective business owners should gather and summarize in their business plan. Sample templates are included in the resource section of this guidebook. There is not a specific template that a participant must use. The items described below that are pertinent to the business must be included in a business plan:

Scope and Length: In some cases, a simple one-page business plan format may be sufficient. The Small Business Development Center (SBDC) refers to this type of business plan as a lean startup format. In other cases, a traditional business plan is the right fit.

Executive Summary: The Executive Summary is written last and read first. The goal is to provide a brief overview of the whole plan. It is written last because it incorporates information from all sections of the plan. Funders typically read the Executive Summary to determine whether the rest of the plan is worth reading. The summary, therefore, should hit the high points of the plan and detail why the business is a solid investment.

Company Summary: The Company Summary typically provides a brief overview of the company and can include the mission statement and company objectives. The overview provides a 2-3 sentence description of the company including its location, the products and/or services it will provide, how they will be distributed, etc.

Product/Service Summary: The product/service description should clearly detail the specific products and/or services that the business provides. It should be clear to the reader what the business provides and the needs it serves.

Summary of Market Research: This section summarizes the market research conducted and includes information on customers, competition, and the capability of the business, as well as results of test marketing.

Marketing Plan: The Marketing Plan details all the information related to the marketing and sales strategies. This includes details related to the product, placement, price, and promotion. Additionally, the marketing plan will highlight the business's competitive edge, a feature of the business that makes it unique!

Operations Plan: The Operations Plan identifies the critical steps in producing the product/service and identifies who will be responsible for various tasks. It helps prospective business owners think through support, equipment, and suppliers that may be needed. It also addresses contingency plans (e.g., what happens if I get a huge order? What happens if my equipment breaks down?) as well as how quality will be assured.

Management Plan: Developing the Management Plan requires identifying all management or corollary activities necessary to run the business. It provides an overview of the management structure and hierarchy. Even microbusinesses with no employees find it helpful to think through the management activities and identify supports they will need (e.g., bookkeeper, business coach).

Financial Plan: The financial plan typically includes one to three years' worth of profit & loss and cash flow projections, along with a break-even analysis and balance sheets. This information will also be summarized in the narrative of the business plan, and might include critical benchmarks (e.g., will reach break-even point in 4th month of operation; will reach net profit of $35,000 by end of year 2, etc.).

2) Compile Information from Earlier Steps:

The participant gathered lots of great information about products/services, customers, competition, and capabilities developing the Business Concept and evaluating its feasibility. They can build on all that great work by adding it to the business plan template.

3) Research & Complete Business Plan:

After compiling information gathered in earlier steps, the participant will use the business plan template as a guide and support from the team to research critical details and summarize the findings into a completed business plan.

4) Review and Decide:

During this final step, the VC and oftentimes another HA agency representative (e.g., HA district manager, Business Cohort, etc.) review the business plan and decide whether it is approved. Read one section at a time and compare it to HA's criteria within this guide and any other tool you may find useful. If you find any information that isn't clear or that is missing, talk through a plan with the participant and their team to research and summarize the missing information.

High-cost plans over $2,500 must be reviewed and approved by the Business Cohort.

Once the business plan is approved by the appropriate parties, the VC will support the participant with Business Launch.

An approved business plan becomes the tool to help determine if the employment goal is being met and the case can be successfully closed.

What if the Business Plan is Not Approved?

If the business plan is missing information, explain to the participant and their team the specific information that is missing and help them create a plan to research and summarize that information.

If the projected Profit & Loss shows the business will not bring in enough profit to meet the participant's financial need, explore whether there is a realistic way to increase sales or reduce expenses.

It is required to have the Business Cohort approve and/or provide feedback for high-cost plans over $2,500. A review process that includes a scoring rubric will be used to determine if the business plan will be approved. This specific feedback gives the participant an opportunity to readdress certain components of their business plan, make revisions, and resubmit their plan to the Business Cohort.

If you identify a way to resolve the issues and the business plan is approved, move forward with Business Launch.

It's possible that after exploring all the options, you and the participant may find that the business idea will not work. If that's the case, help the participant use all the information they have learned about themselves to find a different wage or self-employment goal.

Chapter 10. Launching the Business

Step 4 of the self-employment process is launching the business and focuses on using the Business Plan to begin day-to-day operations. This includes securing funding, purchasing start-up expenses, and completing initial management tasks. Business Launch is also a critical time to set the participant up for success and the needs will vary from one participant to another. Below describes the steps in more detail.

Steps in the Process

1) Prepare the Team:

Whether a business owner has a disability or not, they need a team to succeed! Team members provide critical input, connections, and support. Since many disability services professionals have limited or no experience with self-employment, a well-rounded team can bring much needed business expertise to the table. At the start of Business Launch it's important to pull the team together and get everyone ready for action.

