

# **Division of Vocational Rehabilitation (DVR) Technical Specifications: Self-Employment Services (Effective October 1, 2013 to June 30, 2014)**

Self-Employment Services are a category of services intended to assist a DVR consumer in making an informed choice about whether or not to pursue self-employment, and then guide a consumer through the process with assistance in completion of required steps. DVR and other knowledgeable individuals will help to gather important information about the DVR consumer and business. It is suggested that these services be used together with the Self-Employment Toolkit. Expected service timeframes have been developed and are intended to keep the consumer moving through the self-employment process. These timeframes should be adhered to as much as possible unless agreed to by all parties. There will be some differences in completion times for each step based on the individual needs of the business and the DVR consumer. Prior to authorization of any Self-Employment Services, the DVR consumer should have completed the Entrepreneur Readiness Assessment and the Business Assessment Scale.

## **Services provided:**

### **Feasibility Services**

- **Preliminary Feasibility Determination Report and Review meeting(s)**
- **Feasibility Analysis Report and Findings Meeting**

### **Business Plan Development Services**

- **Initial Business Plan Meeting and Report**
- **Final Business Plan and Review Meeting**
- **Business Plan Follow-up Report, and/or Meeting**

## **Referral Process:**

1.) Consumer and Counselor meet and discuss service to be provided and responsibilities and roles of each party. Consumer makes a choice of provider available using standard information. Note: Consumer may elect to conduct research prior to selection of service provider with assistance from DVR.

2.) Counselor/DVR staff contact service provider. Information required at time of authorization: consumer name, IRIS case number, phone number, contact information, written description of reason and purpose for authorization, Entrepreneur Readiness Assessment and Business Assessment Scale (BAS) results or other completed assessments, any special accommodation needs, preferred communication/learning style and any specific questions or concerns to address. Service is authorized.

3.) Service is scheduled with DVR consumer, employer and service provider, service takes place and report(s) are provided.

## **Reporting/Billing Requirements:**

The services and reports meeting the technical specifications should be completed within five (5) days of completion of the last meeting with the consumer or completion of the report. DVR will pay the applicable fees for upon completion of an acceptable report. Payment for meetings is included in the fee provided unless otherwise indicated.

## FEASABILITY SERVICES

### Preliminary Feasibility Determination Report and Review Meetings

The purpose of the Preliminary Feasibility Determination is to complete a preliminary review of the proposed business. This assessment will identify any initial concerns with the feasibility of the proposed business and provide recommendations as to if DVR should proceed with having a Feasibility Analysis completed. It is expected that the consumer be an active partner through this process.

#### Required Service Elements:

The Preliminary Feasibility Determination takes part in three steps:

- 1.) An *Initial meeting* with the consumer, counselor, and business consultant to share information.
- 2.) A *Preliminary Feasibility Determination Report*
- 3.) A *findings meeting* with the consumer, counselors, and business consultant to review the Preliminary Feasibility Determination Report, discuss findings, related recommendations, and identification of next steps.

The **Initial meeting** should include:

- An overview of the proposed business idea by the consumer
- Discussion of the counselor's determination that the consumer was ready to be an entrepreneur. DVR should provide a copy of the consumer's IRIS Entrepreneur Readiness Worksheet, Entrepreneur Readiness Questionnaire, and Business Assessment Scale.
- Discussion of hour's consumer anticipates working.
- Discussion of DVR Self-Employment Fee schedule
- Discussion of expectation that business bring in equivalent of gross minimum wage for hours worked
- Discussion of any accommodations/ assistive technology that could assist consumer in the business planning and running of the business
- Discussion of Preliminary Feasibility Determination Report, including: review of required reporting items (see below), plan for completion, assignments/tasks consumer needs to complete and timeframes for completion.
- A date established for the Findings meeting.

After this meeting the business consultant will issue a **Preliminary Feasibility Determination Report** to DVR and the consumer within a maximum of 30 business days.

#### Required Reporting Elements:

- Description of consumer's proposed business idea
- Preparedness of the consumer to own and operate the business (preparation and research they have done, training they have completed, etc.)
- Outcomes of assignments and initial research completed (provide sources of information as applicable)
- Critical success factors in comparable businesses
- Level of activity that would need to occur for business to bring in equivalent of gross minimum wage for anticipated hours worked
- Initial indicator of feasibility

- **Green Light**- Initial research and findings suggest the proposed business is feasible and would recommend proceeding with Feasibility Analysis. Provide overview of items supporting decision and any recommendations.
- **Yellow Light**- Initial research and findings suggest the proposed business may be feasible. Provide overview of items supporting decision, items needing further consideration before proceeding with Feasibility Analysis, and any recommendations.
- **Red Light**- Initial research and findings suggest the proposed business would not be feasible. Provide overview of items supporting decision, items needing further consideration, and recommendations.

