

Ask SCORE...

Counselors to Naples Area Small Businesses

SCORE Naples
www.scorenaples.org



Got business questions?

Ask SCORE

By: Gray Poehler, Business Counselor

Big Business Dreams Begin with Small, Important Steps

QUESTION: *I am a college graduate who was displaced when the small company I worked for merged with a larger company. I am either over qualified or the available jobs offer a fraction of my former salary. Any suggestions?*

Mark G., Bonita Springs

ANSWER: *Mark, If you are one of the thousands of U. S. workers who have been affected by layoffs or downsizing of recent years, this may be a good time to consider starting that small business you have always dreamed about. Most likely you would consider one that reflects your interests and training.*

The first steps for creating a successful business are planning, research and more planning. Running a business is different from working for one. Ask yourself, “Can I be my own boss?” Try to objectively assess the pros and cons. Every responsibility - sales, marketing, bookkeeping, taxes, insurance, locating office space, buying paper clips – falls on your shoulders. That’s in addition to actually doing the work itself.

To begin, construct a written Business Plan. This a living document that enables you to conceptualize your dream, chart your course of action, and set short and intermediate terms goals, all without spending a dime. An excellent resource is Business Plan Pro software by www.PaloAlto.com

You will need a clear idea of how much money you need to get started and how much you will be able to make, after expenses. The business plan includes cash flow and sales projections, as well as a projected profit and loss statement for your first year of operation.

There is no substitute for experience, so talk to other small business owners who are in the same line of business you are considering. Find out how they got started, what mistakes they made, and what they would do differently. Tell friends and colleagues of

your plans. Even if they are not prospective customers, they may volunteer other contacts who may be interested in using your services and offer useful perspectives.

Here are some areas of inquiry to help you explore the marketability of your product or service:

- *Consider whether the business offers a new solution to an old problem or complements an emerging trend.*
- *Have a clear picture of your target market. These are people or companies that are likely to want or need what your business has to offer. Be specific as opposed to general. “All restaurant patrons” is more general than “Young adults who eat out.”*
- *Examine industry data that can confirm if there is a sustained or growing demand for your product or service. Be mindful that this data is sales driven, not market driven. Likely sources are trade associations and government agencies.*
- *Identify the percentage of market share that is possible for you to capture. The more competition you have, the lower your margins will be.*
- *Consider how realistic is your pricing. Can you present your product or service to potential customers so that it appears to be a good value, while still affording you a reasonable profit?*

Make planning an ongoing effort. Update your business plan as you collect useful intelligence. In today’s fast-paced business climate, your entrepreneurial plans may have to take a back seat to other developments in your life. Always put your family’s financial security first. If a good job opportunity arises, it may be best to take it and put your dreams aside for a while. But don’t abandon them completely. Many successful small businesses have started as part-time ventures, enabling their owners to eventually shed the worries of working for some else, with no guarantee of job security.

As previously stated, there is no substitute for experience. The Naples chapter of SCORE, Counselors to America’s Small Business, offers FREE business counseling. There you’ll meet knowledgeable volunteers ready to help you realize your dream. Just call 239-430-0081 or visit WWW.SCORENAPLES.ORG and click on “request counseling now as a first time client.” The SCORE business office is located at 900 Goodlette Road North, in the Fifth Third branch bank building. Office hours are 9:00 AM to Noon, Mondays through Fridays.

SCORE Naples will offer a FREE workshop entitled “Starting a Business in Collier County,” Saturday, February 16, 9:30am-12:30pm, at the Collier County Public Library, 650 Central Avenue, in downtown Naples. Call 239-430-0081 or register online at WWW.SCORENAPLES.ORG. Click on “workshops” under client services.

If you would like an answer to your question, please fill out the form located at www.scorenaples.org/askscore. A counselor will contact you within 48 hours. Please include your name, email address and a contact phone number.