

Chapter 2: Self-Employment Readiness

Tab 1: Introduction

Self-employment is not as easy as hanging an “open for business” sign. Running a successful business requires more skills than making your product or providing your service. You also need to know how to do things like advertise your business, keep track of money, and manage day-to-day responsibilities.

This chapter helps you figure out if self-employment is a good fit. First, it explains some common false beliefs, or misunderstandings, about self-employment. Then, you’ll think seriously about why you want to run a business and your skills to do so.

Tab 2: False Beliefs

Have you heard someone say they should be self-employed because they don’t like working with other people? The idea that being self-employed means you don’t have to interact with other people is just one of many common false beliefs about self-employment.

To get a better picture of what self-employment involves, read the False Beliefs and Realities sections below.

Then, check your understanding.

False Beliefs and Realities

A Hobby

False Belief: It will be easy to turn my hobby or craft into my business.

Reality: Running a business is much more than doing a hobby or craft. You might enjoy providing a service or product for friends and family, but as a business owner you will need to do many other things, like advertise your product or manage your finances. You will need to spend more time and energy on your business than you did on your hobby.

Vocational Goal

False Belief: Self-employment is my vocational goal.

Reality: Self-employment is a way to meet a vocational goal. It is not, however, a career or job. For example, you might want to be a hair stylist or furniture builder. To do those, you could work for someone else or open your own business.

Business Start-up

False Belief: It won’t take long to get my business up and running.

Reality: Depending on the size and scale of your business, the business planning stage can take from several months to over a year. Once your business is open, it can often take another year or more to build up your customers and earn a profit. Self-employment is a long-term process that requires patience and dedication.

Required Skills

False Belief: I will be good at running my business because I am good at making my product or providing my service.

Reality: When you work for yourself, you are responsible for all parts of the business, not just making your product or providing your service. You also have to do things like order materials, track sales, pay bills, answer phone calls and email, try to get new customers, and clean your workspace.

Self-Direction

False Belief: I get to work for myself. I am my own boss, so I can do whatever I want.

Reality: Self-employment may provide flexibility and independence, but it also requires you to meet many other demands. Being the boss means you are responsible for everything, not just the tasks you enjoy.

Working with Others

False Belief: Self-employment is a good fit for me because I don't work well with others.

Reality: Business owners need to work well with others. They need to communicate with many different types of people, including customers, suppliers, and other professionals (such as accountants and lawyers) to run their business. In close-knit communities, such as reservations or rural towns, having positive relationships with other people is very important. It is difficult to run a business without help and cooperation from other people.

Flexibility

False Belief: Self-employment offers me flexibility. I can work whenever I want, and can work as little or as much as I want.

Reality: Self-employment does offer flexibility to set your own hours, but depending on the type of business, it can require working more hours than a full-time job. Also, it can be hard to take off more than a couple days at a time if you do not have others to fill in for you.

Funding

False Belief: There are plenty of ways to get business start-up funds.

Reality: Most business start-up funds come from personal savings or a business loan. Getting a loan usually requires good credit, a business proposal, and capital (or money) from you or another source. Even if tribal vocational rehabilitation (TVR) helps with some start-up costs, you will probably need additional cash from a grant, bank loan, or your own savings.

Feasibility

False Belief: Self-employment is too complicated for me to succeed.

Reality: Self-employment is possible, but it takes time and effort. It can take months or years to develop the skills you need to write a business plan, open a business, and become profitable. If you want to avoid a long start-up phase, it is often better to start simple and then scale up.

Maintaining your Business

False Beliefs: Once my business is up and running I won't have to work very hard.

Reality: Self-employment requires your time and energy over the long-term. Once your TVR case is closed, you still need to do all the work of running your business.

Wrap-Up

After reviewing the realities of running your own business, do you think self-employment is still a good option for you right now?

While you continue to think about it, go to the next tab to begin exploring your personal values, traits, skills, and readiness.

Section Review

Question 1

Is this statement a false belief or reality?

- Self-employment is a vocational goal.

