

Small Business Appreciation



Small Business Week

National Small Business Week happens from May 3-9, 2020, sponsored by the U.S. Small Business Administration.

Its history spans more than 50 years and is preceded by a proclamation from the president which recognizes the critical contributions of America's entrepreneurs and small business owners.

More than half of Americans either own or work for a small business, and they create about two out of every three new jobs in the U.S. each year. Chances are you shop at a local business, know a small business owner or are one yourself. If you are the latter category, here's how you can showcase your business during the celebration.

SHARE YOUR STORY

People start their own businesses for many reasons, but most do so for three reasons: economic independence, personal and professional freedom, and to pursue their passion. And many, if not all, are happy to share their stories. If you've joined the ranks of small business owners, take a step forward and share your story, your point of view, how you accomplished your dream and how you sustain it to stand out from the competition.



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Reporters at local newspapers and other news and community websites are always interested in small business success stories. Contact them to share your story in the media. You'll find plenty of eager listeners and you can promote your business for free and help others at the same time.

THANK YOUR PEOPLE

No one operates a successful business alone, an adage successful business owners know well. Your staff and employees help keep your business running, so it's important to take a moment to show your appreciation. Smart small business people reward their people frequent-

ly in small ways, through personal communication, texts, emails or social media shout-outs, or surprise parties.

CONNECT WITH SBA

Small business week is just once a year, but the Small Business Administration helps small businesses throughout the year. Free

webinars on the SBA's website (SBA.gov) can help you learn new skills, financial management and marketing techniques.

NETWORKING AND SUPPORT GROUPS

Plenty of towns and cities of every size host frequent, sometimes weekly, events that feature star performers in small businesses as well as morning, afternoon or evening networking get-togethers. Search Facebook and other social media to find these groups in your area.

Small Business Partnerships

If you've developed relationships with other small business owners in your community, you can increase your sales and visibility by teaming up with businesses that are complementary to your own. Increase your exposure by offering such things as partnership coupons to reach similar audiences. These relationships will not only benefit your business, but form a community bond between local small entrepreneurs.

PROMOTE SMALL BUSINESS WEEK

Don't let your customers forget about Small Business Week. Use your email and social media connections to announce special sales or other premiums to thank your customers. The chances they'll share their support with their friends and followers will increase exponentially.

Veterans Small Business Week

Lesser known than Small Business Week in the spring but no less important is National Veterans Small Business Week.

The U.S. Small Business Administration celebrates, connects and empowers veterans during this annual event, now six years old and held in the fall.

“This week is dedicated to celebrating the nation’s 2.5 million veteran-owned businesses who contribute nearly \$1 trillion each year to the U.S. economy,” said SBA Acting Administrator Chris Pilkerton. “The SBA is proud to collaborate with our district offices, resource networks, and agency partners to empower veterans throughout every stage of their entrepreneurial journey.”

Each year, the SBA chooses a theme intended to highlight and connect veterans nationwide to the resources available to help them accomplish small business success. Each day during the week, SBA chooses a different topic related to veteran entrepreneurship such as transition assistance, training and government contracting.

Veterans served their country in uniform, and the SBA takes veteran entrepreneurs seriously by supporting them in their new careers with a



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variety of resources, such as the Boots to Business entrepreneurship training program.

Boots to Business teaches the fundamentals of business ownership at 200 military installations worldwide. Since 2013, the program has helped more than 100,000 veterans start and grow their businesses. Elsewhere, the SBA’s 22 Veterans Business Outreach

Centers provide resources designed to help service members, veterans, National Guard and Reserve members, and military spouses boost their business goals through services, such as training, workshops and tailored business counseling.

Other programs and resources offered by the SBA to veterans include the following.

Service-Disabled Entrepreneurship Development Training Program:

A training grant available for up to six grant awardees (minimum award of \$50,000, maximum award of \$150,000) with the purpose of supporting organizations that currently deliver entrepreneurship training programs to service-disabled veteran entrepreneurs who aspire to

be small business owners or currently own a small business.

Veterans Institute for Procurement: An accelerator-like, in-residence educational training program, funded in part by SBA for owners, principals and C-level executives of veteran-owned businesses and service-disabled veteran-owned businesses focusing on federal procurement.

Veteran Women Igniting the Spirit of Entrepreneurship: An SBA-funded program provided by the Institute for Veterans and Military Families. V-WISE includes online training, a conference that harnesses the unique esprit de corps of women veterans and female military spouses, and follow-on mentoring through a community of partners.

Online, SBA district offices and local partners and organizations host activities, including Twitter chats, video panel discussions and other resources for veteran entrepreneurs. Connect with the SBA on Twitter @SBAGov to learn more and join other veterans, service members and reservists as they share success stories, best practices using the hashtag #VetBiz.

