

Round Two

Tips for Post-retirement Entrepreneurs

After retiring as a public utilities regulatory analyst and investigator for the trucking industry, Nancy Kilmurray became an entrepreneur. While her former career utilized her authoritative courtroom skills as an expert witness, her new business taps into her artistic family's aptitude for interior design.

"I've always had a passion for [design]," she says. Kilmurray's second start was initiated when a friend asked her to redesign and organize a home. "We made the home a haven for them, which gave them the drive to work on the rest of the

house," she recalls. Kilmurray's fulfillment in that experience led her to establish Un Coup De Main ("a hand up" in French), in which she and Salt Lake Community College students help organize, decorate and repair homes for single parents.

Lavanya Mahate, program director of the Salt Lake Chamber's Women's Business Center, works with people (not only women) who want to start businesses; half of the entrepreneurs she helps are older than 50. "There is a trend for more retired people to want to start a business," Mahate says, adding that she sees entrepreneurs

starting a wide range of businesses from scrapbooking to writing books.

Rex Falkenrath, director of the Salt Lake Small Business Development Center, Salt Lake Community College (SLCC), agrees that today's baby boomers and seniors aren't slowing down. In April 2010, SLCC launched the Encore Institute, which supports students older than 50 who want to reinvent their careers, start businesses, enrich their lives or give back to the community.

Mahate and Falkenrath say several steps can help post-retirement entrepreneurs start successful ventures.

TIPS: DETERMINE THE RIGHT TYPE OF BUSINESS FOR YOU. "Starting a business is demanding and carries a risk," says Mahate. "When you are younger, you can make a mistake, learn and rebound. But at age 65, be sure to choose the right business for you." She adds that past experience, passion and contacts in a particular industry often influence a future business choice. "Starting a business by relying on your experience is recommended," Mahate says. "If you rely on passion, prep work is especially important. For example, if you love gardening and want to start a nursery, go work in one."

PREPARE BEFORE BEGINNING YOUR BUSINESS. Starting a business inevitably includes writing a business plan. "While it is a formal document, you don't need to hire an expensive agency to help," says Mahate. Organizations such as the Women's Business Center, SDBC and SCORE provide free counseling and consultation. "We provide counseling and mentoring to help future entrepreneurs understand the importance of market research to determine their product's viability," says Falkenrath. "We help them assemble a three-year financial plan that includes expenses, profitability and cash flow."

Falkenrath adds that entrepreneurs who take the time to complete a business plan, market analysis and financial projection greatly increase their odds of obtaining loans. "We help future entrepreneurs with the tools they need to help their business grow and thrive," he says. "We help them determine what is unique about their business to make it compelling."

USE CAUTION WHEN DIPPING INTO YOUR RETIREMENT MONEY. While financing is definitely necessary to start a business and keep it going until it produces a positive cash flow, be cautious when dipping into retirement savings. "Use whatever portion you can comfortably afford to lose," says Falkenrath.

"Use only a portion that is absolutely necessary to get started and not all of it," adds Mahate. "Starting a new business is about progress and not perfection."

CONSIDER BUYING AN ESTABLISHED BUSINESS. "By buying an established business, you reduce the inherent risk as much as possible," says Mahate. Look in the classifieds under "Businesses for Sale" or contact a business broker.

"An established business has a track record and financial statements you can follow. Review them with your lawyer and accountant. You will have a pretty good idea how much money you can make by looking at how much the current owner makes," Mahate says. Make sure that the business is not dependent on the current owner personally—his or her contacts, skills, contracts, etc.

CONSIDER A FRANCHISE. A franchise is often a safe bet, as the kinks should already be worked out, explains Mahate. "Speak with current franchisees and discover what it is like to work with the franchisor, how much money the franchisee makes, and so forth, before buying one."

Mahate says that many late-in-life entrepreneurs, such as Kilmurray, find great fulfillment in their new businesses. "It's thrilling to see the people I help feel pride in their homes." **UB**