

# Creating Your Own Employment Security

By Elena Fawkner

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"Well, it's happening. My employer, the County Health and Welfare System, is buying me out. I leave in April, 2002. Seems like a long time from now, but I know it's really just around the corner. So how do I evaluate my skills? And how do I begin a new career? And how do I deal with the fear of the unknown, of the lack of income (other than the retirement check), of maybe working alone out of this office?"

This is an extract of an email I received this week from an AHBBO subscriber, Cecily. Just Friday, driving home from work, I heard that Ford was about to lay off between 4,000 and 5,000 employees from its U.S. operation. So nothing unusual about Cecily's situation, unfortunately. Seems like every day we hear of more and more businesses being "forced" to downsize their workforces. What we don't hear about every day is what happens to all those displaced workers.

Many people just look for another job, find one and get back into the ratrace, all the while anxiously monitoring the financial performance of their new employer, hoping they won't get laid off again. For many, this is just the way the world works. And it always will be as long as they continue to work for someone else. Do you really want to live like this? Well, you don't have to. The solution, albeit not for everyone, is self-employment.

In this article, we look at how to determine whether self-employment could be for you and how to turn that dream into reality.

## PERSONAL INVENTORY

As Cecily correctly identified, a personal skills analysis is an important early step. Your personal skills inventory is only one factor to take into account when considering whether self-employment may be for

you, however. Equally important are your strengths and weaknesses, interests, resources, attitude and other personal qualities.

Your personal inventory should encompass at least the following:

#### = Skills Assessment

Just because you're good at something does not mean that you necessarily enjoy it. If you're good at something that bores you to tears, then don't use that skill as the basis for your new business. You'll be miserable! But, if what you're good at is something you also happen to enjoy, then there's a HUGE clue about what your business should be all about.

When thinking about your skills, think also in terms of skills you don't presently possess but which you could acquire with a reasonable investment in training. If acquiring a new skill would equip you to enter a business that you think you could make succeed, then by all means acquire that skill.

To come up with an inventory of your particular skills, pull out all of your old resumes (or create them if you don't have them) and recall what you did in every job you had. Make a list of your activities and the skills that were necessary to perform them effectively.

Here's some broad categories to start organizing your thoughts:

- \* Communication - speaking and writing effectively; listening; expressing thoughts and ideas; negotiating; persuading; interviewing; editing; facilitating; responding appropriately.

- \* Human Relations - motivating; delegating; dispute resolution; assertiveness; giving credit where due; developing team cohesiveness and rapport; sensitivity; listening skills; supportiveness; cooperation; cooperation; developing others.

- \* Leadership - coordinating and motivating; coaching; counseling; change agent; conflict resolution; decision making; teaching; managing groups; multitasking; initiating new ideas and programs.

- \* Planning - forecasting and predicting; information gathering; needs analysis; evaluation strategies; acquiring important information; idea generation; problem identification; brainstorming; problem solving.

- \* Effectiveness - implementation of decisions; cooperation; policy enforcement; accepting responsibility; organizing; making decisions; punctuality; time management; attention to detail; goal attainment; meeting deadlines.

#### = Strengths

When considering what strengths you possess that you could draw and build upon in a business of your own, think in terms not only of

personal qualities such as determination, commitment and dedication but also to tangibles such as educational qualifications and financial reserves.

#### = Weaknesses

Just as you did with your strengths, focus on the tangible as well as the intangible. Examples include zero financial resources, lack of personal discipline; and poor health.

#### = Values

Values are the things that are important to you and are divided into two types: intrinsic and extrinsic. Intrinsic values relate to what you will be doing in a day to day sense and how valuable an activity you perceive that to be in the overall scheme of things. For example, if your business provides a service to your community's elders and you perceive this as being of high importance to society, then your business meets your intrinsic values.

Extrinsic values, on the other hand, refer to the external features of your business such as your physical environment and profit potential.

By identifying those intrinsic and extrinsic values that are important to you, and identifying the types of businesses that will satisfy those values, is an important step in deciding whether a business of your own is something worth pursuing. For YOU.

#### = Personality

Various personality tests have been devised to determine your personality "type" with the idea that people belonging to certain types do particularly well in certain careers and businesses. Perhaps the most prolific basis of personality tests is Jung's Personality Theory, dividing people into eight personality types: extroverts, introverts, thinking, feeling, sensing, intuitive, judging and perceptive.

If this interests you, you'll find no end of information online about the types of occupations and businesses suited to each personality type. Don't let the results of such a test play a disproportionate role in your decision-making process, though. Just use it as one of several factors you take into account.

#### = Interests and Hobbies

This one's a real no-brainer but it bears stating. Try and create a business around something that you're interested in. Although not a certain rule, you tend to perform better at what you enjoy and to enjoy what you're good at.

Be sure to look at the other side of the coin too and inventory what you're NOT interested in. Sometimes knowing what you DON'T want

to do makes it easier to see what you DO want to do.

#### = Resources

These include not only financial resources but others such as your personal relationship network (who do you know who could help you in your new venture), office equipment and other facilities.

#### = Attitude

Do you have a "can do", optimistic attitude? Are you determined to succeed whatever it takes? Do you believe you control your own destiny or is life a series of random events that happen to you no matter what you may have planned?

