

Virtual Workbook Version 5.1



U.S. Small Business
Administration

CONTENTS



MODULES

- 3 **Module 1: Introduction to Business Ownership**
- 26 **Module 2: The Right Idea? Basics of Opportunity Recognition**
- 44 **Module 3: Understanding Markets & Your Competitive Space**
- 66 **Module 4: The Economics of Small Business Start-up**
- 93 **Module 5: Legal Considerations**
- 119 **Module 6: Introduction to Business Planning**
- 141 **Module 7: Financing Your Venture**
- 180 **Module 8: Resources to Support Your Efforts**




CLASSROOM DOCUMENTS



- 199 **Fillable Business Model Canvas**
- 200 **Case Studies**
- 201 **What's Next?**
- 202 **Resources**
- 209 **Referenced Links**
- 212 **Glossary**



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

3



Objective




Provide an overview of the entrepreneurial process, what it means to be an entrepreneur, the opportunities and challenges and military skills and attributes that transfer over to entrepreneurship.

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

About Boots to Business

- Boots to Business (B2B) is an introduction to entrepreneurship course presented by the SBA and its partners
- This course will:
 - Give you an overview of what it takes to start a small business
 - Introduce you to SBA and partner resources that can assist you with your starting or growing your business
 - Introduce you to B2B follow-on courses



4

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Starting a company is like...



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Agenda

- What is Entrepreneurship?
- Connecting Service to Business Ownership
- Understanding Paths to Business Ownership



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

What Makes an Entrepreneur?



The collage features 15 images arranged in a grid-like fashion, each depicting a different entrepreneurial scenario:

- 1. A woman working on a laptop in a home office.
- 2. A man in a suit smiling, with a small sun icon above his head.
- 3. A group of people gathered around a table, possibly in a meeting or social setting.
- 4. A young man holding a red apple to his face.
- 5. A person carrying a large black suitcase, suggesting travel or logistics.
- 6. A group of people standing together, possibly a team or a group of customers.
- 7. A man in a suit holding a small object, possibly a product or a document.
- 8. A man in a suit standing in a field, holding a long object, possibly a flag or a banner.
- 9. A man in a suit holding a small object, possibly a product or a document.
- 10. A man in a suit holding a small object, possibly a product or a document.
- 11. A man in a suit holding a small object, possibly a product or a document.
- 12. A man in a suit holding a small object, possibly a product or a document.
- 13. A man in a suit holding a small object, possibly a product or a document.
- 14. A man in a suit holding a small object, possibly a product or a document.
- 15. A man in a suit holding a small object, possibly a product or a document.

Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

What is Entrepreneurship?

- ✓ To organize, manage and assume the risks of a business...
- ✓ A way of thinking...
- ✓ An approach to work and life...

*Entrepreneurship is about identifying and enacting
“alternative paths to the future”*

- Richard Branson, Virgin Atlantic Group



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Let's Talk



- Is there a prototype of an entrepreneur?
- Are entrepreneurs different from managers?
- Is there a better time to pursue entrepreneurship?
- What makes for a successful entrepreneur?
- Can people be taught to be entrepreneurs?



9



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Veterans & Business Ownership





