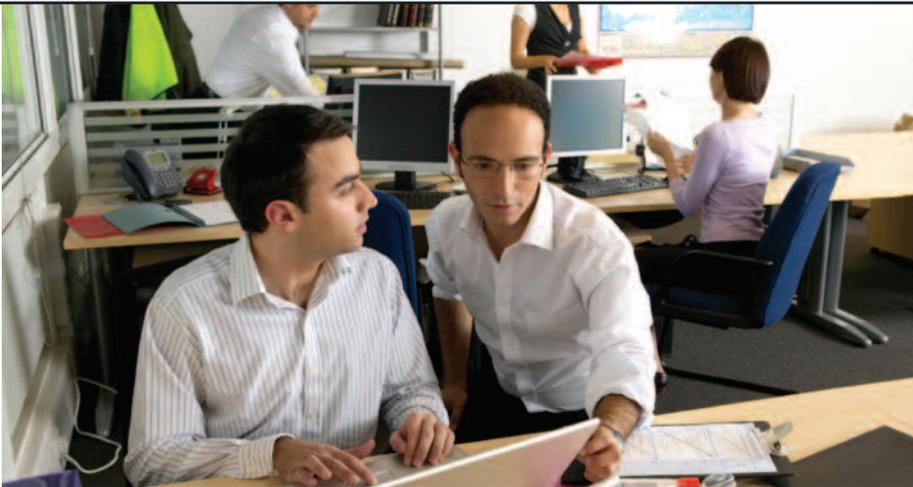


# INTRODUCTION

# GETTING STARTED

## The SBA Can Help You Start And Expand Your Own Business



**E**very day, the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and current small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the SBA and its resource partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, and have your voice heard in the federal government.

You can access SBA help online 24 hours a day at [www.sba.gov](http://www.sba.gov) or visit one of our local offices for assistance.

### Where To Go To Get Started

Our resources include the SBA's district offices serving every state and territory, nearly 400 chapters of SCORE – Counselors to America's Small Businesses, 885 Small Business Development Centers and approximately 114 Women's Business Centers located across the country. More information about SCORE, SBDCs and the WBCs is detailed later in this publication, or you can click on [www.score.org](http://www.score.org), <http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html> for SBDCs or

[www.sba.gov/services/](http://www.sba.gov/services/) and choose "Women's Business Centers from the "Counseling & Assistance" heading at the bottom.

These professionals can also help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, recovering from disaster or acting as advocates for small businesses with Congress and regulatory agencies.

### SBA'S RESOURCE PARTNERS

#### SCORE

SCORE is a 10,500-member volunteer nonprofit association which operates under cooperative agreement with the U.S. Small Business Administration. SCORE, with more than 40 years experience helping small businesses succeed, matches volunteer business-management coun-

selors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both current and prospective small business owners.

Most SCORE volunteers are retired business owners or managers, though some members are still actively employed. Volunteers work in or near their home communities providing management counseling and training to first-time entrepreneurs and current small business owners. They meet with clients at a SCORE chapter office, an SBA office or at the client's place of business.

Every effort is made to match a client's needs with a counselor who is experienced in a comparable line of business. All individual and team counseling is free; there may be a nominal fee for workshops and seminars.

Through in-depth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine the causes and find solutions.

Any small business can obtain help from SCORE. Whether you are considering starting your own business, have a business that is experiencing problems, are ready to expand, or need some other type of advice, SCORE can help. The approach is confidential and personal. You don't need to be applying for or have an SBA loan to participate in the program. In fact, an idea is all that is necessary; consultation and

### ON THE UPSIDE

It's true, there are a lot of reasons not to start your own business. But for the right person, the advantages of business ownership far outweigh the risks.

- You get to be your own boss.
- Hard work and long hours directly benefit you, rather than increasing profits for someone else.
- A new venture is exciting.
- Earnings and growth potential are far less limited.
- Running a business will provide endless variety, challenge and opportunities to learn.

# EVALUATE

## Start by evaluating your strengths and weaknesses

### 1. Are you a self-starter?

It will be up to you – not someone else telling you – to develop projects, organize your time and follow through on details.

