



Mike is a recently retired partner of a major accounting firm who now has a portfolio of public and private sector roles where his experience can add value.

'Starting your own business for the over 50's- realizing your dream or the sign of hope over experience?'

We are told that when times are tough we must focus on customers and developing people. There is a lot of truth in this because as people- we are the competitive edge of our business. It is also true that a recession is a good time to start your own business as large companies tend to exit non-core activities and also take their eye off the ball. So what is different if you are over 50?

Not a thing really, it is just that you are more likely to succeed as you should have learnt what customers want and how to avoid some of the pitfalls that blind youth fall into. But there are lessons that apply to all ages.

First you must ask yourself- do I really want to run my own business? Running your own business is not just about being self employed- your own boss or going freelance. It should be about fulfilling a dream, wanting to build something and creating value. It also involves taking a risk- how much of your wealth do you want to put at risk? If the answer is 'none' – setting up in business is not for you. How much time are you willing to devote to this venture? If the answer is 'not too much'- then setting up in business is not for you. In a similar way you must look at what you would be willing to do without because at some time the plan will go wrong and if you are not willing to go the extra mile- again setting up in business is not for you.

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Second- write your plan. There are many excellent templates and now with the internet, they almost fall into your lap but that does not allow you off the hook. There is some hard thinking to do. What business is it that you want to set up? What will you do differently? What might you do cheaper? Far more businesses go under by charging too little -normally because you need a margin and also there are far bigger 'girls' in the field and they can out-muscle you on price but will find it hard to match your 'difference'. In the plan you should define who your customers are going to be and why they will use you- even if you open a shop, you need to target a specific group.

Now there is a great emphasis on buying locally to support the economy and the 'green' agenda but that does not mean you do not need to be competitive on price- deliver what your customers want on time and provide excellent service- you may get more opportunities through the tendency to buy local but do not expect any favours.

Remember that a plan is not written so that you can go to a bank and get turned down for a loan- it is a blueprint of how you will realize your dream to build a business.

Thirdly do the numbers. They are a bit of a guess when you start out but if you are planning to sell something to a group of customers, you must make an estimate of how much they will buy from you, at what price, where you will source the goods from and how you will deliver to your customers at the right time – ie when they want it. All these activities have a price so you must put your plan down as income and expenditure on a month by month basis for at

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least twelve months with perhaps quarters thereafter AND you must cash flow these activities and then put together forecast balance sheets – I would suggest at the intervals relevant to the business. If you are selling to customers who will pay you six weeks after delivery and you need to pay suppliers 30 days after delivery- it may be really obvious but it has an impact on what cash you need to run the business and at what time of the month you will need it. Every business has a different cash flow profile and it is critical that you know yours- businesses can make a loss from time to time but running out of cash tends to be fatal.

Finally- take good advice. There are many professional sources of advice and help from private and public sectors and it is definitely worth getting advice on putting together your plan. You should factor in what I call your life style plan- how much you think you need to live on. Your financial requirement is what you need to live as well as what you need to make the business work. And a key point here is that if you are not willing to risk a lot to succeed why should anyone else put up money including a banker- they will want to be convinced that you really want it. The best advice that you can get though is from someone who has done it. Many will say- 'do not do it' – but look at the glint in their eye and the spring in their step.

Setting up in business is a dream of many of us more mature people- it is something we were probably too scared to do when we had big mortgages or we needed to support our kids. We also may be somewhat averse to taking risks. All business activities involve risk but our maturity should enable us to manage those risks but do not believe that if you set up in business there will

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not be sleepless nights and times of almost impossibly intense fear – it does tend to go with the territory. And you will need to make sure your family is with you on this – please do not try and keep them out of it- they are as big stakeholders as it gets.

My final words on this are 'have fun and go for it'

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