Phil Knight, USA



Dave Liniger, USAF



Bob Parsons, USMC



Joe Rogers &
Tom Forkner, USA



Fred Smith, USMC



Chelsea Mandello, USN



Sam Walton, USA



Michael Ilitch, USMC







Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

11

Veterans & Business Ownership



BOOTS to BUSINESS
from the U.S. Small Business Administration

SBA

11

BOOTS to BUSINESS REBOOT

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

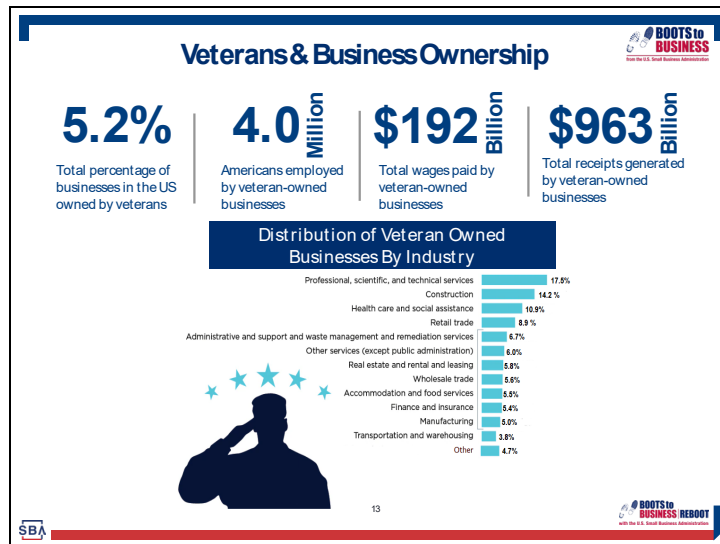


12



**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



U.S. Small Business
Administration



Paths to Business Ownership

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Paths to Business Ownership

Generally, new business ownership takes one of the following forms:

- New Business Creation
 - Non-Profit/Social Ventures
- Purchase an Existing Business
- Employee-to-Ownership
- Family Business (Succession)
- Franchising



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Pathsto Business Ownership

- **New Business Creation:**
 - Your Own Idea
 - Higher Risk-Higher Reward
 - Greatest Control
 - Business processes and infrastructure must be created
 - Lifestyle Implications:
 - Married to the Business
 - May be difficult to fund





16



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

PathstoBusinessOwnership

- Purchase of an Existing Business:
 - Do Your Research!
 - Inherit the Good and the Bad
 - Brand, Customers, and Reputation
 - Established Processes & Relationships
 - Negotiate the Purchase Method to Reduce Risk
 - Get Good Advisors



17

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Paths to Business Ownership

- **Family Business:**
 - Family History Intersects Business History
 - Change Can Be Difficult to Implement
 - Relationships Can Be Strained
 - The “Burden” is More Than the Business



18

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Paths to Business Ownership

- **Employee-to-Ownership:**
 - Lower Personal Risk
 - Great Way to Learn the Industry
 - Rewards of Business Ownership Delayed
 - Less Control, Limited Autonomy



19



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Paths to Business Ownership

- **Franchising:**
 - According to the International Franchise Association (IFA), franchising is defined as an agreement or license between two legally independent parties which gives: A person or group of people (the franchisee) the right to market a product or service using the trademark or trade name of another business (the franchisor).



your hub for home services



HAIRCUTS









20



BOOTS to BUSINESS REBOOT

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Paths: Franchising | |
|---|---|
| Advantages | Disadvantages |
| <ul style="list-style-type: none"> • Proven Business Model • Recognized Brand • A Team • Training available • Group advertising power • Economies of scale • Accounting/Management/Marketing support • Lower risk than new business | <ul style="list-style-type: none"> • Franchise fee • Royalties due • Business/Selling restrictions • Rogue franchisees • In some cases, supplies only available from franchisor • Regional disconnect • Lower level of control |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Paths: Franchising



Go into business FOR yourself, but not BY yourself!

Visit Vetfran.org to learn more about franchising and access a range of resources: from education and research, to the latest news, as well as a directory of more than 500 National brands who are ready to support your goals of entrepreneurship.

VetFran can help ease your pathway into franchising with discounts and incentives as a thank you for your service!



22






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Key Takeaways

- Use what you have learned in the military
 - Traits and skills are the same ones that will make you a successful business owner
- Each form of ownership is not better or worse, just different depending on what you want
- Do Your Research
- Ride the wave of Veteran Entrepreneurship in this country!



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The slide features a white background with a blue header bar at the top and a red footer bar at the bottom. In the top right corner, there is a logo for 'BOOTS to BUSINESS' with the tagline 'Small Business. Big Impact.' Below the main title, there is a line of text in italics. The bottom left corner contains the SBA logo, and the bottom right corner contains the 'BOOTS to BUSINESS REBOOT' logo with the tagline 'Helping Small Business Survive & Thrive'.

Questions, Discussion, Attendance Reminder

(Online attendance reminder on the next slide)

24

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:




Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Objectives

Describe the process and activities related to understanding the 'business case' for turning an idea into a sustainable business concept.

Additionally:

- Understand how to refine and refocus current ideas.






