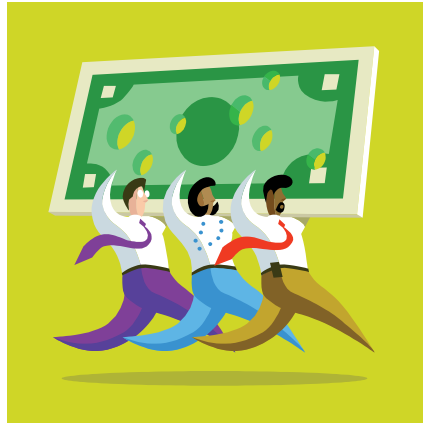


Supported Self-Employment Development



Team-Based Business Planning

Developed by Shannon L. Munn

Workbook 2

A Workbook Designed for People with Disabilities and Their Support Teams

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A Workbook Designed for People with Disabilities and Their Support Teams

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**Pathways to
Independence**

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Planning Introduction

Developing a micro-enterprise is a highly customized option for work. By choosing self-employment, the prospective business owner is empowering himself/herself with the opportunity to be self-determined in creating his/her own work. This opportunity can be extremely rewarding and have many positive outcomes. On the other hand, with this opportunity comes the challenges of making decisions, accepting responsibility and authority, as well as obligating oneself to the success of the business. These same opportunities and challenges apply to family members and vocational service providers who offer support to individual business owners with significant disabilities.

Many people with significant disabilities have found that self-employment is the most effective means of earning income. However, it should never be assumed that self-employment is the right fit for everyone, or even most people with disabilities who have not had success with traditional employment. The Department of Labor estimates that almost 15% of the US population is self-employed. Various polls and projects supporting entrepreneurs with significant disabilities have found that the percent of individuals with disabilities choosing self-employment (when the choice is made available to them) is reflective, and in some cases slightly higher, than the national average.

Like the general population, people with disabilities face the same risks and liabilities when owning and operating a business. Business planning and implementation is a complex process. Successful business owners, regardless of ability, make it a practice of building a “technical assistance team” around themselves for support, guidance and feedback. A person with a disability can rely on family members, human service professionals and other community members to help with planning in order to reduce the risks associated with starting a business. One of the primary tenets of person-centered planning for people with disabilities is the aspect of “doing no harm” by partnering with the person to take the time needed to discover his/her individual strengths and contributions, think critically, research opportunities, gather information and engage in experiences to make informed choices. This same foundation holds true in good business planning.

One of the most common “lessons learned” by business owners with disabilities (and the people supporting them in business planning) has been the critical importance of having mentors, “champions” and direct support when needed to implement action plans. Many times, it is not until these key players are brought into the planning team that the process moves forward and the business is launched. Spend the time needed to build a, robust business resource team in the early stages of the planning process. This can be done by inviting family members, friends, neighbors, paid professionals and support workers to team meetings, as well as brainstorming and engaging in activities designed to make new connections with community members.

According to the May 2004 Equity e-Newsletter published by The Abilities Fund:

The 1999 Entrepreneurship Committee of the Presidential Task Force on Employment of Adults with Disabilities identified lack of supportive expertise as a significant barrier to successful self-employment for people with disabilities: "People with disabilities often lack information on how to start a business or write a business plan. Existing programs for people with disabilities frequently do not support or encourage self-employment and entrepreneurship, and programs promoting self-employment and small business development historically have not been marketed to people with disabilities."

This workbook has been designed to provide the basic foundation and critical resources for people with disabilities in the self-employment planning process. It is particularly targeted to individuals who rely on peer support groups and/or vocational planning professionals to help them in their endeavors to create a micro-enterprise. This workbook will help the organization involved build its capacity to provide effective self-employment planning services through a “learning-by-doing” approach with the individual throughout the fluid process of business planning.

Prior to beginning this second workbook, it is important that the prospective business owner and his/her team have had an opportunity to thoroughly discuss the series of questions in the first workbook of this two part series on Supported Self-Employment Development entitled ***Facilitated Exploration: Discovering Individual Strengths and Challenges to Self-Employment.***

The Guiding Principles of Person-Centered Business Planning

Person-Centered, Person-Driven

All planning derives from the individual's likes, dislikes, abilities, assets and challenges.

Team-Based

A team of personal and professional support people gather each month to actively engage in the planning process to help the individual reach his/her goals.



Utilizes Community Resources & Personal Networks

Each person on the team brings with them a set of skills, resources and personal networks. All communities are rich with resources. Connections are more naturally made when there is reciprocity.

Process-Oriented

Planning by definition is a process; a method of acting, doing, proceeding. Good planning sets realistic goals and establishes timelines.

Achieves Gainful & Sustainable Outcomes

The plan is feasible and profit-driven. The business profits meet the income expectations of the business owner and it fits with his/her abilities, interests, and supports available.

How is supported self-employment development similar to the traditional job development process?

- Starts with getting to know the person, including his/her strengths and work goals, through a process of discovery
- Uses an “interview” process with the person and significant others
- Recognizes and addresses potential challenges
- Relies on networking with business owners and community members
- Establishes goals and is outcome oriented
- Focuses on training and skill development
- Uses the development of a “Task Analysis” to breakdown duties, provide proper training and identify long-term support needs
- Uses benefits counseling expertise to learn about Work Incentives and how earned income will affect benefits.

**Micro-enterprise
accounts for 14.8% of all
employment in
Wisconsin.**

US Census Bureau/US Department of
Commerce 2001



How do job development and self-employment development differ?

The Job Development Process:

- Vocational/Situational Assessment
- Developing a resume, cover letter, interview skills and list of potential employers
- Arranging Work Experiences to validate job goals and build skills
- Networking with employers & Customized Job Development
- Initial job coaching support upon hire
- Developing natural supports & maintaining the job with long-term job coaching support if needed
- Job retention & performance reviews



The Self-Employment Process:

- Facilitated Exploration and Discovery
- Developing a business idea based on individual assets, interests, skills and potential markets
- Validating a business idea by creating a 3 month plan to give it a try, sell some products/services and get feedback.
- Building a business planning resource team. Connecting with the community for information and guidance
- Support to launch the business and set up marketing, bookkeeping, and inventory systems
- Maintaining the business with professional, informal & community supports
- Business sustainability & customer satisfaction

“Micro-enterprise development is a strong public investment: estimated returns range from \$2.06 to \$2.72 for every dollar invested!”

Association for Enterprise Opportunity


Goal Validation & Business Feasibility

The Goal Validation and Business Feasibility phase is much like the work experience phase of the job development process. By actually experiencing activities involved in the proposed business idea, you will be able to make informed choices about the business. Likewise, your team members will be able to evaluate what supports you will need and help you to make the changes necessary to the product or service so that your business will be successful.

Talking with people engaged in the same (or similar) business is an important part of the process. By doing this, you and your team members will likely learn information that you had not considered, find out about helpful resources and perhaps make lasting connections. These kinds of informational interviews can be formal or informal but make sure you have specific questions ready ahead of time.