### 2. How well do you get along with different personalities?

Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, lawyers, accountants and consultants. Can you deal with a demanding client, an unreliable vendor or a cranky staff person?

### 3. How good are you at making decisions?

Small business owners are required to make decisions constantly, often quickly, under pressure.

### 4. Do you have the physical and emotional stamina to run a business?

Business ownership can be challenging, fun and exciting. But it's also a lot of hard work. Can you face 12-hour workdays six or seven days a week?

### 5. How well do you plan and organize?

Research indicates many business failures could have been avoided through better planning. Good organization – of financials, inventory, schedules, production – can help avoid pitfalls.

counseling before a business start-up is an important part of SCORE's service.

SCORE can also be found on the Internet at [www.score.org](http://www.score.org). The Internet makes it possible to reach more small business clients with online mentoring and counseling.

Business owners use the Web to fulfill their needs for information and advice. SCORE is primed to meet their requests for help by offering e-mail counseling, maps to local SCORE chapters, hotlinks to other business resources on the Internet and more at the click of a mouse. E-mail counseling is provided by the Cyberchapter, which now includes more than 1,200 online members. You can choose from almost 800 unique skills to find the cybercounselor who best suits your individual needs, including special counseling for veterans, service-disabled veterans and Reserve component members. SCORE also offers more than 30 online training workshops on topics for small businesses. Log on to SCORE's Internet site at [www.score.org](http://www.score.org) to take advantage of the many services SCORE has to offer your business.

## SCORE CHAPTERS IN MASSACHUSETTS

### SCORE Chapter 20

Massachusetts SBA Office  
10 Causeway St., Rm. 265  
Boston, MA 02222-1093  
617-565-5591  
Boston-SCORE-20@verizon.net  
[www.scoreboston.org](http://www.scoreboston.org)

### North East Massachusetts SCORE Chapter 411

Danvers Savings Bank  
181 Elliott St.  
100 Cummings Center, Ste. 101K  
Beverly, MA 01915  
978-922-9441  
info@scorenemass.org  
[www.scorenemass.org](http://www.scorenemass.org)

### Cape Cod SCORE Chapter 225

270 Communications Way, Ste. 5-B  
Hyannis, MA 02601  
508-775-4884 • 508-790-2540 Fax  
capecodscore@verizon.net  
[www.scorecapecod.com](http://www.scorecapecod.com)

### Southeastern Massachusetts SCORE Chapter 422

Metro South Chamber of Commerce  
60 School St.  
Brockton, MA 02301  
508-587-2673 • 508-587-1340 Fax  
score@metrosouthchamber.com  
[www.scoresema.org](http://www.scoresema.org)

### Western Massachusetts SCORE Chapter 228

Scibelli Enterprise Center  
One Federal St.  
Springfield, MA 01105  
413-785-0314  
score@stcc.edu  
[www.scorewesternmass.org](http://www.scorewesternmass.org)

### Worcester SCORE Chapter 173

446 Main St.  
Worcester, MA 01608  
508-753-2929 • 508-754-8560 Fax  
info@scoreworcester.org  
[www.scoreworcester.org](http://www.scoreworcester.org)

## SMALL BUSINESS DEVELOPMENT CENTERS

Small Business Development Centers meet the needs of small businesses and promote economic development in local communities by helping to create and retain jobs. Partially funded by a cooperative agreement with SBA, SBDC's goals are focused on providing long-term counseling to clients to help them grow successful businesses. The SBDC network provides counseling and training to more than 550,000 existing businesses or start-up business clients annually.

SBDCs assist with development of business plans, provide manufacturing, financial packaging, contracting and international trade assistance. Special emphasis areas include e-commerce, technology transfer, IRS, EPA and OSHA regulatory compliance, research and development, Defense Economic Transition Assistance, disaster recovery assistance and market research. SBDCs also provide special assistance to veterans and help with energy efficiency under new program initiatives. Based on client needs, SBDCs tailor their services to meet the evolving needs of the local small business community.

