


Be productive virtually anywhere with AT&T.	All-for-Less starting at \$99.99 a month	Wireless, High Speed Internet, Landline, Access to over 20,000 AT&T Wi-Fi Hotspots.	Make your business Stretch. Find out how	 at&t
--	---	--	---	--

From wage slave to entrepreneur

By Christina Galoozis
Sept. 21, 2009

There's evidence that the recession is pushing more people to start businesses. Recent data from the Kauffman Foundation in Kansas City, Mo., shows that 320 out of every 100,000 Americans formed a business each month in 2008 as the recession accelerated. And the McLean, Va.-based Center for Women's Business Research notes that women are a growing segment of the nation's entrepreneurs.

Entrepreneurship is a challenging journey for anyone, particularly for those who have long worked for others. But is it an even more challenging leap for a woman?

Perhaps not, says Mercedes George, president of the Network for Women Entrepreneurs in Chicago.

"Women are good at reinventing themselves, so they're more capable of adapting to economic shifts than men," Ms. George says. "I'm with women business owners all the time, and they talk about how they have to readjust, adapt, go after new things."

To test Ms. George's theory, *Crain's* checked in with six Chicago-area women who recently made the transition from wage slave to self-employment. Salon owner Jamie Bushman is one of them:

Jamie Bushman, 30

The Circle Salon

After hopping from salon to salon as a hairstylist, Ms. Bushman wanted to open her own. In hindsight, her timing could have been better.

Ms. Bushman scouted a 1,200-square-foot spot on Division Street in Wicker Park in July 2008 and secured a \$1-million loan from American Chartered Bank. That same month, the bank pre-approved her business, the Circle Salon, for a \$90,000 Small Business Administration loan. The roadblock: a special-use permit from the city of Chicago to open a salon within 1,000 feet of another. The bank would not lend the money until the permit was granted.

The permit came in September 2008, just before the stock market saw its sharpest decline since Sept. 11, 2001. American Chartered never closed on the loan, and hasty applications to Chase Bank and North Community Bank were turned down.

"We learned pretty quickly we would have to come up with the money ourselves," Ms. Bushman says.



STEPHEN J. SERIO

She was able to pool \$10,000 from her husband's parents, \$300,000 from her parents and \$75,000 in personal savings to fund the startup. Now her eco-friendly salon is generating \$20,000 in monthly revenue. And Ms. Bushman is happier to owe her parents — not the bank. "They're a lot more forgiving, and now they feel vested in the business," she says.



ERIK UNGER

Maria Onesto Moran, 26

Green Home Experts

Maria Onesto Moran left her fundraising job at Mercy Housing when it merged with another non-profit in 2007. She freelanced as a fundraiser for a few months, but was so consumed with remodeling her West Loop condo that she decided to open her own eco-friendly home remodeling products store. "I remember standing in my kitchen telling my sister on the phone, 'Who do I think I am to start this business?' But it felt right," she recalls.

She received a \$50,000 loan from her dad and kicked in \$17,000 of personal savings with her husband, a high school math teacher, to open Green Home Experts in February 2008. By April, the prime month for homebuilding product sales, the Oak Park store wasn't selling enough big-ticket items such as dual-flush toilets and recycled glass countertops to quell Ms. Moran's fears of closing. To survive, she inverted the 1,125-square-foot store's inventory from mostly building products to mostly everyday home products, such as cloth diapers and non-toxic cleaners.

"Switching to smaller-ticket household items makes perfect sense because people start going green with a \$3 cleaner, not a bamboo deck," says David Lockwood, a Chicago-based analyst at Mintel International Group Ltd.

The new strategy has paid off. Green Home Experts' sales are 85% ahead of last year, and Ms. Moran expects the store to generate \$250,000 in revenue for 2009. But her life has changed significantly. "Three years ago, my husband and I had steady jobs with good benefits. Now I haven't had a vacation in three years, and I brought home my first paycheck on July 16," she says.

She hasn't encountered a problem as a female business owner yet, aside from being asked a few times if her husband is the "real" owner of the store. More than anything, she thinks being a woman helps her gain the trust of customers, who are 90% women.

Julie Newman, 37

EnVent LLC

After spending a decade working for former Vice-chairman John Fox at Deloitte & Touche LLP, Julie Newman's job was shuffled around during the consulting-audit division split in 2005. She declined to stay, saying she "did her time" in the corporate world, and moved on to being her own boss as a freelance business consultant, specializing in real

estate transactions.

Three years later, she was renting out space for one of her clients in the West Loop when she got the idea for EnVent, a business that rents out the posh, 6,500-square-foot space to corporate events, weddings, reunions and other gatherings. In April 2008, with \$30,000 in start-up capital from savings, Ms. Newman locked in a three-year lease for the loft-style room on Ogden Street, which she now markets to event planners looking for a "blank canvas."



ERIK UNGER

Why rent a room without a caterer, tablecloths or even chairs?

"People are looking to step outside the box and do something more exciting than a traditional hotel ballroom," says Jack Scafide, president of the International Special Events Society Chicago Chapter.

And with event budgets down 6% in 2009, according to Meeting Professionals International, creativity is essential for event planners. For example, EnVent hosted the Science Fiction Channel's "Ghost Chaser" TV series launch party, where 50 media buyers dined in the dark — with the idea that temporarily losing sight awakens other senses. (They were also served by blind waiters.)

EnVent charges \$3,500 to \$5,500 for the room and is averaging \$25,000 in monthly revenue this year. Ms. Newman plans to open similar sites in other cities while commercial lease prices are still low, starting in Boston, Los Angeles and Washington, D.C. One thing is for sure: She's not headed back to the corporate world.

