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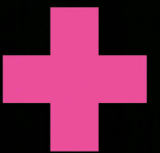
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HER DRIVE, HER
PASSION AND
HER REGRETS



START YOUR OWN BUSINESS

Tips, inspiration and advice

BREATHE BETTER, FEEL CALMER, LIVE LONGER

Start your own business

If you've been fantasising about working for yourself, it might be time to make that dream a reality. Warning: The following advice could set you free...

WORDS SARAH LANG PHOTOGRAPHS MATTHEW WILLIAMS AND PETER BEATTIE

RUNNING YOUR OWN business; it's so tempting, right? No droning colleagues or toxic boss, no 7am alarm, and a lazy half hour in bed with the paper rather than that grating rush-hour commute. Control, independence, flexibility... there's loads of lures. So it's no surprise one in seven New Zealand women run their own business or work in a family-owned operation. According to Statistics New Zealand, in 2006, nearly 130,000 women headed their own enterprise – either self-employed without employees or running a business with staff. That was up nearly 34,500 on figures from a decade earlier.

So how do you go about becoming your own boss? The first step is to fully investigate whether your idea will fly in today's marketplace. The free New Zealand Trade & Enterprise (NZTE) booklet, *Determine Whether Your Business Idea Will Work* (available from their business information service, biz, on 0800 424 946), will help. Work through chapters including whether there's a sustainable market, competitor analysis, and if it's the right venture for you right now.

A quiz at www.business.govt.nz, 'Do you have what it takes to run your own business?', looks at 12 characteristics, skills and attitudes that are key to success. Flunking the test doesn't mean don't do it, but it'll help you identify and work on your Achilles' heel

before you get in too deep. (To locate the quiz click on Starting or Buying a Business on the website, then select Thinking About Starting a Business.)

You should also reflect on why you want a business, and how realistic you are about what it will mean. In *The Next Report 2008* (April), a nationwide survey that asked 2000 Kiwi women about their lives, almost 50% of women working full time said they work too many hours, and seven in 10 working mothers said they feel guilty when their kids need them and they're at work. Employ yourself and you can make the 3pm school pick-up, right? In theory, yes, but be aware most self-employed women work an average of 40-49 hours a week.

Otago University management lecturer Dr Jodyanne Kirkwood has researched female entrepreneurs and says they're often tempted by "push factors" such as job dissatisfaction and work-family balance. "But it's a myth that your own business can give you all this free time, it can actually take over your life. Be wary of push factors. If you're 'pulled' – say you've always wanted your own business – you're far more likely to stick at it."

But if you've done the research and are still convinced self-employment is for you, it's time for the real work to begin. Read on for advice on how to get started and meet three women who're leading the way. →

Now or never

Angela Berrill sits surrounded by folders and notes in her otherwise spick-and-span Auckland apartment. The to-do lists are being ticked off in preparation for this month's kick-off, when Angela starts up sole practice as a nutrition consultant, chiefly to the food industry. ABC Nutrition stands for both Angela Berrill Consultant and her plan to provide the ABCs of nutrition.

Confidence and drive shine from the 30-year-old. "I've wanted to run my own business since high school, for flexibility, control and personal satisfaction," she says.

In order to work for herself, Angela had to quit her Fonterra nutrition research manager job. Going from a job with a big company to a one-woman outfit is a big step. "When you're used to the security of a full-time income no time's the right time to go into small business," says Angela. "But I'm ready for wider scope and a fresh challenge. To be a dictator not dictated to."

With qualifications in marketing as well as nutrition, she's already sounded out prospective clients and is confident about selling her services. She's giving herself just two months to work from home before renting an office, and expects 80-hour working weeks for the first few months. Loathe to drain all her savings, she's currently investigating different business loans.

"My advice is talk to lots of people in the industry, and go with your gut. Be realistic but stay positive – that's when good things start to happen."

Visit www.abcbnutrition.co.nz.



THIS PAGE: "It does worry me that there will be weeks when I'll struggle," Angela says, "that's why it's important to have sound savings." Not wanting to "waste time and energy", she has an accountant handling her business finances.

THIS PAGE: Running her own business is a dream Cecilia has had since she was 20. "I'm not a very employable person," she laughs. "I've got too strong a will and want to control the business's destiny."