#### = Other Personal Qualities

Finally, think about the personal qualities that make you, you. Are you energetic and motivated, are you resourceful, are you resilient, realistic and practical, a hard worker?

Once you have completed your personal inventory, sit down and rank your positives from highest to lowest. Then do the same thing with your negatives. Once you've ranked your strengths and weaknesses in this way, you'll have something of a framework within which any prospective business idea must fit. If your idea requires great strength in an area where you're weak, toss it. If it requires strength in an area where you're strong, keep it. This is not a black and white exercise. Any idea you have will require any combination of skills and strengths. You must evaluate objectively whether your particular combination of skills and strengths is enough to compensate for your particular weaknesses and make a success of the venture.

## IDEA GENERATION

So, where are you to get the ideas against which to measure your skills and strengths? First off, bear in mind there are a number of approaches to starting a business of your own. You may provide a service; you may manufacture a product; you may distribute a product manufactured by someone else.

A well-known schematic which sets out all the possible combinations is as follows:

1. Existing products/services and existing markets.
2. New products/services and existing markets.
3. Existing products/services and new markets.
4. New products/services and new markets.

If you focus on option 1. you face stiff competition. If you focus on option 4. you have to invent the wheel first. So pay most attention to options 2. and 3.

Take your skills inventory. What do you know and enjoy the most? Are you a specialist? Think about what you know. What do people buy? What do people want but can't buy? What do people buy but don't like? What are people buying more of? Where do they buy and when and how?

When you've considered that, look at how you can change existing products or services to meet an unmet need, to meet a need in a different, more convenient way, to improve the quality or service. Be particularly observant and on the lookout for emerging trends (an aging population, an increasing number of people working from home etc.) and expanding market niches (e.g., increased reliance by businesses on outsourced services).

During this process, employ any technique you can think of including brainstorming, asking people (novel but effective!), read trade magazines and directories. Focus on your consumer and market, not on your product. After all, there's no point in building a better mousetrap if no-one needs or wants one.

By the way, don't forget, when you think in terms of your own business, self-employment includes independent contracting and consulting. Perfect outlets for what you know if what you know is in high demand.

## IDEA ASSESSMENT

Once you have a shortlist of business ideas to play with, start assessing them as viable business opportunities. This means devoting time and effort to assessment, research, development and planning.

Examples of the types of activities you should be engaging in here include:

= Talk about your product or service with prospective customers. Is there really demand for your offerings? If so, how strong? How price sensitive? What sets you apart from your competition?

= Research

Find out everything you can about your target market and your competition already servicing that market. Are price wars common? If so, you have too much competition. Are there only one or two big players and no little ones? If so, the barriers to entry are too high. Look for markets where there is healthy competition between product/service providers but where profit margins are reasonable.

= Analyze your Competition

Who are they, how are they structured, how long have they been in business, what are their respective market shares, what sets you apart?

= Strategize

How would you start out? Can you start out part-time before you leave your paid job? Can you work from home? Will you start from scratch or buy an existing business or franchise? How will you market your business?

= Prepare Projections

Work out what your expenses are likely to be and how much revenue you need to be able to generate to break even. Then work out roughly how much revenue you need to make a predetermined amount of profit (remembering to factor in the cost of your time and finance expenses such as loan repayments).

How realistic are your revenue objectives? Are they attainable? Over what timeframe?

## PLANNING AND LAUNCH

Finally, once you've identified an idea that makes it past the first cut (i.e. everything you've done to date), do the whole idea assessment routine again but this time being much more detailed and specific. At the end of this process you need to be able to produce a solid business plan, one you can take to the bank if necessary. Even if you're not going to need outside financing, do your formal business plan anyway. It will help you ensure you've covered all the bases and left nothing out. By the time you finish your business plan, you should know your business inside out.

All that's left is to put your plan into action and launch!

Not surprisingly, the whole process from personal inventory to launch is not something you can do in a week. Ideally, it's something you will be able to start BEFORE you lose your job since it will likely take you several months. But the returns on your investment can be substantial. Do it right and do it well and you will create for yourself your own employment, never again to be at the mercy of someone else to determine your fate.

But it's not an easy road. Self-employment is not a safe route. It rewards the risk-takers and the resilient. You may not succeed on your first attempt. But, as with anything in life, where there's a will there's a way. If you are truly determined to create your own security, nothing compares to putting your destiny back where it belongs - in your own two hands.

Hopefully this article answers the first two of Cecily's questions. As for the last two, "And how do I deal with the fear of the unknown, of the lack of income (other than the retirement check), of maybe working alone out of this office?", by following the steps outlined above, you

will go a long way to removing the fear of the unknown by replacing it with something that is no longer unknown. After all, each of us has unique skills and experiences that can be turned into opportunity (business or otherwise). Even if you ultimately conclude that a business of your own is not for you, the very process outlined above literally forces you to take stock of your strengths and skills, thereby better preparing you for the challenge of finding the next position.

So, from one who was laid off (in May 2000), to those of you who have been laid off or are expecting to be, as they say, when life hands you a lemon, make lemonade. Or as the old Buddhist saying goes: "The deeper the mud, the more beautiful the lotus."

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