

STEP

4

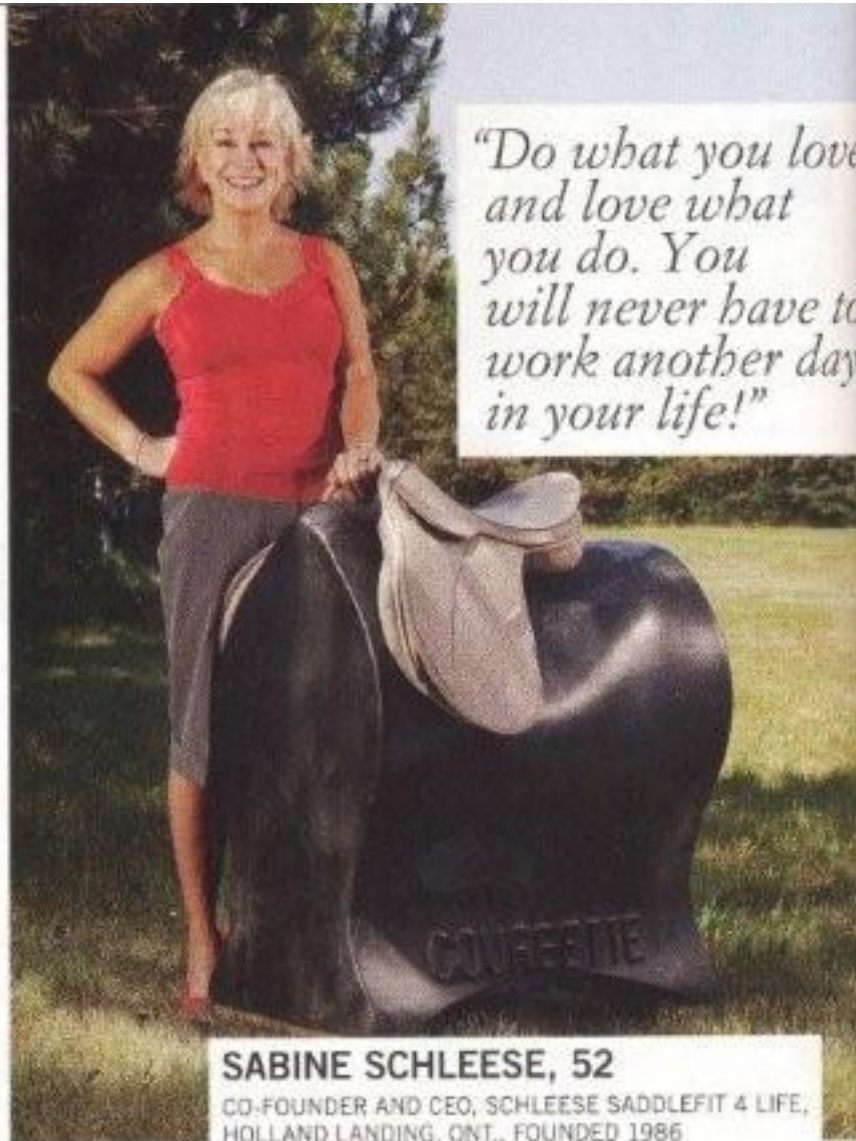
MAKE SURE
YOU'RE READY
FINANCIALLY

KEEP IN MIND THAT MOST businesses only start to take off after five lean years.

There are a number of simple steps to take before you start out. Prepare a personal cash-flow statement and try to eliminate or cut back on anything that's not absolutely necessary. Make sure your credit rating is good, and if it's not, fix it. If you're in a high tax bracket, max out your RRSP contribution now. You probably won't be able to add to it for a few years after you start your business, so it's important that you invest ahead of time. Your retirement plan can also be an important financial backup if you need it. And before you quit your job to go into business, spend some time stockpiling savings, ideally enough to live on for a year while your business is in its start-up phase.

When Sabine Schleese and her husband, Jochen, a certified master saddler, started a customized saddle-making business in Ontario, they had only \$5,000 in cash, borrowed from her parents, but they found creative ways to finance their launch. "We had about \$30,000 in start-up funds, although they weren't really funds, since we simply traded my husband's Three-Day Event horse to a friend in Germany for 20 saddles, which we used as our start-up inventory," she says.

If you can, make your banker an ally, advises Schleese. "If you maintain an open relationship with your banker, he will understand what you are doing and he will be able to go to bat for you when you need him," she says. "We actually hired ours, and he is now a partner in the business." >



"Do what you love and love what you do. You will never have to work another day in your life!"

SABINE SCHLEESE, 52

CO-FOUNDER AND CEO, SCHLEESE SADDLEFIT 4 LIFE, HOLLAND LANDING, ONT., FOUNDED 1986

Education: Honours B.Sc. in biology, the University of Guelph; M.B.A. Queen's University

Former job: Teaching English in Germany

Marital status: Married, three daughters, ages 17, 18 and 34

The business: Making fine English saddles with a patented chassis and integrated air pocket, custom-fitted to horse and rider. Crafted by master saddlers with state-of-the-art technology.

Start-up funds: About \$30,000

Number of years to turn a profit: One

Employees: Forty-five in Canada; six reps in the U.S., eight overseas

Biggest success: "Working with the provincial government, we managed to make saddlery a registered and certifiable trade in Canada in 1990. We have also been instrumental in the industry in challenging old beliefs about saddle fit and how saddles are sold."

Greatest challenge: "Dealing with the defection and, ultimately, betrayal of former employees who were highly trained and privy to company information, and who have since built up their own competitive business using our knowledge, contacts and clients."

Words of wisdom: "Do what you love and love what you do. You will never have to work another day in your life!"