Research and competitive analysis is another critical component to a successful business plan. It will help you develop a unique product or add value to a service. It will make your business stand out from all the rest, thereby making your ongoing marketing efforts more effective. A competitive analysis template can be found in the *Attachments & Forms* section of this workbook.

Another aspect of business feasibility is tracking the costs to produce the product or service and the time it takes you to create the product or provide the service. If you are not able to capture decent profits (after expenses) for your work activity involved, then you and your team should consider ways to increase prices, lower expenses, or reduce the time involved in producing the product or service.



Karen likes to make crafts and hand painted items. She has gotten a lot of positive feedback about her products but has never engaged in any formal selling of them. To help her validate her goal of establishing a craft business, as well as determine the feasibility of such a business, Karen and her team developed a three month action plan. In this plan, Karen will create a small inventory of products to sell at two upcoming craft fairs. Her DVR counselor agreed to purchase the supplies needed to develop this inventory and will provide funding for the event booth fees and display rental. Also in the 3 month plan, Karen will track the supply costs and the time she spends to produce each item, make a list of all the area events, fairs and sales opportunities, as well as visit two craft fairs to observe the displays and talk with other crafters. By the end of the three months, Karen and her team are hopeful that they will have learned the basic ingredients needed to start up a profitable craft business.

Suggested Activity List:

- Brainstorm ideas and make plans with your planning team to set-up trial situations so that you can experience the work activity involved in operating the business.
- Sell some of your products or services and get feedback from the people who helped you and bought from you.
- Create a system to track the supplies used and costs involved to make the products or provide the services, as well as the time it takes you to make the product or complete the service.
- Talk to friends, family, neighbors, and co-workers to get input, ideas and feedback.
- Research similar businesses on the internet and in your community.
- Set up “Informational Interviews” with people in similar or complementary businesses to learn more. Prepare your questions in advance.
- Contact SCORE or your local Small Business Development Center to get feedback, ideas and resources. (see *Resources & Web Links* section for contact info)
- Gather preliminary financial information to complete a Breakeven Analysis. (see *Resources & Web Links* section and attachments)
- Read about the day-to-day considerations and overall trends of small businesses on www.inc.com , www.entrepreneur.com , www.about.com or other reputable business information websites.

Person-Centered Planning Discussions:

How does this business venture utilize your strengths and incorporate your interests, skills, natural talents or abilities?

What opportunities exist in your life, in your community, and in the market that will help to make this business successful?

While testing your business idea, what challenges did you or your team members encounter that will need to be addressed to ensure that you and the business are successful?

Create a Team Plan for Goal Validation

Based on the suggested activities, create an action plan for the next 2 or 3 months.

Action Needed	Timeline	Who's Responsible



How Will You Sell?

- On-line (e-commerce)
- Wholesale
- To other businesses
- Consignment
- Business within a business
- Direct (through advertising, by word of mouth/referral perks, etc)
- Storefront
- At events, fairs or open air markets

“What am I selling?” vs. “Why are people buying?”

These are two very different questions. Think of what your customers get out of the products or services you offer. If you have the opportunity, ask some prospective customers why they would buy your products or services. Does it save them time? What kind of satisfaction do they get from it? Does it give them “status?” Get into the mind of your customer.

Write 3 reasons why customers buy from you:

- 1.
- 2.
- 3.

Summarize Your Business

Write a paragraph below (or on another sheet of paper) to describe your business. Include: what you sell, how you sell, why customers buy from you, why you are opening this business and what strengths and skills you bring to the business.

Business Planning Basics

Why develop a written business plan?

- A plan helps to uncover the decisions that will need to be made and provide information to make well-informed choices about the business.
- It will serve as a guide to collect and organize information in a systematic manner to think critically about the business.
- A basic business plan is a requirement for SSA (Social Security Administration) PASS (Plan to Achieve Self-Support) Planning, DVR (Department of Vocational Rehabilitation) financial support and other sources of funding for start-up costs (micro-loans, banks, etc).

How long should the business plan be?

- A micro-enterprise business plan is typically *shorter and more concise* than a high-flyer venture seeking to leverage bank funding.
- It should be *customized* to the business owner and the business; containing as much information as necessary to demonstrate that the business will be gainful and sustainable for the entrepreneur.
- It should be a *useful tool* for the entrepreneur and support team in starting, growing and maintaining the business.

Where to find help and planning tools:

- WI Small Business Development Centers www.wisconsinsbdc.org
- Technical Colleges www.witechcolleges.com
- Wisconsin Women's Business Initiative Corp. (WWBIC) www.wwbic.com
- Service Corps of Retired Executives (SCORE) www.score.org
- CAP Services Virtual Business Incubator www.virtualincubate.com
- On-line
- Library or bookstore

The Basic Business Plan Outline

I. General Description of the Business

- a. Business philosophy and mission - What is it, Why it exists.
- b. Goals and objectives

II. Detailed Description of the Product/Service

III. Basic Marketing Plan

- a. Description of the "Target Customer"
- b. List of 3 unique selling points
- c. Details about marketing materials to be used in the business (business cards, fliers, post cards, website, etc)
- d. Details about marketing strategies to be used (advertising, word-of-mouth, events, promotions, direct mailings, etc)

IV. Business Operations and Support Plan

- a. Business owner's role
- b. Support team members role
- c. Other business related services identified
- d. Quality control, inventory control, product development, etc (if needed)

V. Legal and Financial

- a. Business Structure
- b. Insurance (needs for liability insurance, bonding, workers compensation and unemployment insurance for employees, etc)
- c. Special Licensing or Permits/Seller's Permit (if needed)
- d. Banking, Bookkeeping and Tax Preparation strategies

VI. Financial Plan

- a. List of start-up costs and the funding sources
- b. List of ongoing expenses and how they will be paid for
- c. Breakeven Analysis
- d. 12-month profit and loss projection
- e. 3-year profit and loss projection
- f. Cash flow analysis (optional but very helpful when using PASS or planning for rapid growth)

Suggested Activity List:

- Write a detailed description of your products and services.
- Describe when and how the products and services will be sold.
- Identify who buys from you (i.e. your “Target Market”)
- Analyze the competition. (Use the competitive analysis template in the *Attachments & Forms* section)
- Identify 3 things that make your business unique and different from the competition. Write these down.
- Name your business.
- Decide on an overall marketing strategy. (i.e. How will customers find out that your business exists?)
- Determine the costs to create your products or provide your services (For Costs of Goods Sold - include supply/product costs, as well as owner’s time of at least \$10 per hour).
- Determine other expenses associated with maintaining the business (examples include insurance, marketing materials, permits, internet/phone, website maintenance, miscellaneous expenses, etc).
- Put costs/expenses information into a breakeven analysis spreadsheet (See the *Attachment & Forms* section).
- Determine pricing of products and services based on costs to produce, owner’s time and the competition.

Person-Centered Planning Discussions:

What resources or community members can you connect with to assist with business planning?