Business Experts: In most cases, you will have pulled in someone with expertise earlier in the self-employment process, during Business Concept Development or Business Feasibility. This may be a HA vendor or staff who is a business expert, as well as a representative from the Small Business Development Center, SCORE, or other self-employment resources in your community.

Industry Experts: When completing the self-employment steps, the participant will likely have opportunities to meet experts in the industry. Encourage the person to find and develop a relationship with at least one industry expert who understands the needs of the industry and who can help connect the person to others in the field.

Work Incentives Counselors: Certified Work Incentive Counselors (CWIC) aid with understanding how benefits might be impacted by self-employment income. Consulting with a CWIC throughout the self-employment steps is essential for any participant who is receiving public benefits.

Family and Friends: Family, friends, and those who know the person well may be a valuable source of support throughout all five self-employment steps. In many cases, family may be the most active support (whether the owner experiences a disability). Possible support might include ideas and feedback, personal connections, direct support with the business, help with start-up costs, and assistance with tasks such as bookkeeping, website development, transportation, and marketing activities.

Others: There may be others, such as a community resource or social service supports. New team members can be recruited throughout the process.

2) Implement Start-Up Financial Plan:

During Business Launch, the participant secures financial support from each financial supporter and purchases the start-up items or services. Funding can come from a variety of sources including:

- HA Funding
- Disability-Related Expenses
- Start-Up Expenses
- Participant's personal resources
- Family or friends (financial or non-financial)
- Plan to Achieve Self-Support (PASS)
- Individual Development Accounts
- Disability-Specific, Industry, or Other Grants
- Small Business Loans

3) Complete Start-Up Management Tasks:

There are several management tasks that need to be completed to open a business. The tasks will vary from one participant to another, depending on their business, but many of the tasks are the same for everyone.

- Get a business license.
- Register the business name.
- Open a business bank account.

4) Begin Day-to-Day Operations:

During Business Launch, participants will begin developing their system to produce and sell their products or deliver their services. Usually, it takes time to get a system in place with new employment. If the participant has been testing this business idea, they may already have some of these logistics figured out!

Confirm Responsibilities: It's critical for each task and team member to know what they need to do.

Confirm Tools and Support: Ensure everyone has what is necessary for them to complete their tasks.

Create a Launch Plan: There are several tasks that are specific to launching a business plan. Sometimes it is easier to break down plans into 3-month intervals of time to better manage the business launch and day-to-day activities. These can include kickoff activities on social media, an advertising blitz, or an in-person event.

Business Launch Monitoring: It's important to monitor throughout the Business Launch phase to ensure that the participant has the tools and support to successfully run the business. There are two areas to monitor during this phase:

- The IPE services to ensure they are meeting participant needs. Connect the participant with resources and support as needed such as a business professional.
- The business start-up to ensure the participant is on track to be successful. Create a plan with the participant to track their progress toward achieving their employment outcome.

Chapter 11. Maintaining the Business

Step 5 of the self-employment process, Maintaining the Business, is all about having a plan and the necessary supports to do all the activities needed to maintain the business, including responding to challenges. The goal is to ensure the self-employed participant succeeds in their business. This requires familiarity with the core business maintenance activities:

Review Plan to Maintain the Business: As the participant finishes up Business Launch (e.g., "doors" are open, sales have started, day-to-day operations have begun, etc.) and transitions into maintaining the business, review the portions of the Business Plan that outline how the participant will perform day-to-day operations and management activities, including who their go-to person/people are for each aspect of the business.

Monitor: During Business Launch you were likely doing regular check-ins with the participant and their team; continue those check-ins until case closure to make sure the participant is successfully maintaining the business. Amend the IPE to include additional services if needed.

Maintain the Team: During the previous self-employment steps, the participant likely started building their team. The team continues to be essential for maintaining business operations. Team members provide critical input, connections, and support. Check in regularly with the business owner to make sure they've got those people in place, and they are getting the support they need. By the time you are ready to close the case, the person should have their support system in place and operating!

Maintain Operations – Production/Delivery: The day-to-day operations are the heart of the business. Producing the product, delivering the service, and making a sale are tasks that need to be done, and done well, for the business to succeed. There are four topics that are particularly important for the participant and their team to review when checking in about day-to-day operations.

- Production
- Support
- Capability
- Quality Assurance

Maintain Operations – Management: The transition to maintaining the business is a great time for the participant to meet with their team and reflect on how their plan in general and management tasks in particular. While management tasks can vary from one business to another, there are a few that are common to nearly all businesses.