Answer 1

Answer: False Belief

- Self-employment is a way to meet a vocational goal. It is not a profession. Think of it this way: if your goal is to get to the store, there are different types of transportation you could use to do so. You could walk, or drive, or ride a bike. It's the same with a job. If your career goal is to be a baker, you can do that by working for someone else or by having your own business.

Question 2

Is this statement a false belief or reality?

- I will be good at running a business because I am very skilled at producing my product.

Answer 2

Answer: False Belief

- Although it is important to be good at producing your product or service, running a successful business also requires many other skills. Business owners need to do things like provide customer service, keep track of sales, advertise, and clean their workspace.

Question 3

Is this statement a false belief or reality?

- You will start making money right away once your business is open.

Answer 3

Answer: False Belief

- Once your business is open, it could take a year (or longer!) to earn a profit. A lot depends on how quickly you can find customers and cover your start-up and operating costs. Some simple businesses may be able to earn a profit more quickly than businesses that require more planning and up-front costs.

Tab 3: Values

Before you start a business, it is important to understand your personal values. Values are the things you need and want in your life to feel balanced and satisfied. Starting and running a business can affect the time and effort you are able to put towards other things in your life that are important to you. Before starting a business, it is helpful to think about how your life may change in ways that affect your values.

As you start thinking about yourself as a self-employed business owner, think about these questions:

- How will my daily routine change?
- What must I give up to make time for my business?
- What will I keep in my life to be happy and fulfilled?

Identifying Values

Personal Values

If you do not have a good understanding of your values, it can be hard to make sure that changes you make in your life are sustainable and positive. It is important to understand what you are willing and unwilling to change when working towards your employment goals.

How to Identify Values

We have values in different life areas that make us feel fulfilled and satisfied. As you read the following descriptions, think about what you value in each one.

- **Physical:** People hold different values related to their physical body. Some people value moving and being physically active. Some people don't think much about their physical body and prefer to spend time doing things that are not physically active.
- **Social:** Some people have a large circle of family and friends. Some people have just a few close friends or family members. Other people prefer to be alone most of the time.
- **Community:** Everyone is part of a community, such as a family, tribe, school, or church. Some people like to be very involved within their different communities, and others like to be more independent.
- **Spiritual and Religious:** Some people try to connect with a greater spirit they call God or the universe. They might be members of a religious group. Others find connections with nature or experience spirituality through social justice or causes. Some people don't think about spiritual or religious practices.
- **Learning:** Some people have a desire to learn new things. They read, ask questions, take lessons, and observe. Others learn just enough to get by.

Your values in one life area may be more important to you than values in another life area. Are the values you have in one or two areas most important to you? How will starting a business impact the values in these areas? For example, if you value being active outdoors but your new business will require you to sit for long periods inside, will this work for you over time?

Values Reflect You

We are a mixture of many values, but we often pursue some values over others. For instance, you might like to learn new things, but choose to spend time with your community when time is limited. In this case, your value for community overrides your value for learning. The importance you place on different values helps shape your decisions.

Sometimes, you can satisfy more than one of your values with the activities you choose. For example, dancing at a powwow may help you meet values in spiritual, community, and physical life areas. Or, taking photographs of wild animals for your business may help you meet values in physical and spiritual life areas.

Values Worksheet

Download the [Values Worksheet](http://tvrselfemployment.org/sites/default/files/PDFs/TVR_Values_Worksheet_fillible.pdf) (http://tvrselfemployment.org/sites/default/files/PDFs/TVR_Values_Worksheet_fillible.pdf) to think about the things you value. Once you have listed your values, think about which values are the most important to you and describe how they support or compete with your proposed business.

Hat and Feet Values

As you think about your different values, consider whether they are “hat” or “feet” values.

- **Hat values** are values you take on and off, depending on the situation. For example, someone might value eating nutritious food, but if they are in a hurry, they might stop at a fast food restaurant.
- **Feet values** are values you support in almost all situations. For example, someone might value spending time with their family. They have a family picnic planned but a friend offers them a free ticket to a concert they have been hoping to see. They choose to go to the family picnic instead of the concert.

Labeling values as hat or feet values is a strategy to see which values are most important to you. Since hat values are ones we sometimes take off depending on the situation, we can think of feet values as the values that are most important to us.

