

Ideas for modern entrepreneurship

DENNIS LOWE LOWE CONSULTING SERVICES

Published: September 22, 2009

Editor's note: A series of articles addressing the basics of starting a business, sponsored by the Surry County Economic Development Partnership.

So you are thinking about starting your own business. Well, you're not alone. America's modern economic environment is one of change and many people are now finding that resumes built during their working lives may not be moving them rapidly into new employment positions. Limited availability of jobs and/ or high levels of competition for open vacancies can make it difficult to land the type of job one desires to support a family.

The option that remains then just may be what you are considering, becoming "your own boss." Let's say you do have a business idea and are interested in starting your own enterprise. What should you do first? Should your first step be to research the competition or to begin searching for a location? Should you begin writing a business plan or checking into financing options? Well, in my opinion the logical first step is none of the above. I think that a person should begin a quest for **entrepreneurship** by conducting a self-assessment. After all, factors contributing most to the success of virtually any business lie within the determination, intelligence and skills of its owner.

Taking time to identify the characteristics of established business owners and measuring yourself against those characteristics is an excellent first step to take. Most successful entrepreneurs are comfortable with risk and change; they are vibrant and healthy enough to conduct daily business activities. They possess determined, independent spirits and although capable of standing alone, most will have a support group on which to lean. Sound like you so far? Continue then by asking yourself these questions.

1) Am I comfortable taking financial risks and if so, am I able and willing to live conservatively during the first "lean years" that the business is growing? 2) Can I tolerate rapid change and be satisfied working toward goals that may need revision because of an ever-evolving business environment? 3) Do I have adequate approval or support from those who love me? This may be a very important question to answer because it is common for new business owners to find that their endeavors consume many hours that could be spent with family. And this leads to another question. 4) Am I willing to give up evenings or weekends and dedicate that time toward the success of the business? 5) Am I healthy? A worst case scenario for a new entrepreneur can be to commit start-up funds, open the doors and then find that he/ she is mentally or physically unable to operate the business as needed. And speaking of start-up funds. 6) Do you have, or is there a reasonable chance you can obtain the amount of money needed to start the business? If you don't have the funds already available, be aware that it can be very difficult or even impossible to persuade lending institutions to provide capital for a new business endeavor. First time entrepreneurs who do secure funding have often tweaked their pitch and presented the business idea multiple times to a variety of lenders. Entrepreneurism is often about determination and one's willingness to learn from disappointment and "keeping on" can be vital to success. And did you note that learn was shown in bold print? That's because one should also be asking. 7) Am I willing to commit myself to continually learning about proven business practices and the body of knowledge related to the goods and/ or services my business will be providing? America's free enterprise system provides wonderful opportunities, but it does demand that one be properly educated. I'm not saying that every entrepreneur has to obtain a degree in business management, but if you intend to succeed, you should be willing to dedicate yourself to continually seeking knowledge related to your endeavor and to efficient business operation. So there you have it. Seven questions I think one should ask as a first step before proceeding any further toward **entrepreneurship**. While not all these have to be answered "yes" before moving forward, initially asking oneself these questions can raise awareness of issues that will, at some point, probably need to be addressed during start-up. And if you would like to further investigate your entrepreneurial potential, I suggest that you take the free self-assessment quiz available online at www.bdc.ca/en/business_tools/entrepreneurial_self-assessment/Entrepreneurial_self_assessment.htm. I think you would find it insightful.

