

# Becoming Your Own Boss

An Introduction to Business  
Ownership



# Who We Are & What We Do



High  
Quality  
Training



U.S. Small Business  
Administration

Connection  
to  
Resources

Free  
Confidential  
Consulting

Helping local  
businesses  
start, grow and  
prosper  
through street-  
smart business  
education and  
assistance.

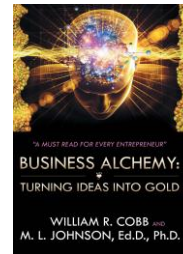
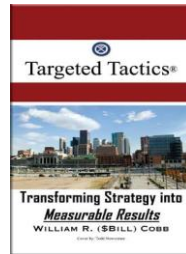


# Hello!



**Bill Cobb-** Senior Business Executive with 20+ years of proven “turn up” and “turnaround” experience. “Intrapreneur” and “Entrepreneur,” he has led the creation and launch of multiple new ventures. He has been a mentor and contract Instructor for CSU’s Entrepreneurial Institute, and a strong advocate and supporter of small business. He is the author of two books: Targeted Tactics, Transforming Strategy into Measurable Results, and Business Alchemy, Turning Ideas into Gold.

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# TODAY'S AGENDA

- 1) Individual Introductions
- 2) Learn to recognize our own attributes and capabilities
- 3) Explore Business opportunities that could be complimentary
- 4) Recognize “next steps”

# Small Business Owners



# Small Business Economy

## Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	817,775	99.6	5,259,413	57.7	403,772,227	50.4
Construction	718,285	99.8	5,572,962	81.8	329,198,011	76.8
Other Services (except Public Administration)	700,177	99.8	4,736,342	84.6	151,225,071	80.0
Health Care and Social Assistance	659,354	99.3	9,064,362	44.2	378,490,065	36.4
Retail Trade	640,558	99.6	5,498,587	35.1	188,107,293	41.1
Accommodation and Food Services	546,586	99.5	8,688,379	60.6	167,696,424	57.6
Administrative, Support, and Waste Management	347,975	98.8	3,802,335	30.9	150,476,792	29.4
Real Estate and Rental and Leasing	319,692	99.6	1,481,216	67.0	77,607,070	63.2
Wholesale Trade	290,794	98.9	3,390,716	55.0	213,346,333	47.4
Manufacturing	242,195	98.4	5,079,058	42.6	259,718,593	36.2
Finance and Insurance	237,533	99.3	1,903,886	29.3	162,022,396	24.1
Transportation and Warehousing	190,408	98.8	1,719,572	34.2	78,455,197	29.9
Arts, Entertainment, and Recreation	133,608	99.4	1,458,450	59.9	53,198,081	60.3
Educational Services	94,222	98.6	1,684,311	45.1	58,485,906	39.4
Information	81,001	98.5	987,519	27.4	77,881,093	20.2
Agriculture, Forestry, Fishing and Hunting	22,626	99.6	138,005	84.2	6,144,459	83.6
Mining, Quarrying, and Oil and Gas Extraction	18,706	98.1	261,547	43.2	22,019,535	38.5
Management of Companies and Enterprises	18,553	70.2	393,039	11.1	31,945,559	8.1
Industries not classified	12,157	100.0	13,875	100.0	448,866	100.0
Utilities	5,823	96.6	110,457	17.1	8,850,934	12.6
Total	6,055,421	99.7	61,244,031	46.8	2,819,089,905	39.7

# Entrepreneurship

How do you know if business ownership is right for YOU?

What motivates entrepreneurs?

Survey of 549 successful entrepreneurs:

- Desire to build wealth (74%)

- Opportunity to capitalize on an idea (68%)

- A desire to work for themselves (60%)

It's the desire to exchange an undesirable  
circumstance for a better one

# Entrepreneurs

What kind of “special people” are these entrepreneurs?

Often Quite Ordinary

Are they more intelligent than normal?

Not really, but they are determined

Does their work experience contribute to their business success?

It helps to learn the business before venturing out

Is a business education required to succeed?

No, but it can be a real advantage



# Entrepreneurs

Can ordinary people actually become successful?

Yes, Ray Kroc is a good example (McDonalds)

How do businesses get started?

Many start by solving problems differently or simply providing a product or service where it didn't exist

How many kinds of business models are there?

There are 8,000,178 employer (NAICS) classifications

What do these models look like?

There are too many to list, but we are going to introduce some generic models for you to consider

# Is Entrepreneurship for You?

What are the attributes and skills that are necessary to start a new venture?