For more information about National Veterans Small Business Week and to find events near you, visit sba.gov/vetbiz. For more information on the resources available for veteran entrepreneurs, visit sba.gov/veterans.

Clicks to Bricks

Increasingly, online stores are making the move from the digital space into brick-and-mortar stores. Even Amazon, the king of e-commerce, has opened 17 physical bookstores since launching its first store in 2015, with plans to expand.

This is part of a trend called clicks to bricks, where online retailers such as Amazon and Warby Parker, which sells eyeglasses, are opening brick-and-mortar stores, said Cardiff Garcia of The Indicator, a podcast on National Public Radio.

Why? On first thought, lower rents and less-expensive advertising might be one appealing metric, but e-commerce store owners often view the transition with an eye toward using their physical stores as a complementary marketing tool. Depending upon the product, the in-store experience can achieve results that shopping online can't.

Lower rents, of course, cannot be discounted (pardon the pun). Feeling the heat of store closures by big retail names, mall management companies and landlords are increasingly more open to short-term or seasonal leases



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and pop-up concepts. These physical locations can also act as backdrops for social media marketing to create awareness and find new customers. Creating a hybrid online/physical store is a trend gaining traction as commercial real estate owners understand the importance of attracting new tenants.

And while customers clearly love the convenience and ease of online shopping and fast home delivery, many also can't deny the tactile experience of interacting with products in person. Small stores may not have the inventory

that online stores have, but such experiences as trying on shoes and clothes, feeling the material or testing out a look, or browsing books and magazines are just a few reasons many are returning to local retailers and malls.

These relationships are forging a new shape of physical retail locations. Online entrepreneurs are unlikely to open a chain of stores but focus on a few or maybe just one store to represent their brands. On the flip side, traditional retailers with an online presence are also seeking to draw customers into their physical stores with such

incentives as pick-up locations for those who order online but want their items faster than delivery can match.

Elsewhere, an entire industry has risen catering to this specific desire. BrandBox is one such business, created to help digital retailers make the leap to a physical location. The company walks new store owners through all the steps necessary for opening a physical location, from permits, choosing potential locations, store design and lease agreements down to backroom cleaning supplies. Some mall management host such com-

panies on-premise to assist e-tailers about the process.

So how do you know if your e-commerce business can make the successful leap to a brick-and-mortar location? Experts in the field recommend evaluating your business, merchandise and brand experience to measure how it can be enhanced with a physical store. If your product checks all these boxes, a pop-up store or kiosk will help you test the waters.

Operating a retail store requires much more investment than an online business. If you're not enlisting the help of an intermediary such as BrandBox, you'll need to lease space in an area zone for retail. Expenses add up from there, with store design, display racks and shelves, sales counters and other fixtures. You'll also need a register and a suite of business tools to manage employees, inventory, sales and taxes.

Another big consideration is hiring salespeople. Many online store owners went into business that way, at least in part, so they didn't have to manage other people. But that all changes when you open a physical store. Even if you can manage operations on your own for a while, the time will come when you'll need employees.

While the costs and new ways of doing business can be large, if you have a product that sells the profits may go a long way toward convincing you you've made the right decision.

Conditions that Lead to Growth

It's no secret that small businesses are a key driver of economic growth and job creation.

The Small Business Administration touts these strong numbers, but according to a recent report from Gallup, the analytics and polling firm, and TrueSpace, a sustainable business growth consulting firm, too often small businesses fail before they can sustain positive job creation and growth over the long term.

Gallup surveyed 2,500 business owners to develop insights into how small businesses can grow prosper beyond the post-startup phase and achieve sustainable growth. The result was "The Five Conditions Assessment," an analysis of operating conditions that can be used to track business growth from startup to middle market and beyond.

What the survey revealed is that working harder does not in itself lead to long-term growth. Rather, a company must almost reinvent itself to meet the challenges beyond the startup phase.

These five conditions include organizational alignment, operating discipline, predictability of performance, endurance among employees and other stakeholders, and value creation. Using the survey, small business owners can assess their own growth and potential by evaluating themselves under each condition by placing themselves in one of three categories: emerging, remodeling and benchmark.

Here is a breakdown of the five conditions according to the report. Each of the first four conditions is significantly related to higher performance as measured by company size and recent growth rates.



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Alignment: The alignment condition addresses the question, "Is the business growth-capable?" Alignment scores are most strongly related to performance, suggesting the elements the condition measures are a critical foundation for growth.

Discipline: The discipline condition addresses the question, "Can the business scale?" It looks at businesses' efforts to identify and track key performance indicators, and build capacity for continual improvement. Companies' discipline scores relate only somewhat less strongly to perfor-

mance than do those for alignment.

