



TIPS TO START OR GROW YOUR SMALL BUSINESS

WELCOME

- Tiffany Bahena, CSUB-SBDC Program Assistant-Producer and Moderator
- Angel Cottrell, CSUB SBDC Consultant-Presenter
- Kelly Bearden, CSUB-SBDC Director-Remote

Housekeeping

- **PLEASE.....**
 - Turn off any computer speakers you may have on
 - Free up your bandwidth and close other programs
 - Everyone except Moderator and Presenter are on MUTE

Interaction

- **QUESTIONS????** Use the CHAT or Question button on bottom right side of your Dashboard
- Raise your hand-click on the hand
- An evaluation survey at the end of the webinar will be sent
- Technology difficulties: USE THE CHAT button—Tiffany will help you
- Q&A will occur during and at the end of the webinar

GOALS OF THE WEBINAR

REFLECT REVISE RENEW

Explore Start and Grow Strategies

Legal aspects

Marketing

Financial

Technology

TIPS to Start or Grow

- Business plan- TWO main reasons:
- Obtain capital
- Develop and document precise strategies and activities to **commence, grow, sustain, or exit** a business venture.

Start and Grow SWOT Strategies

Strengths

Weaknesses

Opportunities

Threats

SWOT-Internal

- Strengths-company advantages, resources-people, money, expertise, how do you generate sales?
- Weaknesses-what can you improve, what do you avoid, when do you lose sales?

SWOT-External

- Opportunities-what trends do you notice, new and different options, changes in technology or the industry?
- Threats-**PESTEL**
- Political
- Economic
- Sociological
- Technological
- Environmental
- Legal

What are the GOALS for GROWTH?



TIPS to GROW

Do the Research

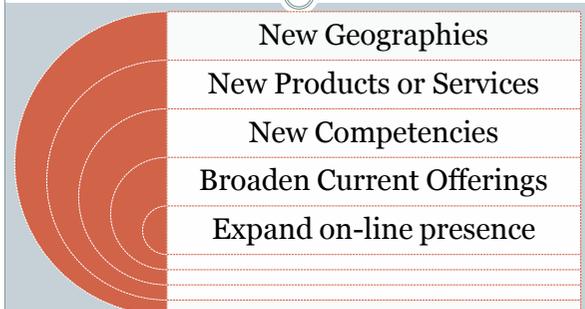
Do the Math

Use what you have, Seek what you need

Plan for Profitability

Strive for Sustainability

Strategies to GROW



Strategies to GROW Successfully

- Leverage current resources: Time, People Partnerships and Money
- SEEK what you NEED (see above!)
- Adapt! As conditions change and evolve
- Evaluate your progress, compare performance to goals monthly

LEGAL ASPECTS

- **Entity choices:**
 - Sole Proprietor
 - General Partnership
 - Limited partnership
 - LLC-limited liability company
 - Corporation: S, C, B (new in CA)

Legal Aspects

- How, why, and when to choose?
- Manage your risk...
- Who can help? SBDC consultants, lawyers, CPA-tax professionals

Legal Aspects: Factors to consider:

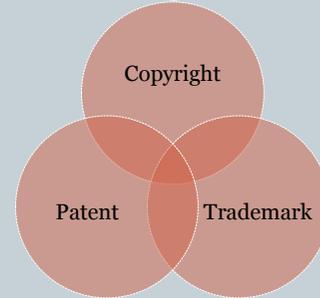


Legal Aspects-State of CA

3.5 million small businesses account for **99%** of the state's firms and employ **52%** of the workforce. (U.S. Small Business Administration).

GO-BIZ <http://business.ca.gov/AboutUs.aspx>

Legal Aspects-Intellectual Property



Legal Aspects: Intellectual Property

- Copyright: a set of exclusive rights granted to the author or creator of an original work, including right to copy, distribute and adapt the work.

Legal Aspects: Intellectual Property

- Trademark: a distinctive sign or indicator used by an individual, business organization, or other legal entity to identify that the products or services to consumers with which the trademark appears originate from a unique source.

Legal Aspects: Intellectual Property

- Patent: a set of exclusive rights granted to an inventor or their assignee for a limited period of time in exchange for public disclosure of an invention.
- A patent application must include one or more claims defining the invention which must be: **new, non-obvious and useful or industrially applicable**

Marketing Definitions

Marketing

- Market Research
- Target Market
- Market Niche

Market Research

- Everything you do to identify who is going to buy your product or service and why
- Market Research provides convincing arguments that support the **feasibility and viability** of your business idea.
- **Define Trends** (industry and biz specific, predict changes and how your biz will adapt and succeed)
- **Competitor Analysis**
- Who? (direct and indirect, historical info, market niche)
- Similarities and Differences
- Market Share

Marketing-Target Market

Who Are Your Target Customers?