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

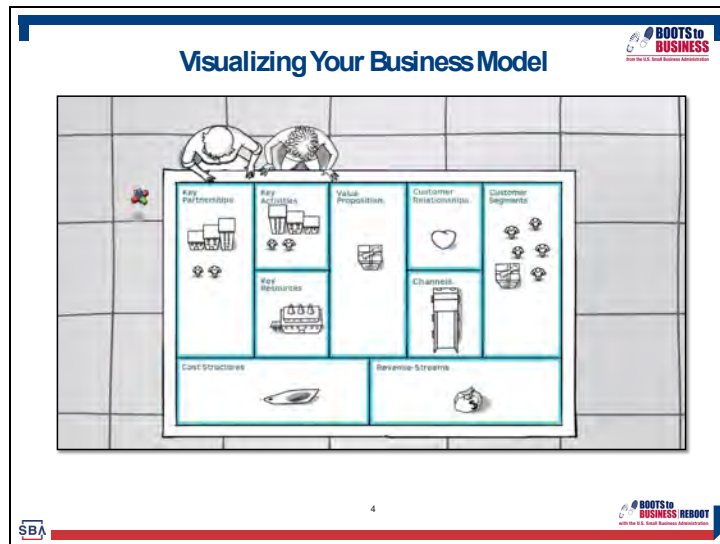
Agenda

- Introduction to the Business Model Canvas
- The Entrepreneurial Process
- Finding Opportunity
- Your Value Proposition
- From Idea to Concept



Notes:

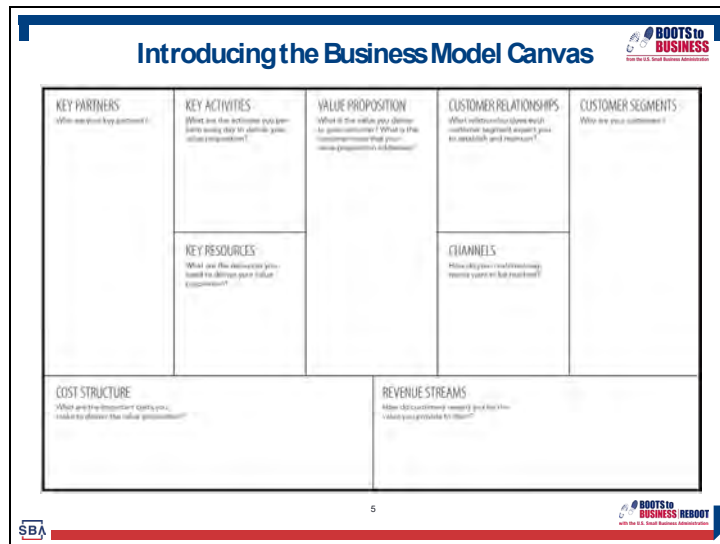
Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Click the slide image above to play the associated video

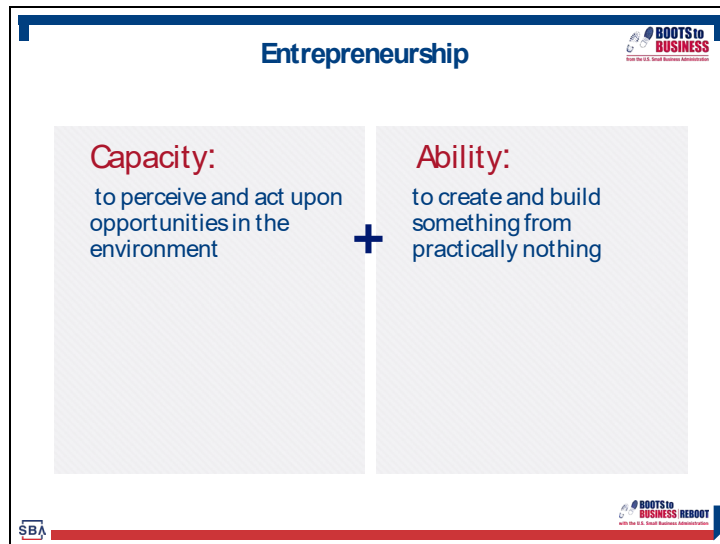
Notes:

Online attendees can hit the "Tab" key to go to the next page, or hit "Shift+Tab" to go back a page.