Predictability: The predictability condition addresses the question, "Are the decision-makers continuously learning?" with the recognition that leaders can learn from past growth experiences to improve their decision-making. This condition is somewhat less strongly related to performance than the other conditions.

Endurance: The endurance condition addresses the question, "Can employees and other stakeholders endure the growth journey?" It looks at businesses' efforts to monitor and

maintain an emotional commitment to the company among stakeholders. The condition is second only to alignment.

Value creation: The final condition addresses the question, "Is growth creating enterprise value?" According to the report, early in the development of their businesses many entrepreneurs do not have a firm grasp of the value of their enterprise, or even how to place a value on it. Among benchmark companies against which the conditions are aligned, operational outcomes and market conditions that drive enterprise value are clearly understood. These companies have also demonstrated clear results with regard to value creation in terms of consistent year-over-year growth in revenue, free cash flow and headcount.

So how to achieve benchmark results?

Gallup believes the initial evidence that the assessment provides can be a valid and valuable tool for business owners to reliably assess companies' potential for growth and offer specific guidance for achieving it. If even 10% of post-startup companies in the emerging and remodeling categories could be moved to benchmark status, Gallup estimates, the resulting growth would produce 17 million new jobs.

Some companies are already using these assessment tools to achieve sustainability, particularly smaller startups without the resources to hire outside consultants and analysts. In a New York Times article, one such company that aimed its medical training firm says it had cast its net too wide. The alignment condition specifically helped them to focus its business on one market that allowed them to scale, instead of five or six markets they could not effectively penetrate.

To learn more about "The Five Conditions Assessment," visit gallup.com.

Managing Stress

Owning an operating your own small business provides you the freedom to pursue your passion, as well as economic freedom and the opportunity to manage your own time.

But any small business owner will tell you, these positive aspects can quickly be overwhelmed by the stress associated with managing every aspect of that business.

Owners are all things to all people — staff, vendors, landlords and customers — and wear a variety of hats to manage all the tasks and actions it takes to successfully operate a small business. According to a report from Bank of America, many small business owners say they experience twice the amount of stress from running a business as they do compared to maintaining a healthy relationship with a partner — and the former can quickly add to the stress of the latter.

Fortunately, most find enduring that level of stress is worth it. And some stress is a healthy component in driving success. But there's always ways to better manage and alleviate some of the negative stress. Here's some tips that are easily practiced to allow owners to bring down stress and remain healthy on a daily basis.

EMBRACE TECHNOLOGY

People have plenty to say about the downsides of technology, and for good reason. But it's also relieved many from time-consuming tasks that once took hours to complete, such as employee scheduling. There's a variety of software products that can minimize that time with expert efficiency.



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In fact, there's software for just about every facet of business management, from payroll to inventory and more. Take advantage of these advancements and decrease the time you spend laboring over once tedious task.

FIND WAYS TO DELEGATE

Some small business owners jump into their new lives doing everything, sometimes because they want to but more often because they have to. But once the business proves itself and expands, hiring competent, motivated employees and delegating tasks and authority for certain aspects of the business will accomplish two goals: you'll instill loyalty and accountability

in your employees and reward them for their skills, and you'll decrease your own stress by lightening the load on yourself.

MAINTAIN YOUR HEALTH

Often, a casualty of running a small business is that your diet and exercise regimen can be compromised by the myriad responsibilities you're required to attend to. But maintaining those two elements in your life, especially frequent exercise, are key to maintaining healthy stress levels. That doesn't mean you have to run out to the gym on your lunch break. Even five or 10 minutes of walking and stretching can pay stress-relieving dividends. You'll

also notice you're more alert and attentive to the tasks ahead and ultimately end any given day with a feeling of accomplishment.

TAKE TIME AWAY

It may not be possible at first to take time off to enjoy your newfound personal freedom, but remembering to schedule days off and vacation time for yourself is very important. Just as employees are happier and more productive after breaks from work, so are successful business owners. The less negative stress you have, the more valuable you are to your customers and employees. Also, breaks don't have to mean extended time away from your business. Simply taking an hour away — for lunch, a walk, a coffee break with friends — can help recharge your batteries, refresh your thinking and imbue you with some healthy perspective.

GET THE PROPER AMOUNT OF REST

It's understandable that small business owners don't often get enough sleep. Relaxing is difficult when you've invested all the effort and resources you can to make your business a success. But getting the proper amount of rest is essential. Without good sleep, you may find yourself becoming more irritable and easily agitated, and your performance will suffer. Lack of sleep also affects judgment, memory and mood — all important to maintain to not only increase performance but to make you a better boss and manager. A side effect of good sleep is that it can make you happier and, of course, plays a large role in managing stress. Schedule a regular time to go to bed each night, waking up at the same time each working day. Your body, mind and the people around you will all benefit.

