

## Starting a Business or Career Change

### Questions and Concerns:

- What type of business? Is it a start-up, buying an existing business, franchising or consulting?
- What is your business/career plan?
- What resources, both informational and financial, are available to help you succeed?

Starting a business takes a tremendous amount of perseverance, business savvy, influence and capital to succeed. A career change can also be a daunting task. The required planning, preparation and guidance to assist you can be found in the following links. Looking at your personal financial plan is also an important component to better position you to the change.

Regardless of the business, you wish to embark on, every business must have a solid business plan and a market plan. The Small Business Administration site is a very good resource. Also check with SCORE (Service Core of Retired Executives) as they provide business counseling and have an abundant amount of information on starting or helping an existing business to succeed. In addition, the New Mexico Small Business Development Center has 20 offices statewide to serve entrepreneurs. Below are the sites and groups to assist you in your entrepreneurial endeavor.

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| Small Business Administration/ New Mexico    | <a href="http://www.sba.gov/about-offices-content/2/3132">http://www.sba.gov/about-offices-content/2/3132</a> |
| SCORE: Albuquerque                           | <a href="http://albuquerque.score.org/">http://albuquerque.score.org/</a>                                     |
| SCORE: Las Cruces                            | <a href="http://www.scorelascruces.org/">http://www.scorelascruces.org/</a>                                   |
| SCORE: Santa Fe                              | <a href="http://www.santafescore.org/">http://www.santafescore.org/</a>                                       |
| IRS Small Business                           | <a href="http://www.irs.gov/businesses/small/index">http://www.irs.gov/businesses/small/index</a>             |
| New Mexico Small Business Development Center | <a href="http://www.nmsbdc.org/">http://www.nmsbdc.org/</a>   |
| International Franchising Association        | <a href="http://www.franchise.org/">http://www.franchise.org/</a>   |

### How can a financial planner help you in preparing for your business or career change?

When starting a business or changing careers, a financial planner will evaluate your net worth and look at your cash flow. In the net worth statement, assets are identified to indicate available capital resources enabling you to begin the venture. This means looking at liquid and marketable assets. In addition, equity in investments and the home may be reviewed as a resource for collateral. This often provides clarity to a couple where one person can carry more financial weight while the other may not be able to do that for a while. For example, a planner would explore the feasibility of the entrepreneur person carrying their own health insurance or becoming a dependent on their partner's health insurance. A cash flow statement and cash flow forward projections will provide an assessment of their income while pursuing the start up and provide a basis to adapt to the initial start up costs. The month to month comparisons will also provide a review and analysis if the projections are not as expected. This monitoring will often serve notice to each individual to increase revenues or reduce expenses. It could also be a trigger for an exit strategy if the business does not succeed due to unmet revenue goals.

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