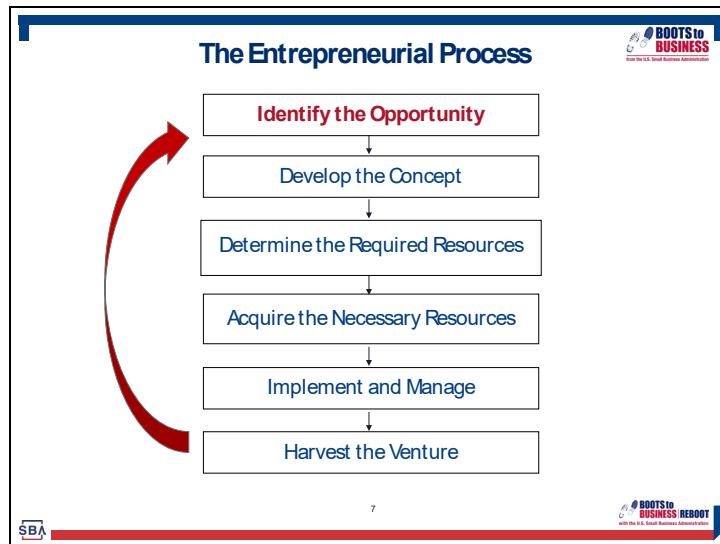
Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

8

Developing a Value Proposition

Opportunity = Problem + Solution

- What is it?
- Where do you find it?
- How do you know you've got it right?


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Solving Problems

- Aging of the population
- Working Parents (single or dual income)
- Concerns about security
- Social networking- people want to be connected

- People searching for roots and stability
- Extreme experiences
- Made In America (USA)





9



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

10

What is a Value Proposition?

- A value proposition is a promise by a company to a customer or market segment
- It is an easy-to-understand reason why a customer should purchase a product or service from that specific business
- A value proposition should be a clear statement that explains how a product solves a pain point

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

PRODUCT Features



VALUE PROPOSITION

| PRODUCT | Solution/Benefits |
|-----------------------|--------------------------------|
| 1. Product 1 | 1. Solution/Benefit 1 |
| 2. Product 2 | 2. Solution/Benefit 2 |
| 3. Product 3 | 3. Solution/Benefit 3 |
| 4. Product 4 | 4. Solution/Benefit 4 |
| 5. Product 5 | 5. Solution/Benefit 5 |
| 6. Product 6 | 6. Solution/Benefit 6 |
| 7. Product 7 | 7. Solution/Benefit 7 |
| 8. Product 8 | 8. Solution/Benefit 8 |
| 9. Product 9 | 9. Solution/Benefit 9 |
| 10. Product 10 | 10. Solution/Benefit 10 |




VALUE


11



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.




Features vs Benefits




Child's Toy

- Feature – “Batteries Included”
- Benefit – No disappointed kids




Realtor


- Feature – “20 Years Experience”
- Benefit – You will benefit from my knowledge of what sells in your neighborhood, how quickly, and for the best price




Website Design

- Feature – “Professional Website Design”
- Benefit - Create a positive first impression for your business to capture sales







Notes:




Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

37



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

14

Business Idea or Concept

- Specific value-creating method for capitalizing on the opportunity
- New product, new service or new process
- The “unique combination” that defines how much value a customer is getting—can include price, distribution, packaging, etc.

Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

An Idea or a Business Concept


Key Criteria:

- Clear benefit and value proposition
- Profit potential (customers' willingness to pay)
- Reason to believe

- New and different enough from alternatives
- Could potentially lead to other products/services
- Barriers to entry





15



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

16


Key Takeaways

- Look to solve a problem or alleviate a pain.
- Can be a big problem for a small, underserved segment.
- Do something you feel strongly about.