Do you face challenges to the “traditional” manner of operating such a business model (e.g. transportation, communication, support needs, etc)? Explain.

How will these challenges be addressed or the business operations be modified to help you and your business succeed? (Examples include adaptations/assistive technology, selling via the internet, creating “business to business” relationships or developing a “business within a business” model, and using business revenue to purchase business services - not job coach supports - like an employee, bookkeeper or marketing assistance). Explain.

Given the size of your potential market, the costs associated with the business, and the breakeven sales level, are you able to sell this amount of products or services to achieve your income and work activity goals? Explain.

Create a Team Action Plan for Business Planning

Based on the suggested activity list, create a team plan to make contacts and do research for business planning

Action Needed	Timeline	Who’s Responsible

Legal Considerations

Business Structure Basics

(adapted from WI.gov Build Your Business and the IRS)

Sole Proprietorship:

- A single individual owns and operates the business
- There is no legal separation between the individual and the business
- No legal formalities are needed to establish the business
- The proprietor owns all of the assets and is entitled to all of the profits of the business obligations. There is no shield from liability (other than insurance coverage)
- IRS Tax Filing: Schedule C and SE Form with annual 1040. May be responsible for Estimated Tax on a quarterly basis

General Partnership:

- Two or more persons own and operate the business
- Usually created by formal agreement but a written agreement is not necessary (however, it is recommended)
- Like the sole proprietorship, the owners are liable for the legal actions and debts of the business
- A partnership must file an information return annually with the IRS
- IRS Tax Filing: Partners are not employees, so do not get a W-2. Rather, they complete K-1s (IRS form 1065) for the partners

Limited Liability Company:

- Can be owned by an individual or an unlimited number of individuals
- Similar to a corporation, owners have limited personal liability for the debts and actions of the LLC
- More like a partnership; providing management flexibility and the benefit of pass-through taxation
- Owners of an LLC are called members
- IRS Tax Filing: See IRS Publication 3402 for details

For legal resources and answers go to:



www.legalexplorer.com

Suggested Activity List:

- Determine the appropriate business structure (typically Sole Proprietorship or Limited Liability Company/LLC) by reading information about business structures, contacting the Small Business Development Center Answerline (800)940-7232 or arranging a free consultation with a lawyer through the WI State Bar Business Assistance Program (see *Resources & Web Links* section)
- Register your business name. Use the County Register of Deeds Office for Sole Proprietorship or the WI Department of Financial Institutions for an LLC. (See *Resources & Web links* section).
- Open a business checking account. (\$100 or more could be needed for this depending on your bank).
- Determine the need for a seller's permit by contacting the WI Department of Revenue. (See *Resources & Web Links* section).
- Determine the need for special business permits (e.g. for food preparation or delivery businesses and vending) by using the Wisconsin Business Wizard online or contacting the local SBDC office (see *Resources & Web Links* section).
- Evaluate the need for business liability insurance and/or bonding. Contact a local insurance agent(s) to get quotes.
- If you plan to use independent contractors or employees, contact the Department of Workforce Development regarding the use of independent contractors, unemployment insurance and worker's compensation requirements. (see *Resources & Web Links* section)
- Learn about self-employment taxes. Arrange a tax consultation with a CPA or tax preparer. Review information and publications available on the IRS website to learn about business expenses and self-employment taxes.
- Develop a bookkeeping system that accounts for monthly income and expenses, and collecting and remitting sales tax (if applicable). Plan to save receipts and retain money to cover self-employment income taxes. This can be done on a software program like QuickBooks or by using a simple paper and file method.

Did you know..... If you sell a taxable product or service, a seller's permit allows you to buy all the inventory and supplies that go into your product or service on a tax exempt basis for resale. For Jack, a self-employed artist, this means he can buy his canvases, paint, mounting hooks, card making supplies, packaging and anything that is transferred to the customer at the point of sale on a tax exempt basis for resale. To learn about seller's permits, what is taxable, records to keep and much more, read the WI Department of Revenue Sales and Use Tax Information guide (Publication 201) at:

www.revenue.wi.gov/pubs/pb201.pdf

Person-Centered Planning Discussions:

What systems and supports will you and your team put in place to ensure that the business adheres to the necessary legal requirements over the long-term?

If needed, is there a family member that can assist you in obtaining and renewing insurance, permits, taxes, etc. rather than provider agency staff? (Consider staff turnover.)

Using business revenue, can you pay for assistance from a bookkeeper and tax preparer? (If so, this service would be considered a business expense.)

SSA's Property Essential to Self-Support (PESS) Work Incentive and Business Structure:

Property Essential to Self-Support (PESS) only applies to unincorporated for-profit businesses that produce "net earnings from self-employment" in the "trade or business" exclusion, such as sole proprietorships, partnerships, and Limited Liability Companies (LLC's).

Corporations do not produce self employment income inherently. Corporations by nature pay wages to the employees and shareholder distributions or dividends to the owners - although corporations can (yet generally do not) pay self-employment income to the owners.

A corporation is by definition a separate legal entity and SSA counts the owner's share of a corporation as a resource, which cannot be excluded for PESS.

Information retrieved from WW.WORKWORLD.ORG in October 2007

Create a Team Plan to Address Legal Considerations:

Based on the suggested activity list , create a team plan to make contacts and do research for legal considerations.

Action Needed	Timeline	Who's Responsible

Summarize Your Learning About Legal Considerations:

The permits I will need to start and maintain my business are: (list initial and annual costs)

My business insurance needs are: (list premium costs and what the insurance covers)

The tax forms I will file: (list forms and frequency of filing)

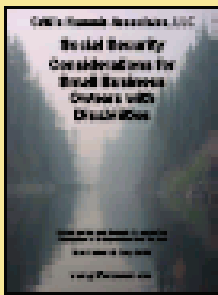
Financial Planning & Benefits

The financial and benefits planning phase of business planning for people with disabilities is perhaps the most complex part of the process, requiring the need for accurate information about various cash and public benefits that are intricate and intertwined. Throughout this phase of the process, is important to work closely with a benefits specialist to know what benefits you receive and how to utilize the Work Incentives available to you. You can access a benefits specialist by talking with your support provider, asking your vocational rehabilitation counselor or going on-line for a state-by-state listing of the Work Incentives Planning Assistance (WIPA) Programs at:

www.socialsecurity.gov/work/ServiceProviders/WIPADirectory.html

Many people with disabilities and their support teams have misconceptions about the ability for someone who receives SSI (Supplemental Security Income), MA (Medical Assistance) or SSDI (Social Security Disability Insurance) to earn income. These misconceptions are usually rooted in the fear of losing the benefits that they had fought so hard to receive and which provide the funding for critical services. However, it is actually these same benefits that put individuals with disabilities at a particular advantage to become self-employed. Some of these advantages include:

- The ability to have a “cash cushion” with benefit income for living expenses during the business start-up phase.
- The availability of medical insurance through Medical Assistance and/or Medicare while self-employed.
- The ability to accumulate assets within the business beyond the personal asset limits imposed by SSI and MA programs under the Property Essential to Self Support (PESS) Work Incentive.
- The opportunity to infuse cash into the business for start-up and growth by setting aside otherwise countable income through a Plan to Achieve Self Support (PASS)
- The advantages of other SSA Work Incentives that allow the business owner to maximize his/her earned and unearned income.
- The ability to access programs through Vocational Rehabilitation and Long-Term Care to assist with business planning and start-up.