Realistic Reflection

Sometimes values feel like feet values but operate more like hat values. For example, someone might say that working on their business every day is a feet value. If there is a family emergency and their aunt asks them to babysit, they might agree, temporarily making their feet value a hat value. However, if they

agree to babysit every time someone asks, no matter what the reason, they might need to re-evaluate if working on their business every day is actually a net value.

What Do You Value?

To be fulfilled in work and life you must know your higher values and live a life that meets them. Do you know enough about yourself and what you value? You may need to spend some time thinking about your life and values before committing to a business. It's important to know what values will drive you as you begin this process.

Does Self-Employment Fit?

As you start thinking about your business, how does it fit with your values?

- Will spending more time and energy on starting your business support any of your values?
- Will starting a business make it difficult to meet some of your important life values?
- Does starting and running a business seem like a good fit right now?

Tab 4: Business Owner Traits

Many business owners share similar traits and skills that make them good at running a business. These include passion, dedication, problem-solving, decision-making, planning, and people skills. This section helps you explore your own traits and skills to help you figure out if self-employment is a good fit.

Self-Employment Potential

Traits Self-Reflection Worksheet

There are many self-assessments to help you think about readiness for self-employment. We have included one to help you think about your traits and skills. Download a copy of the [Traits Self-Reflection Worksheet](#) to get started.

The Traits Self-Reflection Worksheet asks you to think about how you have shown different traits. For each of the following traits, describe an example from your past and mark if you feel this is a strong trait for you.

- Planning
- Follow-through
- Problem-solving
- Leadership
- Passion
- Meeting multiple demands
- People skills

Reflecting on Your Answers

Successful business owners come in all shapes and sizes. Self-assessments are just one way to learn if you are ready to start a business. When you finish the worksheet, review it with your TVR counselor.

- Could you think of experiences from your past where you showed each trait or skill?
- Were there some traits and skills where you might need support or more experience?
- Are these traits and skills important in your life?

Self-assessments cannot predict if your business will be successful. They are just one way to assess if self-employment is a good fit.

Tab 5: Readiness Self-Assessment

This section presents resources, skills, and accommodations you may need to become self-employed. Some of the information will be built upon in later chapters. Download the [Readiness Self-Assessment Worksheet](http://tvrselfemployment.org/sites/default/files/PDFs/Readiness-Self-Assessment-Fillable-Worksheet.pdf) (<http://tvrselfemployment.org/sites/default/files/PDFs/Readiness-Self-Assessment-Fillable-Worksheet.pdf>). Fill out the worksheet as you go through the following questions. When you are done, review your answers with your TVR counselor.

Readiness Questions

Why Self-Employment?

Why do you think self-employment is a better choice than getting a job with an existing business?

- Can you explain why self-employment is the best option?
- Do your reasons make sense in terms of the realities (compared to false beliefs) of self-employment?
- Do your reasons make sense in terms of your life values?

Start-up Funding

How will you pay your bills until your new business earns a profit?

- Do you have enough savings to cover your personal expenses?
- Would getting a paid job help you build savings and skills for self-employment in the future?
- Would financial counseling help you get your finances in order before applying for a business loan?
- What other resources do you have that could help get your business up and running?

Business Skills

What business skills do you have for running your business?

- Do you have experience using a computer?
- Do you have skills for managing day-to-day business operations (like bookkeeping, ordering, or keeping track of inventory)?
- Can you do the accounting for your business? If not, can you hire professionals to help you?
- Do you know how to advertise to customers?
- Do you have friends or family willing to volunteer their time to help you get started?

Needed Accommodations

What accommodations will you need when you open and run your business?

- If you have challenges with verbal communication, have you thought about other ways to communicate with customers, such as email?
- If you have challenges with math or managing money, do you have a family member or friend that can help you with bookkeeping?
- How will you run your business if an issue related to your disability comes up, such as a pain flare-up?

Other Challenges

Are there other challenges that might affect your ability to open and run a business? These could include:

- Environment issues (allergies, chemical or sound sensitivities)
- Family commitments
- Debt or poor credit
- Criminal record
- Land use restrictions on tribal land
- Leadership responsibilities
- Substance abuse issues
- Other

If you experience challenges, how will they affect your ability to start your proposed business?