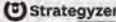
Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Filling In YOUR Business Model Canvas...



| | | | | |
|---|--|---|--|--|
| KEY PARTNERS <small>Who are your key partners?</small> | KEY ACTIVITIES <small>What are the activities you perform every day to deliver your value proposition?</small> | VALUE PROPOSITION <small>What is the value you deliver to your customers? What is the customer problem that your value proposition addresses?</small> | CUSTOMER RELATIONSHIPS <small>What relationship does each customer segment expect you to establish and maintain?</small> | CUSTOMER SEGMENTS <small>Who are your customers?</small> |
| KEY RESOURCES <small>What are the resources you need to deliver your value proposition?</small> | | CHANNELS <small>How do your customer segments want to be reached?</small> | | |
| COST STRUCTURE <small>What are the important costs you make to deliver the value proposition?</small> | | | REVENUE STREAMS <small>What do customers expect you to pay them? What are your possible revenue streams?</small> | |

Fill in this section of BMC in student workbook


Notes: Click the thumbnail above to access fillable Business Model Canvas

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Objectives

- Understand how to conduct market research, the importance of market research, and the basics of competitive strategy/analysis.
- Additionally:
 - Understand ways to conduct low-cost customer validation and market research.
 - Understand how to evaluate an industry.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Agenda

- Understanding *Markets vs Industries*
- Market Analysis
- Industry Analysis
- Competitive Strategy
- Marketing Plan
- Government Contracting



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The Big Picture

- Identify Target Market
 - Conduct market research (size, behavior)
 - Set sales projections
- Identify Competitive Industry
 - Analyze key competitors
 - Formulate competitive strategy



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

- Includes competitors, suppliers, and other support sales companies (distribution, packaging, etc.)

5






**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Market Analysis: *Your Objectives*

- Market size
- Demographics
- Geographic
- Trends
- Psychographics

Helps evaluate
Potential customers



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Market Analysis: *Key Questions*



Who, very precisely, are the customers?



How strong an incentive do customers have to give you their money? Where is the pain?



What evidence can you provide that the market will grow? Is there sustainable demand?



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Market Research

- **Secondary Market Research**
 - Company Annual Reports
 - Google (Search Engines)
 - News Reports

- **Primary Market Research**
 - Focus Groups
 - Interviews
 - Surveys
 - Blogs

- **Test Marketing**
 - Rapid Prototyping
 - Market Product Sampling

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Free Market Research Sources



| Focus | Goal | Reference |
|-----------------------------|---|---|
| General business statistics | Find statistics on industries, business conditions. | NAICS USA.gov Statistics U.S. Census Business Builder |
| Consumer statistics | Gain info on potential customers, consumer markets. | Consumer Credit Data Consumer Product Safety |
| Demographics | Segment the population for targeting customers. | U.S. Census Bureau Bureau of Labor Statistics |
| Economic indicators | Know unemployment rates, loans granted and more. | Consumer Price Index Bureau of Economic Analysis |
| Employment statistics | Dig deeper into employment trends for your market. | Employment and Unemployment Statistics |

9



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Free Market Research Sources



| Focus | Goal | Reference |
|-----------------------------------|---|--|
| Income statistics | Pay your employees fair rates based on earnings data. | Earnings by Occupation and Education Income Statistics |
| Money and interest rates | Keep money by mastering exchange and interest rates. | Daily Interest Rates Money Statistics via Federal Reserve |
| Production and sales statistics | Understand demand, costs and consumer spending. | Consumer Spending Gross Domestic Product (GDP) |
| Trade statistics | Track indicators of sales and market performance. | Balance of Payments USA Trade Online |
| Statistics of specific industries | Use a wealth of federal agency data on industries. | Statistics of U.S. Businesses |

10



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Market Research: *An Imperative!*

At the end of the day, research...

- Let's you get to know more about the customer, their wants, their behaviors, and their ability to pay
- Provides you with a chance to update and improve what you already do
- Allows you to have first contact with the customer, so they get to hear about you
- Provides you with more confidence and believability with other stakeholders
- Helps to reduce the overall risk in your business
- And is really the true value of the business plan

Reminder: Your business/industry type will affect your research methods






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Industry Analysis: *Your Objectives*