Which of these customers are potentially the most profitable?

Where are you most likely to find these customers?

What season of the year are they most likely to buy/use your product/service?

Market-Niche

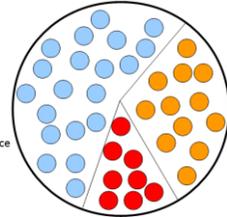
- Position your Business takes in the Marketplace as compared to your Competition (**specific** customer characteristics, demographics, project size of your market)
- Who are you willing to spend MONEY on to attain or retain as a customer???
- If you define your customer as, "ANYONE who".... You do NOT have a niche defined!!

Marketing

Market Niche Exercise

Total Market

- May or may not buy your product or service
- Sometimes buys your product or service
- Most likely to spend the MOST MONEY on your product or service



Marketing-Tools

Collateral materials

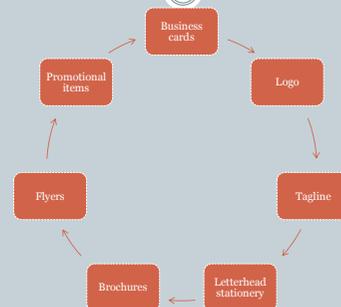
Web Exposure

Advertising

Networking

Publicity

Marketing-Collateral Materials



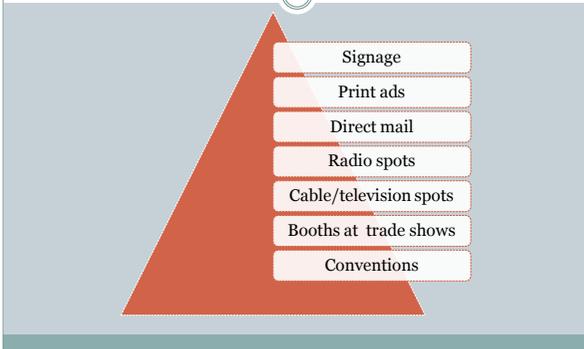
Marketing-Web Exposure



Marketing-Grow Social Media



Marketing-Advertising



Marketing-Networking



Marketing-Publicity

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- YouTube videos
 - Participate/sponsor charity events
 - Cable public access television
 - Guest spots on local radio shows
 - Print coverage
 - Write articles

Marketing-Budgets and Priorities

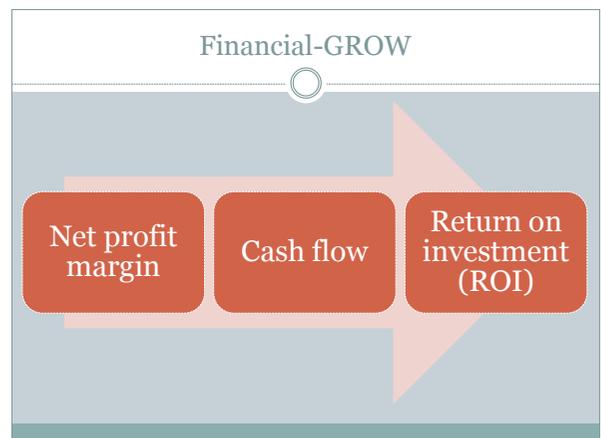
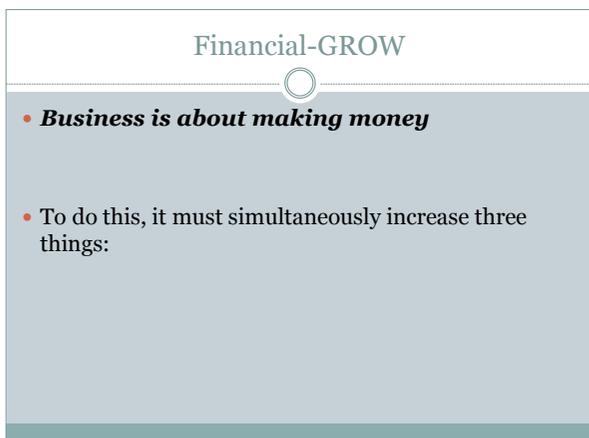
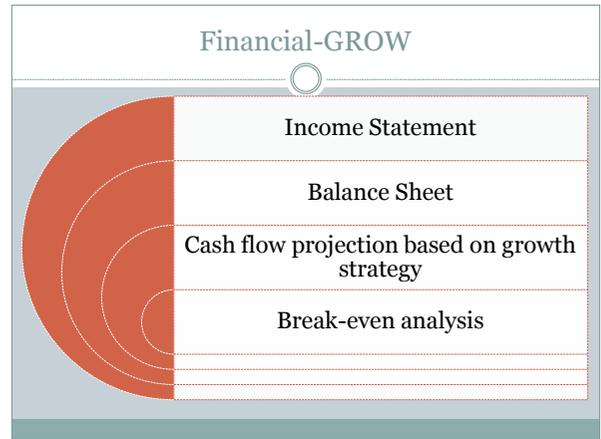
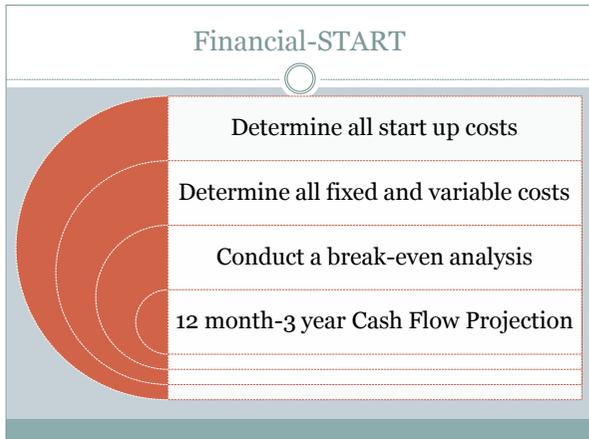
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- Budget and Prioritize Marketing Strategies
 - Select at least one marketing strategy from each applicable tool
 - Use multiple strategies from those most likely to reach your customers
 - Maximize the use of low-cost strategies.
 - Spend the most \$\$ during seasons with the most ROI
 - Price out the cost of each tool, frequency and duration of use-CREATE a BUDGET