- Motivation
- Characteristics, traits
- Management Skills
- Operating Skills
- Financial Acumen



# Entrepreneurial Attributes

<u>Motivation</u>		yes	no	?
Seeking a better economic future				
Seeking a better life / work balance				
Seeking a better work environment				
Seeking to be one's own boss				
Seeking to capitalize on own ideas				
Seeking community recognition				
Seeking to improve family condition				
Seeking to build family legacy				
Seeking wealth via business sale				
<b>Total # of Motivational Factors</b>				

# Entrepreneurial Attributes

<u>Characteristics</u>		yes	no	?
Enjoy learning new things				
Enjoy trying new things				
Have a strong work ethic				
Able to adapt to changing conditions				
Enjoy working with other people				
Willing to seek the advice of others				
Willing to consider other opinions				
Able to make important decisions				
Follow through on commitments				
Comfortable with taking risk				
Willing to leverage social capital				
Willing to risk their own capital				
Willing to consider business partners				
<b>Total # of Characteristics</b>				

# Entrepreneurial Attributes

<b>Business Management Skills</b>		<b>yes</b>	<b>no</b>	<b>?</b>
Have a formal business degree				
Understanding of financial principles				
Able to construct a business model				
Understanding of capitalization needs				
Able to establish financial controls				
Understanding of market dynamics				
Able to construct market plan				
Understanding of business law				
Understanding of supply chain				
Understanding of Fair Trade Practices				
Recognition of product merchantability				
Understanding of labor law				
Risk management / insurance needs				
Set achievable goals and objectives				
<b>Total # of Business Skills</b>				

# Entrepreneurial Attributes

<b><u>Operating Skills / Experience</u></b>		<b>yes</b>	<b>no</b>	<b>?</b>
<b>Design / Engineering</b>				
<b>Manufacturing / Assembly</b>				
<b>Logistics and Fulfillment</b>				
<b>Marketing, Sales, Promotion</b>				
<b>Pricing and Terms of Sale</b>				
<b>Negotiation and Contracting</b>				
<b>Customer Relationship Management</b>				
<b>Supplier Relationship Management</b>				
<b>Stakeholder Management</b>				
<b>Ability to Attract and Motivate Others</b>				
<b>Ability to Organize Work Effort</b>				
<b>Quality Assurance / Control</b>				
<b>Number of Operating Skills</b>				

# Financial Resources

## Exercise Number Two

### Balance Sheet for: YOU TO COMPLETE

Assets		\$ Value	Liabilities		\$ Value
Cash on Hand (checking acct)	\$	-	Credit Card Debt	\$	-
Savings Acct	\$	-	Bank Loans	\$	-
Accts Receivable (owed to you)	\$	-	Personal Loans (owed by you)	\$	-
Notes Receivable (loaned by you)	\$	-	Installment Loans (owed by you)	\$	-
Investment Acct (current value)	\$	-	Loans against Ins. policies	\$	-
Insurance Policies (cash value)	\$	-		\$	-
Retirement Savings	\$	-	Loans against retirement acct	\$	-
Automobile (book value)	\$	-	Automobile Loans	\$	-
Primary Residence	\$	-	Mortgage	\$	-
Other Property (Collections)	\$	-	Mortgage	\$	-
Other assets	\$	-	Total Liabilities	\$	-
Total Assets	\$	-	Net Worth	\$	-
			Total Liabilities & Net Worth	\$	-

The purpose of completing this template is to provide you with a picture of your current financial position. You will need to make a determination as to what portion of your net worth you are willing to invest in your new enterprise and from what sources would that money come from. Once again, there is no right or wrong answer here, it is just a tool for you to use for coming to terms with your tolerance for how much you would be willing to risk.



# Become One Of US!

## Small Business Owners



624490224



# Generic Business Models

## Life Style Business-

Generate income in relation to life style needs

## Build to Sell-

Requires rapid growth to prove market viability and become attractive to a suitor

