

## **Beware of Small-business Myths**

A great deal of information about starting a business is available. Some of the information is accurate and helpful. Other information is best called a myth, although it may hold a grain of truth.

“Probably the biggest myth I hear is that of ‘free money’ available for starting a business,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “While I wish it were true, the reality is that there is little free money or no-strings-attached grants.”

“In some geographic areas and for some types of businesses, there may be some grants available, but business owners should be prepared to put up a substantial portion of the needed startup and early operating funds,” he continued.

These funds will come from the owner, family, friends and loans.

“In my experience, another perpetual myth among business owners is the ‘build it and they will come’ idea,” says (Insert name and title) of (Insert county). “Owners don’t realize that coming up with the product or service is the easiest part. Letting the market know that you are in business is more than 50 percent of the job.”

Lots of businesses have had a great idea. Where most have stumbled and failed is in developing an effective marketing strategy, according to research. Those owners who think about markets and marketing strategy often do so too late in the process.

Marketing begins with understanding customer need. Thus, working with potential customers should be the first thing a business owner does. Take the time to listen, ask questions, and test ideas and prototypes of your idea.

“Let your potential market be your guiding force and your test engineers,” says (Insert last name).

Here are some other common business startup myths:

- You need to be born an entrepreneur.
- You have to be in the right place at the right time.
- A successful business is just luck.

“Recently I had a conversation that made me realize there is another myth not typically mentioned: The product (or service) will sell itself,” says Muske. “While this is similar to believing customers will find you, it differs because people also must see personal benefit from your product or service.

“Rarely is that the case,” he added. “Customers need to read, hear, or even better, see how this item improves their lives in a way they appreciate.”

Knowing how to portray the benefits of the product in customer terms is a science. Along with the science, though, is the art of understanding what your client wants, how best to approach the client, and when and how to close the deal.

As they understand the customer's needs, savvy business owners also will know what other products and services might complement the first sale. Similarly, they will work to establish a long-term relationship and not just a one-time sale.

Understanding the myths and realities surrounding business ownership can be a good first step in establishing an on-going, profitable business.

For more help, check with your local Extension Service office at [insert phone number and email address]. 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. More information can be found on Facebook at [www.facebook.com/NDSUextsmallbiz](https://www.facebook.com/NDSUextsmallbiz) and Twitter at @gmuske. Another resource is [www.eXtension.org/entrepreneurship](http://www.eXtension.org/entrepreneurship).

Another good resource is other business owners. Talk with them and ask them about their experiences. A great place to meet them is at your local chamber of commerce. You also can contact the Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, for more information.

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For more information, contact [glenn.muske@ndsu.edu](mailto:glenn.muske@ndsu.edu) or call (701) 328-9718. You also can visit our website, [www.ag.ndsu.edu/smallbusiness](http://www.ag.ndsu.edu/smallbusiness).