Marketing-Measuring ROI

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- Track the Effectiveness of Your Marketing Strategies
 - Ask customers how they heard about you
 - Monitor "hits" to your website
 - Develop a customer database to analyze and use for marketing
 - Use codes and "offers" in advertising campaigns
 - Send out follow-up email/surveys
 - Monitor online reviews to see/hear what your customers are saying about your product/service

Marketing for GROWTH

- Here are four things CEOs can do to narrow their customer focus and create more growth:
- 1. Find your most profitable customers. Do some back-of-the-envelope math to rank order your customers in terms of high to low profits. The customers that pay more and cost less to serve are creating the most value for your business.
- 2. Understand the unique needs of your most valuable customers. How are they different from your less profitable customers? Identify the drivers of why they rise to the top.
- 3. Understand what you are doing for these customers that no one else can do as well. Determine your key strengths and the offerings that they find the most value in.
- 4. Ruthlessly prioritize and focus organizational resources and investment on these customers. Always choose projects and investment that favor your most profitable customers. Challenge yourself to free up time and resources to devote more to these customers.
- Creating a narrower customer focus is somewhat counterintuitive to growth. But when it's done right, this approach typically results in more growth rather than less. (KarlStarkandBillStewart-Avondale Consulting).



Financial-Net Profit

Net Profit = What's left over after you deduct all expenses from the revenue your business generates

Net Profit = Total Income – Total Expenses

Net Profit is THE bottom line in your business

Financial-Cash Flow

Negative= Cash out faster than flowing in

Cash Flow Gap is REAL for most businesses

Project and manage cash flow to avoid critical situations due to lack of cash

It is a major responsibility of a business owner

Cash flow funds your business growth

Financial-ROI

- Return On Investment=net profit expressed as a percentage (%) of the value of the total assets you have tied up in the business

$$ROI = \frac{NP}{TA} \%$$

- ROI is a profitability ratio – it is the true measure of the financial productivity of a business

Financial-How to GROW

- Increase sales revenue by increasing price and/or volume
- Keep variable costs down
- Achieve greater productivity from resources which are financed through overhead

GROWTH GOAL:

- Cash flow increases simultaneously with the increase in net profit

Technology

- Tools and Resources to support your success
- Marketing-websites, presence
- Communications-phone, text, email
- Merchant Pay flexibility
- Improve on Processes
- Enhance infrastructure and operations
- Provide Security
- Unlimited options

SBDC Resources

- Free Consulting Services
- Free Virtual Training and Education
- Local and Regional Workshop and Events

www.csub.edu/sbdc

661-654-2856

Contact: Tiffany Bahena
tbahena@csb.edu

Questions??