## Legacy Business-

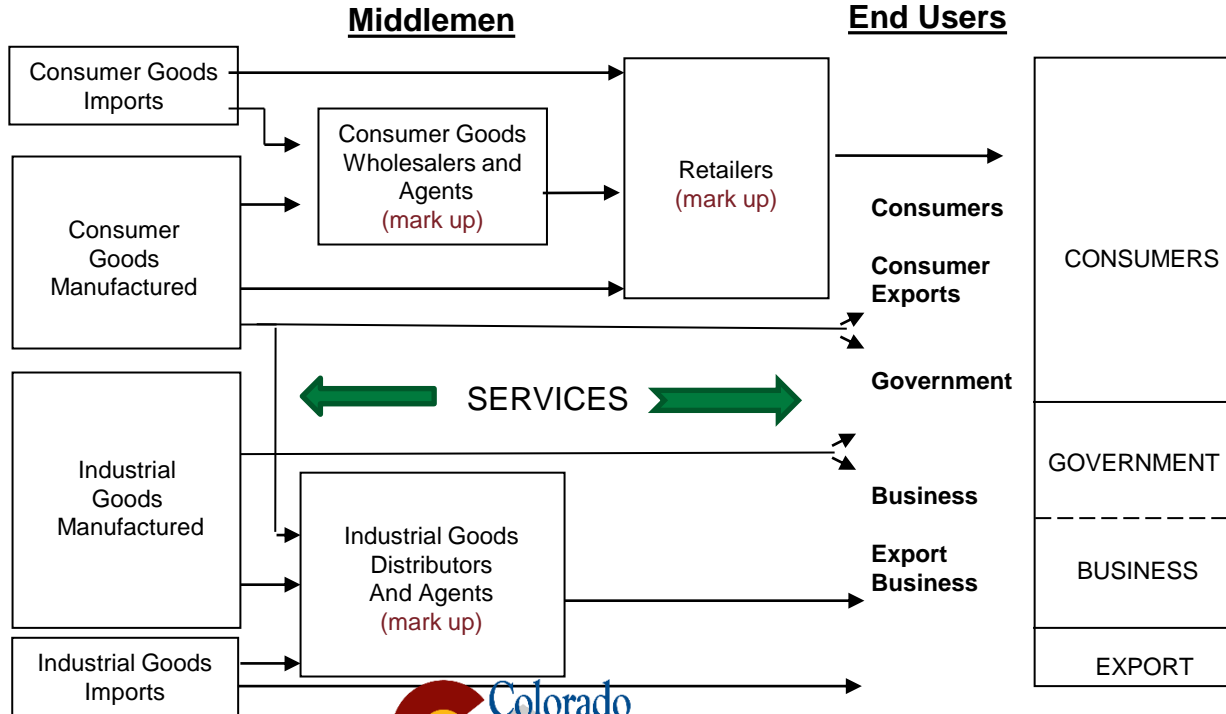
Established and managed with the intent to continue after the original owner leaves