From the ground up

Cecilia Farrow was 25 when husband Stephen, her high-school sweetheart, caught a flu that aggravated a bronchial condition. He died within 24 hours and Cecilia was left alone with Jerome, then four, and Lantana, then one, little money, the Motueka cafe they co-owned and managed with her parents, no professional qualifications, and a bundle of grief.

Fast forward two decades and Cecilia strides assuredly into the boardroom of her Auckland-based business Triplejump, a nationwide franchise network of life, health and disability insurance advisers. Last year she was presented with industry accolade *financialalert* Person of the Year Award. How did the hard-up mum morph into an award-winning company chieftain?

Well, she uprooted to Palmerston North, reluctantly put the kids in daycare and juggled a Bachelor of Business Studies with two part-time jobs. After a move to Auckland and five years as a training-and-development consultant, she took a job at a life-insurance broker. "I kept meeting people who could end up in the same financial position I'd found myself in, without the means to do what we'd dreamed for our children," she says.

Believing in a conversation-filled, tailored advisory approach, Cecilia used her savings and reduced her living costs to set up insurance-and-business-risk-management firm Assurance Financial Services (AFS). After 10 years at the helm, seeing a niche for AFS's approach, Cecilia spent two years creating Triplejump's business plan. Selling shares raised \$1 million of private-equity capital and Triplejump launched in January 2007.

Today advisers at 11 franchisee outlets consult and create tailored solutions to manage financial risk for business owners, families, or individuals in the case of death and disablement. The two-year plan is for 30 nationwide outlets and going global.

Cecilia urges business women to implement and document business structures and systems in order to measure success, add financial value should you sell, and make it franchise-able. "So if anything happens to you, someone can smoothly take over."

Her other essentials for success include: "A thorough business plan, sufficient capital, robust governance and great mentors. Plus plenty of passion, energy, time and support. Three years ago my husband [of 10 years] Wal and I asked, 'Are we willing to give up five years of our lives?' – because that's what it takes. There are obstacles, but with the right ingredients, you can overcome them."

Visit www.triplejump.co.nz.



Your five-step business guide

1 ASK AROUND

Now that you're ready to get started, get advice. Your first port of call should be the government's Business Information Zone, or biz (www.business.govt.nz), mentioned earlier. As well as clear, comprehensive business set-up info, there are links to training courses, advisers, network/support groups and mentors. Questions? Call a biz adviser on 0800 424 946 or email info@business.govt.nz. Rather talk face to face? Pop into a biz centre, there are 32 nationwide.

Meanwhile NZTE (www.nzte.govt.nz) offers advice, fully funded training programmes and stacks of free guidebooks. One, *Business steps: A Practical Guidebook for Small Business*, (located in the New Business Ideas/Start-ups section of the website) details essential tasks from insurance to invoicing.

The recently published *How To Become a Kitchen Table Millionaire* by lawyer-writer Catriona MacLennan (Penguin, \$30) is an invaluable reference guide full of detail and success stories. Or try *The Small Business Book: A New Zealand Guide for the 21st Century* by Leith Oliver and John English (www.fishpond.co.nz).

2 HAVE A PLAN

Don't be tempted to skip this step. A business plan doesn't need to be thesis-sized, but it does need to be a detailed outline of your business, your goals, and how you'll achieve them. Think of it as a map to get you to your business destination, and work through biz's booklet *Helping You Develop Your Own Business Plan*.

"Invest in your business plan," says Cecilia. "So many women come to me to talk about their dream and I say, 'What's your vision statement, where's the market, how do you see the business in five years' time?' and they just don't have answers. All this should be in a business plan."

3 MANAGE MONEY MATTERS

"In New Zealand most small businesses fail because they don't have enough capital behind them, or they take too much money out along the way," warns Cecilia. So make sure you source enough set-up capital. Even people with sound savings get loans, and you may need cash to cover living expenses during the low-income start-up period.

Talk to a financial adviser, but your best bet is usually the bank, says small-business training-course coach Sandra Anderson, whose three businesses include Palmerston North advisory company Small Business

Specialists. This is because finance companies are usually hunting high-return companies to lend to, while selling shares is generally the domain of robustly-governed large businesses.

Have your accountant draw up financial projections before you approach a bank. Not a fan of business credit cards' oft-exorbitant interest rates, Sandra advises shopping around and negotiating with banks for a business loan. See the Finances and Cash Flow section of the biz website for more financial advice.