Social Security Considerations for Small Business Owners with Disabilities is a free booklet produced by Griffin & Hammis Associates.

Download your copy at:

www.griffinhammis.com/publications/SSAConsiderations.pdf

Suggested Activity List:

- Contact a benefits specialist for a complete SSA benefits summary and to learn about self-employment Work Incentives (PASS, PESS, Un-incurred Business Expenses, etc). (See *Resources & Web Links* section for a web link to a by-county listing of Benefits Specialists in WI)
- Determine if a PASS Plan is feasible. For more information talk to a benefits specialist or visit www.passplan.org or www.passonline.org
- Make a list of necessary start-up equipment, services and supply needs. Gather information on the costs and suppliers for each item.
- Identify the known sources of start-up funding and amounts for start-up items. Eliminate or postpone the purchase of items that are not affordable upon start-up. Refine the business plan if necessary to “start smaller and grow.”
- From the cost, expense and pricing information gathered, create a 12-month projection of income and expenses (also known as a Profit & Loss Statement) for the business. Base the projected sales on the work activity goals and earnings expectations of the business owner. For an example of a profit and loss template, see the *Attachments & Forms* section.
- Considering the income projections, discuss with your team how this will affect your benefits mix. Consult with a benefits specialist as needed for accurate information.
- Contact your SSA Representative to inform them that you are starting a micro-enterprise. Ask about the reporting requirements. (*SSA requires that earned income be reported*).

Person-Centered Planning Discussions:

What concerns or fears about earned income and its effect on your benefits do you or your team members have? How will you and your team move forward with the business planning and minimize these concerns?

How will you contribute financially to your business start-up?

Will family members be helping with start-up costs? Explain.

How have you demonstrated that this business idea has been well thought out and has the ability to earn a good profit? Explain.

Is DVR willing to contribute to the start-up of this business? What item(s) are you asking DVR to purchase and what is the cost?

What SSA Work Incentives will you use now (or in the future) to maximize your income and assets?

Can a PASS plan be used to purchase services or equipment that would help you grow the business and increase your monthly income? How have you demonstrated that this business has the financial potential for you to do this?

How do you want to spend your income from the business? (Or do you want to save it?) What personal goals do you have that require money (weekly/monthly extras and fun stuff, vacations, buying a home, etc)?

Create a Team Plan for Benefits & Financial Planning:

Based on the suggested activity list, create a team plan to develop the business financials and utilize SSA Work Incentives

Action Needed	Timeline	Who's Responsible

Reporting your income to SSA:

1. Call your SSA representative to inform her that you are starting a business. Ask your representative what information she would like you to send in and how to send it. Write this information down.
2. If you have net earnings from self-employment of \$400 or more in a calendar year, you must complete the appropriate IRS tax forms each year for your business and submit a copy of these completed forms to the IRS and to your SSA representative.
3. *'Even if you do not owe any income tax, you must complete Form 1040 and Schedule SE to pay self-employment Social Security tax. This is true even if you already get Social Security benefits.'* (quote retrieved from SSA.gov October 2007)



Business Operations & Support

The purpose of Business Operations and Support Planning is to analyze the tasks needed to carry out the business on a day-to-day basis, define the roles of team members in supporting you with business tasks, and identify gaps in support. By engaging in this exercise, you and your support team members will become empowered to:

- respond to the needs of the business (and the business owner) in a systematic and timely manner
- avoid duplicating the activities of other team members, and
- effectively contribute to the sustainability of the business.

Suggested Activity List:

- Break down the tasks involved in the business on a day-to-day, weekly, monthly and annual basis.
- Identify team members to support you most effectively.
- For gaps in support, consider ways to engage current supports differently for the business. Brainstorm what other resources in the community might be brought in to assist you (e.g. student interns, volunteers, family or friends).
- What services will you pay for with business income? (marketing help, bookkeeping, taxes, back-up workers, etc).

Karen created a business offering sign language and diversity workshops for children. She had limited and inconsistent paid support and needed assistance developing and organizing her workshop materials. One of Karen's team members contacted the University to find out if there might be opportunities there . Now, Karen meets with a student intern (who is fluent in American Sign Language) up to 10 hours per week to develop and organize her workshop curriculum.

Describe your involvement in each business related task and how you are supported.
 Use this chart with your team as a visual to begin thinking about this.

	<i>My tasks</i>	<i>Paid Support</i>	<i>Natural Support</i>	<i>Fee for Service Business Services</i>
Product Creation or Ordering				
Product Sales				
Service Delivery				
Marketing				
Money Management and Bookkeeping				
Inventory Management				
Other:				
Other:				

Person-Centered Planning Discussions:

Do you (and your team) feel you are involved in your business to the greatest extent possible? Describe plans that you and your team have for this.

What training or adaptations are necessary to ensure that you are involved in your business to the greatest extent?

What people and community resources can be connected with (now and in the future) to help support/sustain the business? Make a list below.

Create a Team Plan for Business Operations Support:

Based on the suggested activity list, create a team plan for business assistance and support.

Action Needed to Launch the Business	Timeline	Who's Responsible
Action Needed to Maintain the Business	Timeline	Who's Responsible

Action-Oriented Marketing Plan

Once the business plan is complete and the business is operative, the team should arrange a meeting to transform the “broad brush stroke” marketing strategy section of the business plan into a more detailed, action-oriented plan. Engaging in this activity will help to breakdown the seemingly big, daunting task of “MARKETING” into a more tangible and achievable process.

Suggested Activity List:

- Decide what basic marketing materials you will utilize (fliers, post cards, business cards, brochures, website, etc).
- Generate a list of potential contacts and target customers (for initial contact and for ongoing email/mail promotions).
- Gather details and costs on local advertising opportunities. Contact the Chamber of Commerce to get details.
- Make a list of local fairs/festivals or events that should be attended, dates, and registration deadlines.
- Consider Holiday and Seasonal opportunities.
- Recognize when income/sales might be the lowest and discuss what can be done to boost sales.

There is no shortage of marketing resources.....

If you Google “marketing,” you will come up with over 530,000,000 hits. A search of marketing books on Amazon.com turns up over 928,000 books. Library and bookstore shelves abound with marketing books. Local technical colleges and Small Business Development Centers offer affordable “How-To” marketing classes on a regular basis. Marketing is all around us, ads are everywhere. It is said that the average American is exposed to over 3,000 ads each day! Begin looking at how your competitors market their businesses.

Marketing requires constant attention and action.....

