



2011 Info-Entrepreneur Report: insights on information businesses

Mary Ellen Bates
Bates Information Services
September 2011

BatesInfo.com/2011survey



2011 Info-Entrepreneur Report

- About the survey
- Cut to the chase
 - What do established info-entrepreneurs look like?
 - How much do people make?
 - Can I do this part-time?
 - Do I need an MLIS?
- Other details of info-entrepreneurs
- Advice to new info-entrepreneurs
- What could help your business the most
- What next?
- About Mary Ellen Bates
- Appendix



About the survey

Anonymous survey of Full members of the Association of Independent Information Professionals (aiip.org)

Survey conducted July 6-22, 2011 via SurveyMonkey

355 email invitations sent out, 1 email follow-up; 137 responses – a 39% response rate



Cut to the chase...



What do established* info-entrepreneurs look like?

They average 41 hours/week

They are age 50-59 (51%) or 60-69 (38%)

85% have a graduate degree, including:

MLS/MLIS (43%)

MBA (15%)

They had already worked for 15+ years before starting their business

*Full-time business, 5+ years in operation



How much do people make?

It depends on how you ask...

Revenue is the total amount of money brought in to a business. Out of this come direct expenses, overhead and your salary or profit.

Income is the amount of money left over, after all expenses have been paid. Income, in this context, includes the salary you pay yourself plus any other money you have after expenses.



How much do people make?

It depends on who you ask...

More than a quarter of established info-entrepreneurs have a profit of at least \$90K/year, and over 40% have a profit of at least \$60K/year

70% of info-entrepreneurs in their first 3 years make under \$20K a year.



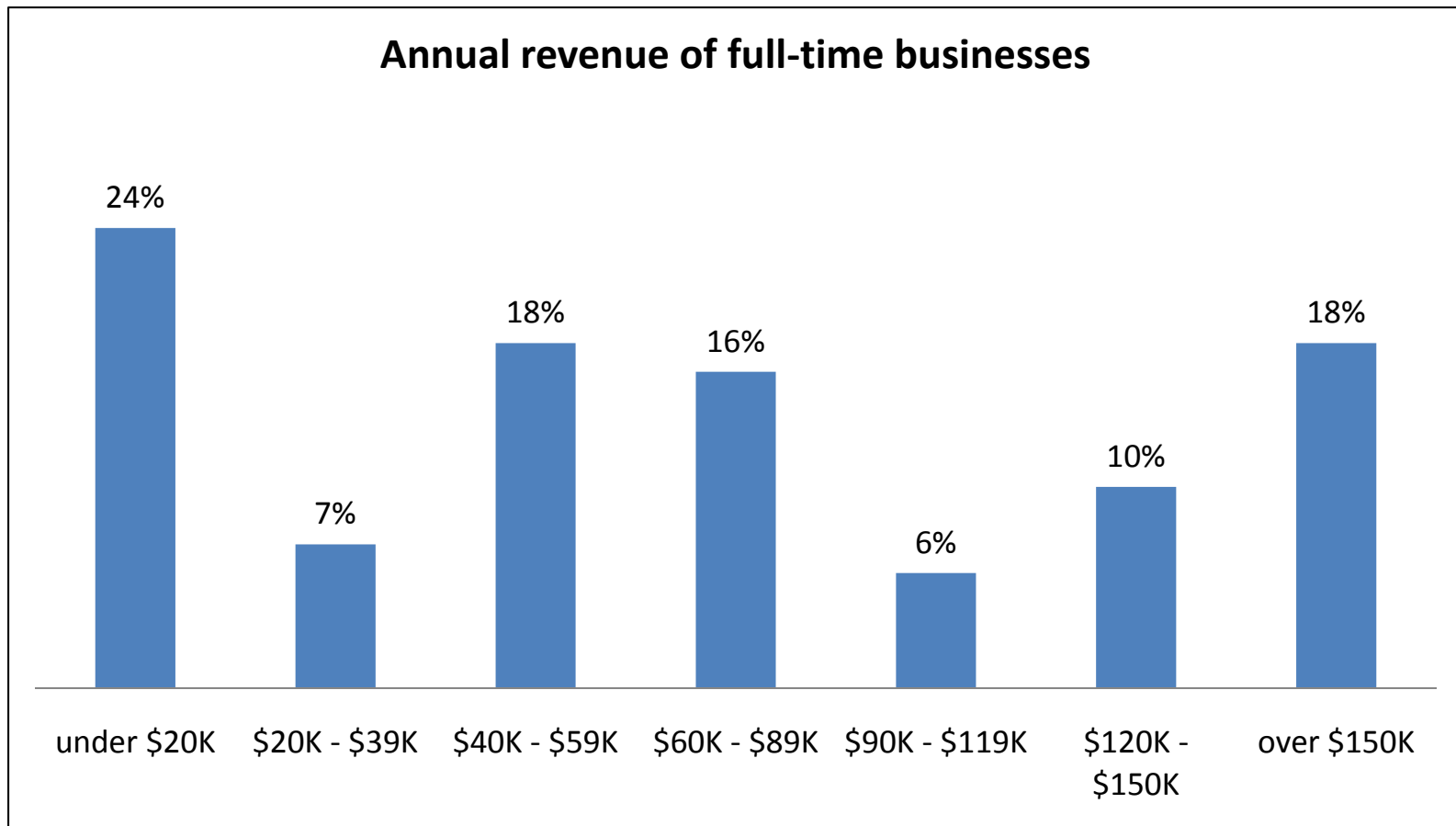
How much do people make?

Following are charts showing revenue and profit for information businesses.

The first set of graphs applies to full-time businesses; the second set applies to businesses that self-identify as part-time.