- Key Players
- Growth
- Trends
- Competitors


Helps evaluate
**Industry
Attractiveness**





11

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

12

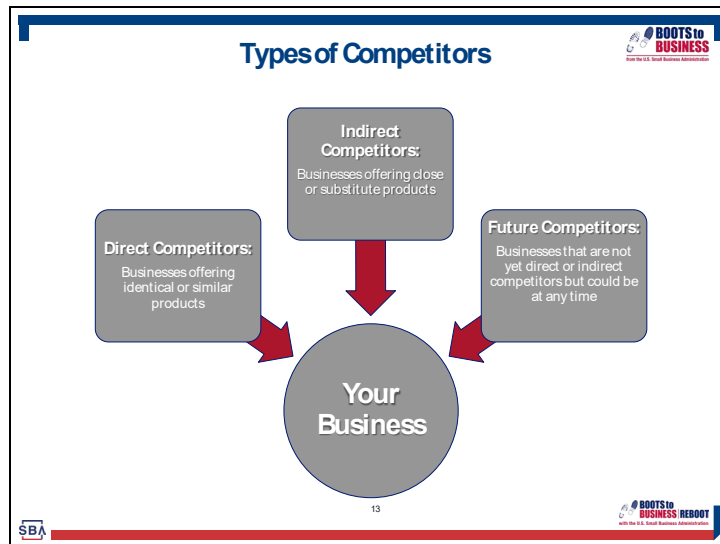


Broad Vs. Narrow

- *Broad focus*—broad market niche. Larger customer base.
- *Narrow focus*—small but more active customer base. Has very specific needs.

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Government Contracting



What if your target customer is ME?

14

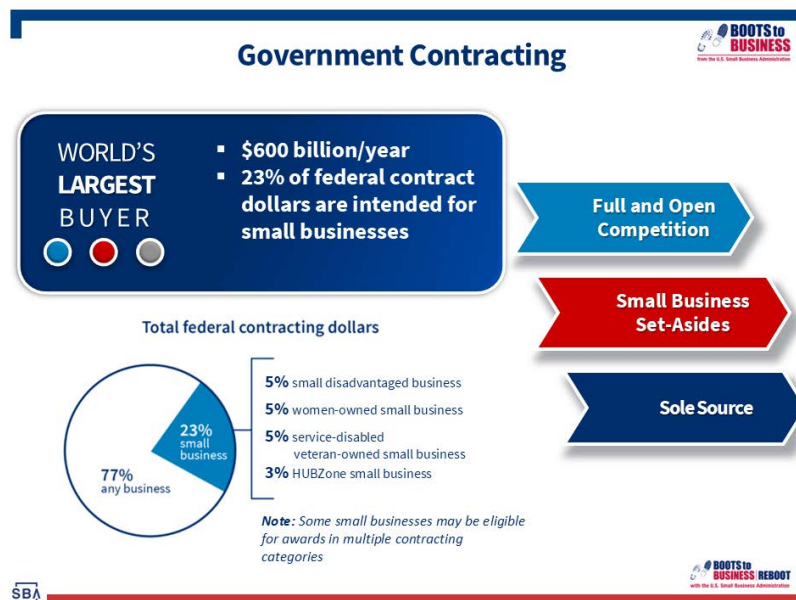
BOOTS to BUSINESS
Small Business Administration

BOOTS to BUSINESS REBOOT
Small Business Administration

SBA

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration



Find your niche,
competition is fierce



Know your competition and their contracts



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Government Contracting



APEX Accelerators (formerly Procurement Technical Assistance Centers)

- Government contract assistance
- Consulting and workshops
- Information and resources



Marketing Resources

- [System for Award Management \(sam.gov\)](https://sam.gov)
- [Dynamic Small Business Search System](#)



Other Resources

- [USASpending](#)
- [GSA Subcontracting Directory](#)
- [DoD Prime Contracting Directory](#)






17




Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Remember...

