Following Your Dream:
Starting & Operating a Small Business
The Age of the Entrepreneur

- Over 35 million U.S. households (37%) have an intimate involvement in a small business.

- College seniors are interested in pursuing entrepreneurship after graduation. (49% men/31% women)
The Age of the Entrepreneur

Of the 229,779 businesses in Mississippi
- 121,050 are self-employed (52.7%)
- 95,958 have 2-9 employees (41.7%)
- 12,147 have 10-99 employees (5.3%)
- 547 have 100-499 employees (.2%)
- 77 have 500+ employees (.03%)

99.7% of all businesses in MS are small businesses
What Is an Entrepreneur?

One who creates a new business in the face of risk/uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on those opportunities.
A dream is a wish your heart makes
When your fast asleep
In dreams you can lose your heartache
Whatever you wish for you keep
So have faith in your dreams and someday
Your rainbows will come shining thru
No matter how your heart is grieving
If you just keep on believing
The dream that you wish will come true.
Choosing a Form of Ownership

There is no one “best” form of ownership.

- Sole proprietorship
- Partnership
- Corporation
- S corporation
- Limited liability company
Location
Location Considerations for Retail

- Trade area size
  - Retail compatibility
  - Degree of competition
  - Transportation network
  - Physical, fear, or political barriers

- Customer traffic

- Adequate parking

- Room for expansion

- Visibility
Business Incubators

✓ Provide a facility *(sheltered environment)*

✓ Specialized business assistance
  ✓ Planning
  ✓ Research
  ✓ Financial guidance
  ✓ Support services

✓ There are 16 incubators in MS
The Business Plan

✓ Be *market-driven*, not product-driven.

✓ *Always* include an analysis of the competition.

✓ Keep your plan “crisp” 25 to 55 pages is ideal.

✓ Make your plan interesting
Business Planning Resources

✓ www.sba.gov
  ✓ Small business planner
    ✓ Write a business plan
      ✓ Interactive business planner
      ✓ Sample business plans
      ✓ Business plan workshop

✓ www.entrepreneurcenter.mississippi.org
  ✓ Resources
    ✓ How to Start A Business
      ✓ Entrepreneurs Tool Kit
      ✓ Webinars
Cash flow

✓ Remember: Cash and profits are not the same!

✓ A company can earn a profit and still go out of business because it runs out of cash.

✓ Young, fast-growing companies are especially vulnerable.
The "5 Cs" of Credit

- Capital
- Capacity
- Collateral
- Character
- Conditions
Three Types of Capital

- Fixed - used to purchase the permanent or fixed assets of the business (e.g. buildings, land, equipment, etc.).

- Working - used to support the small company's normal short-term operations (e.g. buy inventory, pay bills, wages, or salaries, etc.).

- Growth - used to help the small business expand or change its primary direction.

Capital is any form of wealth employed to produce more wealth.
Local Resources

✓ Minority Certification - www.mississippi.org
✓ State Procurement Center - www.mscpc.com
✓ Chambers of Commerce - www.mississippi.gov
✓ Community Colleges - www.sbcjc.cc.ms.us
✓ SBDC’s - www.olemiss.edu/depts/mssbdc
✓ MDA - www.mississippi.org
Marketing focuses on the foundation of every business - the customer.
The Marketing Plan

- determine customer needs/wants using market research
- pinpoint the specific target markets
- analyze the firm's competitive advantages
- create a marketing mix
The Marketing Mix

- **PRODUCT**
- **PROMOTION**
- **PRICE**
- **PLACE**

THE CUSTOMER
Relationship Marketing

Developing/maintaining long-term relationships with customers so that they will keep coming back to make repeat purchases.
Mississippi Market

- June 6-7, 2013
- MS Trade Mart Building
- 150+ Mississippi-based companies exhibiting
- 1,000 buyers expected
- Wholesale orders only

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