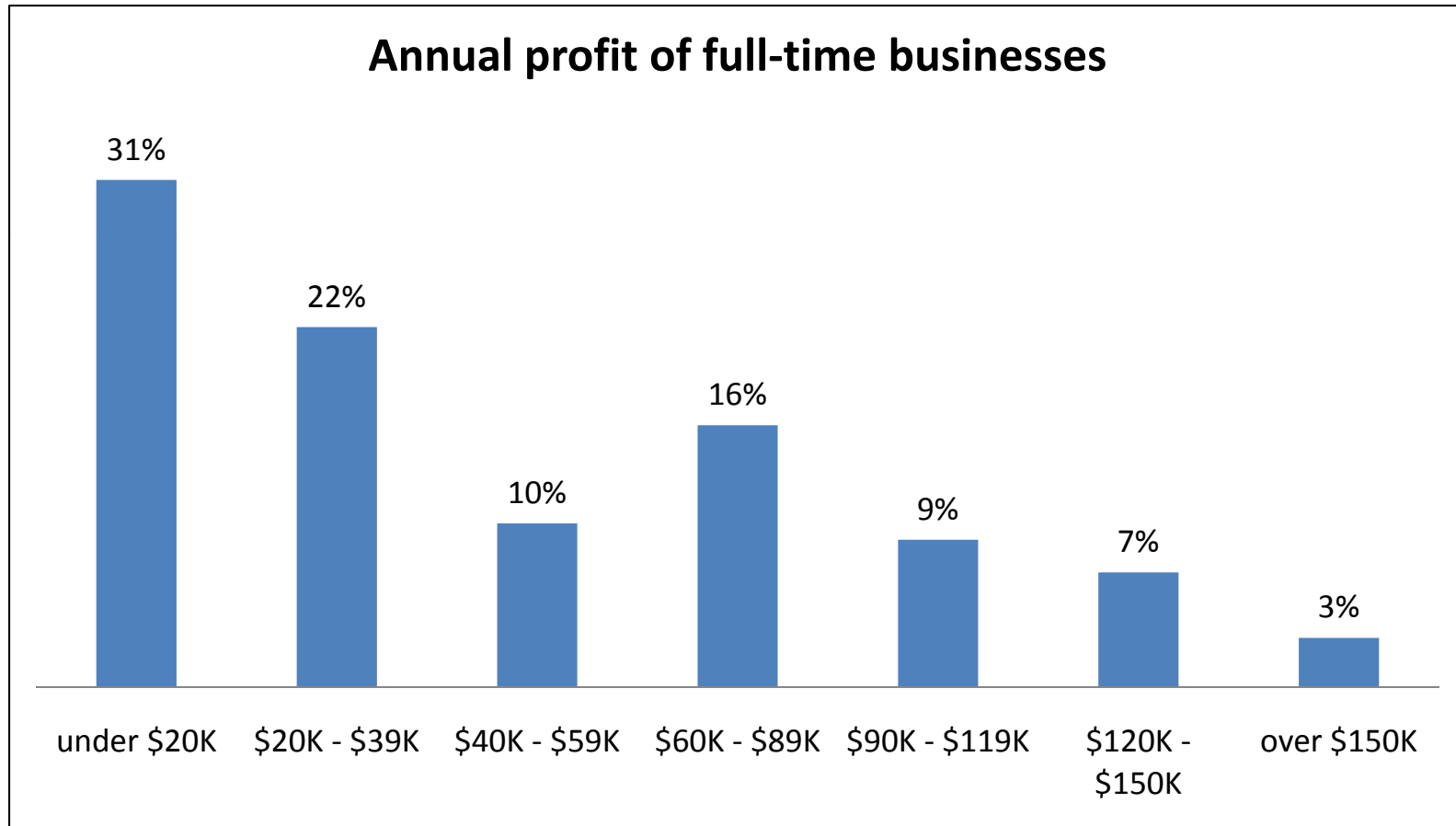


What's the annual revenue of a full-time business?



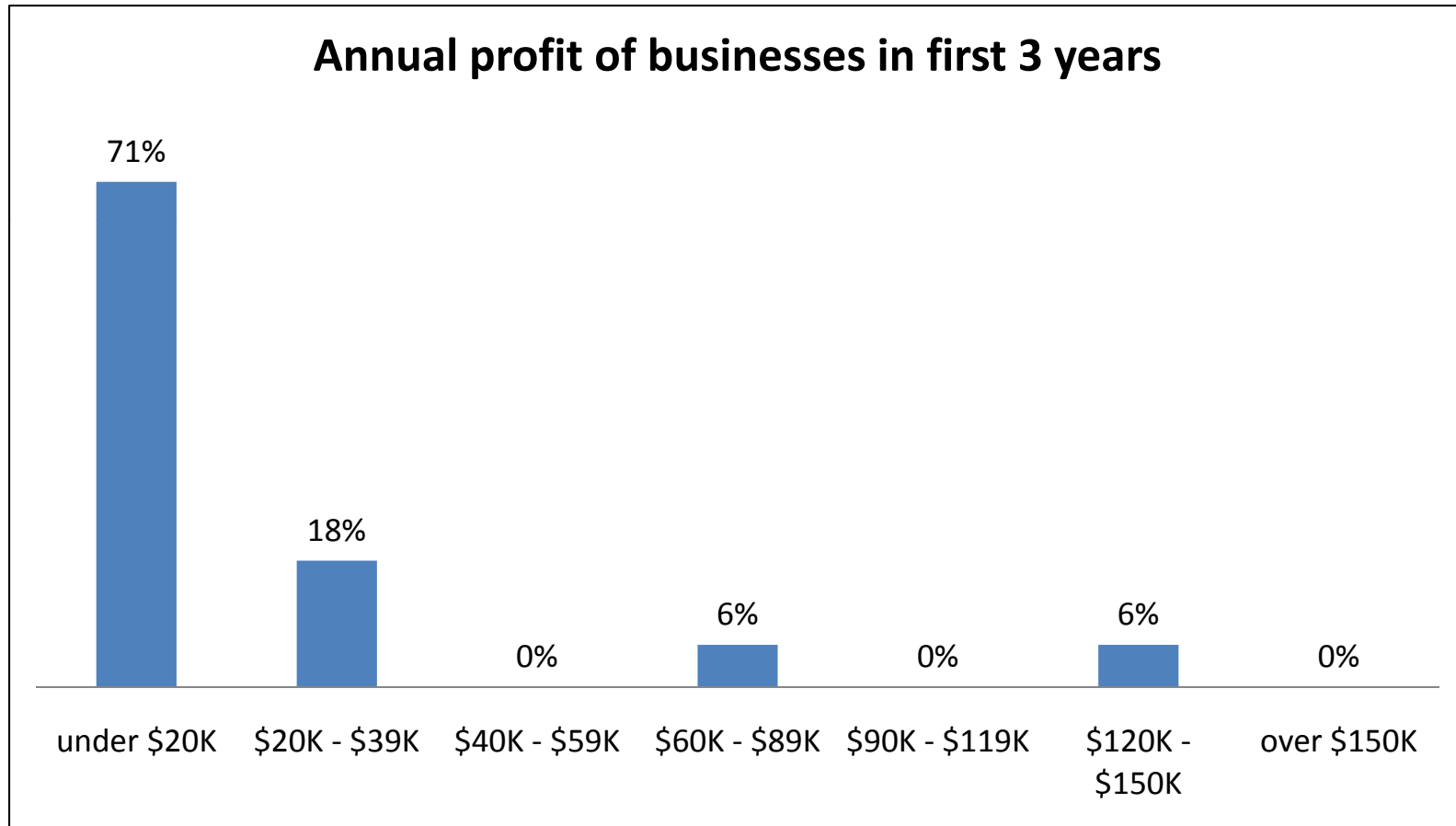


What's the profit of a full-time business?



