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TODAY'S PARENTS MEAN BUSINESS

Many moms and dads have been inspired by their children to launch a company. If you're thinking of becoming a mom- or dadpreneur, read on.

by Susan McGinnis

When Rachel and Andy Berliner were expecting their first child, the last thing on their minds was launching a new business.

Always natural and organic eaters, the couple usually made their meals at home. "But when Rachel was pregnant, we started going to health food stores to buy convenience meals. We realized what was out there wasn't very good."

The "Aha!" Moment

That was when the Berliners had their "Aha!" moment: it struck them that *they* could market and sell organic frozen food to other busy people who wanted to eat healthy.

That was in 1987. Today, Amy's Kitchen (named after the Berliners' daughter, Amy) is one of the most successful brands in the natural products industry, with \$200 million in annual sales. The two-worker team has grown to 1,400. Amy herself is in college.

Grace Welch's "Aha!" moment came while changing her daughter Emma's diaper. Welch found conventional diaper bags too cumbersome to carry, especially when she had Emma and her older brother, Patrick, in tow. "For short jaunts, I only needed a few diapers, wipes, maybe a change of clothes and a changing pad," she says. "Plus, I wanted something small and compact that I could throw in my car." Then the idea came to light: A round changing pad that folds and has pockets for other items!

It would fill a void in the marketplace and give Welch the entrée back into the working world that she was looking for.

Three years later, Welch's business, Patemm & Company, makes a million a year and is growing every day.

So, what would it take to turn *your* "Aha!" moment into a real moneymaking business?



Gigi Lee Chang (shown with son Cato and husband Vincent) turned her daily task of making homemade organic baby food for her son into a growing national company, Plum Organics.

Hard work (a lot of it!), perseverance and conquering obstacles one at a time. Talking with women and men who have taken the leap, there was one important running theme among these women and men who took the leap—they were all passionate about their product or service, and excited about turning it into something real.

What's the Big Idea?

Your first step is to be sure your idea fills a real and common need. Whether it's a new baby gadget, a self-help video or a hair salon, get to know both the product or service and marketplace intimately.

What KIWI heard loud and clear from new-business owners is that they are passionate about their product or service. Yours should be something you really know and love. Remember, you'll be spending a huge amount of time doing it.

Don't Go It Alone

Get help! Gigi Lee Chang launched Plum Organics frozen organic baby food after making her own food for her baby boy and realizing a huge void of similar foods in stores. She decided that she could provide fresh baby food to parents who were crunched for time or simply looking for an organic option.

"I took classes and did research online," says Chang. "I called noncompetitive companies from my market, like children's

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snack food brands, and asked for connections.”

Today you’ll find Plum Organics frozen baby food in hundreds of stores nationwide. Chang recommends that you get help from all directions:

- ◆ Tap into family and friends for their insight and connections.
- ◆ Search the internet for everything about your product area, the marketplace and the competition.
- ◆ Visit local businesses to bounce ideas off them. They were once in your shoes.
- ◆ Locate industry associations and call them for advice on where to turn.
- ◆ Visit trade shows in your industry. Chang says, “You’ll see what will be in the market in the next six months. You’ll also discover other start-ups that you may not find on the internet.”
- ◆ Find a mentor. “A consultant or mentor can help you put your idea to work,” explains Chang. “My mentor helped me put together a loose ‘go-to-market’ plan. He helped me with key decisions like when to launch, and he helped me figure out vendors and other partners.”

The Fear Factor

It’s natural to be nervous when beginning such an adventure. The trick is to keep it from derailing your dream. Fear of failing can paralyze anyone, but Rita Hazan didn’t let it happen—“I just jumped,” she says.

Hazan was a hair colorist in a salon. Ten years later, she knew she was ready to open her own shop. She makes fear work for her. “I like being nervous. It fuels my fire.” Hazan imagined the worst-case scenario, and it didn’t seem that bad: “What’s the worst case?

Ask Yourself:

- Do I have a unique product or service?
- Am I willing to work long hours?
- Can I handle the rough times?
- Do I have family support?
- Do I have enough resources?
- Is my health up to it?

From: SCORE



While they were expecting Amy, Rachel and Andy Berliner couldn’t find organic convenience foods. So, they decided to launch Amy’s Kitchen.

You fail. It’s not a tragedy. Life’s not over.”

Hazan didn’t fail: She recently moved 50 employees into a \$3 million, 6,000-square-foot salon on Manhattan’s Fifth Avenue.