Copyright, 2009 The Mt. Airy News

Modern Entrepreneurship

A series of articles addressing the basics of starting a business

DENNIS LOWE LOWE CONSULTING SERVICES

Published: September 23, 2009

If, like many present day Americans, you find that you are interested in starting your own business, you are probably beginning to feel the tightening of nerves as you think about investing time, energy and finances into the endeavor. That feeling is common to entrepreneurs. Starting a business means immersing oneself into a venture and assuming the financial risks related to it. Be aware, however, that you are not alone and that anxiety has been a precursor felt by almost all business owners. But can this uncomfortable pre-requisite to **entrepreneurship** be positive? While stressful, I think anxiety can make the potential business owner more sharp. It can heighten the senses and, if handled properly, make the individual think through and prepare for details that could later prove problematic. And the good news is, as you learn about and confront the details of starting a business, you gain confidence and reduce the anxiety level. So the question is, where can you go to learn about the details that will accompany your particular endeavor? There are several easily-accessible resources that can provide a wealth of information about how to start, manage and grow a new business. A good first place to start is the Small Business Center (SBC) found at Surry Community College. It is part of a state network of centers administered by the North Carolina Community College System. Each center can provide you access to free counseling by the center's director, as well as, free usage of various written or televised business information. Discussions with the director can give you an awareness of the details specific to your endeavor and expert advice on how to proceed.

All SBC-related discussions are confidential. Seminars and classes on a wide range of business topics are also made available through these centers. If not free, these educational opportunities will have a very reasonable participation fee.

If you are already in business and want to grow your enterprise or address an issue impacting its bottom line, a local Small Business and Technology Development Center (SBTDC) is a good resource.

Administered by North Carolina's university system, staff of these centers can help you draft a plan for dealing with the issue you are facing. Advisement obtained through SBTDC is also confidential and assistance fees are nominal, if not non-existent.

Another government-sponsored assistance provider is the Service Corps of Retired Executives (SCORE). While sponsored by the U. S. Small Business Administration, SCORE is largely staffed by business retirees who volunteer time and expertise to entrepreneurs.

And lastly, let me suggest that you might consider arranging your own business mentor. If you know someone who has successfully started and managed a business, don't be afraid to ask them for advice. Of course you will want to choose someone with whom you wouldn't provide competition. I have found that most people like to help others and becoming a mentor may provide an outlet that a business owner may not have yet experienced. If you aren't already familiar with a potential mentor, contacting your nearest chamber of commerce can probably net you a short list of possibilities (a chamber representative might even help initiate contact for you).

Don't let anxiety stop you if you think you might be entrepreneurial material. Get active; take initiative; talk to someone who can help you. You will feel more empowered, less stressed, and maybe in a few years, you'll find yourself the proud owner of a very successful business.

Additional information for the resources listed above can be found at: www.sbcn.nc.gov www.sbtfdc.org; www.score.org; www.mtairyncchamber.org; www.yadkinvalley.org.

Modern Entrepreneurship

A series of articles addressing the basics of starting a business

DENNIS LOWE LOWE CONSULTING SERVICES

Published: September 24, 2009

So you have an idea for a new business. You have identified goods, services or maybe both that you feel you could provide to generate income for you and your family. If so, the questions you should be considering now center around your potential customers. You may be thinking about where to house your business; then ask where your intended customers are located. You wonder how you might advertise; ask which marketing venues your customers will see most. Most importantly you are wondering how much money you can make. You guessed it; that will depend on the number of available customers and how many you can entice to buy from your business. The body of information containing the answers to many questions related to potential customers is often entitled Market Research. If you truly intend to be a business owner then you should definitely plan to research your market; that is, you should strive to find empirical data related to your potential customer base. "How do I do this?" you ask. The basics to researching a market involve three major activities: 1) defining your average customer, 2) determining the number of people meeting that definition who exist in the area you are targeting, and 3) realistically estimating how many of them you can convince to become customers.

To define the person who will probably be "buttering the bread" of your business, envision who you think would most be interested in your goods/ services. What is their age (or age range)? What is their gender, income level and buying style? Do they reside within the service area you are considering? For example, the person most interested in buying skateboarding-related products is probably going to be male, approximately aged 8 to 18. The average customer for a residential cleaning business, however, will more likely be a female age 30+ who, because of advanced years or a higher income level, has discretionary money that she is willing to spend for cleaning.

If you have trouble envisioning your "bread and butter" customer, try visiting businesses that provide goods/ services similar to those you plan to offer and note the type of people shopping there. Once an average customer has been defined, you should spend time determining the total number of people within your intended service area who fall into that category.

