

The Atlanta Journal-Constitution

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WEATHER
Partly cloudy
High: 74, Low: 57
10% chance of rain

Monday: Few showers, 73/60
Tuesday: Few showers, 73/59
Wednesday: Few showers, 73/57

Details on the back of Business

GEORGIA'S ECONOMY



Dan Meehan worked in high-tech sales before starting a pool service business in 2009. Older workers are launching or buying businesses as the best employment option. *Vino Wong* vjwong@ajc.com

More older workers try the entrepreneurial tack

Growing number start businesses late in life.

Financial risk is there, but so is the potential for baby boomers.

By **Russell Grantham**
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When the economy crash-landed in 2008, Dan Meehan didn't want to again face the income-less years he had endured after the dot-com bubble burst in 2000.

"I knew at 59 years old it was going to be very hard to find a job. I decided to hire myself," Meehan said. He launched a pool-cleaning and repair busi-

ness franchise in 2009 rather than depend on dwindling commissions at his previous job in sales.

A growing number of jobless baby boomers are reaching similar conclusions. Faced with what some say is age discrimination among employers, more folks over 50 are creating their own jobs by launching or buying businesses.

Still, some have found the move to be financially treacherous.

About half of all new businesses fail in five years, experts say, and the survival rate doesn't get much better after that. In some cases, Boomers have lost life savings, their homes and more when their businesses crash.

Despite the risks, starting a

business looks like the best option for some people, said Andrea Borden, president of the Atlanta chapter of the National Association of Women Business Owners. The group has seen a spike of women over 50 who have lost their jobs or left the corporate world to go into business for themselves. "We call them corporate refugees," Borden said.

Business launches usually increase during recessions as some jobless folks create their own work out of desperation or to give long-held dreams a whirl.

With the weak recovery from the latest recession, this has been particularly true for some groups that face a tough time

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Starting a business late in life

Over 50
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landing new jobs. Self-employment has surged among older workers, immigrants and people who didn't finish high school, according to the Kansas City-based Kauffman Foundation, which tracks new business creation in the United States.

Between 2007 and 2010, the rate of new business start-ups by people 55 to 64 increased by more than 25 percent, according to the foundation. Older entrepreneurs now account for about 23 percent of new businesses, compared to less than 15 percent in 1996.

Meehan knows it wasn't the best time to start a business, but he did his research and worked hard to limit his risks. After a rough first year, things have picked up.

"We don't get to pick the times we live in," said Meehan, who lives in Norcross. "If I had decided to wait until things got better, I'd still be waiting."

Beware financial risk

After a decade in business, William "Sonny" Hardman, 52, and his wife Mary Ann, 43, have begun winding down their Persimmon Creek Vineyards in Clayton, in northeast



Mary Ann Hardman, 43, and her husband, William, spent a decade operating Persimmon Creek Vineyards in Clayton. The work to stay marginally profitable has taken its toll, and the Hardmans are shutting the business down. *Charlie Pappas*

"We don't get to pick the times we live in. If I had decided to wait until things got better, I'd still be waiting."

Dan Meehan
Entrepreneur

Georgia. "I have loved this business," said Mary Ann Hardman, who is in charge of marketing and overseeing the cottages and a retail shop. Her husband, a pathologist, is in charge of the vineyard and wine-making.

But a decade of marginal profitability and seven-day work weeks has taken its toll. They're shutting down and selling the 89-acre farm.

"Anyone who is brave enough to start a business, especially an agricultural business, is brave indeed," she said.

The recession and its

aftermath has been brutal for people venturing out on their own. Despite the rising birth rate of new businesses, the death rate has risen faster.

There were almost 1.3 million fewer self-employed people last year than in 2007, according to the Bureau of Labor Statistics. In 2010, 14.9 million people were self-employed, compared to 16.1 million in 2007.

"I'd really have trouble recommending people gamble a huge amount of money" on a business start-up, especially if they're older entrepreneurs with fewer years to

recover from a business failure, said Bob Gemmill, director of the Herman J. Russell International Center for Entrepreneurship at Georgia State University.

Would-be entrepreneurs, he said, also need to realize they must know how to sell, must be able to work long hours and be "action-oriented" about trying new ideas.

"Be aware of what you are signing up for," he said. Selling skills, he said, "are crucial."

Hardman, likewise, has some tips. Besides passion, perseverance, attention to detail and a will-

ingness to clean the toilets, if needed, you must learn how to balance the contradictory demands of working long hours and avoiding burnout, she said.

"People don't understand the amount of effort it takes," she said.

No desire to retire

Gemmill, 55, doesn't rule out taking the entrepreneurial plunge himself some day - again. Before joining academia, he was co-founder and CEO of a Duluth-based wireless technology company, Cirronet, that was sold in 2006 for \$24 million.

"I don't ever plan to retire," said Gemmill.

He said seniors have been going into business with increasing regularity for decades, perhaps because they're living longer and feeling less confident about Social Security's prospects. People between 65 and 74 have the highest rate of self-employment of all age groups, he noted.

And as long as they don't risk too much of their life savings, it can make sense for over-50 entrepreneurs to turn a favorite hobby into a "lifestyle business," Gemmill said.

"They have skills. They have contacts. They're empty-nesters" with more flexibility than younger would-be business owners with family obligations, Gemmill said. "If it's something they're very interested in and they can pursue it in a low-risk way, that's very positive."

Here's how three people who became entrepreneurs later in life are tackling self-employment:



Linda Hughes with her father, Julius Hughes Jr. He owned a drag-racing strip in Covington, and as a girl, Linda used to help him out in the engine shop.

