

GOOD LIVING: FINANCIAL PLANNING FOR THE HEALTHY, WEALTHY AND WISE.

# Exploring an entrepreneurial urge

Boomers considering self-employment are wise to plan ahead

## Get aggressive with your business

Thinking about launching your own small business? According to business consultant Greg McLaren, success depends on a solid plan, effective execution and aggressive marketing.

"You're 80 per cent more likely to be successful if you have a good business plan. It's a truism because it works. Also consider your quality of life. The first year or two will be tough; are you prepared to put in that effort for as long as it takes?"

An element of the business plan that is chronically overlooked, he says, is the sales and marketing strategy. "It's usually the weakest area of a business plan, and I have reviewed a lot of them. The number one reason I'm brought in to coach people after the fact is that sales didn't come as quickly as they thought. They expected they would open and customers would just come, but it rarely works that way. Prepare to be aggressive with sales and marketing."



PHOTO: ORCA GRAPHICS

Calgary-based financial advisor Rob Ingram says he's seen a growing trend among boomers shifting from 'employee' to 'consultant/entrepreneur,' often a few months to a few years before scheduled retirement. Mr. Ingram recommends those who choose do so in concert with a comprehensive financial plan to help ensure that the retirement lifestyle is not put at risk in the process.

**L**uc Chartrand, a former oil and gas company executive, decided four years ago that it was

time to start enjoying life more. At only 49, full retirement was out of the question, but because of his experi-

ence over the years with a number of organizations, he knew there were many small companies that needed a

CFO on a part-time basis.

"My wife and I do a fair amount of travelling, but you can't travel 365 days a year. Working this way is very flexible. They don't need me there at 8 a.m. and they don't care if I do it from home. It's great," says Mr. Chartrand.

Estimating that he'll probably continue to practice for another five or 10 years, he says, "CFO work is not physically demanding, so it can be performed at any age - I get the odd paper cut, and that's about it. I could do this for a long time."

"In my Calgary practice, I have seen a trend from 'employee' to 'consultant/entrepreneur,' often a few months to a few years before (scheduled) retirement," says Rob Ingram, Mr. Chartrand's financial advisor. "They're often professionals who decide to ply their trade on their own terms, or entrepreneurs who sell one business to move into the type of business they've always wanted to be in. Demographics are on their side - potential customers are interested in working with baby boomers with significant skills and a proven work ethic. And we do see a lowering of their stress level."

A comprehensive financial plan can help ensure that the retirement lifestyle is not put at risk in the process. "We have all tried to navigate uncharted pathways without a map, and we know the results. A good plan provides a process in which the client can get an understanding of - and then hopefully control - their financial future. It is lack of control that is most stress-

ful for people," says Mr. Ingram.

For people considering a new business at the cusp of retirement, he says, it's essential to articulate the objectives for the business. "If we have earmarked assets for retirement purposes and commit them to a new business venture, the return on investment is critical. Professional advice from a team that includes an accountant, financial advisor and lawyer can help put potential risk and reward in objective perspective."

If the business is a sole proprietorship, protection of retirement assets can be achieved through the use of segregated funds, while trusts and corporations are options that may also be applied to help protect assets while improving taxation and the bottom line.

Other issues that should be considered include the longevity of the endeavour. "People who launch businesses at age 50 may well work full-time for another 20 years, but there will be an end point to consider. Replacing health and insurance benefits is also important: An untimely illness or disability can derail things in a hurry," cautions Mr. Ingram.

Even if the primary objective of the business is a satisfying lifestyle, it's essential to plan for success. Greg McLaren, managing director of Business Advisory Team Inc., in the Vancouver Island retirement haven of Nanaimo, says, "Particularly over the last year, we've seen many boomers starting their own businesses. The economy may be forcing their hands, but often they've been considering the shift for some time."

As a result, he says, "There's going to be more competition out there. Plan objectively and execute effectively, because you're going to be competing against some very smart people. When large corporations downsized in the 1980s, they let go of people who were higher income earners, who worked smarter rather than harder. In hindsight, we know that was a mistake. Similarly, there is a very strong pool of exceptional people out there today launching small businesses."

Mr. Ingram says a business can be an excellent way to augment retirement income while keeping mind and body active to better enjoy those golden years. "There is plenty of evidence to suggest that keeping busy, especially on your own terms, is good for you. In my experience, people don't travel, golf or look after their grandkids all the time - keeping your mind and finances sharp while running your own business is a good bargain." ■



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## An artful re-invention

After moving to Vancouver from Los Angeles in 1970 to avoid Vietnam, JG Freedman found work on B.C.'s tugboats. Inspired by the spectacular nature of the Pacific coast, he also began to paint. While he had his first one-man show in 1972, his art would be a great love but a secondary pursuit for the next 31 years.

After retiring from Vancouver's SeaBus at the age of 51 as a distinguished captain, painting became his second, full-time career. The realization of a life's dream, it was still a challenging decision. "We had a beautiful heritage home in North Vancouver," he says, "and we were house-proud. Retiring early meant giving that up, but my wife said, '(Forget) the house - paint.' So I did."

His second one-man show, in 2002, was celebrated nationally, receiving accolades from CBC's The Arts Report and a feature article in NUVO magazine; many of his paintings have since found their way to buyers throughout North America.

For more information on JG Freedman's art, visit [jgfreedman.com](http://jgfreedman.com).

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