

Are you starting a business on a shoe string?

Big ideas little money!

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The reasons there are clichés about this topic is because they are true. They may not be true in the way you think they are but we are going to go over some of these clichés so you can see how they apply to you.

Location, Location, Location

This does not always mean do you have a store front on Main Street. It means have you done your home work and investigated the area you want to do business in. I am talking mainly about a bricks and mortar business but it could apply to many home based businesses too.

Do you know what businesses are already in your area? Who is your competition and who will be good partners to bring business to you? Do you know what businesses are not in your area? This sounds like a perfect way to decide what business to go into but it isn't necessarily. Why aren't these businesses here? Was no one ever as smart as you and they just didn't think of it or has the business been tried and failed? Is your business a new concept that has never been offered in the area? Will your area support your business? This is beginning to sound like an economics quiz isn't it? Well basically that is true. Until you answer all these questions you have no idea if your new business will work.

Getting the answers requires a little leg work and investigation. Your community college business incubator is a good place to look. What is here, what were their taxable sales, what has been identified as a community need? All those things are public record. Area demographics are also important to you. The city clerk's office or State Dept of Census should be able to give you good information concerning number of households, average age, average income, and percent of growth or reduction in the area in the last 5-10 years.

Things that can help you decide if this is a good location for your business. You don't want to start a children's shop in a retirement community you can't make a go of it on Grandma's gift purchases alone. A high end day spa in a young, blue collar area may offer services people would love to have but it will never compete with groceries and rent.

So when you are considering location there is much more to think about than the traffic count on the street you will be on.

You won't show a profit for a year.

Be extremely realistic here. You are on a tight budget and this isn't just a saying, it means can you afford to pay your over head, and live yourself, if you have more going out then coming in for at least 1 year. Do you have enough for space costs, equipment, merchandise, fixtures, décor, utilities, insurance, promotion, wages and the hundred other things that come up monthly when running your own business?

A good accountant/financial adviser is not a luxury it is a necessity and I am not talking about your friends cousin who does some book work at night in their basement. This is where good planning is crucial. You must have a workable budget not just an "I think I can make it on this" guess. If you have never run a business before you need to take a sufficient amount of time to do a real business plan. Do real investigation about start up costs DO NOT GUESS at these numbers you will sink yourself before you start.



You can be creative as you want holding down costs of décor, or promotion/advertising but your rent and electric bill will still come due every month. You still need to eat something; ramen noodles and peanut butter might work for quite awhile but not forever so again be realistic.

I always suggest starting out with everything you could dream of then working that plan down to what you can afford. When you see the difference between your dream and what reality will be you will know if you really want to start this business.

Only half of advertising works, you just never know which half.

Can you open your doors, walk outside and announce "Here we are" and have a successful business? If you giving away gold maybe otherwise probably not. You have to let people know who, what and where you are. This is a place a shoe string budget doesn't always hurt you. It makes you get creative.

- Who is your target market?
- Where are they?
- What else do they already buy or use?
- Who would be a good marketing partner for you?
- What is going on in the community you can be a part of?

- What can you afford to give away to get noticed?
- Where are the business movers and shakers networking and how can you get there?
- Can you teach something?
- Do you have the ability to put on an event of your own?
- Who do you know already that can help and in what way can they help?

Before you spend a dime on traditional newspaper, radio, TV, or post a single web site or blog think about this We are bombarded every minute of every day with the traditional advertising and only the unique ones work. Some kind of hook, something to make me remember you from the thousand other pieces of information that were thrown at me today. Advertising companies are paid big fees to help you with these hooks and unique ideas and nothing is guaranteed to work.

For a new business again on a shoestring, doing the leg work yourself, finding your own ways to get in front of your target market and anyone else who will listen is your best bet of success. Help with a fund raiser. Network with other businesses; invite them to coffee and donuts for 30 minutes before business hours in the morning. Do something on a children's ward or at a VA Hospital or a nursing home. Share, become a vital part of your community and all the while you are building interest in yourself and your business. Let some group use your facility to hold a meeting. There are as many ways to get in front of people as there are businesses. Use your own creativity or find someone to help you.

Starting your own business is exciting. You are taking your own destiny in your own hands. You have done everything right you have a plan and a product and you are on fire nothing can stop you. Many things can stop you, natural disaster, a manmade disaster, a change in the world you couldn't see coming. A small budget never needs to be what stops you. If you are truly committed and find help with creative ways to stretch those dollars until George looks like he needs a good meal himself you stand a good chance of success.

Deb has been in retail sales or customer service jobs for over 40 years. She recently found many new business owners were very well versed in online marketing but didn't know how to get the information out in the real world. At least not in a creative and economical manner and as she continued to give out advise to these people the idea for her business Details Consulting was formed.

She runs Details Consulting from her home office in Urbana Iowa a small town located in Eastern Iowa and loves the Midwest. She and her husband have 3 grown children and one granddaughter and are looking forward to the best part of their lives yet to come.