Sharing her expertise

After getting her industrial engineering degree at Georgia Tech, Linda Hughes spent decades climbing the company hierarchies at McDonnell Douglas, Coca-Cola, AIG and other firms when she decided she had had enough of corporate bureaucracy.

"I always wanted to start a business," said Hughes, 50. She had grown up helping her dad, another Georgia Tech grad, who owned a drag-racing strip and high-performance engine shop in Covington. By age 7, she sometimes helped at the sales counter. After she learned to drive, she delivered parts.

In 2009, insurance giant AIG, where she worked at the time, was struggling to survive. By then, Hughes had notched about 25 years overseeing information systems and tackling business problems. While at the Atlanta consulting firm North Highland Co., she had learned how to sell her services. And she had saved enough for retirement.

"I was ready to run a business," she said.

With about \$50,000, she launched The Great Ridge Co., which helps small businesses not only with their computer and information systems, but also with broader issues, such as marketing strategy and new product development.

"I really want to help people grow their busi-



Linda Hughes worked in the corporate world before launching her own technology and management consulting firm in 2009.

nesses," she said.

Her own firm, soon profitable, grew from a solo home-based operation to space in a communal office building that shares receptionists and other services. Besides herself, she keeps eight to 10 other "corporate refugees" working on projects for various clients.

"I'll probably add a couple of people next year," she said, but "I want to stay a small company."

Still, she's working many evenings and weekends — a change from her corporate days — and she was surprised at how long it takes some small businesses to decide to hire her firm. "I had to adjust my whole forecasting model," she said.



Former InterContinental Hotels executive Eric Hardaway turned his attention to Fantastic Sams salons. He has franchise rights for three locations. *Vino Wong* vwong@ajc.com

Bringing on a partner

Eric Hardaway, 59, invested about \$150,000 to open a Fantastic Sams hair salon this month at the Town Brookhaven shopping center in Atlanta.

He figures he's put together a solid venture by getting expert help from the Boston-area franchise firm and by recruiting Lewis Quarterman, a stylist with a loyal clientele, and offering him a potential stake in the business.

"My long-term vision is I want to own 10 of these things," said Hardaway, who currently has franchise rights to open three locations.

Hardaway had been a vice president at InterContinental Hotels, where he oversaw the luxury chain's 200-employee computer systems help desk. But when the company moved the operation to the Philippines, his responsibilities with-

"Even though there's risk, I think the reward will be much greater at the end of the day."

Eric Hardaway
Fantastic Sams salon owner

ered.

He left the company in 2009, even though a job he thought he had lined up at another firm disappeared with the sinking economy.

At InterContinental, Hardaway had worked with hundreds of owners of the company's hotel franchise locations. "I had a pretty good feel for how the franchising model or concept works," he said.

He started looking at various franchisors of dry cleaners, restaurants and other businesses.

After some starts and stops, he worked out a plan with Quarterman, whom he had known for years from working out at the same gym.

Quarterman, who could eventually own a large stake in the venture under their agreement, is in charge of the day-to-day operation of the business. Hardaway will oversee marketing and expansion plans.

"There's no guarantee that I'm going to win at this thing," he said. "Even though there's risk, I think the reward will be much greater at the end of the day."

Hardaway hedged his bets. He landed a sales job last year as national accounts manager of a seven-state territory for Rollins Inc., the Atlanta pest control company that owns Orkin.

"I'm just excited and bubbly and full of energy," he said.



Dan Meehan went to work for himself when he bought a pool service franchise from a company based in Macon. *Vino Wong* vwong@ajc.com

Building his clientele

Dan Meehan, now 62, had been in sales for decades, working for IBM, Honeywell, technology start-ups and recruiting firms.

Still, he remembers how few calls came in at first when he started his pool service in 2009. He would drive around in his new Toyota pickup loaded with pool equipment and search satellite images on his cell phone, looking for homes with backyard pools where he could leave fliers.

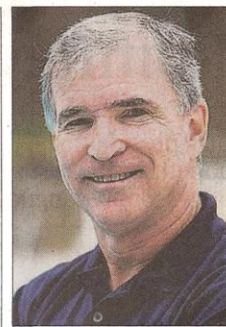
He had chosen the pool franchise, through Macon-based America's Swimming Pool Co., because he wanted to limit his risk by getting help setting up his business, and by keeping his investment relatively small.

"You have to take into account the possibility of total failure," he said. "When you're 59, you have to recognize there's not a lot of bouncing back to go."

Even as a lifelong salesman, he added, he had to carefully weed through the various franchise firms' pitches. "Some of it was pretty high-pressure," he said.

After visiting the pool franchise's owners, however, Meehan and his wife agreed they had found the right business.

"They were the guys that ran the business," Meehan said. "They told me the first year is very hard. They told the truth. The first year was very hard."



Meehan, who had worked in sales, recalls that "the first year was very hard," but his business has since turned a profit.

But these days, Meehan is proud of how much progress he has made. Since buying the truck and investing another \$50,000 in the business, he has added one employee and a second truck, and expects to do the same next spring. He turned a profit the second year, and has more than tripled his revenues and customer base since his first year.

It's "very time-consuming," he said, because he works five days a week running the business, then spends the week-ends catching up on paperwork.

Still, he added, it's a "very gratifying feeling" to build a business from scratch.

"I'm not about to retire now," he said. "More than ever I enjoy getting up. ... I'm enjoying the ride."