BUSINESS BASICS

NYS Small Business Development Center
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Presented by…
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Introduction…

- Who are we?
- Where are we?
- What do we do?
- Who can use these services?
- How much do services cost?
- How long do services last?
Are you an Entrepreneur?

- Emotional Fitness
- Mental Fitness
- Financial Fitness
Defining Your Business

• Setting the vision
  ➢ Have a reasonably good idea before you start – does it make sense?
  ➢ Assess your strengths and weaknesses

• Planning for the business
  ➢ Register the business, obtain an E.I.N., open a bank account
  ➢ Find accountant, attorney, insurance provider
  ➢ Consider your financial situation
  ➢ Write a business plan
  ➢ Where will your business be located?
  ➢ Comply with regulations – Can you operate from home? Obtain necessary licenses, permits – check with Town or Village
FINANCING YOUR BUSINESS

• How much money will you need?
• The truth about grants.
• Am I eligible for a bank loan? What is required? How the SBA helps.
• What about my credit? Check online – Equifax, Trans-Union (TRW), Experian
• Determine start-up costs (Include 6 – 12 mos. Working capital and personal expenses)
• Calculate Cash Flow Projections – 3 years
The Five C’s of Credit

**Capacity** to repay  (The lender will want to know exactly how you plan to repay the loan)

**Capital** investment  (How much money you are personally willing to invest)

**Collateral**  (The additional security you are able to provide to secure the loan)

**Conditions** (What the money is being used for, (working capital? Equipment? Inventory? The lender will also consider the local economic climate and the industry in general.)

**Character** (The general impression you make on the lender. This is a subjective opinion. Your experience, education, personality, trustworthiness, the quality of your references.)
Legal Forms for Business

- Sole Proprietorship
- Partnership
- Corporations
- S-Corporations
- LLC/LLP
Products and Services

• What are you selling?
• Find the vendors – What are the terms?
• How much will it cost?
• Collecting sales tax – apply for a Certificate of Authority
Market Planning

Conduct Market Research

• Identify your customer, Identify your competition
• Write a marketing plan
  - How will you get your message out?
  - What is the cost of advertising?
• Create Marketing Materials
  - Logo, business cards, brochures, flyers, promotional materials
• Join your trade association, Chamber of Commerce, networking group
• Network, Network, Network!
Marketing Strategy:

- Packaging
- Promotion
- Pricing
- Position

SWOT Analysis:
  - Strengths, Weaknesses, Opportunities, Threats
Top Ten Reasons Small Businesses Fail:

1. No long-range business plan.
2. Underestimating $ needed.
3. Failing to establish a banking relationship.
4. No management training.
5. Incorrect pricing.
7. Extending too much credit with poor collections.
8. Lacking a clearly defined marketing strategy.
9. Hiring inappropriate employees.
10. Reluctance to spend money for professional help, i.e. Accts, Attys.
Improving Chances For Success:

- Know what you’re getting into.
- Have or raise as much $ as you can.
- Be frugal.
- Line up customers before you start.
- Choose a business with low startup costs.
- Get a job in the industry first.
- Be careful about all agreements you make.
- Join a trade or industry association.
- Be willing to wait.
- Plan.
- Get help.
Entrepreneur: “Someone who works 20 hours a day so they don’t have to work 8 hours a day for someone else.”

Free help and confidential assistance is available at the Small Business Development Center…. you don’t have to do it alone!

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