

MOM, *Incorporated*

A GUIDE TO BUSINESS + BABY



Aliza Sherman and Danielle Smith

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“I Can Do Whatever I Want”

Starting a business means you can do whatever you want, right? Well...yes and no. Right now, you might have stars in your eyes and are thinking that having your own business simply means being your own boss, not having to answer to anyone, and having lots of flexibility. You are practically giddy with the thought of making your own schedule. But let us break it down for you.

You can be your own boss. You don’t have to answer to anyone.

But you do have to answer to yourself. And your potential clients. And also to the family that is supporting you on your quest to start your own business. That responsibility is a pretty big one.

Danielle: One of the reasons I started my own business was to have full control of my own schedule. I didn’t want to answer to someone else. I have the flexibility to work around the important moments in my life. I don’t miss soccer games or holiday pageants. But it does mean I’ve missed out on more than a few precious hours of sleep to make up for it. This may be a choice you have to make.

Aliza: I must confess that I, too, love the flexibility of having my own business. Having started and run both sole proprietorships and even larger companies with from half a dozen to several dozen team members, I’ve seen both sides and must admit that I get antsy and frustrated in a more structured environment. Being my own boss and setting my own schedule as well as not having to worry about the livelihood of lots of other people works best for me. But one thing that isn’t always easy is staying motivated. To start and run your own business from home, you need to be a self-starter and a go-getter type because you won’t have a boss looking over your shoulder or checking in on you to make sure you’re really working and being productive.

While you can do whatever you want, if you are looking to operate a business successfully, you will have to create a schedule for yourself. And more importantly, you’ll need to stick to it. We hear the boss can be a bear, even if the boss is you.

Show Me the Money

We are assuming you want to make some money with this entrepreneurial endeavor. Don't we all? This isn't going to be a hobby that might make you a little cash on the side. Entrepreneur Carol Roth calls that a 'jobby,' not a business.

You aren't reading this book because you want a jobby, right? You are reading on because you want to create an honest-to-goodness company — something of your very own that will provide you with a steady income or help you contribute to your household income while affording you the ability to work on something you love.

Repeat after us: "I want a profitable business."

Only you can decide if you are looking for 'fun money' — to take your family on trips or buy some of the things you have always 'wanted — or if you want to contribute a significant amount to your current household income. Or maybe you want to become the household breadwinner to allow your partner the chance to pursue a dream. Figure this out now because it will affect everything from the type of business you will start to how you will go about building it. Keep in mind, however, that your personal — and professional — needs can change over time, including if you have more children or if your children are no longer at home but going to school.

We're going to start talking about a tough topic here — money — and we're going to walk you through the steps of thinking about money so you end up with an actual "magic number." That number is a dollar amount that represents the goal for your company's revenues. This number guides how much money you need to bring in through your company each month and every year to meet your personal and business goals. Don't think we'll be giving you that magic number — it's individual to each person. But we will help you determine your "magic number" through some easy exercises. We have to be honest here: even we had trouble thinking about money at the early stages of our business.

Danielle on Money: When I first decided to start my own business, my financial planning was vague. "Vague" is the word I use, but I'm being kind. This is where you get to learn from my mistake. I actually said to myself, "By the time Cooper (my youngest son) is in school full-time, I would like to be a financial contributor to my family."

In my head, I knew that meant I wanted to take over a large portion of our bills so that my husband could pursue a job he enjoyed. Also tied up in that was my desire to feel like a "contributor." As a woman who didn't get married until she was 30, I had plenty of experience taking care of myself and paying my own bills. It felt odd to no longer see a paycheck with my name on it.

When I started my business, I never came up with an actual number in my head, and I never wrote one down. That was a mistake.

I now know my financial goals include:

- Being responsible for some of our household expenses.
- Creating a financial cushion that allows my husband the mental freedom to seek out a career he enjoys instead of one he feels obligated to do.
- Having money set aside to allow our family to 'splurge' on vacations and experiences.

Write down your number. It might not be the right number, but you have to start somewhere.

Aliza on Money: I've always started businesses thinking "if I can just make enough to pay the bills," but over the years, I've learned that isn't good enough. When I brought on my first business partner for my last company, I was grateful for her incredible business savvy because she helped me see that the numbers in my head — if I could even come up with any — were small potatoes. In the first quarter after she joined me, she tripled the company revenues. Of course, her joining the company also turned it from my own solo-income business to a growing business. I could still work from home, but over time, new pressures began to mount.