## Public Institutions-

Large scale enterprise requiring public funding

# Our Complex Economy

## How Goods Flow within The US Economy



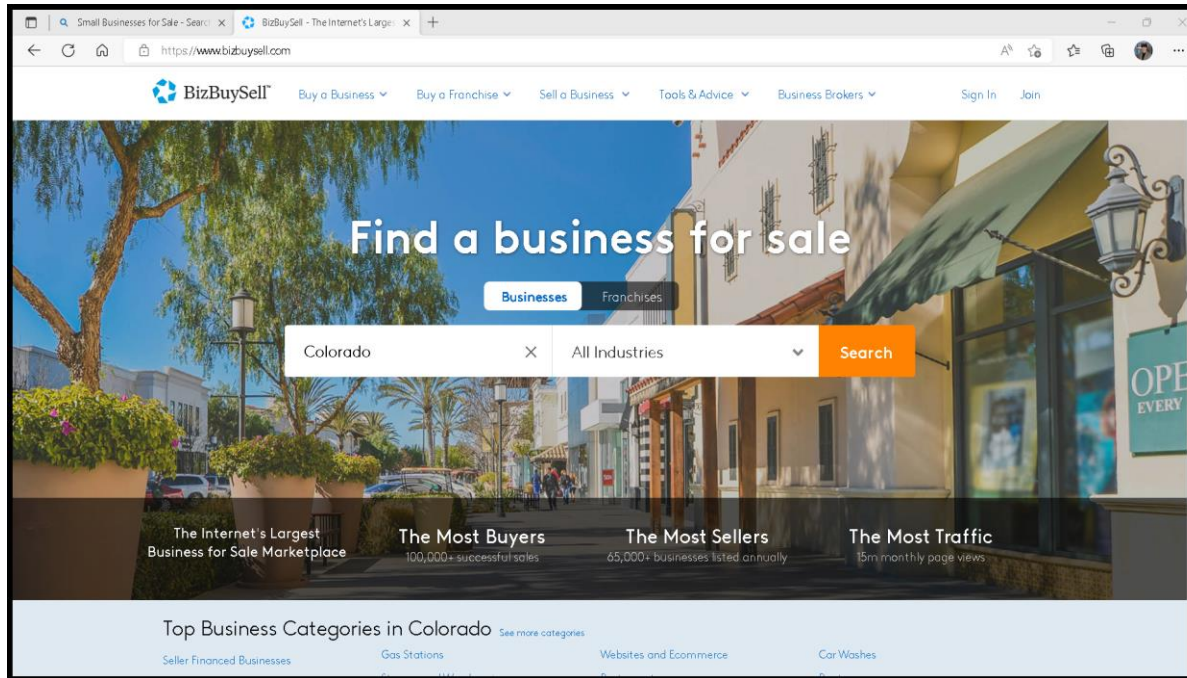
# Exploring Buying a Business



Both buyers and sellers will benefit from understanding what lies ahead in the transaction of a business. While each sale has its unique twists and turns, most transactions will follow a similar 9 stage path, from initial exploration to final closing. This program will identify and outline those 9 stages for both buyer and seller to provide an understanding of, and confidence in, the upcoming experience.



# Exploring Buying a Business



# Exploring Franchises

## Franchising Opportunities

- 1) Fast Food (McDonalds, Burger King, Subway)
- 2) Food Franchises (KFC, Domino's, etc.)
- 3) Home Services ( Ace Hardware, Serv. Pro)
- 4) Convenience Stores (7-Eleven)
- 5) Travel (Marriott Int'l)

NUMBER OF FRANCHISE ESTABLISHMENTS IN THE U.S.

753,770

NUMBER OF PEOPLE EMPLOYED BY FRANCHISE ESTABLISHMENTS IN THE U.S.

7.49m

TOTAL ECONOMIC OUTPUT OF FRANCHISE ESTABLISHMENTS IN THE U.S.

670bn USD

# Franchise Information

## Benefits Of The Franchise Model

Starting a business on your own can be very difficult and costly. With a franchise, however, you can start a business based on a proven model. The success rate for franchise businesses is much higher than startups, because franchisees can start with a business with a proven operations system, training and support, brand recognition, and more resources provided by franchisors. If you're unsure whether or not a franchise business is right for you, read the F.T.C. guide on the pros and cons of franchising. [www.FTC.GOV](http://www.FTC.GOV):

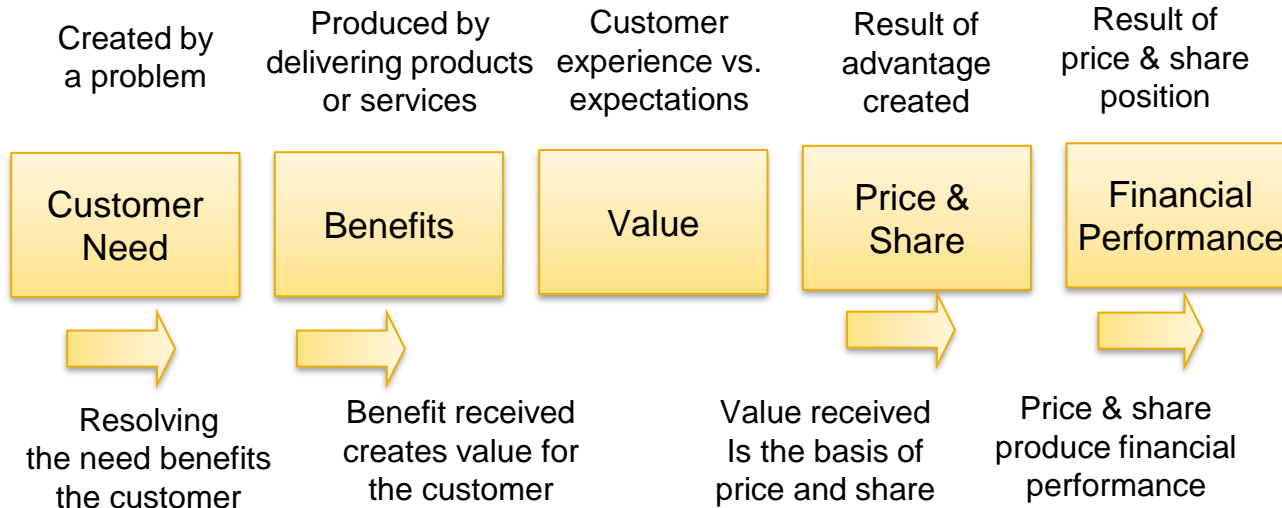
[www.franchisegator.com](http://www.franchisegator.com)