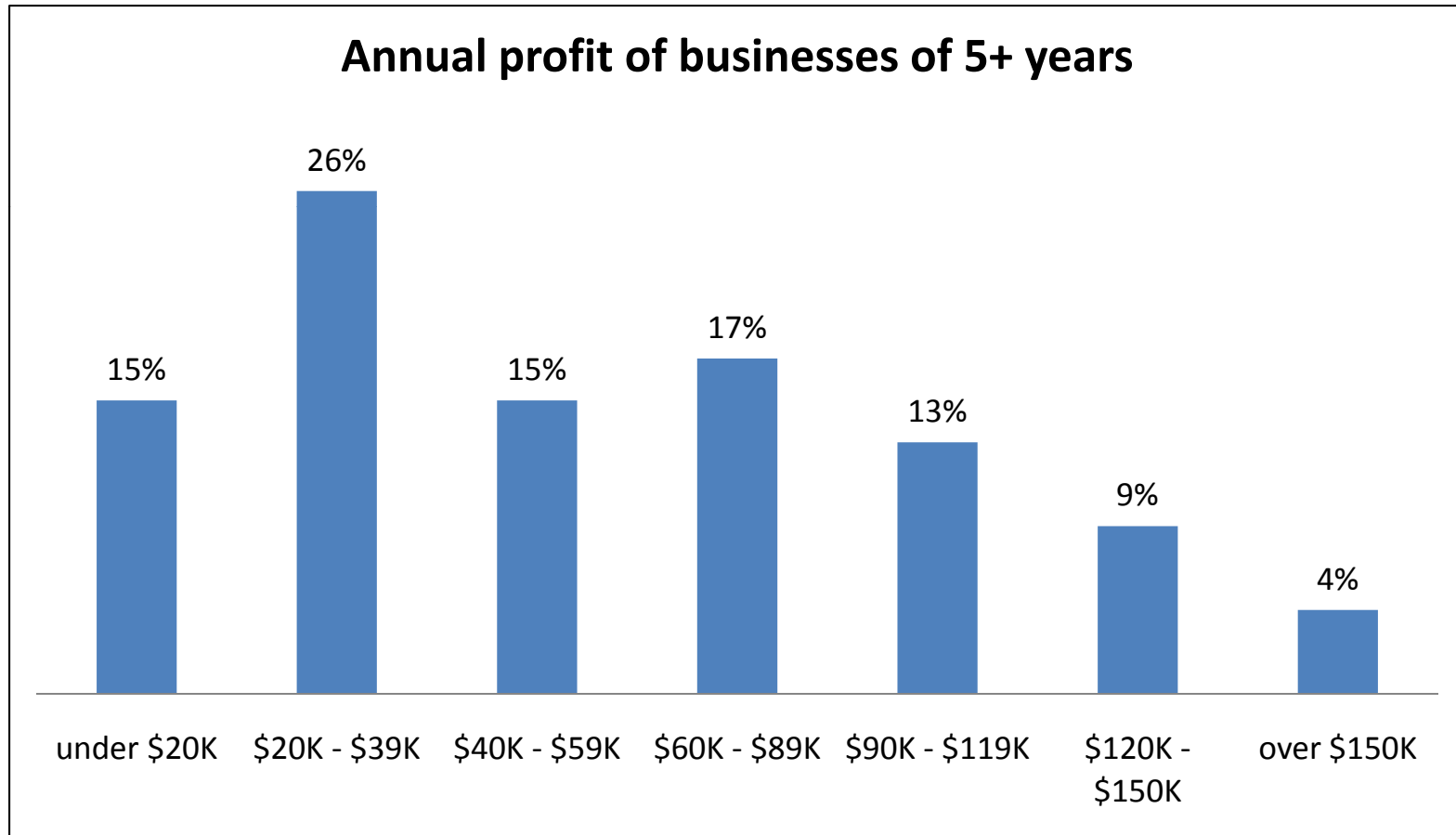


What's the profit of full-time businesses in the first 3 years?



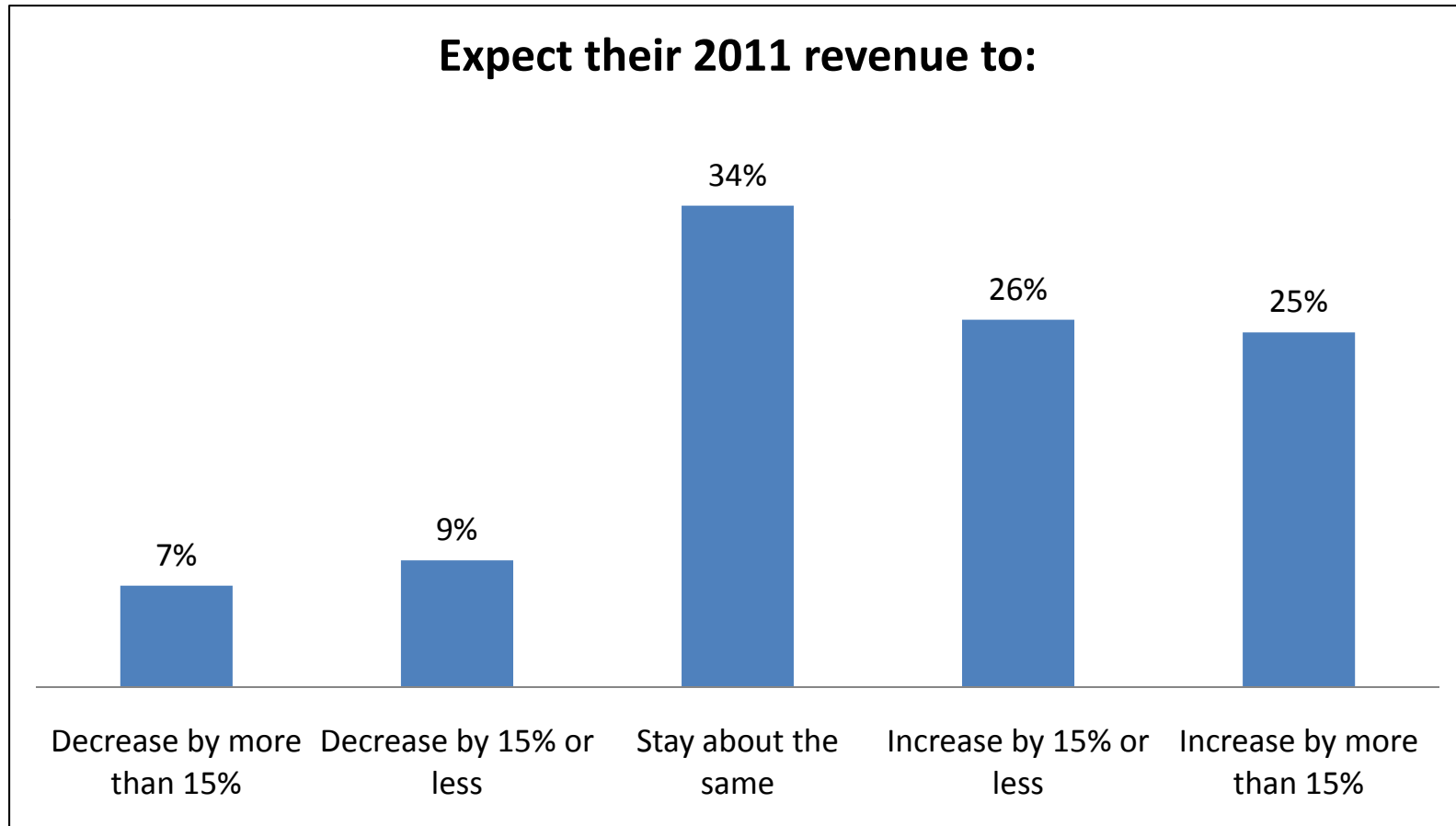


What's the profit of full-time businesses of 5+ years?





What do you expect for 2011?





Take-aways

Most businesses do not show much of a profit for the first three years. By the five-year mark, almost half the businesses have profits of \$60K or more.

Info-entrepreneurs are optimistic about their revenue for 2011; half expect their revenue to increase and another third expect to maintain their current revenue.



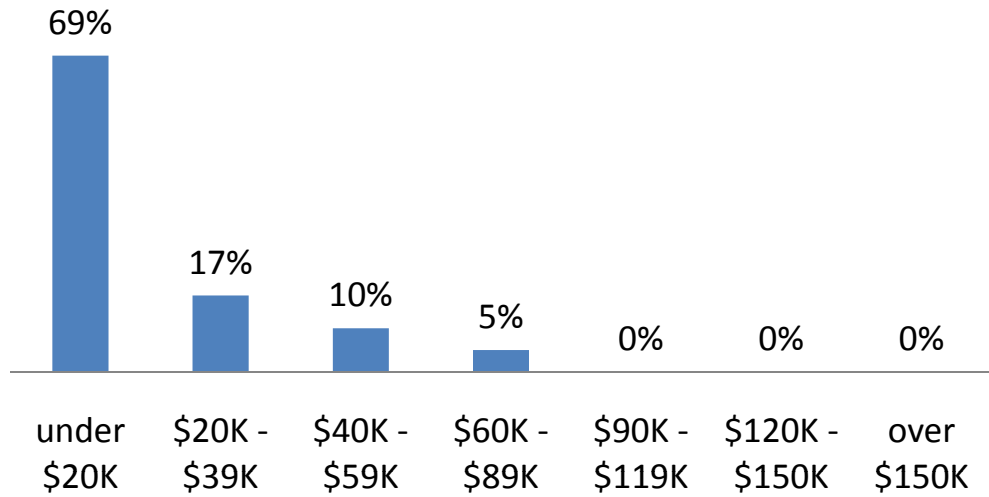
What about a part-time business?