After the report is completed the consumer, counselor, and business consultant are to have a **Findings Meeting** to discuss the completed assessment, initial indicator of feasibility, and recommendations. Next steps for how best to proceed in the case should be identified.

If it is determined appropriate to proceed with the Feasibility Analysis, a plan for completion should be developed at this meeting, including: review of reporting requirements (see below), specific assignment/tasks consumer needs to complete with timeframes, and points of contact that should occur during this process. There should be time built in to allow for further study and research.

### **Feasibility Analysis Report and Meeting(s)**

The purpose of the Feasibility Analysis Report is to determine if the consumer's proposed business idea is a viable business venture and to assist DVR in determining if it should support proceeding to business plan development. The study should research, investigate, analyze and identify reasons to proceed or not to proceed. It should provide quality information to assist the consumer and DVR in decision making. It is expected that the consumer is an active partner through this process.

If not developed previously, a plan for completing the feasibility analysis should be developed between the business consultant and consumer including: review of reporting requirements (see below), specific assignment/tasks consumer needs to complete with timeframes, and points of contact that should occur during this process. There should be time built in to allow for further study and research.

### **Required Service Elements:**

The business consultant and consumer will work to research, investigate and analyze information needed to complete the feasibility analysis. The consumer, counselor, and business consultant should have points of contact during this process as planned and needed. A date should be established for the findings meeting. The business consultant will compile findings into a final Feasibility Analysis Report.

**Required Reporting Elements:**

The business consultant will issue a **Feasibility Analysis Report** to DVR within 60 business days. If more time is needed it should be agreed to by the consumer, counselor, and business consultant.

The following areas are to be addressed in the report. For each area, as appropriate, identify the source(s) of information used and enough information should be included to substantiate claims made. Additional information can be included as needed. If a specific bullet point is not addressed, provide an explanation of why it has been omitted in the report.

**Business Description**

- Description of service or product
- Overview of concept, background, and market industry

**Operational Analysis**

- Qualifications/ skills in field and/or business operations
- Skill deficiencies and recommendations to address
- Equipment/ supplies needed
- Licenses and/or permits needed and required insurance(s)
- Facilities
- Daily operation of business (hours of operation, who will complete task- bookkeeping, marketing, sales, etc.)
- Employees/ managerial needs
- Phase-in schedule of business elements (accounting, space, etc.)

**Market Analysis**

- Target market- demographics, location, geography
- Market size- now and future, value of market
- Market demand and value for service/product
  - Test market if appropriate
- Competition- direct and indirect (include name, location, estimated annual revenues, market share performance/penetration)
- Market share estimates
- What does it take to succeed in industry or what makes competitors successful
- Competitive advantage
- How will business be marketed-first six month detail and costs

**Financial Analysis**

- What the business needs to bring in equivalent of gross minimum wage for anticipated hours of work-Successful Employment outcome requirements.
- Start-up Costs (first 6 months)
- Recommended schedule for phases of purchase/attainment of required start-up items
- Forecast gross revenue

- Cashflow needs
- Projected profit/loss for first five years
- Projected breakeven point
- Identification of potential funding sources
- Accounting plan to include roles and responsibilities for operational use of plan

### **Summary of Findings**

- Potential barriers or items needing consideration for each section
  - Including the ability of the consumer to meet DVR Self-Employment fee schedule requirements and the ability of the business to bring in equivalent of gross minimum wage for anticipated hours worked and method of verification.
- Indicator of Feasibility
  - **Green Light-** Research and findings suggest the proposed business is feasible and would recommend proceeding with business plan development. Provide overview of items supporting why feasible and any recommendations.
  - **Yellow Light-** Research and findings suggest the proposed business may be feasible. Provide overview of items supporting decision, list items needing further consideration before business would be feasible, and recommendations.
  - **Red Light-** Research and findings suggest the proposed business is not feasible. Provide overview of items supporting decision, items needing further consideration, and recommendations.
- Additional Comments as needed.

The purpose of the **Feasibility Analysis Findings Meeting** is for the consumer, counselor, and business consultant to meet and review the findings of the Feasibility Analysis together. This meeting will allow for discussion regarding the findings, answering of any questions or concerns, and for next steps to be identified as needed.

The meeting should include discussion regarding:

- Business idea
- Operational Analysis-How prepared is the individual to operate the business
- Marketing Analysis
- Financial Analysis
- Information on similar businesses
- Outcomes meeting DVR definition of successful case closure and outcome.
- Any suggestions to additions for accounting or marketing plans.

## **BUSINESS PLAN DEVELOPMENT SERVICES**

### **Business Plan Development Initial Meeting and Action Plan**

The purpose of the initial meeting is for the consumer, counselor, and business consultant to meet and develop an action plan for completing the business plan. A report will be issued within 10 days of the meeting.

#### **Required Service Elements:**

Together at the meeting, all parties will review the required business plan reporting elements and develop an action plan.