SBDCs deliver management and technical assistance to prospective and existing small businesses using an effective business education network of 63 lead centers and 885 service-center locations contracted to manage a broad-based SBDC program. SBDCs are located throughout the U.S., District of Columbia, Guam, American Samoa, Puerto Rico and the U.S. Virgin Islands.

For more information, visit the Web site at: [www.sba.gov/aboutsba/sbaprograms/sbdc/index.html](http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html).

## SBDC LOCATIONS IN MASSACHUSETTS

www.msdbc.org

### State Office

Georgianna Parkin, State Director  
University of Massachusetts Amherst  
227 Isenberg School of Management  
121 Presidents Dr.  
Amherst, MA 01003  
413-545-6301

### Berkshire Regional Office

Keith Girouard, Senior Business Advisor  
75 North St., Ste. 360  
Pittsfield, MA 01201  
413-499-0933

### Boston Regional Office & Minority Business Center

Mark Allio, Regional Director  
University of Massachusetts Boston  
College of Management, M-5-403  
100 Morrissey Blvd.  
Boston, MA 02125  
617-287-7750

### Central Regional Office

Laurence Marsh, Regional Director  
Clark University  
950 Main St.  
Worcester, MA 01610  
508-793-7615

### Northeast Regional Office

Margaret Somer, Regional Director  
Salem State College  
Enterprise Center  
121 Loring Ave., Ste. 310  
Salem, MA 01970  
978-542-6343

### Southeast Regional Office

Melinda Ailes, Regional Director  
200 Pocasset St.  
Fall River, MA 02721  
508-673-9783

### Western Regional Office

Dianne Fuller Doherty, Regional Director  
Scibelli Enterprise Center  
One Federal St., Bldg. 101R  
Springfield, MA 01105  
413-737-6712

### Massachusetts Export Center

Paula Murphy, Director  
State Transportation Bldg.  
10 Park Plaza, Ste. 4510  
Boston, MA 02116  
617-973-8664

## Procurement Technical Assistance Center

Peter Cokotis, Program Manager  
Scibelli Enterprise Center  
1 Federal St., Bldg. 101R  
Springfield, MA 01105  
413-737-6712

## WOMEN'S BUSINESS CENTERS

The SBA's Women Business Centers are a nationwide network of 114 community-based centers that provide business training, counseling, mentoring and other assistance geared to women, particularly those who are socially and economically disadvantaged. To meet the needs of women entrepreneurs, the WBCs offer their services at convenient times and locations. Some offer child care during training and many provide assistance and materials in different languages, depending on the needs of the individual communities they serve. Classes are either free or offered at a small fee, and scholarships are often available to those who need them. A number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

Both SBA district offices and women's business centers often offer mentoring roundtables. If there is not an existing roundtable nearby, women's business centers may be able to help women entrepreneurs set them up.

To find the nearest SBA women's business ownership representative or women's business center, and to learn more about SBA programs and services, visit the Office of Women's Business Ownership at [www.sba.gov/women](http://www.sba.gov/women).

## ARE YOU RIGHT FOR SMALL BUSINESS OWNERSHIP?

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First, you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

## IS ENTREPRENEURSHIP FOR YOU?

In business, there are no guarantees. There is simply no way to eliminate all the risks associated with starting a small business - but you can improve your chances of success with good planning,

preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly - often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.
- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk in the short-term.

Once you've answered those questions, you should consider what type of business you want to start.

## FRANCHISING

There are more than 3,000 franchised businesses. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

**franmarket**.com

An Online Marketplace For Franchises & Business Opportunities

For ALL Your Franchising  
Needs

Go To:

[www.franmarket.com/sba](http://www.franmarket.com/sba)

Some of the things you should look at when evaluating a franchise: profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about the risk involved in a new, independent business venture, then franchising may be the best business option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including franchising.

For more information visit the SBA Web site at: <http://www.sba.gov/smallbusinessplanner/start/> and click on "Buy a Franchise" from the menu on the right side or call your local SBA office.

## HOME-BASED BUSINESSES

Going to work used to mean traveling from home to a plant, store or office. Today many people do some or all their work at home.

Garages, basements and attics are being transformed into the corporate headquarters of the newest entrepreneurs – home-based business owners.

### Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Ask yourself these questions – and remember, there are no best or right reasons for starting a home-based business. But it is important to understand what the venture involves.

Working under the same roof where your family lives may not prove to be as easy as it seems. It's important to work in a professional environment. One suggestion is to set up a separate office in your home to create this professional environment.

### Ask yourself:

- Can I switch from home responsibilities to business work?
- Do I have the self-discipline to maintain schedules?

## WEBSITE Business plan help

The nearest SCORE chapter can be located at: [www.score.org](http://www.score.org). For business plan help at the SCORE Web site, click on "Business Tools" from the left-hand menu, then click on "Template Gallery."

You can find the nearest VBOC at: [www.sba.gov/vets](http://www.sba.gov/vets).

To find WBCs, click on: [www.sba.gov/services/](http://www.sba.gov/services/) and choose "Women's Business Centers" from the "Counseling and Assistance" heading at the bottom.

You can also find business-plan help on the SBA's Web site at: <http://www.sba.gov/smallbusinessplanner/> then choose "Writing a Business Plan" from the "Plan Your Business" menu along the bottom.

- Can I deal with the isolation of working from home?
- Am I a self-starter?

### Finding Your Niche

Choosing a home business must be approached carefully.

### Ask yourself:

- Does my home have the space for a business?
- Can I identify and describe the business I want to establish?
- Can I identify my business product or service?
- Is there a demand for that product or service?
- Can I successfully run the business from home?

### Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- Zoning regulations. If your business operates in violation of them, you could be fined or shut down.
- Product restrictions. Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local, city and state departments of labor to find out which laws and regulations will affect your business. Additionally, check on

registration and accounting requirements needed to open your home-based business.

You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and social-security taxes, and for complying with minimum wage and employee health and safety laws.

If you're convinced that working from home is for you, it's time to create your business plan. The SBA and its resource partners, such as SCORE, SBDCs and WBCs can help make the process easier.

## WRITING A BUSINESS PLAN

After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, then expands as an in-business assessment tool to determine success, obtain financing and determine repayment ability, among other factors.

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Center, Veterans Business Outreach Centers, SCORE and Women's Business Centers, have the expertise to help you craft a winning business plan.

**In general, a good business plan contains:**

### Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.

### Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

## Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements, and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide “what if” statements addressing alternative approaches to potential problems.

## Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

## Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you

have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE or SBDC representatives, SBA district office business development specialists or Veterans Business Development specialists.

Remember, the business plan is a flexible document that should change as your business grows.

## REACHING UNDERSERVED AUDIENCES

### Women Business Owners

Women entrepreneurs are changing the face of America's economy. In the 1970's, women owned less than five percent of the nation's businesses. Today, they are at least equal owners of nearly half the nation's businesses and are majority owners of about a third of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women. Many of these are overseen by SBA's Office of Women's Business Ownership.

Women's business ownership representatives in every SBA district office coordinate services for women, helping them access appropriate training, counseling, mentoring, federal contracting opportunities, financing, and more. They can also provide information on other local resources, including SBA resource partners and lenders.

### Center for Women & Enterprise

24 School St., Ste. 700  
Boston, MA 02108  
617-536-0700 • 617-536-7373 Fax  
info@cweboston.org  
www.cweonline.org

### Central Massachusetts Center for Women & Enterprise

50 Elm St., 2nd Fl.  
Worcester, MA 01609  
508-363-2300 • 508-363-2323 Fax  
info@cwe Worcester.org  
CWE offers education, training, technical assistance, women's business enterprise certification and access to both debt and equity capital to entrepreneurs at every stage of business development.

### Resources for women

SBA's online women's business center:

[www.onlinewbc.gov](http://www.onlinewbc.gov)  
[www.sba.gov/ed/wbo/index.html](http://www.sba.gov/ed/wbo/index.html)



# Grow Your Small Business



## MAFCU

FEDERAL CREDIT UNION

*A unique financial resource for small business owners*  
*MAFCU is an SBA-approved lender*

617-278-5600  
[www.mafcucreditunion.org](http://www.mafcucreditunion.org)

SBA's Office of Women's Business Ownership: [www.womenbiz.gov/](http://www.womenbiz.gov/) - the gateway for women-owned business selling to the federal government.

## VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

The SBA offers a variety of services to American veterans who have made or are seeking to make the transition from service member to small business owner. Each of SBA's 68 district offices throughout the country has designated a veterans business development officer to help veterans prepare, plan and succeed in entrepreneurship. The Veterans Business Outreach Centers provide online and face-to-face entrepreneurial development services such as business training, counseling and mentoring to eligible veterans owning or considering starting a small business. SBDCs and SCORE also provide targeted management assistance to veterans who are current or prospective small business owners. SCORE also provides resources and counseling services online at: [www.score.org](http://www.score.org).

The SBA offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can

request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive their activation orders.

Additionally, the SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program provides loans to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee called to active duty in the reserves or National Guard. Small businesses may apply for MREIDLs of up to \$2 million if they have been financially impacted by the loss of an essential employee. The SBA has created a special Web page specifically for Reserve and Guard members at: <http://www.sba.gov/aboutsba/sbaprograms/reservists/index.html>.

To ensure that veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all its entrepreneurial programs and resources, the SBA has established an Office of Veterans Business Development. OVBD develops and distributes various informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, Getting Veterans Back to Work, and various other materials. Veterans may access these

resources and other assistance from OVBD by visiting the Web site at: [www.sba.gov/VETS/](http://www.sba.gov/VETS/).

For more information or special assistance with government contracting, including programs for veterans and service-disabled veterans, please check the Contracting Opportunities section of this publication, and the Web site above.

SBA's Patriot Express Initiative has new and enhanced programs and services for veterans and members of the military community wanting to establish or expand small businesses. See the Financing section for more information on Patriot Express.

## NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA is also working to ensure that entrepreneurship opportunities are available for American Indians, Native Alaskans and Native Hawaiians seeking to create, develop and expand small businesses. These groups have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending and procurement programs. More information is at: <http://www.sba.gov/aboutsba/sbaprograms/naa/index.html>.

SUCCESS  
STORY

TummyToys

continued from page 7

Administration's Emerging 200 (e200) program.

e200, which commenced in June of 2008, is focused on helping leaders and owners of small businesses in Boston's inner city achieve their full potential.

Twenty local companies, including TummyToys, made up the 2008 e200 class and attended regular sessions held at UMass Boston. These businesses came from a wide variety of industries, have been in operation for at least three years and have average annual revenues in excess of \$400,000.

Through e200, entrepreneurs have gained access to a network of government resources and mentoring from local business leaders prepared to invest time and energy in the participating businesses. Participants have attended sessions focusing on growth goals, marketing, sales, financials, human resources, exporting, government contracting and access to capital.

"I was hitting a wall and needed resources to turn to. I have found this in the class and in my CEO mentoring group. It is refreshing to talk shop and have others understand your pain," said Melissa.

According to Melissa, one of the most important things she learned from e200 was "to delegate and focus rather than spend my time doing everything and putting out fires. Now, I try not to interfere with projects until asked, give my input and step away."

Since opening in 2004, TummyToys has doubled revenues every year, though the economic downturn has caused shoppers to cut back. Even so, TummyToys is still growing and sales are strong.

Now Melissa is looking to the future. She is working on using the principles she learned in e200 to take her business to the next level.

Melissa feels that in order to continue to grow, the best thing for TummyToys may be to partner with a larger company.

"In order to reach more of the market, we need a larger player to partner with," said Melissa. Victoria's Secret, Zappos.com and Piercing Pagoda have all come to mind.

"TummyToys is a product that every pierced woman needs to have," she added.

And that's why Melissa does what she does - for her customers. Melissa says that the thing that makes her most proud about her business is the positive feedback she gets in the form of letters and emails from her customers. "It always gives me that feel-good glow!"

TummyToys is located in East Boston, Massachusetts and can be reached at: 1-888-4-TUMMYTOYS or by email at: [info@tummytoys.com](mailto:info@tummytoys.com). Visit the TummyToys website at: [www.tummytoys.com](http://www.tummytoys.com).