Fear is a sign that you are taking on the unknown, and that is a sign of growth. Getting outside your comfort zone is scary, but it’s the only way to develop as both a person and a businessperson.

Nuts and Bolts

Here are some basics to get you started:

Write a Business Plan: This is the mission statement for your business. It will tell potential lenders, suppliers and customers how your business will work and how it will be successful. This is your story, so make it compelling: each line should grab the reader and urge him on to the next. Two great places to turn to for help in writing this crucial document are SCORE, at www.score.org, and MOBI, at www.myownbusiness.org.

Convey confidence in your company throughout your business plan. If you don’t have confidence in your idea, no one else will.

The Name Game: This is the fun part—but take it very seriously. The name you give to your business can make or break it. It should be memorable and consist of words that are easy to pronounce. Use real words and not fabricated ones, or strings of letters. Give yourself room to expand. (“Camden Bakers,” for example, may not take you too far outside New Jersey.)

Try to give a “feel” to your product. The “Cuddl Duds” line of underwear has a name that imparts a sense of warmth and comfort, and it’s far more effective than “Lorraine’s Long Underwear.” Consider hiring a firm that specializes in naming companies, and a trademark attorney for help. Robin Davison, founder of AllergiK ID, which makes products like fun bracelets and lunchboxes that easily identify children with allergies, says a trademark attorney’s services are worth seeking. “It may seem like something you could do yourself, but trademarks get complicated,” Davison says. “If you mess that up, you could jeopardize your branding, your company name. It’s not worth it.”

Financing the Dream

Here comes the tough part. In all probability, you'll be dipping into your own savings to get your business off the ground. About 75% of most new business owners get their initial cash from personal savings, friends and family, credit cards, lines of credit and home-equity loans.

"Any lender will want you to put up your own assets first. They want you to have skin in the game," says Bill Morlan of SCORE (Service Corps of Retired Executives), an organization of former executives who volunteer to help start-up businesses. To launch Amy's Kitchen, Andy and Rachel Berliner borrowed from Rachel's mom and sold a gold watch and gold coins they owned. A few months later, they visited banks in hopes of establishing a credit line. "Every bank turned us down," Rachel said. They finally had success at a small local bank, where their loan officer believed in them. "We said we'd be their biggest customer someday. We walked out of the bank and were so excited, we did a dance!" The Berliners indeed became their bank's biggest customer.

Start Talking It Up!

Sales don't just take off on their own—it's up to you to create a buzz for your product or service. Use word of mouth, parent networks, organizations like Ladies Who Launch, the internet and local ads. Think outside the box.

Finally, do some soul-searching. Ask yourself if you and your family are ready for the commitment it will take to start your own business. It will take stamina and patience, not to mention time and money, to make it through the rough times. Robin Davison won't sugarcoat it: "There are some days when you are so glad you did it, and others when you are sorry you ever started."

Prepare yourself for good and bad days, our entrepreneurs say, and you may find that the good ones are reward enough. Not one of our entrepreneurs regrets taking the risk.

Helpful Resources:

The Service Corps of Retired Executives

SCORE can help you every step of the way, from writing a business plan to finding financing for your company. It will even provide you with your own mentor. (www.score.org)

The Small Business Administration

The SBA will help you write a business plan, and it offers a number of financial-assistance programs. (www.sba.gov)

MOBI

My Own Business, Inc., offers online courses with that focus on the basics of starting a business. (www.myownbusiness.org)

Ladies Who Launch

They provide tools and resources for women starting or growing their businesses. (www.ladieswholaunch.com)

Other financing options, many of which require you to give up some equity and/or already be up and running, can include:

Angel investments—funding from individual investors (often retired executives) who provide capital for the early stages of business development. Many angels operate as mentors to the company. Risk is extremely high for them, so eventual pay-offs, in the case of successful launches, are intended to be big. See www.angel-investor-news.com.

Venture capital—private equity in exchange for shares in the business; these funds often come from a firm operating on behalf of a pool of investors that is looking to make above-average returns. These investors can often ask for decision-making rights. See www.nvca.org.

SCORE suggests these loan sources:

Business Loan Express (www.blx.net)

Innovative Bank (www.innovativebank.com)

Accion USA (www.accionusa.org)

I-bank (www.ibank.com)

Grace and Marty Welch with their children, Patrick, Jack and Emma. Three years ago, Grace dreamed up the patemm pad while changing Emma's diaper. Photo: Naoki Nitta



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