These days, I'm back on my own, and I find myself struggling again with thinking too small. Yet I know that I want three specific things out of this business:

1. To eliminate our household debt;
2. To be able to save for retirement and actually have a savings account with money in it;
3. To afford to travel with my family without a trip putting us deep in the hole and stressing us out.

So I've come up with "goal numbers" to not just meet but to surpass these goals. I'm setting up my new company to not just sustain itself but to have a big payout. And I keep repeating to myself: "Think Big. Think Big" because I still get nervous and tend to think small potatoes.

How much money do you want to or need to make? And when would you like to start seeing a profit or a significant impact from what you bring in? Write it down now.

I want to make: \$
I need to make: \$
I want to start seeing a profit by:

You will need these numbers in Chapter 3 when you start to create your actual business plan.

CHECKLIST: Questions to ask a bookkeeper

What questions to ask to find the right one — before you hire anyone.

Your bookkeeper should take care of all your accounting and financial records for your company throughout the year so the higher paid CPA who you hire to do your taxes doesn’t have to go through your shoebox. It is cheaper for you in the end so you don’t end up paying a CPA to do the busy work. A CPA wants to look at a balance sheet and profit and loss statement – your bookkeeper can put those together for you and get them to your CPA.

About Their Business

- What services do you offer to your clients? (accounts payable, accounts receivable, payroll – look for all of the above)
- Why shouldn’t I do this stuff myself? (The right answer: stick to your specialty, your expertise, the company you should be focusing on)
- What kinds of clients do you have? (they don’t have to know your industry but it’s good if they work with similarly sized businesses of one)
- What’s the best way for me to get my data to you? (make sure it is compatible with what you like)
- What steps do you take to secure my data in your posession? (ex: locked filing cabinets, safes, locked offices, security alarm system)
- Will you handle all my payroll, payroll taxes, my quarterlies? (this is all tax prep leading into the next year so make sure they handle this)
- Do you work by yourself or do you have staff? (you want to know who will be handling your finances)
- What hours are best for you?

BUDGET SHEET: Use this to write down your current household expenses

This sheet can help you figure out how much it costs to run your household, how much your spouse or partner can contribute, and a rough estimate of the amount of income your new business would need to generate for you to make a minimum contribution. Later, you will also have to add your business expenses to the picture to understand how much more you’ll have to make to cover those as well. We’ll also walk you through the steps for how much you will have to sell or charge for your services or products to cover expenses — and hopefully make some money! This is just meant to give you a picture of some immediate expenses that can impact decisions about the business you want to start.

Household Expenses	Monthly Cost Estimate	% of Expense Your Spouse can Cover	Monthly Amount You Need to Help Cover	6 Months Household Expenses You Need to Help Cover	6 Months Household Expenses You Need to Help Cover
Ex: Mortgage	\$1,000.00	100%	\$0.00	0	0
Ex: Utilities/ Phone	\$250.00	100%	\$0.00	0	0
Ex: Groceries	\$800.00	50%	\$400.00	\$2400.00	\$4000.00
Ex: Living & Entertainment	\$250.00	50%	\$125.00	\$725.00	\$1450.00
Ex: Slush Fund for Unexpected	\$500.00	100%	\$0.00	0	0
	\$2,800.00		\$525.00	\$3,125.00	\$5,450.00
	This is how much it costs at a minimum to run your household each month		This is the minimum amount you would need to generate with your business each month to contribute to your household income	This is the minimum amount you would need to generate with your business over the first 6 months to contribute.	This is the minimum amount you would need to generate with your business over the first year to contribute.

The Balance Between Work and Life

We've talked about time issues and money issues, but what about those illusive "balance" issues? Right now, you might be waiting for us to swing down from the heavens with the key to Work/Life Balance.

So here it is...

Our Balance Wisdom:

*There is no such thing as perfect balance—
and the sooner you embrace that fact,
the more balanced you will feel.*

Some days, some hours, some minutes — you will be a STELLAR Mom. And other days, hours and minutes — you will excel as a WORKER. You will rarely, if ever, be extraordinary at both at the very same time. Why? It is impossible to read your child her favorite story, help with homework, or cheer at a soccer game at the same time as you are answering a client call, responding to an email, or writing a press release.

And THAT IS OK. Say it with us: THAT IS OK.

You need to schedule a set number of hours for work and for family. Will these times always line up according to your plans? No, probably not. But having a plan in place will help you to feel sane and in control.