4 TACKLE TAX

Limited liability company, GST... cringing already? Relax, the law merely requires you to choose a business structure and keep adequate records for tax purposes.

As a sole trader, you simply use your own name and IRD number. But most people choose a limited liability company – a separate legal entity which means, technically, your personal assets aren't at risk, but company director/s (at least one, usually you) are liable. To form a company, follow the step-by-step, \$160 process at www.companies.govt.nz. Check out the biz website for business-structure details (including partnerships and trusts), and a business-tax summary.

Your business structure dictates how and when you pay tax, and how business expenses are handled. While it pays to have an accountant manage your books, having a grasp of the essentials is handy. Create separate bank accounts for income tax and GST and don't dip into them, or you'll be stung with a large bill.

5 ORGANISE YOUR OFFICE HOURS

Working from home might save on overheads and commuting time, but as Jodyanne points out, "Some women try to be working-from-home superwomen but they can't cut off. They stop for dinner or to put the kids to bed, then go back to work."

Working from a rented office physically, and thus mentally, separates work from family and leisure, and may be a must if you need to store stock or meet clients in a professional setting. Rent is tax deductible.

If you choose to work from home, modify a room to be your office, says "home-worker" Catriona. While some women are fine in trackies, others wear business clothes so they feel professional. Some mums put up door signs like, 'At work until 5pm'. For more information on this topic, visit www.business.govt.nz (the Running a Home Business page in the Starting or Buying a Business section), or www.homebizbuzz.co.nz.



Needs must

By the time Reece Plane was five months old, his eczema-ravaged body was raw and bleeding from constant scratching. To protect Reece from his own fingernails, mum Rebekka hunted for a non-irritating wrap. It didn't exist. So the "non-sewer" designed and made a "clumsy" 100%-cotton wrap, then a sleepsuit. When she realised other kids were in need, the Tauranga teaching graduate considered self-employment. And after completing a business-ownership course, she set up Kumfy Cotton in 2004.

Today thousands of eczema-afflicted kids in New Zealand, Australia, the UK, US and Hong Kong wear Kumfy Cotton clothing, all designed by Rebekka, 29. Online store Kumfy Kids also supplies other eczema-related products.


Initially Rebekka, husband Dave and mum Jan poured savings and bank loans into the start-up pool. Eighteen months in, Kumfy Cotton already supplied 800 Australasian customers, but money was still tight. Cue Rebekka's star appearance on TV show *Dragon's Den*, which earned her an \$80,000 investment and \$120,000 loan, covering her manufacturer-sourcing Vietnam trip and \$170,000 order.

With Dave taking the childcare reins since February 2007, Rebekka's been the breadwinner for her family of five, with another on the way. After trying a rented office for a year, she's recently resumed working from home. "The pros



THIS PAGE: Rebekka's about to pay back her final loan, and with sales mushrooming, she says she's now expecting to make her first "decent profit".

outweigh the cons so long as the mental boundaries are there. Originally, the kids would call, 'Mum!' and I'd say, 'I'm too busy.' Now when the kids are home, the computer's shut down and the work's put away."

Rebekka reckons having your own business is great for mums who can't work regular jobs. In 2006 she co-founded local group Mums in Business "which feeds me with support and advice. But what you need most is passion. I did doubt myself at times, thinking that I didn't know enough about business. But I never stopped believing in my product."  Visit www.kumfykids.co.nz.

MAKEUP SHARON LAURENCE-ANDERSON,
SHIRLY SIMPSON AND REBEKKA KURUVILLA

Making Small Changes Every Day with Purex

Make sure your toilet paper is Purex ecolabel – the only completely New Zealand made environmentally certified toilet paper.



Small changes to make at work:

- For those afternoon cups of tea - only fill your kettle with the water you need
- Use a white board to make notes rather than using paper



Small changes to make in the garden:

- Try growing your own vegetables – or just your own herbs in a pot on a kitchen window sill
- Reuse cooled water from boiling vegetables to water your garden, the minerals in the water will deliver added nutrients to your plants
- Get your children growing their own plants - this will help them eat veggies



SCAPX10A

What is an Ecolabel?

The Environmental Choice ecolabel tick is an independent environmental labelling scheme that identifies a product as being less harmful for the environment.

Purex, the only completely New Zealand made toilet tissue, is the first major consumer brand to achieve the Environmental Choice ecolabel.