<https://www.franchiseopportunities.com/>



# Starting From Scratch


## Value Proposition



## Why Someone Would Buy From You

# Census Data Access Tools

<http://www.census.gov/>

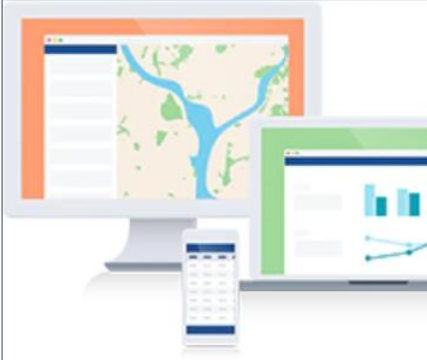


**QuickFacts**  
UNITED STATES

TABLE MAP CHART DASHBOARD

**QuickFacts**

The QuickFacts data access tool provides users with easy access to a variety of statistics.



**Data.census.gov**

Data.census.gov provides data on population, race, age, education, income, and businesses for the largest and smallest geographic entities including ZIP codes.



# Business Planning Tools

The ***Census Business Builder (CBB)*** is a suite of services that provide selected demographic and economic data from the Census Bureau tailored to specific types of users in a simple to access and use format. **What will I find in this report?**

- [Version 5.0](#)

## **My Customers**

The Consumers/Residents section provides summarized demographic information for your location. This information provides a snapshot of the makeup of the community of potential customers in the area.

## **Business Summary**

The Business Summary section provides summarized statistics about **Custom Industries** businesses in your area. This information provides insight into the volume, finance, and diversity of ownership of the businesses in the area as well.

## **Business Comparison**

The Business Comparison section provides tables of juxtaposed information for businesses across all sectors in **Larimer County, Colorado**. These tables provide a rapid way to compare and contrast data across industries in the area.

## **Consumer Spending**






# Consumer Spending Information

<http://www.bls.gov/>

## Bureau Of Labor Statistics

### Spending & Time Use

Database Name	Special Notice	Top Picks	Data Finder
<b>Spending</b>			
Consumer Expenditure Survey (CE)			
<b>Time Use</b>			
American Time Use Survey (ATUS)			

# Exploring Next Steps

## The Importance of Planning for Success -

- Would you take a road trip without a map?
- Would you buy a house without knowing what it costs or how much your mortgage was?
- Would you buy a car if you weren't able to make the payments?
- Should you start a business if you didn't know how much money you need or if you don't know how much profit you could potentially earn?

# Feasibility Assessment



Business Concept Feasibility Assessment					
Product or Service Feasibility	1	2	3	4	5
Customers perceive a need for product/service	0	0	0	0	0
Product or Service is available to sell	0	0	0	0	0
Product / Service has unlimited life	0	0	0	0	0
Product / Service is unique and protectable	0	0	0	0	0
Product is not regulated by the government	0	0	0	0	0
Product / Service has expansion potential	0	0	0	0	0
Product / Service has no liability risk	0	0	0	0	0
Market Feasibility					
Market can be recognized and measured	0	0	0	0	0
Competition has identifiable weaknesses	0	0	0	0	0
Distribution system is established & receptive	0	0	0	0	0
Customers purchase frequently	0	0	0	0	0
Business has "news value"	0	0	0	0	0
Financial Feasibility					
Funding can be obtained	0	0	0	0	0
Revenue stream is continuous	0	0	0	0	0
Money collected prior to sales / at time of sale	0	0	0	0	0
Hiring and retaining employees is anticipated	0	0	0	0	0
Supply chain providers are dependable	0	0	0	0	0
Gross margins are at acceptable levels	0	0	0	0	0
Legal problems do not exist	0	0	0	0	0
Wealth is generated through an exit strategy	0	0	0	0	0
Total Points Available: 100	Your Business Concept:				

# S.B.D.C. Support Services

## Confidential Consulting

Consulting is free and provided by experienced consultants from many different industries

## High Quality Training

The S.B.D.C. offers over 100 low cost classes and workshops throughout the year with free industry specific events and networking opportunities

## Connection to Resources

Free resources available, including CPA/Tax advisors, bookkeepers, website design and attorneys and more!!



# Thank you!

Please tell your business friends to  
find us at [www.larimersbdc.org](http://www.larimersbdc.org)



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daily updates, small business tips and insights...



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Leadership Circle