A part-time business can be successful, depending on your expectation of revenue.

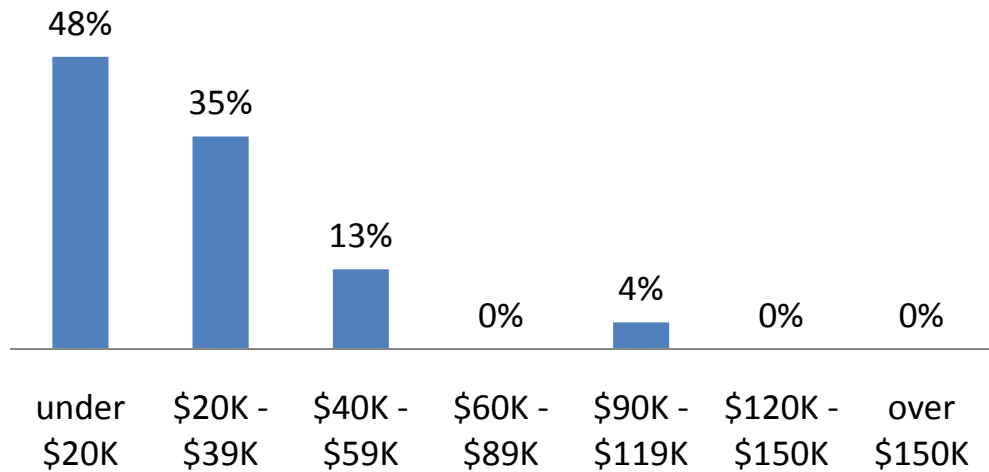
The more hours you put into the business, the higher your profit. The following four charts show what to expect, based on how many hours you work.



Under 30 hours/week annual profit

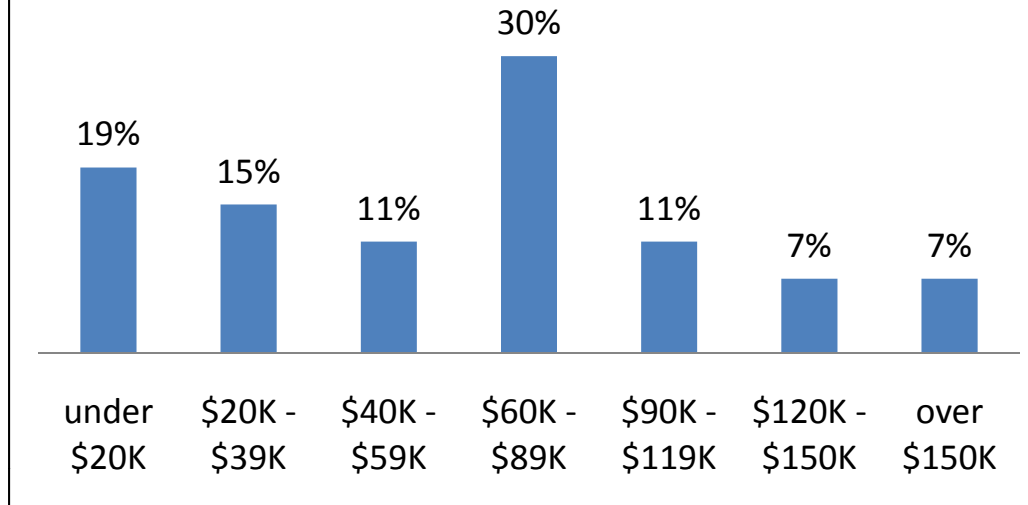


30-39 hours/week annual profit

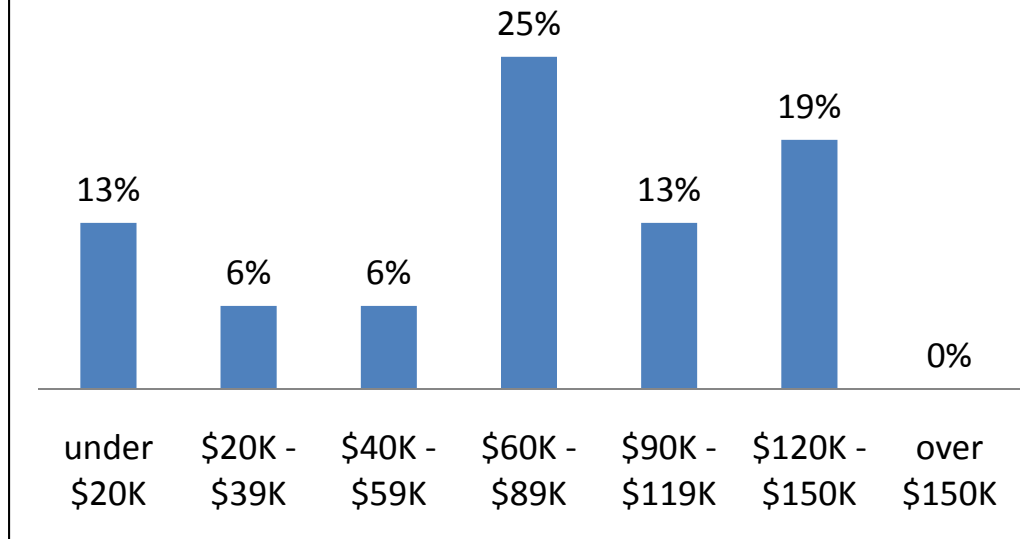




40-45 hours/week annual profit



46+ hours/week annual profit





What does a part-time business look like?

Part-time info-entrepreneurs work an average of 18 hours/week

They are age 50-59 (50%) or 40-49 (20%)

85% have a graduate degree, including:

MLS/MLIS (64%)

other graduate degree (29%)

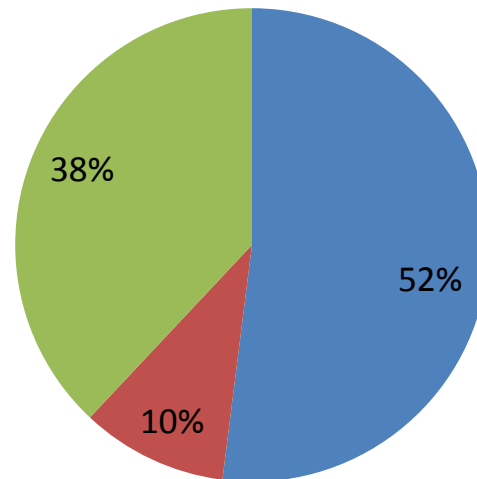
They had already worked for more than 15 years before starting their business



What does a part-time business look like?