This can be done by accessing statistics provided by the U. S. Census or N. C. Department of Commerce. Information might also be obtained by contacting your nearest economic development organization, chamber of commerce, and/ or governmental departments (e. g. Register of Deeds, municipal/ county tax departments).

After you have a feel for the total potential customers available in your service area, you should then make an effort to realistically estimate a percentage that can be attracted to your business and to whom you might sell. This figure can be ascertained by analyzing the number and type of businesses that will be your competition, determining the goods/services they are not currently providing (your potential market niche), and learning about customer buying habits (e. g. sales percentages, preferred shopping times, forms of payment). Information about your competition can be obtained by scanning the yellow pages, by talking with acquaintances, and/or by looking for competitors as you drive around your intended service area. Actual visits to competing businesses under the guise of shopper can also net valuable insights. Information about customer buying habits can be obtained from surveys, personal observation or by contacting professional associations of which businesses similar to yours are already a part. Consultants at your local community college (e. g. Small Business Center), Small Business Technology and Development Center (www.sbt dc. org), or SCORE chapter (www.score. org) might also provide insight. If nothing else, just remember that the more you know about your customers, the better chance of success your business will have. And a good way to learn about customers is through the structured researching of a target market. If you are interested in learning more about conducting market research, a sixteen page publication is provided free by the U. S. Small Business Administration at www.sba.gov/idc/groups/public/documents/sba_homepage/pub_mt8.pdf.

Modern Entrepreneurship

A series of articles addressing the basics of starting a business

DENNIS LOWE LOWE CONSULTING SERVICES

Published: September 25, 2009

If you are one of the many individuals presently interested in a lifestyle supported by business ownership, then you should be willing to heed the maxim, "plan your work, then work your plan." The two most cited causes of business failure today are 1) a failure to plan, and 2) a lack of adequate start-up capital. In many cases I think it could be proven true that the cause of failure really lies with the first, a failure to plan. Why? Because the entrepreneur who plans extensively prior to starting a business is likely to encounter fewer unforeseen issues that can deplete precious working capital. Even if you feel you have a good mental picture of how your business would operate and are fortunate enough to have funds for making that picture happen, spend time preparing a business plan. Trust me, that investment of planning time will save you money somewhere down the road. And if you already know that you will need to obtain start-up funding from lenders or investors, don't even approach them until you have some semblance of a plan. Few things can make you look more incompetent than requesting money without having some type of written plan showing how you intend to conduct business and handle the flow of cash.

So how is a business plan written? Comprehensive business plans contain two main parts, a written or narrative component and a financials section. Most plans begin with narration summarizing the business idea with details about the owners, its location, its structure and hours of operation. Goods/ services to be provided by the business are identified with their benefits to customers. Other relevant details describing the business are also included in this summary along with the business' mission statement (goals born from that mission are usually included, as well). The next component within the narrative provides market research information. This section specifically identifies the intended customer base and provides supportable data pertaining to the number of customers that can be accessed by the enterprise. Successful business planners often follow this research segment with an additional section describing intended marketing strategies that will be used to entice customers to the business.

A final narrative segment usually provides insight into plans for managing the business. Here duties required in day-to-day operations will be identified, along with job titles/ descriptions of those who will be performing the duties and their status as employees or contractors.

This segment may also allude to evaluation procedures and sometimes even includes resumes showing experience levels of the owners/ managers.

Then comes the financial section of the plan which contains numerical information that lenders/ investors will inspect very carefully. This "financials" portion of a business plan should show specifically how the owner intends to expend start-up funds. In addition (and more importantly), it should also contain a projection of cash flow. Imagine for a moment, yourself as a potential investor to someone's new business endeavor. Wouldn't you want a tangible projection showing how your investment is to be spent and how rapidly the business will generate funds for your repayment? Of course you would. Novice entrepreneurs often cringe at the thought of writing a business plan and projecting two to three years of income/ expenditures for a new venture, but it is absolutely critical that they do so, both for themselves and for their backers.

