

Small Businesses: A Big Economic Driver

A recent study by Jason Nazur, an entrepreneurial writer and contributor to Forbes Magazine, found that 75% of all businesses in the U.S. are owner operated with no employees (non-employer businesses). A great majority, about 94%, of these 22.4 million non-employer businesses are sole proprietorships or partnerships. Those are real owner operator small business operations. These are the truest of small business and it is surprising what a large part of business they represent. And, this group of businesses has been growing in number each and every year for the past ten years even through the "Great Recession".

At the same time the number of companies with employees (employer businesses) has been steadily declining each month. And along with this the total number of employed people in the U. S. has been declining. This is in the face of the government reporting of the unemployment rate going down. But, they are measuring unemployment claims not total employment. Overall, jobs are not that plentiful. Part of the reason is that there are just fewer employer businesses.

We ask - Why are there fewer companies hiring employees and fewer jobs available? And we can get many various answers. Jobs are going overseas. Companies can't compete with foreign competition. Banks are not lending money. Automation is replacing people. Business dried up during the recession. Business are being sold, moved or downsizing. The reasons do go on and on, some true, some not so. We can continue to cry in our beer or we can look for a brighter future.

Looking at a recent Petoskey News and Review front-page article on job opportunities and employment we see high tech and unskilled job openings are very limited. But, we also see a shortage of skilled employees and a shortage in the fields of science, technology, engineering and math. Governor Snyder recently stated there are 80,000 open jobs in Michigan in these areas. This is a unique situation for people with these needed skills. Things are changing.

Also, what I see here is that this shortage creates a unique opportunity for those interested in starting their own business. Putting your skills to work in your own business can be very hard work, but rewarding personally and financially. If people with skills and creative ideas find ways to put them to work and market them it

expands the economy and opens more jobs for others. This is the way America has always grown.

Small businesses are usually started by one person, or a few collaborators together in a partnership, beginning in a home, a garage or a small office or workshop. Some have experience some don't, but some creative spark starts working in them. Some are successful some are not for many reasons, usually from poor financial planning. Insuring success is definitely improved by the amount of planning, assistance and guidance put into the enterprise as it is formed and gets it's start. Get the training and help you need - plan for success.

How do you plan for running a business well and plan for success? First the entrepreneur must be knowledgeable or get the training for the intended business in areas of marketing, operations and finance. Then, the best way to get off to a solid good start with a new business or improve a current business is to prepare a business plan with guidance from experienced people. A good business plan forces you to evaluate and plan for the contingencies that will happen and helps avoid crises that otherwise lead to failure. Getting guidance from experienced people insures that the plan being prepared includes necessary marketing steps, competent operations, financial contingencies and profitability.

Some excellent sources for training and help include Public Libraries, North Central Michigan College and SCORE. Most of our area Public Libraries now have Business Resource Centers with good business information. North Central Michigan College offers business and entrepreneurial courses.

SCORE, Service Core of Retired Executives, is a volunteer group sponsored by the Small Business Administration. The SCORE website www.score.org includes a format for preparing a business plan. The local SCORE Tip of the Mitt Chapter has volunteer counselors willing to counsel business start-ups as well as established businesses FOR FREE. Their volunteer counselors are retired experienced business people who are willing to provide continuing guidance for your business. Contact SCORE Tip of the Mitt at Petoskey Regional Chamber of Commerce 231-347-4150

Chris Smith lives in Charlevoix. He is a volunteer counselor with the Tip of the Mitt Chapter of SCORE after spending 60 plus years in various small business enterprises

including engineering, manufacturing, property development and property management.