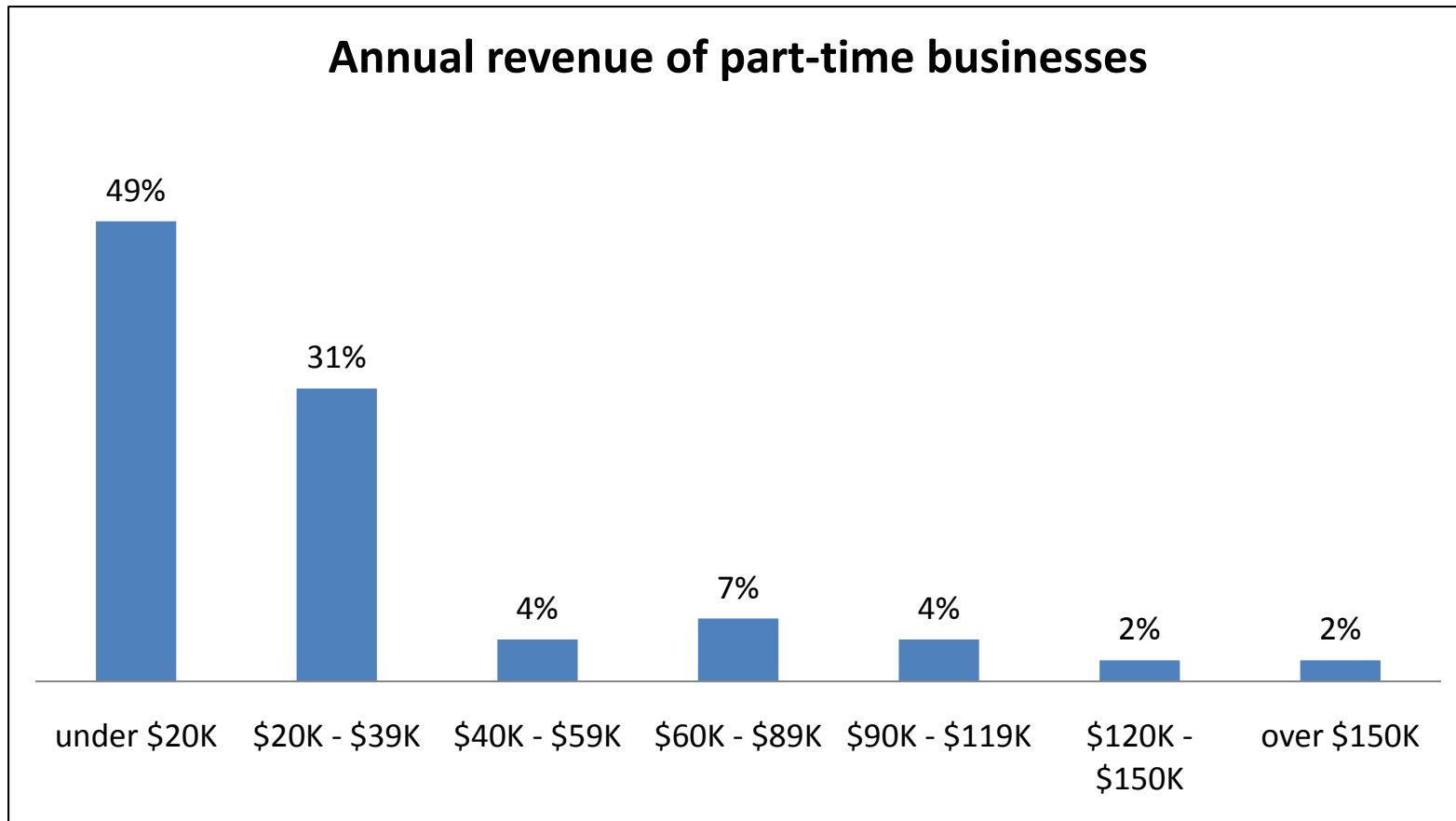
Do part-timers have another job too?

- a part-time job (and you do not work elsewhere)
- a part-time job (and you work full-time as an employee elsewhere)
- a part-time job (and you work part-time as an employee elsewhere)



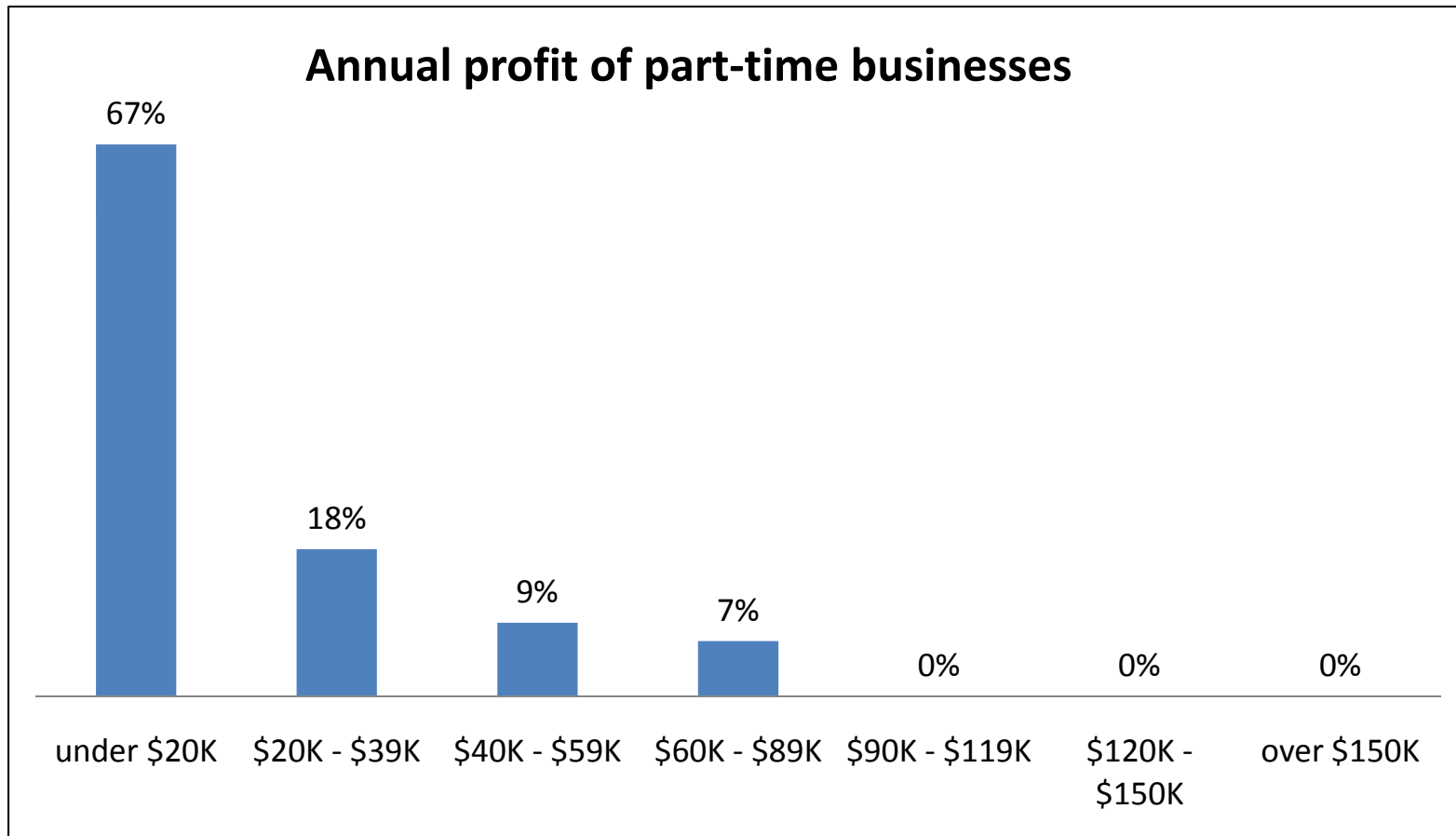


What's the revenue of a part-time business?





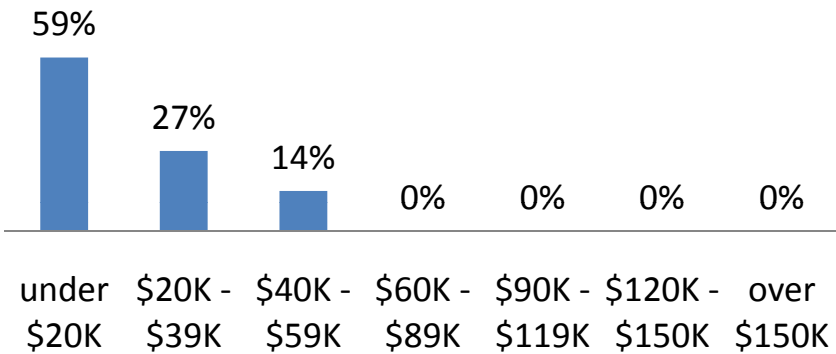
What's the profit of a part-time business?



