

## If I am self employed, how can I become a small business?

To be self-employed, you have already exhibited the human traits which will carry you to bigger and to better opportunities in business. You are not risk averse. You have the entrepreneurial gene. You are self motivated. And, you do not take “no” as a definitive answer.

Well, if it was that easy, then everyone could develop and succeed in small business. But, we all know this proposition does not hold true. Let us scrutinize some of the facts:

- \* The SBA defines a small business as having less than 500 employees
- \* There are almost 28 million small businesses of which 22 million are self employed (these are businesses with no employees and no payroll)
- \* These businesses employ 65% of all people employed
- \* Each month approximately 542,000 small businesses begin operations; but nearly an equal amount each month fail
- \* 52% of small businesses are home based
- \* Seven out of ten new small enterprises survive for two years, half survive for five years, a third survive for ten years, and a quarter survive over 15 years

(This data was culled from the United States Census Bureau and the Small Business Association)

Obviously, the odds are stacked against you. But, you are the eternal optimist. You are the ones who see the world and all its shortcomings as half full, not half empty. So let us begin to discuss the goals and strategies which will help you attain this opportunity of changing the size and scope of your current business.

Initially, you must delineate your new business plan and your new personal goals in writing. This will be quite beneficial in that it will force you to evaluate what you want to do and why you want to do it. This document has to be rethought and edited many times before it is in its final form. There can be no room for errors or omissions. This document forces you to not omit or lie to yourself about any facet of this venture.

Next, you must compile the strategies that will help to ensure your success. There is an old adage in business, “stick to what you are good at.” Do not change what you are already successful in performing or producing. Find ways and methods to enhance what you already do well. This will entail additional time and manpower. You can not do everything yourself. You must be able to allocate some of your daily tasks to a subordinate, so that you can devote more of your time to growing your business. This will be difficult, because you have always made most of the decisions. But, now you do not have the time to do this; and you need other responsible people to handle the core business tasks so that you can enhance and grow your business.

One can not pursue growth without evaluating the financial ramifications. First, evaluate your internal cash and the equity status of your business. Then, evaluate friends and relatives for addition funds. After these options have been qualified and quantified, you can scrutinize and evaluate angel funding, bank funding, and/or equity funding. Lastly, you may have competitors that you know are reliable and quite good at what they do. It might be a propitious time to consider a merger or an acquisition of your competitors’ operations in order to take advantage of the economies of scale.

The possibility of this happening to your business is quite difficult to comprehend. At SCORE, we have business counselors who have been there and have succeeded. Give Peter Iverson a call at 231-347-4150 to schedule an appointment. It is confidential and pro bono.

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