



## Draft a Business Plan for Your Mediation Business

By Victoria Pynchon and Joe Kraynak from *Success as a Mediator For Dummies*

Entrepreneurs typically craft a business plan to persuade banks to lend them money. As a mediator, you too are an entrepreneur, but you probably don't need a lender or a venture capitalist to bankroll your business start-up, because overhead is so low. All you need is enough money to cover your living expenses and some incidental costs.

When starting out as a mediator, a business plan enables you to reality-test your dream and envision how that dream is likely to play out in the real world. Your mediation business plan is a summary of how you intend to launch your practice and stay in business. Start with an outline that contains these section headings and then supply relevant details below each heading:

- **Vision/mission:** Your vision/mission statement may include what you plan on getting out of this venture, but even more important is what you plan to do for your clients; they must be satisfied for you to achieve your goals. For example, your mission may be to help parents with special needs children resolve disputes with their local school board without the costs, delays, and frustrations of doing so through litigation.
- **Market:** Are you working in the area of litigated or nonlitigated disputes? Private or public? Restorative justice? Diplomacy?
- **Competition:** Identify the top competitors in your market and describe how you plan to compete against them. What makes you different and better?
- **Business objectives:** Describe what you hope to accomplish and how you'll know when you've accomplished it. List both short-term and long-term objectives. Here are a few examples to get you started:
  - **Long term:** To make mediation your day job and earn at least \$60,000 net per year. Calculate the number of disputes you'd have to mediate to achieve that goal.
  - **Long term:** To establish yourself as an expert in your field; for example, intellectual property disputes or disputes between teenagers and their parents. Jot down target measures of success, such as the number of times you're asked to speak in your area of expertise or are quoted in your local newspaper about the type of dispute you resolve.

- **Short term:** To mediate X number of disputes per month.
- **Short term:** To speak to your market at least four times a year or conduct communication training sessions for your market at least twice a year.
- **Income sources:** Mediators typically have more than one source of income, such as coaching, consulting, arbitration, fact finding, training, writing, and speaking; performing arbitration services for the American Arbitration Association or any number of similar organizations; and working on a panel.
- **Projected expenditures:** Include the total here and then itemize expenses in your budget.
- **Location:** Describe your center of operations, which may be your home, a separate office, or space at the county courthouse. Also jot down where you plan to conduct your mediations — perhaps in the courthouse, in attorneys' offices, or in executive suites.
- **Marketing:** List various ways you plan to market your business online and off. Bare basics include a website, a blog, Facebook and Twitter accounts, and business cards. Specify whether you're going to do your own marketing or outsource it.

If you're a rank beginner, you'll likely moonlight as an unpaid mediator first. Many mediators earn their first alternative dispute resolution (ADR) dollar when the parties to a court-annexed mediation program ask the "free" mediator to continue the session past the period the courts offer gratis.

Although this period differs from state to federal courts and from state to state and city to city, court programs usually offer the first two to four hours to litigants free of charge, after which you're allowed to charge the parties your standard hourly fee.

Despite the seeming ease with which you can earn your first few hundred or few thousand dollars by going overtime, don't let yourself drift too long without a solid business plan. Your initial success builds hope, but hope isn't a plan. Your plan is the foundation on which you build your business.