Making a list of effective marketing strategies for your business is the easy part. The frustrating aspect about marketing is that it requires constant attention and action. Remember to schedule time each week to review your marketing plan, identify and implement strategies to use. Some strategies include: frequent buyer cards, sales/discounts, value added promotions, seasonal specials, email announcements and direct mailings. Schedule regular times with your supported employment professional (if you work with one) to develop or implement your marketing plan.

Marketing Information Resources:

The Definition of Marketing: The systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products (“Marketing vs. Advertising: What’s The Difference?” Laura Lake)

- Guerrilla Marketing www.gmarketing.com or other books on highly effective, low cost marketing
- The Management Library www.managementhelp.org (type “marketing” in the search bar)
- e-articles on www.inc.com and www.entrepreneur.com
- Call SCORE and WI Small Business Development Center for strategies and advice.
- Much more on the Internet and at the library.

Remember to:

- Practice your business introduction (the “Elevator Speech”).
- Talk about your business to everyone you know.
- Find new opportunities to expand your networks by going to community events, chamber networking events, volunteering your time or donating some of your products to community causes and fundraisers, and joining associations.
- Provide excellent customer service. Build relationships with your customers.
- Get feedback on, and closely edit, all marketing materials before you send them out.
- Research advertising opportunities and test market strategies in small batches before spending too much money.
- Take advantage of special holiday or seasonal opportunities related to your products or services.

Person-Centered Planning Discussions:

With your team, brainstorm a list of people you and your team members know who can be contacted about the business and perhaps become potential customers.

Where do you run your errands or visit for fun? Are there any opportunities at these places to share your business information (cards, fliers, brochures, etc) or talk to others about your products or services?

What activities or groups can you be involved in so that you can make social connections and build your networks?

How will you add your own “personal touch” to your products/services and marketing materials (something that customers will remember you by)?

Create an Action-Oriented Marketing Plan

Based on the marketing strategies you have learned, create a plan with your team. Use this grid below (or another piece of paper) as a template for team planning.

Month	Action(s) Needed	Expected Outcome(s)	Who is Responsible?
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

Resources & Web Links

All of the following website links were verified in May 2008

Business Feasibility and Business Planning

SBDC (Small Business Development Center) Answerline

“Our Wisconsin Business AnswerLine counselors have real-world business management experience. They're available to give free answers to your business start-up or management questions from Monday to Friday, 8:30 to 4:30 p.m. You can call once or on an ongoing basis - SBDC Business AnswerLine counselors will give you personalized attention for as long as you need it. Call 1-800-940-7232 for a live question-and-answer session with an SBDC expert.”

www.wisconsinsbdc.net/busanswer

SCORE (Service Corps of Retired Executives)

“SCORE Counselors to America's Small Business is America's premier source of free and confidential small business advice for entrepreneurs. Get biz advice today. SCORE offers Ask SCORE email advice online. Face-to-face small business counseling at 389 chapter offices. Find an office. Low-cost workshops at 389 chapter offices nationwide. Find an office. "How to" articles and business templates”

www.score.org

WI Small Business Administration

Everything from live assistance, business planning tools and templates, information on how to name a business, and much more. 1-800-U-ASK-SBA (1-800-827-5722) Send e-mails to: answerdesk@sba.gov

www.sba.gov/wi

Online Business Articles

Interesting and helpful articles on starting a business, naming a business, planning a business and operating a business. Many articles on business trends as well.

www.entrepreneur.com

www.inc.com

www.about.com

www.howstuffworks.com

Department of Commerce – Starting a Business in WI

www.commerce.state.wi.us/BD

Build Your Business – Wisconsin Business Wizard

“Using a series of five question-and-answer pages, the Wizard provides customized information to help you start and operate a Wisconsin-based business. By investing a few minutes of your time, the Business Wizard will help you to:

- Determine licensing, permitting and regulatory requirements
- Obtain necessary application forms
- Identify available state resources
- Access other valuable business-related information”

www.wisconsin.gov/state/byb or www.wisconsin.gov/state/app/wizard/LoadIntro

Breakeven Analysis Template Downloads (Excel)

Available on SCORE website:

www.score.org/downloads/Break-Even%20Analysis1.xls

Or

On Microsoft Office Templates On-line:

<http://office.microsoft.com/en-us/templates/TC010175151033.aspx?CategoryID=CT101443641033>

Wisconsin Entrepreneur Network

“WEN’s mission is to create seamless access to entrepreneurial resources and expertise from across Wisconsin to both spawn new ventures and help grow existing businesses.”

www.wenportal.org

Wisconsin Women’s Business Initiative Corporation (WWBIC)

WWBIC is an economic development corporation providing quality business education and access to capital for entrepreneurs. WWBIC offers an array of business planning classes, mentors, consultants, networking opportunities and financial literacy assistance.

www.wwbic.com

Legal Considerations and Legal Assistance

Free Legal Assistance: State Bar of Wisconsin Business Assistance Program

“Small and emerging businesses throughout Wisconsin can receive up to two hours of counseling from a business lawyer at no cost. This service is provided by members of the Business Law Section of the State Bar of Wisconsin. Your lawyer can help you to identify problems affecting your business and develop a plan for solving those problems. This program is provided as a public service by the Business Law Section. Participation in the Business Assistance Program does not imply further obligation.”

The Wisconsin Entrepreneurs' Network has taken over the administration of the Business Assistance Program from the Wisconsin State Bar's Business Law Section. You can find out more about this program by going to:

<http://www.wenportal.org/resource%5Fcenter/business%5Fassistance>

State Bar of Wisconsin

www.wisbar.org

Business Law – WI State Law Library

<http://wsll.state.wi.us/topic/comlaw/index.html>

WI Register Of Deeds Association

“A **sole proprietor** is a single individual who owns and operates the business. A business conducted by a sole proprietor has no legal separation between the individual and the business. No legal formalities are required to bring this form of business structure into being, and there are no particular formalities necessary for operation. As sole owner of the assets, the sole proprietor is entitled to all of the profits of the business but is personally responsible for all of its liabilities and obligations as well. There is no shield from liability other than insurance coverage. A sole proprietor who wishes to conduct business under a name other than the real name of the person may elect to file a [Registration of Firm Name](#) with the county [Register of Deeds](#) according to the [instructions](#). A sole proprietor can also elect to file a [trade name](#) with the Secretary of State.” (Build Your Business, Wisconsin.gov)

For a by-county listing of the Register of Deeds offices:

www.wrdaonline.org

WI Department of Financial Institutions

Used for filing articles for the creation of a Limited Liability Company. For the state statute on LLC's (Chapter 183) go to:<http://www.legis.state.wi.us/statutes/Stat0183.pdf>
www.wdfi.org

WI Department of Workforce Development

Visit this site if you are considering hiring employees or using independent contractors in your business. The number of employees you will have and the frequency in which they work will determine whether or not you will need to have Unemployment Insurance and Worker's Compensation. When considering Independent Contractors, there is a "nine point test" that a contractor must pass in order to be considered a contractor of a business and not an employee.

www.dwd.state.wi.us – Click on "Information for Employers"

Self-Employment Tax Information and Assistance

WI Department of Revenue

Seller's Permits/Business Tax Registration can be done quickly on-line at this website. The WI DOR site also has a sales and use business tax answerline at each of their district locations throughout the state: <http://www.revenue.wi.gov/faqs/ise/address.html> The main office answerline number is (608) 261-6261 and questions can be emailed to sales10@dor.state.wi.us

www.revenue.wi.gov

Internal Revenue Service

For detailed publications on small business tax filing requirements (Schedule C and SE form), what qualifies as a legitimate business expense, on-line "classrooms" for tax education, live assistance 1-800-829-4933 and much more, visit:

www.irs.gov

VITA (Volunteer Income Tax Assistance)

"The VITA Program offers free tax help to low- to moderate-income (generally, \$39,000 and below) people who cannot prepare their own tax returns. Certified volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing."