For example:

- If you have poor credit, you may not be able to start a business with expensive start-up costs.
- If you have a criminal record, you may not be able to start a daycare business.
- If you serve in tribal leadership, you may have responsibilities that pull you away from your day-to-day business tasks.

By thinking about possible challenges and solutions ahead of time, your proposed business is more likely to be successful.

Tab 6: Chapter Review

Before exploring a business idea, you need to consider if self-employment is a good fit.

This chapter covered:

- Some common false beliefs and realities of self-employment
- How your values fit with self-employment
- Traits of successful business owners
- Self-employment readiness

As you went through this chapter, you may have decided self-employment was not a good fit for you right now. That is okay. Self-employment is not a good option for many people.

Consumer Review

- Write down why you think self-employment may or may not be a good fit for you at this time.
- Write down the skills you need to work on to be successful.

Discuss these with your TVR counselor.

TVR Counselor Review

Traits

After thinking about the consumer's values, traits, skills, and readiness, the TVR counselor needs to determine if self-employment is a good option. As the TVR counselor works with a consumer who wants to become self-employed, the counselor should think about the consumer's traits. During meetings,

does the consumer show traits (like passion, confidence, and follow-through) that successful business owners often have?

Fit

Does self-employment seem like a good fit?

- Do the consumer's answers on the Readiness Self-Assessment worksheet highlight potential for moving forward? Do they show things like values fit, financial readiness, skills for running a business, and realistic solutions for managing their disability?
- Does the consumer lack any skills or resources needed to move forward?
- Can gaps in knowledge or readiness be addressed with training or other resources?
- Would different placement options (such as wage employment) be a better match with the consumer's abilities or interests?

Justification

It is important for the TVR counselor to carefully document why they think self-employment is or is not a good option so others who review the consumer's file understand how the counselor arrived at this decision.

Focus Area 2: Check Your Understanding

Tab 1: Assessing Readiness

Read each of the three scenarios and think about why self-employment is a good or poor fit for Enola, Leroy, and Willard. Each scenario includes a review about that person's self-employment fit.

Write down your answers as you go through the scenarios and then check your answers.

Tab 2: Scenario 1: Enola

Enola feels like a home-based business would be a good fit for her sewing and alteration skills.

- Enola lives in a rural community near her reservation. The town has few job opportunities.
- Enola currently pays her bills using her SSDI monthly payment.
- She does not have much savings but says she can borrow money from her family to cover some living costs, if needed.
- Enola pays her bills online and has good computer skills. She does not have any bookkeeping experience but would like training in this area.
- Enola's disability makes it hard for her to work long days. She needs to rest during the day to manage her pain.
- She has been sewing for family and friends for years.
- Enola believes working from home will help her have the flexibility to rest when she needs to and meet family obligations when they come up.

Based on the information provided, decide if you think Enola has justified why being self-employed is a good fit for her at this time. Think about Enola's reasons for becoming self-employed, her resources and skills, and how self-employment fits with her disability.

1. First, write down the reasons why self-employment would be a good fit Enola.
2. Next, write down the challenges that Enola will need to address to be successful at self-employment.
3. Now imagine you are Enola's TVR counselor. Would you support her in moving forward with self-employment?

Read ENOLA'S SELF-EMPLOYMENT FIT section to check your answers.

Enola's Self-employment Fit

Enola's Reasons for Self-Employment

- Enola provided some good reasons for becoming self-employed including limited job opportunities in her community and how self-employment could help her address her disability by creating opportunities to rest as needed.
- Enola has the sewing skills needed to make her product. She also has good computer skills and is interested in learning about bookkeeping to help her manage the business.
- Although Enola has limited savings, she indicated her family would help cover living costs if needed.

Enola's Challenges

- Enola cannot work long days because of her disability, so may not be able to sew enough to make a profit.
- Enola needs to learn how self-employment income will affect her SSDI payments.
- Enola needs to learn bookkeeping skills.