Benefits of Shopping Local

There are far-reaching benefits to supporting local businesses in your community.

Not only do local small businesses increase the value of your shopping experience by providing unique goods and services, but your patronage makes a valuable contribution to supporting your local economy. Here are some other benefits of supporting local businesses.

SUPPORT

By frequently shopping at or using services provided by locally owned small businesses, the money you spend stays in your community. Local sales taxes from these businesses go to support important community services such as police and fire protection, education, parks and recreation and other services and publicly funded initiatives. According to studies, as much as two-thirds of every dollar you spend will wind up reinvested in your community.

JOBS

This is simple: Small businesses make up the majority of employment in the U.S. and also account for the bulk of new jobs. Supporting local small business means you support local job creation.

EXPERIENCE

Nothing beats in-person



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shopping, and local small businesses are renowned for offering special value to customers by providing unique experiences, personal service and treatment you can't find online. Increasingly, many small, locally owned small businesses are now finding a home in malls as chain stores

move out. And you're just as likely to find a local business adjacent to any big box retailer.

COMMUNITY

From the coffee shop you frequent to the yard maintenance firm you use to the local restaurant you dine at, spend-

ing at small businesses in your area creates a sense of community. These relationships form bonds between a business and its customers that form character and encourage community involvement. Gathering spots such as pubs, record, book and art supply stores often act as events hubs

that bring those with like interests together.

PRODUCTS

Small businesses are known for providing a variety of special or unique products and services not found anywhere else. From gift shops to hair salons, clothing boutiques to diners, you'll escape the norm of mass-produced goods found at big stores and often impersonal service from chain outlets. Local small businesses pride themselves take pride in providing products with an exceptional level of quality.

ENVIRONMENT

If you have concerns about the environment and your carbon footprint, shopping at local small businesses in your neighborhood can mean lessening the impact. You'll drive less, maybe even walk or take public transportation, which will in turn bring down noise and pollution by decreasing traffic.

INSPIRATION

Every small business owner got into business to bring a dream to life. They spend extraordinary amounts of time and effort into making that business a success, which translates into the often superior customer experience you'll encounter when you walk through the door. By supporting local small businesses, you're supporting someone's dream. Perhaps it might prove so inspiring you'll be moved to opening your own business.



Women-Owned Businesses

The growing American economy has been good for all businesses, but especially so for small business and, in particular, women entrepreneurs.

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According to the U.S. Small Business Administration, women entrepreneurs make up a growing share of small business owners, a number that has increased exponentially year after year.

According to the 2019 American Express State of Women-Owned Businesses report, which uses the most recent data from the Census Bureau's Survey of Business Owners to make its projections, women own 13 million companies in the U.S. and employ more than 9.4 million people, generating \$1.9 trillion every year.

In 2017, women launched almost 2,000 businesses every day. That's a long way from the figures in 1972, when only 402,000 women owned businesses. Here are some other key facts and figures from the report.

Since 2014, the annual growth rate of women-owned businesses — defined as businesses that are at least 51% owned, operated and controlled by one or more females — has been double of

all businesses.

The number of women-owned businesses increased 21%, while all businesses increased only 9%.

Total employment by women-owned businesses rose 8%, while for all businesses the increase was 1.8%.

Total revenue growth of women-owned businesses was about the same as for all businesses: 21% and 20% respectively.

GOVERNMENT CONTRACTS

The growth of women- and minority-owned businesses in recent years likely didn't happen by accident, according to an article in The Atlantic magazine. The impact of such legislation as the Small Business Jobs Act of 2010 and the Women's Equity in Contract Act — both of which help women-owned businesses win more government contracts — also helped propelled growth. Both these acts worked to put women at a competitive

advantage, the magazine reported, and enabled more women get started in business for themselves.

DIVERSITY

Even more astounding than the explosive growth of women-owned businesses during the past five years is the fact that businesses owned by women of color grew at twice that rate (21% and 43%, respectively). Business owned by African American women grew even faster at 50%. That growth also holds true for other women of color, such as Latinas, Asian Americans, Native Americans and Hawaiian/Pacific Islanders. While these businesses grew at a slower pace than figures for women of color, they grew faster than women-owned businesses and all businesses overall.

WHAT THEY DO

According to the report, 50% of all women-owned businesses are focused

in such small business categories as services, health care and professional/technology fields. This figure reflects overall growth trends in small business concentrated on five industries:

- Health care and social assistance: 14%.
- Accommodation and food services: 11%.
- Professional, scientific and technical services: 11%.
- Educational services: 10%.
- Transportation and warehousing: 10%.

IMPACT

All these facts and figures point to an inescapable conclusion. Women-owned businesses are, like all small businesses, a key economic driver. While a disparity exists between these businesses and others, it's clear that women-owned businesses are improving both their own financial security and those of their employees.