"I miss the safety and security that used to exist, but I don't think it's there anymore," she says.

Tanja Sitzer, 36 **The Marketing Boxx**

German-born Tanja Sitzer moved to the United States in 2006 when her husband was hired as CEO of Hegele Logistic LLC in Elk Grove Village. With eight years of marketing experience, Ms. Sitzer was hired by Milwaukee-based Fullhouse Interactive Communications. But 10 months later, the marketing agency closed its Chicago creative office, which left her without a job. She was 11 weeks pregnant and not willing to search for a full-time gig she would have to leave in seven months.

"Sometimes you need a push to go into business for yourself, and the pregnancy was my push," Ms. Sitzer says.

She spent the first six months of 2008 researching competitors, legal structures and taxes for her new venture, the Marketing Boxx, and attended networking events to reach potential clients. She invested \$3,500 of her \$11,000 in start-up funds (from personal savings) to develop a Web site, which she determined to be the most effective way to establish credibility and attract customers.

Today, the Evanston-based business uses freelancers to develop brochures, Web site redesigns and event

planning, among other services. It generates about \$10,000 in monthly revenue. Her biggest challenge so far: finding other small businesses with the funds to invest in marketing. "I started out targeting businesses with two to 20 employees, but now I'm focusing on companies with 100-plus employees and even soliciting work from in-house marketing departments," Ms. Sitzer says.

That's no surprise to Steve Kelly, a marketing professor at DePaul University, who says the top-tier advertising and marketing agencies are staying busy with interactive work. To drum up interest (and motivation) among potential small-business clients, Mr. Kelly suggests finding their weakness — such as a poorly designed Web site or lack of event sponsorship — and offering help.

"Spending money on marketing is vital to brand development, even during a recession," he says.

Jessica Lybeck, 25

Till Creative/LayOffMoveOn.com

During a trip last spring to her alma mater in Milwaukee, Jessica Lybeck offered to help a friend work on the women's clothing boutique she had just opened. That's when Ms. Lybeck became fascinated with the start-up process, and realized she excelled at brand development and interior design. She marched into her boss's office at Skidmore Owings & Merrill LLP the next day to quit her full-time post as a designer.

"I spent enough late nights thinking about this project to know start-up consulting is something I wanted to do," Ms. Lybeck says. The boss persuaded her to stay on part time, but when the economy tanked the following fall, Ms. Lybeck was one of the first to be let go. She concedes she wasn't quite ready to focus 100% on Till Creative, which she established with \$5,000 from personal savings only months before.

"Having a job at Skidmore was like having nice sunglasses all the time — I could tell clients I was working at this prestigious architecture firm to gain their trust. But when I was laid off, it was the first time I really had to take charge of Till," she says.

Losing that security blanket sparked another idea for Ms. Lybeck: a place for laid-off folks to commiserate and network. She partnered with a former co-worker from Skidmore to develop LayOffMoveOn.com, which generates a few hundred dollars each month from advertising and traffic. Between the Web site and Till, which logs between \$1,500 and \$3,000 each month, she waits tables at Flat Top Grill to help pay the bills, making for an 80-hour workweek.

Her hope is for LayOffMoveOn.com to grow and remain relevant to the changing workforce, not just one with an unemployment rate approaching 10%. Helene Cavalli, marketing manager of Philadelphia-based Right Management, which trains unemployed professionals on how to land their next gig, says online networking is essential in today's job search.

"Sites like LayOffMoveOn.com will be viable in any economy," says Ms. Cavalli, a 22-year industry veteran.

Alicia Eisenmann, 21

Delish Cakes

Last June, Alicia Eisenmann was fresh from Kendall College's two-year culinary program and already enrolled in Lewis University to study economics the following spring. Instead of starting her own cake business like she always wanted, she decided she would rather earn a "decent" income working for the government.

But Ms. Eisenmann started baking cakes out of her parents' Bloomingdale home for friends, friends of friends, and eventually strangers as her Web site for Delish Cakes launched in June. The uptick in orders changed her mind.

"The evidence was I should at least give it a shot," she says. "You never know if you're going to make it unless you try."

So she declined the offer from Lewis and enrolled in DeVry University's business management and entrepreneurship program. Now she spends one day a week at the Addison campus, and the other six baking cakes for weddings, birthdays and showers.

Though still operating out of her parents' kitchen, Ms. Eisenmann secured a lease in a 100-year-old house in Old Bloomingdale's downtown district and plans to build out the bakery with a \$45,000 loan through her father's IRA. (The local Itasca Bank & Trust, Harris Bank and Chase Bank branches all turned her down for a lack of collateral and established credit.)

Delish Cakes generates between \$2,000 and \$3,000 from the average 20 cake orders every month, though Ms. Eisenmann expects this figure to more than double after October, when the cake shop begins producing dessert lines for two nearby restaurants. She'll run the shop with a fellow graduate of Kendall College and a high school pal who recently graduated from the French Pastry School.

The entrepreneurial ambition of this 21-year-old doesn't surprise Chris Gallagher, communications officer for the Entrepreneurs' Organization Chicago chapter.

"EO Chicago's membership has grown 30% in the last year — more than half of which are people under 30," Mr. Gallagher says. "The opportunity cost is the lowest it will ever be in their lives, and their loyalty is to themselves."

In fact, Ms. Eisenmann senses that her age has been more of a challenge to overcome than her gender as she's started her business. "Women dominate the cake business, so my age has been more of a detriment," she says. "Most people in the food industry have years of experience; I graduated from a community college in 2008. Some people have a hard time taking me seriously."

©2009 by Crain Communications Inc.