Enola's Fit

Self-employment seems like a possible fit for Enola. More information is needed about the feasibility of her business, but it seems like she has shared enough reasons why self-employment is a good fit to move on to this next step in business planning.

Tab 3: Scenario 2: Leroy

Leroy has an erratic work history, but is a skilled car mechanic.

- Most of his past jobs lasted a short time. He usually quit due to arguments with his boss or other employees when they told him what to do.
- Leroy feels like self-employment would be a good option because he can work for himself, set his own hours, and call the shots.
- He is not trained in business accounting, but has strong math skills and could take on most of the business management tasks.
- He has some savings, enough to last about one year.
- Leroy has a mental disability that causes him to have large mood swings. He is on a new medication that is helping, and he is good about taking his medication every day.
- Leroy has a criminal record for partner violence. He currently lives alone.

Based on the information provided, decide if you think Leroy has justified why being self-employed is a good fit for him at this time. Think about Leroy's reasons for becoming self-employed, his resources and skills, and how self-employment fits with his disability.

1. First, write down the reasons why self-employment would be a good fit Leroy.
2. Next, write down the challenges that Leroy will need to address to be successful at self-employment.
3. Now pretend you are Leroy's TVR counselor. Would you support him in moving forward with self-employment?

Read LEROY'S SELF-EMPLOYMENT FIT section to check your answers.

Leroy's Self-employment Fit

Leroy's Reasons for Self-Employment

- Leroy has financial resources to cover living expenses during business start-up.
- Leroy is a skilled mechanic and could manage the business accounting if he had training.
- Leroy can probably manage bookkeeping himself without much training.

Leroy's Challenges

- Leroy provided false beliefs about what self-employment offers, such as working for himself. He does not have a personality that lends itself to customer service and does not explain how he will overcome his past problems with work and personal relationships.
- Leroy will probably need to work on his communication skills so he can interact with customers.

Leroy's Fit

If Leroy continues on a self-employment path, he will need to figure out how to manage his mood swings and how get along with suppliers and customers. This is something he and his counselor should explore before moving to the next phase of business planning.

Tab 4: Scenario 3: Danny

Danny is passionate about photography and would like to start his own photography business.

- Danny has taken pictures of dancers and drummers at powwows and likes nature photography, especially birds.
- He has sold some of his photographs at powwows at his sister's booth, but has not run his own booth.
- Danny owns a good camera and has a computer and software for editing photographs.
- Danny does not have business management experience and is not good at math.
- He would probably need help with day-to-day accounting activities and with setting up a website to sell his pictures online.
- Danny is deaf, so an online business would make it easier for him to interact with customers.
- Danny has enough savings to cover his personal expenses for six months, but is unsure of other sources of funds.

Based on the information provided, decide if you think Danny has justified why being self-employed is a good fit for him at this time. Think about Danny's reasons for becoming self-employed, his resources and skills, and how self-employment fits with his disability.

1. First, write down the reasons why self-employment would be a good fit Danny.
2. Next, write down the challenges that Danny will need to address to be successful at self-employment.
3. Now pretend you are Danny's TVR counselor. Would you support him in moving forward with self-employment?

Read DANNY'S SELF-EMPLOYMENT FIT section to check your answers.

Danny's Self-employment Fit

Danny's Reasons for Self-Employment

- Danny has a passion for photography and has some experience selling photographs at his sister's booth.
- Danny's business has low start-up costs because he already owns most of his equipment.
- An online business would make it easier for Danny to communicate with customers, because it would limit the need for face-to-face interactions when they would need to communicate in writing or using a sign language interpreter.

Danny's Challenges

- Danny only has financial resources to cover six months of personal expenses. This is usually not enough to cover the business start-up phase.
- Danny does not have business management skills. He would need to figure out how these parts of the business will get done.

Danny's Fit

Danny has experience producing and selling his product. He also has low start-up costs, which makes business start-up more feasible. Danny's business idea also fits with his passion for photography and nature. However, Danny would need help growing his hobby into a business. He would need to learn how to do business tasks like manage the business, track and fill orders, schedule events, and advertise to customers. He may need to figure out ongoing supports for accounting types of tasks and strategies for communicating with customers and suppliers.