So plan and plan well; efforts here will reduce the stress of start-up and may well mean the difference in your success or failure. For additional information about business plan preparation, access the free on-line course provided by the U. S. Small Business Administration at [http://](http://web.sba.gov/sbtn/registration/index.cfm?CourseId=27)

web.sba.gov/sbtn/registration/index.cfm?CourseId=27. A free fill-in-the-blank template for projecting cash flow is available at www.score.org/pdf/Cash%20Flow_12%20Months_08.pdf. And if you need additional help, talk to a trusted accountant or contact the Small Business Center at your local community college.

Modern Entrepreneurship

A series of articles addressing the basics of starting a business

DENNIS LOWE LOWE CONSULTING SERVICES

Published: September 26, 2009

So you have a new business idea but lack adequate funds for starting the endeavor. Don't despair; that situation has been shared by many of America's most successful entrepreneurs. At this point you are probably asking yourself where you can find start-up funding. While money is available for entrepreneurial endeavors, you should not fool yourself into thinking that it will come easily, nor in the form of a grant. While you have probably seen at least one of the many advertisements for "free money," you should know that the information promised in those ads will probably cost you money instead of netting you money. Real grants found in this country usually come in the form of free information and/ or services, not as a check with someone's name on it. Entities like the U. S. Small Business Administration, North Carolina's Small Business Center Network (SBCN) or Small Business and Technology Development Centers (SBTDC) provide a wealth of information and consultation services. These are grant supported resources that are offered free to the public. Their web sites abound with no cost resources that can assist entrepreneurs. If, however, it is the funding you most need, and you still want to pursue a grant, I would avoid the many "buy my book and video" resources that allude to volumes of free government money. Instead, start by scanning www.grants.gov. It is a government sponsored Web site that costs nothing to use and is dedicated to providing grant-related information.

Just know before you start that most of the funding opportunities identified in the site will be for non-profit organizations. In reality, if you are seeking business start-up funds, you are more likely to find them in the form of loans. "Where should I look for a loan?" you ask. Well, you should know that most business start-up loans come from family members or friends. If those are not options you want to pursue, then you will most likely find yourself making contact with a local bank, credit union or even one of the government-affiliated lending programs available to entrepreneurs. No matter where you choose to make your appeal for a loan, do yourself a favor and prepare a business plan first. A written plan will, no doubt, be requested of you anyway, so why take the chance of making a poor first impression because you haven't already prepared one. Besides, the process required in putting a business idea to paper will make you aware of the strengths and weaknesses of your idea, and will prepare you to answer the tough questions that any prudent lender/ investor is going to ask. Now, back to the question of "Where should I look for a loan?" If you are going to approach a bank or credit union, I would suggest beginning where you already have accounts and a positive relationship. If lending to start-up businesses isn't part of that institution's mission, its loan officer may discuss with you the possibility of a personal loan. If your current financial institution just isn't an option, then you may be able to learn about others via recommendations from business owners you know and trust.

Or, if you would like to get the names of lenders recognized by the U. S. Small Business Administration (SBA), contact an SBA representative (www.sba.gov) and request a "preferred lenders" list.

Once you have chosen the lender you want to approach and have a written plan in hand, spend some time practicing what you will say. All good salesmen practice their "pitch" and after all, isn't seeking a loan really about selling yourself and your idea. Also as in sales, be prepared for rejection. Successful entrepreneurs often have to make several presentations before funding is acquired. If you are turned down, learn from the experience. Make improvements to your business plan, tweak your presentation, and try again. If, instead of commercial lenders, you would rather seek start-up funding from a government-affiliated business lender, you might contact a representative of Self-Help (www.self-help.org) or the NC Microenterprise Lending Program (www.ncruralcenter.org/loans/micro.htm). Know, however, that similar documentation and many of the same expectations will be required of you.

Let me end with this, remember that success in business isn't just about money. Money is the platform that supports business endeavors, and is the benchmark that many use to determine an endeavor's level of success. But every business owner is different, with different motivators and goals. Know yourself and your goals, plan extensively, interact with people who share your vision and can provide valuable information, and create in yourself a determination and drive that will allow change, but will not accept defeat. If you do these things, you will most likely achieve a gratifying level of success and the money will come.