- Bookkeeping
- Paying taxes
- Annual filings
- Reviewing financials
- Contractor and employee paperwork
- Decisions about changing products or services.

Maintain Sales and Marketing: For a business to succeed, time and effort must be dedicated to building the customer base, maintaining customers, marketing activities, and achieving sales goals. Attention to sales and marketing on an ongoing basis is critical to determining if any adjustments need to be made.

Maintain Personal Well-Being: The ultimate goal of the business is to improve the participant’s quality of life. Often that happens through increased income, an opportunity to do meaningful work, and other benefits. While the benefits of self-employment can be powerful at improving the quality of the participant's life, it's critical for all participants to develop a plan to manage stress and maximize health and well-being.

Bumps in the Road: No matter how hard we try, plans don't always play out the way we expect. Why? The reality of life is there are many things that we can't control. Given that, it's essential that the participant and their team recognize bumps will occur and have strategies and plans in place to respond when those unexpected issues arise.

Chapter 12. Follow-Up and Closure

Once the Business Plan is implemented, HA follow-up is critical. The VC and participant must write a follow-up schedule into the evaluation section of the IPE. At a minimum, HA staff will make monthly visits to the business during the first three months of operation. More frequent visits may occur if the VC feels it's appropriate. In most cases, after three months of operation, visits will fade to one every two months until the case is closed. Contacts will include periodic reviews of tax records and business books by either the VC or a business consultant.

Once the business is operational, additional HA funds may be used, at the discretion of the VC, for continued education and training, if needed.

There must be a clear understanding at the time the IPE is written of the criteria to be used for determining success. The criteria will be established on an individual basis and may be as simple as "income equals outgo." When the IPE has been completed, the participant must be informed of the additional support available through post-employment services.

Chapter 13. Resources

General Information:

- Self-Employment Glossary
- Self-Employment Terminology
- HireAbility Vermont Self-Employment Policy
- Self-Employment Policy Roles and Responsibilities
- VR Counselor's Role with Self Employment
- Self-Employment Technical Assistance, Resources, & Training (START-UP / USA)

Participant Worksheets:

- Business Concept Development Worksheet
- Business Feasibility Worksheet
- Business Planning Worksheet
- Business Launch Checklist

Exploration of Self-Employment:

- Self-Employment Myths and Facts
- Self-Employment Considerations
- Core Steps of Self-Employment
- Employment-Related Data Elements and Self-Employment
- Introducing Self-Employment to VR Customers
- Building a Business Planning Team
- Self-Employment Assessment Tools
- Self-employment: What to know to be your own boss: Career Outlook: U.S. Bureau of Labor Statistics (bls.gov)
- Vermont Resources (Griffin and Hammis)

Business Concept:

- Business Concept Development: What Might Self-Employment Look Like for Me
- Business Concept Development Worksheet

Business Feasibility:

- Evaluating Business Feasibility
- Business Feasibility Worksheet
- SCORE 12-month Cash Flow Spreadsheet
- Micro Business Development Center & HireAbility Workbook

Business Plan:

- Beginning to Develop Your Business Plan
- Guiding and Monitoring Business Plan Development
- Business Planning Worksheet
- How to start and fund your own business | USAGov
- Developing a Business Plan Q&A Start Up USA
- Business Plan Approvals
- Defining Success
- Adjusting Owner's Draw
- Understanding Business Financials
- Monthly Personal and Living Expenses
- SCORE Start-Up Business Plan Template
- SCORE Business Model Canvas
- Write your business plan | U.S. Small Business Administration (sba.gov)
- Vermont Business Resources
- Federal and National Business Resources

IPE Development & Service Delivery:

- IPE Development and Self-Employment
- Self-Employment and the IPE
- Service Delivery and Self-Employment

Funding the Plan:

- SBA Funding Programs
- Self-Employment Resources

- Vermont Business Resources
- Federal and National Business Resources

Social Security Benefits and PASS Plans:

- Ticket to Work and Self-Employment: A Reference Guide for VCs
- PASS: Identifying Good Candidates
- PASS: Completing Applications
- Can I Start a Small Business and Still Receive Social Security Disability Benefits?
- If You Are Self Employed (SSA)

Business Launch:

- Business Launch Checklist

Maintain the Business:

- Employment Stability, Case Closure and Self-Employment
- Monitoring Case Closure

Follow Up and Closure:

- Employment Stability, Case Closure and Self-Employment
- Monitoring Case Closure

Local and State Resources:

- Capstone Community Action
- BROC Community Action
- Office of Economic Opportunity
    - Champlain Valley Office of Economic Opportunity
- Vermont Small Business Development Center
- SCORE Vermont
- Micro Business Development Program
- Vermont Community Action Partnership