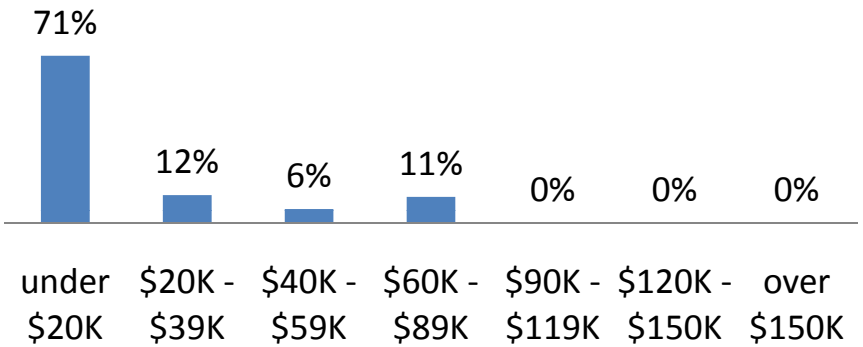


With or without another job?

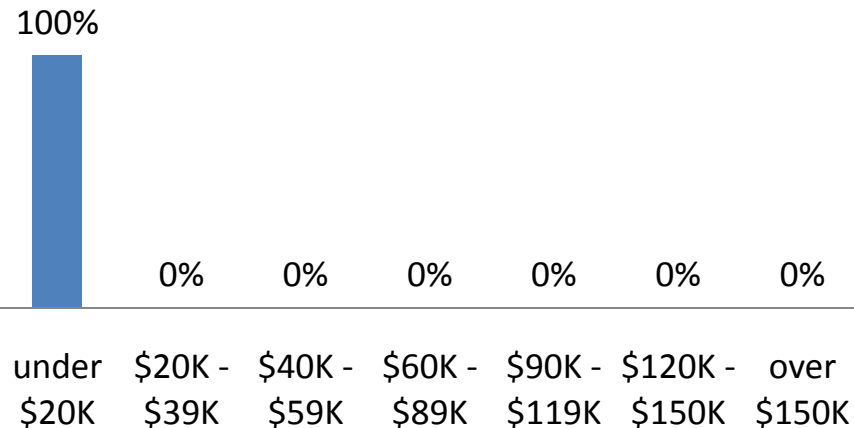
Part-time business, no other job



Part-time business, part-time job

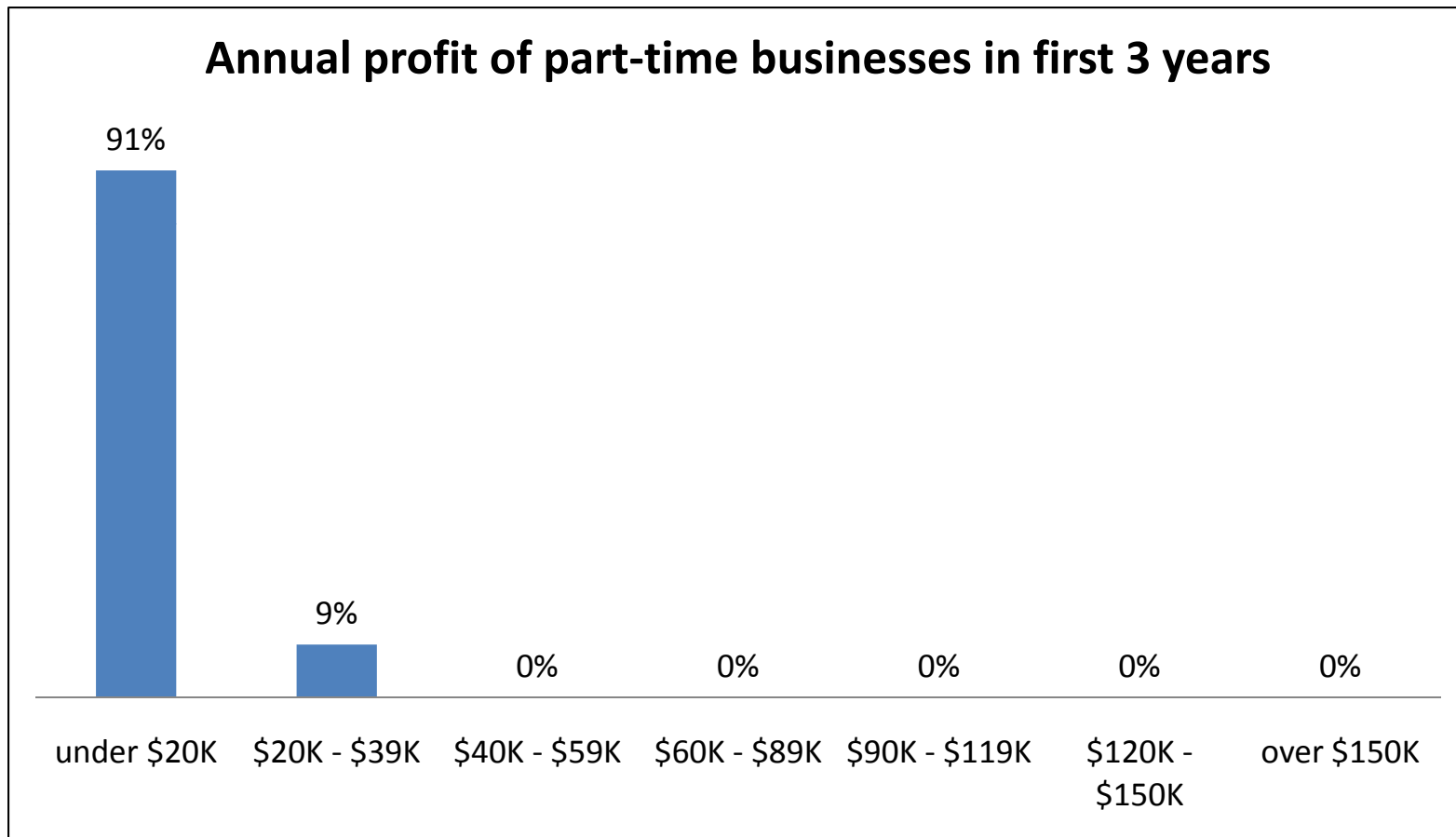


Part-time business, full-time job



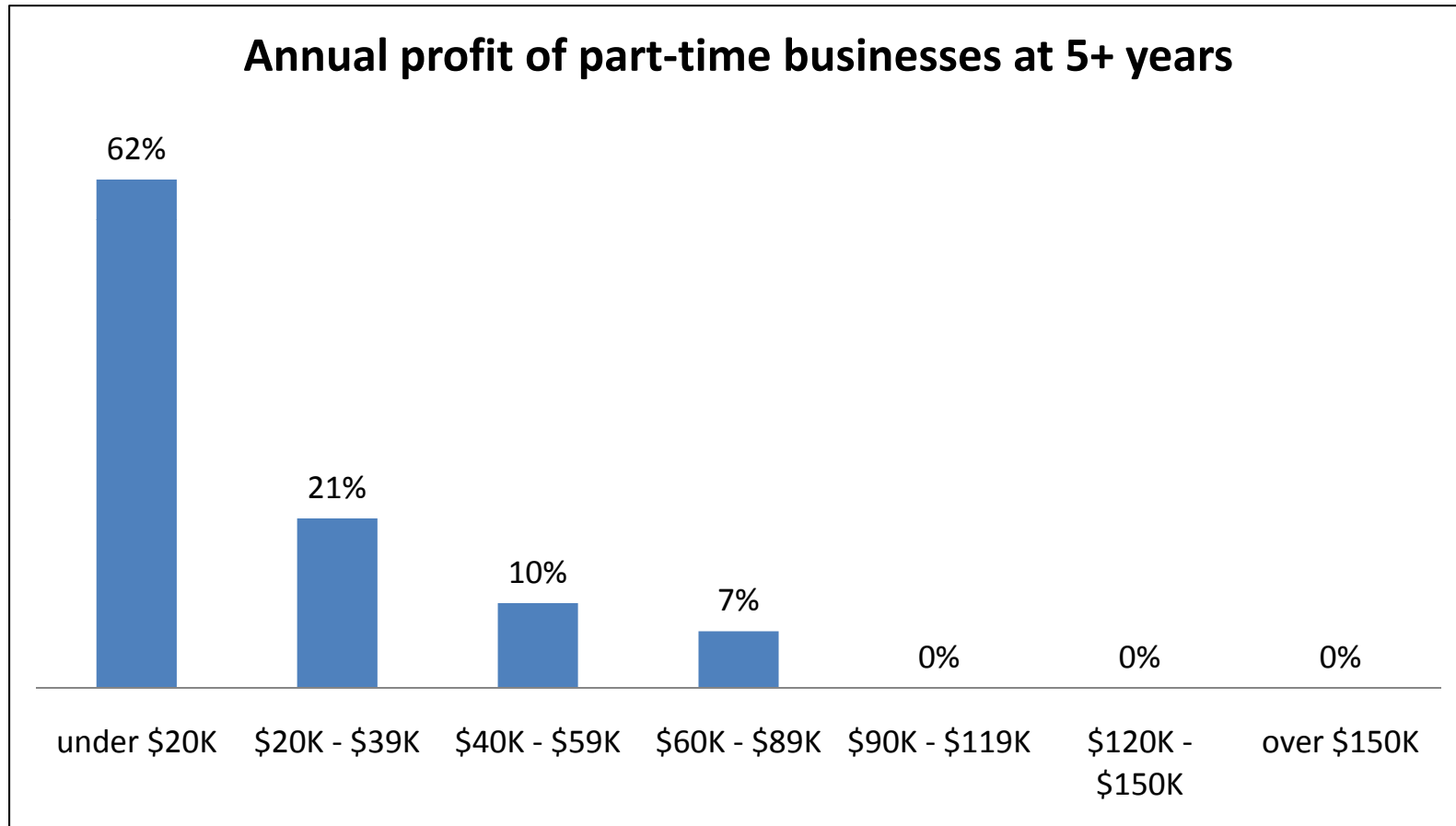


What about part-timers in their first 3 years?





What about part-timers after they are established?





Take-aways

Most part-time businesses show a profit of under \$20K a year.

Very few part-time businesses show a profit of \$20K or more in their first three years.



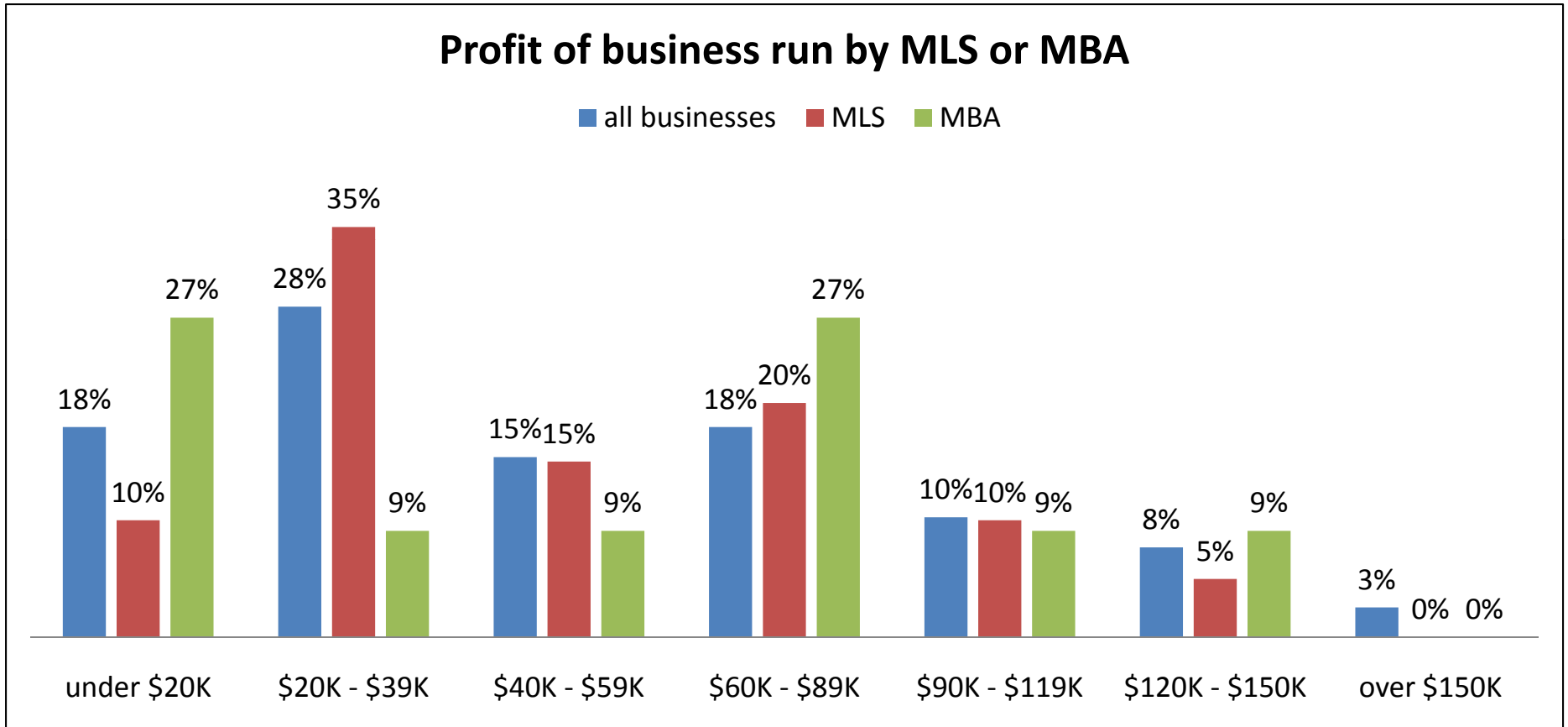
Do I need an MLS?

About 43% of established businesses* are run by people with an MLS or MLIS, and over half of all info-entrepreneurs have MLSs.

* Full-time businesses, in operation for 5+ years



Do I need an MLS, or an MBA?





Other details about info-entrepreneurs



Other details

Geographic breakout:

US: 80%

Europe: 9%

Canada: 7%

Australia/NZ: 4%

Average age: 50-59

Advanced degrees: 84% (55% have MLIS)

Average 17+ years of prior experience



Other details

60% have full-time businesses

18% have part-time businesses & are employed elsewhere

22% have part-time businesses & are not employed elsewhere

Format of business

50% sole proprietorship

30% LLC

17% corporation

3% other



Other details

Average hours/week for full-time business: 42

Average hours/week for part-time business: 18

95% have their office at home

90% have no employees

8% have 1-3 employees

2% have more than 3 employees

Half have used subcontractors in the last year



Advice to new info-entrepreneurs



Advice to new info-entrepreneurs

The survey asked respondents for their advice to aspiring info-entrepreneurs.

Their suggestions and comments have been aggregated and organized by general theme.



Advice to new info-entrepreneurs

Strategic

Choose an area that is as easy as breathing for you.

Marketing, business, accounting, irritating clients are all easier if the work is fun and comes naturally.

Find out what your prospective clients need before deciding what to specialize in.

Decide whether you want to run a business or simply be self-employed (i.e., do work for hire).



Advice to new info-entrepreneurs

Attitude

Don't give up. If you want to do it, you can!

