



# Starting a Business

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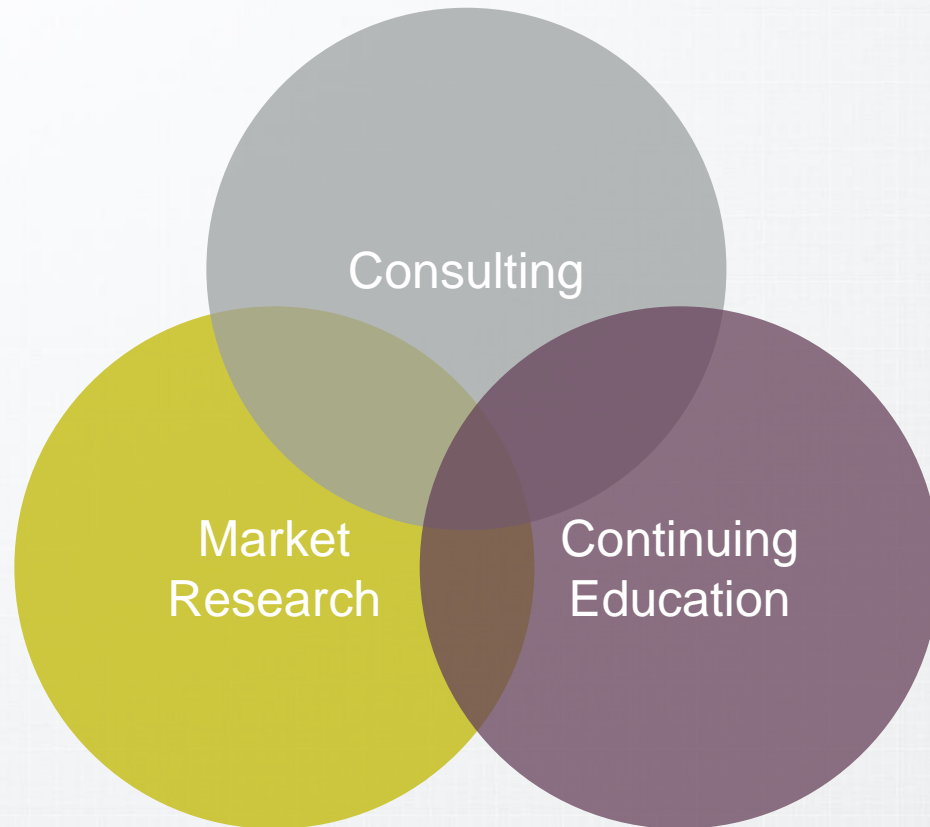
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**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**

# About the UGA Small Business Development Center

We are here to help small businesses in Georgia



Strategic planning and business management



Capital acquisition, accounting, and finance



Marketing strategy



International trade



Procurement



# Let's Get Started!



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# Why Now?

Is the time right to start a business?



## New Businesses

New businesses are forming despite the pandemic, but at a slower rate than before.



## FEIN Numbers

Requests for Federal Employer Identification Numbers are down by 20%.



## SBA Loans

Small Business Administration (SBA) non-disaster loans are 36% less than the prior year.



## Historic Trends

Past downturns produced high-profile American companies such as Airbnb, Uber, and Venmo.







# Five Questions to Ask Yourself

Give this a lot of thought and be honest with yourself!

- 01 Have you identified a new need that customers have as a result of the current crisis?
- 02 Can you serve this need in a way that is substantially better than the current alternatives?
- 03 Are you qualified to solve the customers' problem?
- 04 If you do not have the experience, can you hire others to help?
- 05 Do you have access to funding to cover expenses until the business is profitable?



# Is Your Idea Feasible?

Other considerations



## Owner Suitability

Do you have the experience, financial stability, and time?



## Market Feasibility

What are current conditions in the market?



## Financial Resources

Do you have the access to capital that you need?



# Personal Assessment

Time to take a hard look at yourself



Communication skills



Organization and time management



Strategic thinking and decision making



Hard working and resilient



Feasible business idea



Access to funding and resources







# Market Feasibility

What are you going to sell?

- ☒ Is it **UNIQUE**?
- ☒ Is it **DIFFERENT** from other products/services?
- ☒ What makes it **BETTER** than other products/services?
- ☒ Is there a **NEED** for it?
- ☒ Is there **VALUE** in your product/service?





# Financial Projections for Start-ups

Give thought to profits and losses



Setting financial projections will help you plan your budget, set reasonable expectations for when your business can become profitable, and establish financial goals.



Sales forecasting – Level versus seasonal



Expense forecasting – Advanced, periodic and monthly



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# Fixed Expenses vs Variable Expenses

## Fixed Expenses

- Do not change, regardless of how many items you produce or sell.
- Easy to budget, but can add up quickly
- Examples: rent, insurance, and some utilities (internet is an example).



## Variable Expenses

- Vary based on the amount that are used for production. And your production levels.
- Can be difficult to budget, because they will change month to month based on multiple factors.
- Examples: rent, insurance, and some utilities (internet is an example).



# Business Structure

This affects your liability and taxation



## Sole Proprietorship

Owned and operated by one individual (or husband/wife).  
Unlimited liability.



## Limited Liability Company

Combines tax status and flexibility of partnership with liability protection of corporation.



## Partnership

A combination of skills of two or more people are required to operate a business.



## Corporation

Most expensive and complex form. Extended legal protection for owners.





# QUESTIONS?



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