Danielle: For the longest time, the word 'balance' felt like a bad word to me. I was certain there was a secret handshake, a code word even that allowed only the most special of mothers into the mythical world of 'balance.' I was certain if I could just be strong enough, smart enough, organized enough, I would crack the code. But it wasn't happening. And the only success I saw was the successful failure to balance my work and home lives. Until one day it hit me: Balance is impossible. At least based on the definition I was being fed by society. It was and it IS impossible for me to be everything to everyone, every day. So I stopped trying. And I realized that giving my family my full attention when I am with them is the most important thing I can do. And giving my work my greatest effort is also important. So now, I'm balanced. Most of the time.

Aliza: I've pretty much thrown the word — and concept — of "balance" out the window. I prefer to refer to it as a "juggle" as in "work/life juggle." To me, juggling is a perfect analogy for having to toggle back and forth between family and clients,

between housework and project work. Like the expression "having many plates in the air," I feel that you can only juggle so many things before you drop something.

So the way I handle the "work/life juggle" is to pay close attention to what I'm juggling and to keep that number down to a manageable size. I keep rechecking my To Do list not just to see what I've been able to do and what is still outstanding but to look deeper and to ask myself, "Am I over committing myself?" If you know anything about being a Type-A overachiever, you know how hard it is to say "no" to requests or to admit you can't do something. Trust me, if you say "no" more often and keep the number of plates you have in the air to a smaller number than usual, you'll get more done with less stress.

I also like the way Danielle talks about giving full attention to her family when

My best advice is to make every minute count. I don't watch TV, which frees up a lot of time for working, networking, or learning new skills. I also make sure that I'm 100% devoted to whatever I'm doing at that moment. If I'm with the kids, I'm not checking email on my iPhone or returning phone calls. If I'm working, my clients have 100% of my attention.

—Sue, owner, Web design business

Getting Past the Guilt

Sometimes dinner won't be on the table on time. Sometimes you will forget it is 'dress down' day at your child's school — and your son or daughter will be THE ONLY ONE in uniform. Sometimes you do have to forgo a family outing to finish a client project. Sometimes the world seems to conspire to make you feel guilty because you are in the process of trying to do it all. The important thing to remember is that your kids do know you love them. The burnt spaghetti won't convince them otherwise. They might resort to asking for Dad to cook every once in a while, but that wouldn't be all that bad, now would it?

You need to remember to keep things in perspective. "Unless you're saving lives, it really IS okay if work has to wait a few hours or even a day," says Cara Schrock who owns online baby products store UrbanBabyRunway.com. "Missing your child's first words just because you think the world will end if So-and-So doesn't receive their T-shirt in three days instead of four isn't worth it." Schrock adds that it IS okay if your child has to play quietly alone for three minutes instead of whining and trying to interrupt you while you make a quick call to a customer. There is always something to feel guilty about — we say Just. Don't. Do. It.

*"Never doubt your abilities!!
As a mother or as a professional!"*

--Jenn, Professional Dog Trainer

Dealing with an Identity Crisis

Before you decided to take this wild-business-starting-ride, you already wore at least a few hats: Mom, wife, friend, maybe sister and daughter, perhaps even community volunteer or activist. But this new role, this whole 'business owner' thing, has you feeling overwhelmed. Who are you anyway?

Aliza: While it is still painful to admit, I was so into my career, and then spent several years trying to have a baby, that when I finally did I wasn't sure anymore that I wanted to be a mom. I just wanted to return to work on my business. Being a mom seemed so foreign to me, and starting a business was familiar.

My struggle to be comfortable in my mommy role spanned several years. It wasn't until my daughter started talking, and I could finally understand what she needed, that I felt my mommy role was a manageable one. Instead of worrying about how to be a mom — which I finally know is a continuous learning experience — I just feel better about adding "mother" to my many other roles.

Danielle: If you had asked me when I was 'young' — meaning in my early 20's, I would have told you two things: 1) I wanted to have children when I was 'young' — I was still thinking 20's. Since I'd always had a good relationship with my parents, and they were 21 and 23 respectively when they had me, I figured that was the way to go; and 2) I had NO INTENTION of being at home with my kids. I had chosen a career, and I was sticking with it. Funny, neither of these things happened. I was over 30 when I had my daughter, and I was so instantly smitten with her that I did choose to 'stay home,' believing that was the right decision for my family. This decision did give me a bit of an identity crisis. I felt called to do something 'extra,' which is what led me to start my own business. Of course, that still means wearing many hats and 'juggling' as Aliza mentioned earlier.