Make up your mind that this is a full-time job and work on it as though you had no other option.

Hard work pays off- sometimes it takes a while, though.

Run it as a business - be businesslike, watch the numbers, hire help where needed, work hard - run it like a business.

Be confident! Be passionate! and the knowledge, expertise and clients will come.

Always keep learning new things - and without expectation of immediate reward.



Advice to new info-entrepreneurs

Attitude

Don't let the unknown scare you.

Listen to the positive, take advice from those who have gone ahead, and don't be dissuaded from taking your own path!

Marketing

Don't wait for the phone to ring. Get out and make the sales happen.

Work in an information job that helps you develop contacts.



Advice to new info-entrepreneurs

Marketing

Write articles and go to conferences before you start in business.

Even when you're busy, you have to market. All projects end sometime.

Networking is key; 100% of my new business comes from referrals; you have to get out there!

Figure out your target customers so you can focus your marketing efforts - be flexible as you learn.



Advice to new info-entrepreneurs

Clients

Focus on the client's needs. If you do a good job and do right by them, they will stick with you and also tell their friends.

Success comes from repeat clients. You only get one chance to turn a new client into a repeat client. So YOU are responsible for making sure you are better than the competition and that your work demonstrates it.

Never rely on one client, no matter how big and long-time a project (s)he offers.



Advice to new info-entrepreneurs

Financial

Be prepared for "feast or famine" while assuming you are going to work at least full time.

Get paid for all the work you do.

Learn to manage the peaks and troughs of independent working. Use the fallow periods to market yourself, for professional development and networking, and also relax and enjoy the free time when you have it.

Have money saved up or a supporting spouse. Even large initial clients can go away without notice.



Advice to new info-entrepreneurs

What are the common themes of the advice offered to info-entrepreneurs?

See the following word cloud, a visual representation of the frequency of individual words in all the suggestions. As you can see, it's all about business.



What would help your business
the most?



What would help the most?

The survey asked respondents to describe the one thing that would help their business the most. The following is a summary of where info-entrepreneurs feel an unmet need.



What would help the most?

Figuring out how to better manage deadlines and/or avoid feast/famine cycling

Knowing how to present a professional looking and thorough report to each client. Regular work - i.e., several clients wanting the same or similar jobs so I could predict income.

Gain more confidence talking with C-level executives

Refreshed approach to marketing

Cloning myself! Most of my clients would not give me the work if I didn't do it myself.



What would help the most?

More pay-as-you go commercial databases

I hate messing with IT and learning new technology.

The time to be creative in business strategy

A higher comfort level at networking

More time to market. It could be a full-time job!

Encouragement

Better financial organization



What would help the most?

More time to meet with people and learn their needs. I would also need to replicate myself to get more done.

Templates. Resource reviews. Best practices.

A better economy.

Knowing how to take my business to a new level to make it sustainable.



What would help the most?

What are the common themes of what info-entrepreneurs need in order to succeed?

See the following word cloud for info-entrepreneurs' concerns and notice that *marketing* was by far the most frequently-appearing word.



What next?

Are you considering launching your business?

Is your info business in its infancy?

Do you want to move your business up a level?

Do you want to raise your profits so you have more time for the rest of your life?

Do you want to find ways to *enjoy* marketing your business?



What next?

A thought leader and long-time info-entrepreneur, *Mary Ellen Bates* offers eTools, books, free newsletters, conference calls, and one-on-one strategic business coaching for new and long-time info-entrepreneurs. She is passionate about enabling her clients to succeed and create the business they want.

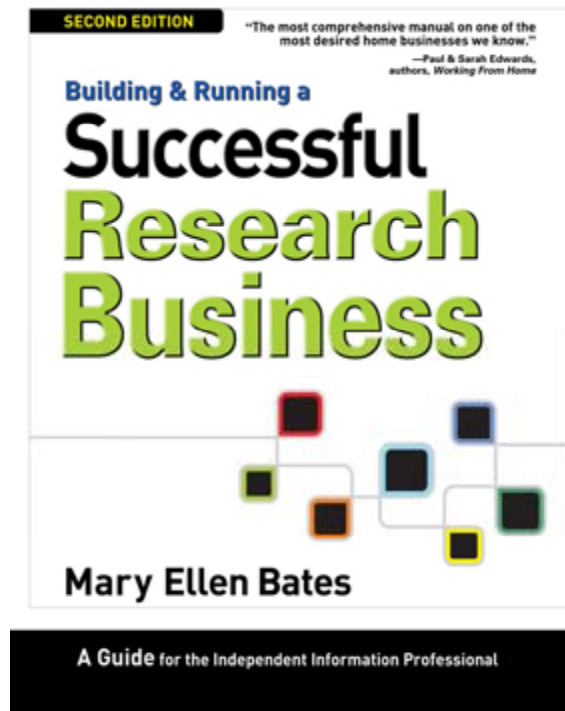
See her resources at **BatesInfo.com/store**

Learn about her coaching at
BatesInfo.com/coaching



Read the book

Mary Ellen wrote the book on info- entrepreneurship!



See BatesInfo.com/book for more info



Where to learn more

Web: **BatesInfo.com**

Blog: **LibrarianOfFortune.com**

Bates InfoTips: **BatesInfo.com/tips**

Info-Entrepreneur Tips: **BatesInfo.com/ie-tips**



How to connect with Mary Ellen

mbates@BatesInfo.com

+1 303 772 7095

Skype: **mary.ellen.bates**

Twitter: **mebs**

LinkedIn: **MaryEllenBates**

Facebook: **MaryEllenBates**



Appendix



Survey questions

Have you already started your information business?

(if answer is *no*, survey is ended)

1. In what year did you start your information business?
2. In what year did you join AIIP?
3. In what country do you live?
4. What is the structure of your business?

Sole proprietorship

Partnership

LLC

Corporation

Other (please specify)



Survey questions

5. Is your information business:
 - a full-time job
 - a part-time job (and you work *part-time* as an employee elsewhere)
 - a part-time job (and you work *full-time* as an employee elsewhere)
 - a part-time job (and you do *not work* elsewhere)
 - Other (please specify)
7. On average, how many hours a week do you spend at your information business?
8. Is your primary office space at home?
9. Do you have any employees *other than yourself*?
 - No
 - 1 to 3 employees (either full-time *or* part-time)
 - More than 3 employees (either full-time *or* part-time)



Survey questions

10. Have you used subcontractors in your information business at least once in the last 12 months?
11. What was your estimated *total revenue* (not net profit) for your information business in 2010? (US\$)
 - under \$20,000
 - \$20,000 - \$39,999
 - \$40,000 - \$59,999
 - \$60,000 - \$89,999
 - \$90,000 - \$119,000
 - \$120,000 - \$150,000
 - over \$150,000



Survey questions

12. What was your estimated *salary* (or profit, if you are a sole proprietor) for your information business in 2010? (US\$)

- under \$20,000
- \$20,000 - \$39,999
- \$40,000 - \$59,999
- \$60,000 - \$89,999
- \$90,000 - \$119,000
- \$120,000 - \$150,000
- over \$150,000

13. Do you expect to see your total revenue change in 2011?

- Increase by more than 15%
- Increase by 15% or less
- Stay about the same
- Decrease by 15% or less
- Decrease by more than 15%



Survey questions

14. Your age:

under 30

30-39

40-49

50-59

60-69

70 or over

15. What college degree(s) have you earned?

BA/BS MLS / MLIS or equivalent

MBA other master's degree

JD PhD

Other (please specify)



Survey questions

16. How many years did you work professionally before you started your information business?
17. The most important piece of advice you would give to an aspiring independent info pro is:
18. The one thing that would help your business the most is:

#



Interested in other ways to slice
and dice the data?

Just ask!