VITA does not complete the Schedule C (Profit or Loss From Business) but can (depending on your regional VITA office) complete the remainder of a basic tax filing if you bring the completed Schedule C and SE IRS forms into them. Call your local VITA office to inquire about the services available to you. To locate the nearest VITA site, call 1-800-829-1040 or go to the Department of Revenue website for a listing of sites by county:

<http://www.revenue.wi.gov/faqs/pcs/vita.html#vita6>

Assistive Technology Resources

Telecommunications Equipment Purchase Plan (TEPP)

“The Telecommunications Equipment Purchase Program (TEPP) is to help people with disabilities buy specialized equipment they need in order to use basic telephone services.” This can include: TTY, speakerphones, amplified phone, and many other options based on a person’s disability and telecommunication needs.

608)231-3305 Voice/(800)251-8345 TTY (in Wisconsin)

<http://psc.wi.gov/consumerinfo/assistancePgms/tepp/tepp-ind.htm>

WisLoan Program

“The WisLoan program offers loans for assistive technology. The loans help people buy equipment such as hearing aids, modified vehicles, wheelchairs and ramps. Independent living centers throughout the state provide technical assistance, applications and assistive technology services. The program is open to Wisconsin residents of all ages who have a disability. There are no income requirements, and individuals are not required to exhaust personal or public funding. Under the program, banks provide loans to qualified borrowers. Loan amounts depend on the item purchased and the ability to repay the loan.” 414/226-8306 or toll-free at 1-877/463-3778

<http://www.dhfs.wisconsin.gov/disabilities/wistech/wisloan.htm>

Wisconsin Telework Loan Program

“The Wisconsin Telework Loan Program is a statewide, alternative loan program that allows Wisconsin residents with disabilities to purchase computers and other equipment needed to work from home or from other remote sites away from the office, such as work on the road or at a telework center.” 1-877-463-3778

http://dwd.wisconsin.gov/dvr/pdf_files/telework_brochure.pdf

WisTech: Wisconsin Assistive Technology Program

<http://dhfs.wisconsin.gov/disabilities/wistech/index.htm>

ERI's Assistive Technology Resource: Phil's Philosophy

Assistive Technology news, notes and ponderings by Phil Goodman (OT/AT)

<http://www.eri-wi.org/Assistivetechology.htm>

Benefits Counseling and Work Incentives

Disability Benefits and Work Incentives Counseling

Search for benefits counselors by county at

www.eri-wi.org/map

START-UP USA: National Technical Assistance Site for Self-Employment for People with Disabilities

“A primary focus of the project will be to provide technical assistance and disseminate resources nationally to individuals interested in pursuing self-employment. This includes a [live web cast series](#) during year one of the project with successful entrepreneurs who will share their secrets for success.”

www.start-up-usa.biz

“Social Security Considerations for Small Business Owners with Disabilities”

A comprehensive guide designed to educate and serve as a resource to entrepreneurs with disabilities and their families/support professionals. Many helpful resources and links included. Created by Griffin and Hammis Associates.

<http://www.griffinhammis.com/publications/SSAConsiderations.pdf>

PASS Planning Information

www.passplan.org and www.passonline.org

WorkWORLD™

WorkWORLD™ is decision support software for personal computers that is designed to be used by people with disabilities, advocates, benefit counselors, and others. The software helps people find employment-based paths to higher net income through the best use of Federal and State work incentives and benefits.

www.workworld.org

Attachments & Forms

Example Competitive Analysis Template (adapted from SCORE website www.score.org)

	My Business	Strength	Weakness	Competitor 1	Competitor 2	Competitor 3	Importance to Customer
Products and							
Price							
Quality							
Selection							
Expertise							
Responsiveness/ Turn around							
Appearance							
Image							
Reputation							
Company							
Reliability							
Advertising and							
Sales Methods							
Credit Policies							

SWOT Analysis

Business Idea:

<p>Person & Planning Team</p> <ul style="list-style-type: none"> Advantages of the idea? Interests, passions, motivators? Skills, Experiences, Knowledge? Personal Connections? Relationships? Competitive advantages? Unique Selling Points? Resources, Assets, People? Financial Resources? Likely profits? Marketing and awareness? Location and geographical? Price, value, quality? Accreditations, qualifications, certifications? Processes? Communication? Cultural, attitudinal, behavioural? Philosophy and values? 	<p>Strengths</p>	<p>Weaknesses</p>	<p>Person & Planning Team</p> <ul style="list-style-type: none"> Disadvantages of the idea? Gaps in skills, experiences, knowledge? Lack of competitive strength? Limited Time or Resources? Lack of Limited Support? Lack of Financial Resources? Unknown vulnerabilities? Timescales, deadlines and pressures? Financial management? Continuity and Consistency? Predictability? Morale, commitment, leadership? Processes and systems, etc? Sustainability?
<p>Community & The Market</p> <ul style="list-style-type: none"> Services and Supports that exist in the community? Market trends developments? Competitors' vulnerabilities? Industry or lifestyle trends? Technology development and innovation? Community influences? Niche target markets? Geographical considerations? Business and product development? Information and research? Partnerships, agencies, distribution? Volumes, production, economies? Seasonal, weather, fashion influences? 	<p>Opportunities</p>	<p>Threats</p>	<p>Community & The Market</p> <ul style="list-style-type: none"> Economic and social considerations? Legal Considerations? Political Issues? Expectations? Competitors? Transportation? Risk? Market demand? New technologies, services, ideas? Sustainability? Obstacles faced? Insurmountable weaknesses? Loss of key support people? Seasonality, weather effects?

Albert S. Humphrey (b.1926) is the creator of the SWOT Analysis. This template was adapted from a free resource available through www.businessballs.com by Alan Chapman in 2005.

