

An Option for Expatriate Spouses: Become an Entrepreneur

Jo Parfitt

Before you take the plunge into working for yourself, it's important to know all the forms that this business can take. Each form has particular advantages and disadvantages for individuals with varying personalities, skills, and life and family situations (See sidebar, "Typical Traits of Successful Entrepreneurs"). It is worth asking yourself these questions before considering the options that follow:

- Do you truly believe in the business you are entering?
- Has this business passed its peak?
- How well does this business fit in with the rest of your life?
- Do you have a unique selling proposition?
- Do you have any experience in this business?
- Can you afford to get into this business?
- How easily can you get out of this business if it were to fail?

Starting a Business From Scratch

This option is perhaps the most adventurous. Starting from your own idea (or a variation on others' ideas), you plan and execute your own entrepreneurial venture. In essence, you do everything yourself – generating the business idea, researching the marketplace, checking the competition, determining the form of ownership, formulating a business plan, obtaining funds, and doing the finances.

Buying an Existing Business

This option is often good for entrepreneurs who don't want to go through all the hassles and procedures involved in starting a busi-

ness from scratch. With this option, however, it's important to research and identify exactly what you're buying:

- Carefully assess the financial health of the business (often with the help of an accountant).
- Interview the current owner thoroughly and talk to customers, employees (if any), and suppliers.
- Speak to the current owner about staying on to help you as you take over the operation.

And, of course, in return for the privilege of buying an existing business, you may also have to invest more cash than if you were starting your own. You need to value the business accurately and to negotiate skillfully for a purchase price and terms that are fair to both you and the current owner.

Buying a Franchise

There are thousands of franchise options that provide a business model and certain tangible assets along with a known name. The costs of buying into an established franchise can sometimes be high, and franchisees are put through a rigorous screening process. The price also depends on how well known the brand is already and how much training and assistance you will receive along the way. Franchises can require long hours in order to make the anticipated earnings. With these levels of financial and personal commitment, make sure that you select a franchiser that is committed to franchisee support and success.

Buying a franchise seems to have many advantages. After all, who wouldn't want to buy into an operation that has instant name recognition, protected territories, time-tested operational procedures, and marketing meth-

ods and guaranteed profits, all at a reasonable price? The problem, of course, is finding a franchise like this in a very glutted market full of hype and exaggeration. And even if you find the "perfect" franchise, franchising itself may not suit your personality or satisfy the reasons why you wanted to start your own business in the first place.

Becoming a Consultant or Independent Contractor

This option is often the best for people who have a specific expertise that can be sold to individuals and companies. It has the advantage of low capital outlay, scheduling flexibility, variety, and autonomy. But you also need to be realistic about the downside or challenge of consulting – the lean periods, the need to sell yourself constantly, and the intermittent (or frequent) feelings of isolation.

Effortless Entrepreneurship

If you know you're likely to be on the move again fairly shortly, and that no business you choose is worth the investment it would take to make it a big success in one location, then maybe you should think about starting a more modest concern – one that will conserve your sanity and your professional identity and also give you the flexibility you need. Think about starting small and then growing the business organically, sharing costs, bartering skills, and making your venture work for you.

Excerpted with permission from A Career in Your Suitcase by Jo Parfitt (2008).

Ms. Parfitt is a writer, journalist, speaker, publisher, and publishing consultant. For more information, visit www.joparfitt.com and www.career-in-your-suitcase.com.

Typical Traits of Successful Entrepreneurs

Because entrepreneurship has experienced such a boom, it's been the subject of a great deal of study in the popular and business press, as well as academia. Numerous studies have been conducted on the traits that make a successful businessperson. Here are some of the most frequently cited:

- *Competitiveness and drive*: Most entrepreneurs score high in these areas. They want to win over others or exceed their own standards for success.
- *Action orientation*: Many people have great ideas for a business, but end their careers in the same jobs where they started. A good idea is usually a prerequisite for a successful business – but even more important is acting on that idea. You must be willing not just to formulate an action plan; you must then stick to it despite the obstacles and setbacks.
- *Risk tolerance*: Successful entrepreneurs do not avoid risk, but they don't take unnecessary risks either. They have at least a moderate tolerance for risk. They know when they are beyond the boundaries of their risk comfort level, and they carefully assess the degree of financial and personal risk they are willing to take on. People with very little tolerance for risk often deviate from their plan at the first sign that they may lose a dollar or two in the short term. Assess your risk quotient. Think about whether you have risked your own or others' money in the past. Consider whether that risk made you feel comfortable or uncomfortable. Of course, if your partner has a lucrative, secure position, you may find that your risk quotient is higher than if you're the sole source of income – or if your steady income is needed to help meet household expenses.
- *Strong goal orientation*: Are you the kind of person who cannot envisage stopping once you have set a goal for yourself? Or are you the kind of person who is more likely to say, "I just want to enjoy life and have a relatively stress-free existence"? What goals have you achieved in the past, and how have you achieved them? See if you can identify what motivated you then, so that you can use the same trick.
- *Ability to make decisions*: As an entrepreneur, you'll be responsible for making all the decisions for your business. You won't have the luxury of assembling a task force or committee to study the matter and whom you can subsequently blame if the decision has poor results. You will need to act fairly quickly. If a decision needs to be researched, you'll do it yourself. You must be willing to determine the proper time frame for the decision according to its importance and possess the flexibility to change a decision or course of action if it isn't working.
- *Emotional resilience*: You must be willing to see setbacks as learning opportunities, not reflections on your worth as a person. You also need to realize that a typical salesperson needs to go through nine rejections before getting an acceptance. As an entrepreneur, you will need to be able to withstand this kind of rejection.
- *Some sales skills and experience*: You may offer the best service or product, but if you are not reasonably adept at selling it, you will never get to deliver it. You need to ensure you'll be effective at selling the product or service you plan to work with.
- *Preference for creativity over bureaucracy*: When problems arise, do you find comfort in the rules and regulations of organizational life? Or do you find them an impediment? Most entrepreneurs enjoy and need to find creative new approaches to finding and delivering business.
- *Optimism*: This is perhaps one of the key attributes of a successful businessperson. Optimistic thinking can make the difference between success and failure in any new venture, especially one with so many obstacles and problems as the launch of a new business. Optimists think that failure is caused by something that can be changed, while pessimists take personal blame for any failure, attributing it to a character defect they are helpless to alter.

Source: *A Career in Your Suitcase* by Jo Parfitt (2008)