Giving Yourself a Break

How else are you going to get through the balancing, the juggle, avoid the guilt, do well in your roles? You've heard the adage that if you don't take care of yourself, no one else will. Well, take that to heart because unless you take some time for yourself, you won't be good to anyone and your relationships — and your business — will suffer. You need to come first. When you're happy and healthy, anything is possible.

"Be realistic with yourself and kind to yourself if you are running a business and taking care of a baby," says Niki Lopez, owner of Focus Marketing and PR. "The house won't always be clean, and dinner won't always be made. But if you are happy and fulfilled with your situation, then you are doing the right thing at the right time." The small stuff really doesn't matter, adds Lopez, who feels that your children and partner will be much more affected by your state of mind than anything else. She emphasizes that your own happiness and well-being is as important to your family as it is to yourself.

Danielle: At a particularly low point in my pseudo "balanced" career and life, I had a conversation with my family doctor who also happens to be a friend. She was able to be brutally honest with me. I confessed to feeling completely off-kilter — unable to 'right' myself. I was concerned I was failing in the great game of 'Life Balance.' She brought me back to reality with this analogy: "Moms are a lot like boats. It might sound silly, I know. But, like a boat, if a mom gets a 'hole' — or refuses to address the problem or plug the leak, she will eventually bring everyone on the boat down with her." It was at that moment that I realized that my ability to feel balanced was of utmost importance to my family. This meant I needed to let go of my need to be everything to everyone at all times.

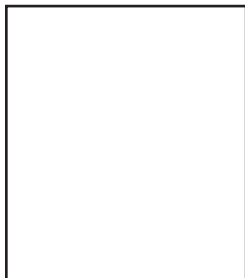
You've come this far. Well done! By now, we've given you food for thought to:

- Identify your passion.
- Think about how to make your time work for you.
- Measure your financial needs and know how much money you would like to make.
- Think about work/life balance in a more realistic way.
- Address the emotional aspects of starting a business, not just looking at the business side.

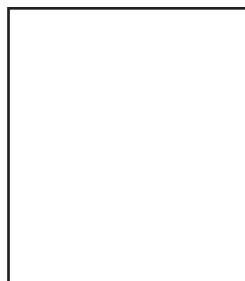
A few baby steps step down, but many more to go. One step at a time.

For every mom – or woman who is planning to become a mom – Mom, Inc. is the essential guide to pursuing your passion for a family and a business, too. Just because you're devoting your time to raising your kids doesn't mean you also don't want to follow your entrepreneurial bliss and start your own business, whether it's a service or a unique product. Renowned entrepreneurs Aliza Sherman and Danielle Smith give you the inside skinny on writing a business plan, finding the financing you'll need, promoting your brand, structuring your business to give you time with your kids, and caring for your clients so your start-up succeeds over the long haul. This hands-on guide reveals how to take your dream of running a business and turn it into a viable, fulfilling reality.

ABOUT THE AUTHORS:



Aliza Sherman is a successful serial entrepreneur with over 20 years' experience starting and running companies, particularly on the Internet. She founded the first full-service Internet company, Cybergrl, Inc., and the first global Internet networking organization for women, Webgrl International. *Newsweek* named her one of the "50 People Who Matter Most on the Internet." *Fast Company* named her one of the "Most Influential Women in Technology" and she's been included on Forbes.com's "Top 20 Women for Entrepreneurs to Follow," Twitter Grader's "100 Most Powerful Women on Twitter," MyMediaInfo's "Top 10 Twittermoms," and Babble.com's "Top 50 Moms on Twitter." She is the proud mother of five-year-old Noa Grace.



Danielle Smith is a blogger, vlogger, video correspondent, public speaker, and founder and primary author of ExtraordinaryMommy.com, as well as the host and producer of Bliss TV. Danielle worked as a correspondent at the 2010 Winter Olympic Games on behalf of Procter & Gamble and has championed the Fight Against Child Hunger, working directly with the Con Agra Foods Foundation. She has been featured in *USA Today*, *Alive Magazine*, and *St. Louis Kids*, as well on a variety of Web sites. She has been a featured contributor on MomItForward.com, DannyBrown: The Human Side of Media, The Social Side of Marketing, and The Rise to the Top. She is thrilled to be the mom of seven-year-old daughter Delaney and five-year-old son Cooper.

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