Free Resource available on Microsoft Office Templates online

Breakeven Analysis

Enter your company name here

Cost Description	Fixed Costs (\$)	Variable Costs (%)
Variable Costs		
Cost of Goods Sold		0.0%
Inventory		0.0%
Raw Materials		0.0%
Direct Labor (Includes Payroll Taxes)		0.0%
Fixed Costs		
Salaries (includes payroll taxes)	\$ -	
Supplies	\$ -	
Repairs & maintenance	\$ -	
Advertising	\$ -	
Car, delivery and travel	\$ -	
Accounting and legal	\$ -	
Rent	\$ -	
Telephone	\$ -	
Utilities	\$ -	
Insurance	\$ -	
Taxes (Real estate, etc.)	\$ -	
Interest	\$ -	
Depreciation	\$ -	
Other (specify)	\$ -	
Other (specify)	\$ -	
Miscellaneous expenses	\$ -	
Principal portion of debt payment	\$ -	
Owner's draw	\$ -	
Total Fixed Costs	\$ -	
Total Variable Costs		0.0

Breakeven Sales level = 0

Suggestions

Note: You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

The categories of expense shown above are just suggestions. Change the labels to reflect your own accounting systems and type of business. Breakeven is a "big picture" kind of tool; we recommend that you combine expense categories to stay within the 22 lines that this template allows.

One of the best uses of breakeven analysis is to play with various scenarios. For instance, if you add another person to the payroll, how many extra sales dollars will be needed to recover the extra salary expense? If you borrow, how much will be needed to cover the increased principal and interest payments? Many owners, especially retailers, like to calculate a daily breakdown. This gives everyone a target to shoot at for the day.

Instructions

Note: You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

Using figures from your Profit and Loss Projection, enter expected annual fixed and variable costs.

Fixed costs are those that remain the same regardless of your sales volume. They are expressed in dollars. Rent, insurance and real estate taxes, for example, are usually fixed.

Variable costs are those which change as your volume of business changes. They are expressed as a percent of sales. Inventory, raw materials and direct production labor, for example, are usually variable costs.

Under the variable expenses column, use whole numbers as a percentage, not decimal numbers. For example, use 45%, rather than .45%.

For your business, each category of expense may either be fixed or variable, but not both.

Excel Breakeven
Analysis Download

Available at:

www.score.org

Profit and Loss Projection (12 Months)

Enter your Company Name here

Free Resource available on Microsoft Office Templates online

Fiscal Year Begins

Jan-07

	IND. %	Jan-07	% B/A	Feb-07	%	Mar-07	%	Apr-07	%	May-07	%	Jun-07	%	Jul-07	%	Aug-07	%	Sep-07	%	Oct-07	%	Nov-07	%	Dec-07	%	YEARLY
--	--------	--------	-------	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------	---	--------

Revenue (Sales)																											
Category 1																											
Category 2																											
Category 3																											
Total Revenue (Sales)		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

Cost of Sales																												
Category 1																												
Category 2																												
Category 3																												
Total Cost of Sales		0																										
Gross Profit		0																										

Notes on Preparation

Note: You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

You should change "category 1, category 2", etc. labels to the actual names of your sales categories. Enter sales for each category for each month. The spreadsheet will add up total annual sales. In the "% " columns, the spreadsheet will show the % of total sales contributed by each category.

COST OF GOODS SOLD (also called Cost of Sales or COGS): COGS are those expenses directly related to producing or buying your products or services. For example, purchases of inventory or raw materials, as well as the wages (and payroll taxes) of employees directly involved in producing your products/services, are included in COGS. These expenses usually go up and down along with the volume of production or sales. Study your records to determine COGS for each sales category. Control of COGS is the key to profitability for most businesses, so approach this part of your forecast with great care. For each category of product/service, analyze the elements of COGS: how much for labor, for materials, for packing, for shipping, for sales commissions, etc.? Compare the Cost of Goods Sold and Gross Profit of your various sales categories. Which are most profitable, and which are least - and why? Underestimating COGS can lead to under pricing, which can destroy your ability to earn a profit. Research carefully and be realistic. Enter the COGS for each category of sales for each month. In the "% " columns, the spreadsheet will show the COGS as a % of sales dollars for that category.

Download Excel Financial Spread-sheets from www.SCORE.org or Microsoft Office Templates On-line.

Expenses																												
Salary expenses																												
Payroll expenses																												
Outside services																												
Supplies (office and operating)																												
Repairs and maintenance																												
Advertising																												
Car, delivery and travel																												
Accounting and legal																												
Rent																												
Telephone																												
Utilities																												
Insurance																												
Taxes (real estate, etc.)																												
Interest																												
Depreciation																												
Other expenses (specify)																												
Other expenses (specify)																												
Other expenses (specify)																												
Misc. (unspecified)																												
Total Expenses		0																										
Net Profit		0																										

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2006

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor	Social security number (SSN)
A Principal business or profession, including product or service (see page C-2 of the instructions)	B Enter code from pages C-8, 9, & 10
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), if any
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code	
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	
G Did you "materially participate" in the operation of this business during 2006? If "No," see page C-3 for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business during 2006, check here <input type="checkbox"/>	

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here <input type="checkbox"/>	1		
2 Returns and allowances	2		
3 Subtract line 2 from line 1	3		
4 Cost of goods sold (from line 42 on page 2)	4		
5 Gross profit. Subtract line 4 from line 3.	5		
6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-3).	6		
7 Gross income. Add lines 5 and 6	7		

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8			18 Office expense	18		
9 Car and truck expenses (see page C-4)	9			19 Pension and profit-sharing plans	19		
10 Commissions and fees	10			20 Rent or lease (see page C-5):	20a		
11 Contract labor (see page C-4)	11			a Vehicles, machinery, and equipment	20b		
12 Depletion	12			b Other business property	21		
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13			21 Repairs and maintenance	22		
14 Employee benefit programs (other than on line 19)	14			22 Supplies (not included in Part III)	23		
15 Insurance (other than health)	15			23 Taxes and licenses	24a		
16 Interest:				24 Travel, meals, and entertainment:	24b		
a Mortgage (paid to banks, etc.)	16a			a Travel	25		
b Other	16b			b Deductible meals and entertainment (see page C-6)	26		
17 Legal and professional services	17			25 Utilities	27		
				26 Wages (less employment credits)			
				27 Other expenses (from line 48 on page 2)			
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns					28		
29 Tentative profit (loss). Subtract line 28 from line 7					29		
30 Expenses for business use of your home. Attach Form 8829					30		
31 Net profit or (loss). Subtract line 30 from line 29.					31		
● If a profit, enter on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.							
● If a loss, you must go to line 32.							
32 If you have a loss, check the box that describes your investment in this activity (see page C-6).							
● If you checked 32a, enter the loss on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3.					32a	<input type="checkbox"/>	All investment is at risk.
● If you checked 32b, you must attach Form 6198 . Your loss may be limited.					32b	<input type="checkbox"/>	Some investment is not at risk.