#### **Required Reporting Elements:**

Within 10 business days the business consultant will issue an action plan to the consumer and DVR outlining:

- Assignments/tasks consumer needs to complete
- Schedule for contact to be made with all parties during the process
- Suggested timelines or calendar for completion
- Identification of resources and previous information to be used
- Schedule for completion. The approved feasibility study should be used to help complete the business plan.

### **Business Plan Development, Final Plan and Review Meeting**

The purpose of the business plan is to outline, plan, and evaluate the entire business and judge its potential for success. It is essentially the new business's road map. A comprehensive and well-researched business plan is required for DVR's review and approval **prior** to DVR support of a consumer's proposed business.

#### **Required Service Elements:**

This service will include the development of the business plan by the consumer with guidance from the business consultant as outlined in the initial meeting report. The consumer is to be an active participant in its development. The previously developed and approved feasibility study will be used to complete the business plan.

When the report is completed a face to face review meeting will be held. At the face to face meeting, to the extent possible the consumer should facilitate and lead the meeting with technical assistance from the provider. The consumer will be asked to present this plan for multiple audiences and must be able to explain the details contained in the plan. This meeting will allow for discussion regarding the report, answering of any questions or concerns, identifying any areas needing further clarification, and next steps to be identified if applicable. As part of this meeting the financial portions of the plan should be walked through to make sure they understood by everyone.

#### **Required Reporting Elements:**

The completed business plan, issued by the business consultant, and the face to face business plan review meeting should be completed within a maximum of 90 days. If more time is needed it should be agreed to by the consumer, counselor, and business consultant.

The following areas are to be addressed in the report. For each area, as appropriate, identify the source(s) of information used and enough information should be included to substantiate claims made. Additional information can be included as needed. If a specific bullet point is not addressed, provide an explanation of why in the report.

If consumer will be providing one or more in-kind contributions, present market value should be listed in the business plan.

## **Title Page**

## **The Executive Summary (brief summary of the entire business plan)**

## **The Business Description**

- The Business
- Business History
- Form of Ownership
- Ownership Interest
- Industry Trends
- Background Information About the Owner(s)

## **The Marketing Plan**

- Products and Services
- The Target Market
- Business Location
- Competition
- Advertising and Promotion Strategies to include the first six month detail and costs

## **The Operations Plan**

- Inputs
- Facilities
- Operating Costs
- Licenses, Permits, Zoning, Insurance, Tax Number, Corporation Status
- Capital Equipment
- Production Methods
- Management Methods
- Employees if applicable
- Outside Services

## **The Financial Plan**

- Need for and Sources of Cash
- Equipment List
- Income Statement
- Break Even Analysis, including DVR outcome definition
- Cash Flow Statement
- Balance Sheet (or Personal Financial Statement)
- Supporting Documents (optional)
- Accounting plan including roles and responsibilities for operational use of plan

## **Attachments**

- Resume
- Other documents as needed

## **Business Plan Follow-up Report, and/or Meeting**

A completed Business Plan is required before a follow-up report, and/or meeting can be authorized by DVR. This service can be authorized when a question is raised regarding the business or a portion of the business, more information is needed in order to make a decision in regards to the business, or the business consultant is requested to attend a DVR Business Plan Review Team meeting. This may occur prior to or after the approval of the business plan by DVR.

### **Required Service Elements:**

Based upon the specifics of the case and what is being requested the consumer, counselor and business consultant will together determine a plan for completing needed items, assignments/tasks consumer needs to complete, timeframes for completion, and if a meeting is needed.

### **Required Reporting Elements:**

The business consultant will issue a report within five business days of the conclusion of the last contact with the consumer or meeting. If more time is needed it should be agreed to by the consumer, counselor, and business consultant. The report should, as appropriate, identify the source(s) of information used and enough information should be included to substantiate claims made.

## Expected Service Timeframes

### Self-Employment Services

Expected service timeframes have been developed and are intended to keep the consumer moving through the self-employment process. These timeframes should be adhered to as much as possible unless agreed to by all parties. There will be some differences in completion times for each step based on the individual needs of the business and the DVR consumer.

<b>Feasibility-</b> Preliminary Feasibility Determination Initial Meeting and Report	1.) An Initial meeting within 30 days of authorization 2.) A Preliminary Feasibility Determination Report within 60 days of authorization 3.) A findings meeting within 90 days of authorization-Total timeframe 90 days
<b>Feasibility-</b> Analysis Report and Findings Meeting	Report completed within 60 days of authorization
<b>Business Plan Development-</b> Initial Meeting and Report	Meeting to take place within 30 days of authorization, Action plan completed within 10 days of meeting
<b>Business Plan Development-</b> Final Plan and Review Meeting	Report completed within 90 days of authorization, meeting to take place as soon as possible after the report is issued.
<b>Business Plan Follow-up-</b> Report, and/or Meeting	Report due within five business days of the conclusion of the last contact with the consumer or final meeting