

## **Resources Improve Small-business Success**

Starting a business always has a level of risk. Data gathered through the years by the U.S. Census Bureau show that less than one-half of businesses will still be around five years after starting.

“Those odds probably make you wonder if starting a business is a good idea,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Yet a study of businesses that are still going has found factors that can improve your chances.”

One important factor is prior work experience. In Kauffman Foundation interviews with founders of successful businesses, 98 percent of those surveyed said that prior work experience was crucial.

“Experience in the same or a closely related business seems to offer even more of an advantage,” says (Insert name and title) of (Insert county). “Yet any experience can offer insight into owning one’s own business and, at times, experience in a nonrelated field might even yield some unique transferable knowledge.”

An interesting note regarding prior work experience was that it did not necessarily have to come from working in a successful business. Nearly 50 percent of business owners indicated that learning from failure was extremely important.

“Forming networks and having a mentor are also important,” says Muske. “With these resources, you can tap the knowledge base of others to help you through the highs and lows of starting and operating your own business.”

Effective networks just do not happen, though. They require effort, constant tending and adding new members. However, what is most important is that you must be willing to offer ideas and support in addition to asking for them.

Successful business owners have shared several other items that also made a difference in keeping their business ongoing. These include:

- Starting with sufficient capital
- Knowing what your cash flow needs will be and when additional capital might be required
- Being prepared to put in the time and effort required. Business development experts often joke that entrepreneurs enjoy quitting their 40-hour-per-week job so they can spend 80 hours a week running their business.
- Learning not only the technical skills needed but the business management and people skills required
- Knowing the market you will be in as well as the industry, and understanding who your competitors are

“A final key in developing a successful business requires that the owner include his or her family in the discussions about starting,” says (Last name). “Family support is crucial because starting a business certainly will require family financial resources and may very well require family time.

“And it certainly will require a change in family interactions and relationships,” (Last name) continued. “Dad and Mom may no longer be able to attend a child’s event. It is important that everyone understand this from the beginning.”

As you think about starting your business - and you probably will because starting a business remains the goal of more than 50 percent of the population - stop by your local Extension Service office at [insert phone number and email address] for ideas and information. Extension can serve as part of your vital network.

Also visit NDSU’s small-business support website at [www.ag.ndsu.edu/smallbusiness](http://www.ag.ndsu.edu/smallbusiness) and sign up for the monthly newsletter. Additional NDSU support can be found at: Facebook, [www.facebook.com/NDSUextsmallbiz](http://www.facebook.com/NDSUextsmallbiz); Twitter, @gmuske; and Pinterest, <http://pinterest.com/gamuske/>. Another online resource is [www.eXtension.org/entrepreneurship](http://www.eXtension.org/entrepreneurship).

The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, along with many other state agencies, also can be valuable resources.

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