For Paperwork Reduction Act Notice, see page C-8 of the instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2006

Part III Cost of Goods Sold (see page C-7)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If "Yes," attach explanation Yes No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35		
36 Purchases less cost of items withdrawn for personal use	36		
37 Cost of labor. Do not include any amounts paid to yourself	37		
38 Materials and supplies	38		
39 Other costs	39		
40 Add lines 35 through 39	40		
41 Inventory at end of year	41		
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42		

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-4 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ -----/-----/-----

44 Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:
 a Business ----- b Commuting (see instructions) ----- c Other -----

45 Do you (or your spouse) have another vehicle available for personal use? Yes No

46 Was your vehicle available for personal use during off-duty hours? Yes No

47a Do you have evidence to support your deduction? Yes No

 b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

48 Total other expenses. Enter here and on page 1, line 27	48		

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

▶ **Attach to Form 1040. ▶ See Instructions for Schedule SE (Form 1040).**

OMB No. 1545-0074

2006

Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040)	Social security number of person with self-employment income ▶	: : :
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Who Must File Schedule SE

You must file Schedule SE if:

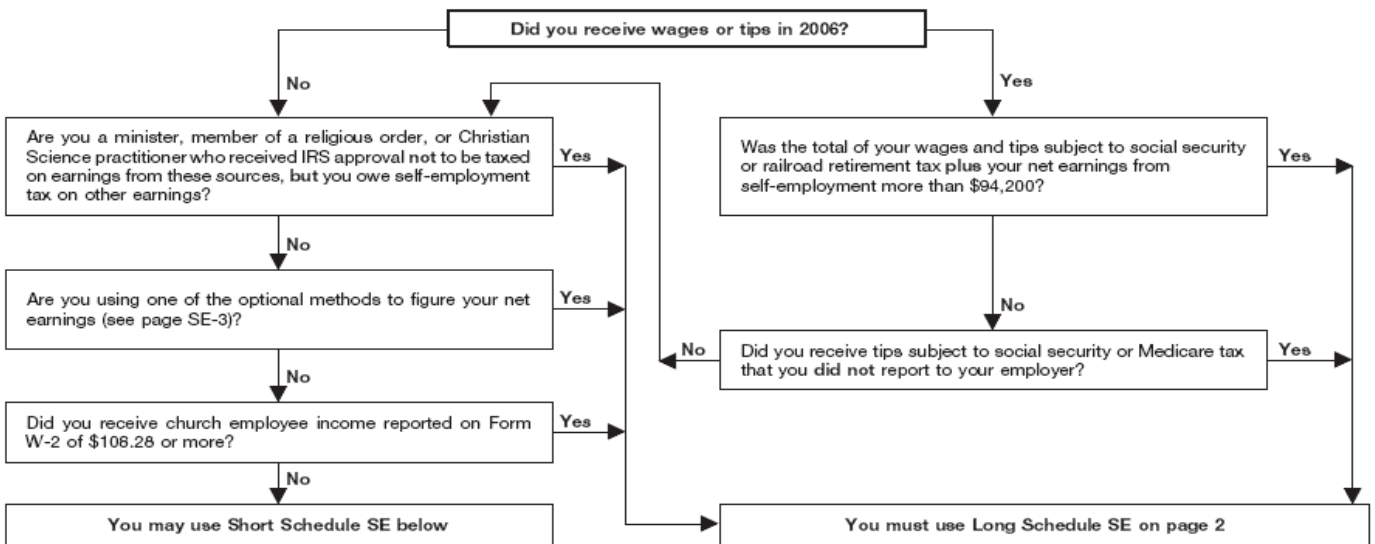
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, or
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only** if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1 Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1		
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report	2		
3 Combine lines 1 and 2	3		
4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	4		
5 Self-employment tax. If the amount on line 4 is: ● \$94,200 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. ● More than \$94,200, multiply line 4 by 2.9% (.029). Then, add \$11,680.80 to the result. Enter the total here and on Form 1040, line 58.	5		
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6		

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11358Z

Schedule SE (Form 1040) 2006

Name of person with self-employment income (as shown on Form 1040)	Social security number of person with self-employment income ▶

Section B—Long Schedule SE

Part I Self-Employment Tax

Note. If your only income subject to self-employment tax is **church employee income**, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order is **not** church employee income. See page SE-1.

A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I <input type="checkbox"/>			
1 Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note. Skip this line if you use the farm optional method (see page SE-4)	1		
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-3 for other income to report. Note. Skip this line if you use the nonfarm optional method (see page SE-4)	2		
3 Combine lines 1 and 2	3		
4a If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3	4a		
b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here	4b		
c Combine lines 4a and 4b. If less than \$400, stop ; you do not owe self-employment tax. Exception. If less than \$400 and you had church employee income , enter -0- and continue. ▶	4c		
5a Enter your church employee income from Form W-2. See page SE-1 for definition of church employee income	5a		
b Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0-	5b		
6 Net earnings from self-employment. Add lines 4c and 5b	6		
7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2006	7	94,200	00
8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$94,200 or more, skip lines 8b through 10, and go to line 11	8a		
b Unreported tips subject to social security tax (from Form 4137, line 9)	8b		
c Add lines 8a and 8b	8c		
9 Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 ▶	9		
10 Multiply the smaller of line 6 or line 9 by 12.4% (.124)	10		
11 Multiply line 6 by 2.9% (.029)	11		
12 Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 58	12		
13 Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 27	13		

Part II Optional Methods To Figure Net Earnings (see page SE-3)

Farm Optional Method. You may use this method only if (a) your gross farm income ¹ was not more than \$2,400, or (b) your net farm profits ² were less than \$1,733.			
14 Maximum income for optional methods	14	1,600	00
15 Enter the smaller of: two-thirds (⅔) of gross farm income ¹ (not less than zero) or \$1,600. Also include this amount on line 4b above	15		
Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits ³ were less than \$1,733 and also less than 72.189% of your gross nonfarm income, ⁴ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.			
Caution. You may use this method no more than five times.			
16 Subtract line 15 from line 14	16		
17 Enter the smaller of: two-thirds (⅔) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also include this amount on line 4b above	17		

¹From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B.

³From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1.

²From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A.

⁴From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2.



Shannon Munn of Progressive Community Services, Inc, has been working in the field of Supported Employment and Person-Centered Planning for people with physical, developmental and psychiatric disabilities for 15 years. Her experience includes program management of a supported employment agency, as well as training development for direct service professionals in the areas of outcome measures for employment plans, systematic training, and SSA Benefits. In most recent years, Shannon was involved in implementing the Vocational Futures Planning process and has also worked as a Support Broker for people with developmental disabilities in Dane County, Wisconsin.

In 2004, Shannon began the Supported Self-Employment (SSE) Planning Program with the Wisconsin Division of Vocational Rehabilitation and Dane County Human Services. The strategy used in this program incorporates basic person-centered planning techniques with traditional business planning to assist people with significant disabilities in the development of an *individualized, gainful and sustainable micro-enterprise*. In 2007, Shannon partnered with the Wisconsin Department of Health Services' Pathways to Independence initiative to increase opportunities and build capacity throughout the state of Wisconsin to support people with disabilities in micro-enterprise development. This two workbook series on the process of Supported Self-Employment Development was developed by Shannon Munn to provide the basic foundation and critical resources for people with disabilities and their planning teams in the business planning process.