...It's all about the Customers

- Customers create *market driven opportunities*
- It doesn't matter what anyone thinks about your concept except customers
 - If they don't care, no one will buy your product
- Good quality market research includes gathering information from customers
- Customers can help you refine and perfect your business concept and business model

18






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Key Takeaways

- Analyzing the market will help you determine who is most likely to buy your product or service, and also allows you to determine if there is a sustainable demand
- Analyzing industry is an important part of understanding the attractiveness of your opportunity
- Consider the key factors that you need to examine to really understand the industry as well as competitors
- An outcome of this process is to arrive at a competitive strategy that leverages the inherent value of your concept



Notes:

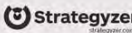
Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Filling In YOUR Business Model Canvas...

| | | | | |
|---|--|---|--|--|
| KEY PARTNERS <small>Who are your key partners?</small> | KEY ACTIVITIES <small>What are the activities you perform every day to deliver your value proposition?</small> | VALUE PROPOSITION <small>What is the value you deliver to your customer? What is the customer need that your value proposition addresses?</small> <i>Consequat dolor sit amet, consetetur adipisicing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.</i> | CUSTOMER RELATIONSHIPS <small>What relationship does each customer segment expect you to establish and maintain?</small> | CUSTOMER SEGMENTS <small>Who are your customers?</small> |
| KEY RESOURCES <small>What are the resources you need to deliver your value proposition?</small> | | CHANNELS <small>How do your customer segments want to be reached?</small> | | |
| COST STRUCTURE <small>What are the important costs you make to deliver the value proposition?</small> | | | REVENUE STREAMS <small>How do customers reward you for the value you provide to them?</small> | |

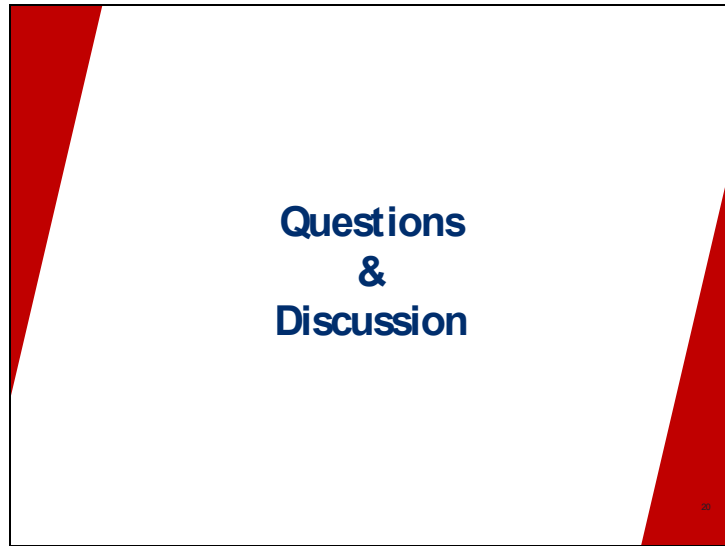
Fill in this section of BMC in student workbook
 You completed in an earlier module



Notes:

Click the thumbnail above to access fillable Business Model Canvas

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Objective

Understand the foundation for the cost, price, volume relationship, as it informs profit potential and sustainability for the planned venture.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

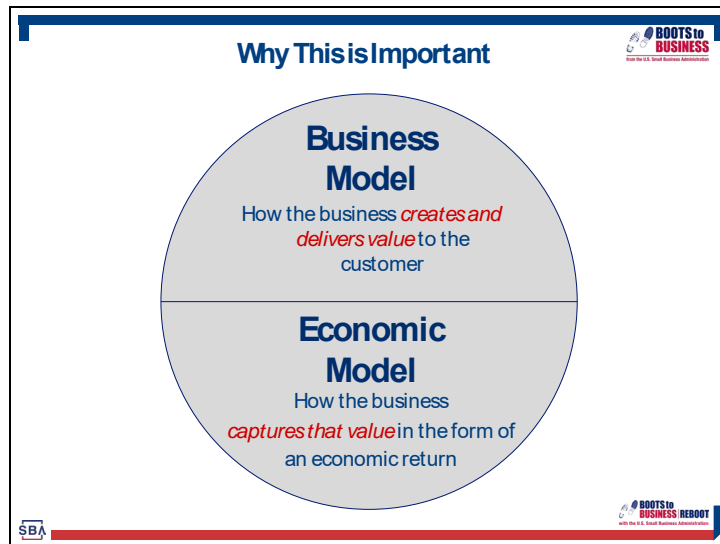
Agenda

- Economic Model of a Business
- Revenues
- Volumes
- Margins
- Operating Leverage
- Implications for Risk



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:




Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Why This is Important

Benefits of understanding your economic model

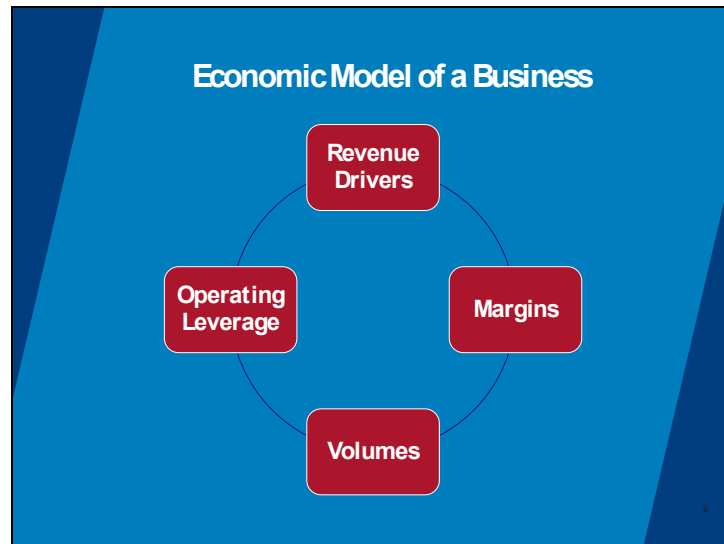
- Helps build a sustainable competitive advantage
- Informs your management decisions
- Provides stability and consistency

Are we making money or moving money?



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Revenue Drivers

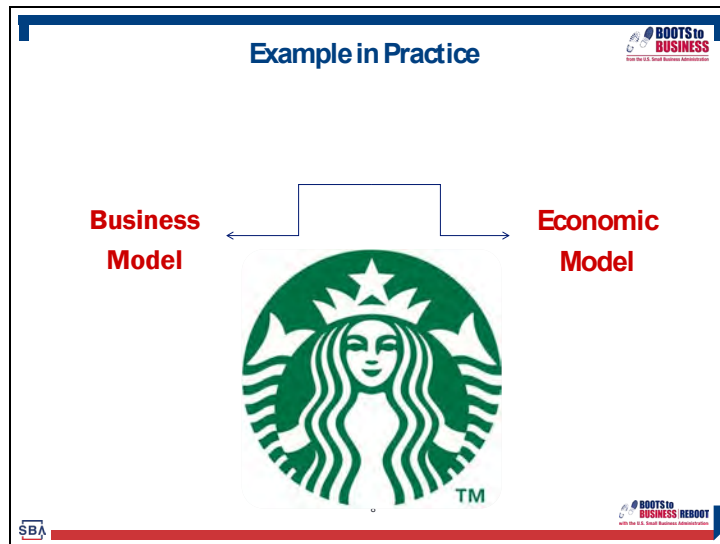
- How many ways does your company have to earn money?
- One source or several?
- Implications for risk?
- Is this a competitive advantage?
- Or a disadvantage?

7



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Example

Porsche Taycan -- \$91K

Nissan Versa -- \$16K



What does this mean for the economic model?

9

BOOTS to BUSINESS
Small Business Development Center

BOOTS to BUSINESS REBOOT
Small Business Development Center




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Margins

Difference between *Price and Cost*

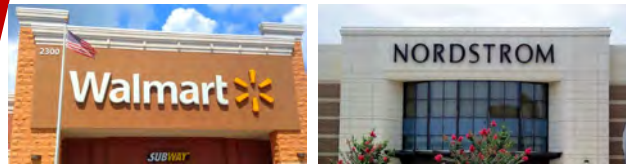
- What *price* do you charge for your product or service?
- How much does it *cost* you to deliver that single unit of product or service?
- Does the difference between the price you charge and the cost of production provide adequate cash to cover fixed operating expenses and generate a profit?



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Example



What does this mean for the
economic model?




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Volume

The number of units of product or service you are selling or providing.

- Is generally meaningless unless you discuss it along with margin
- High volume alone is meaningless unless you keep something from each sale (margin)






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Variable Costs

- Change in direct relation to your revenue
 - What does it actually cost to deliver one unit of whatever you do?
- Direct labor, payroll taxes and costs per employee (CPEs), mileage, packaging, unit transport or delivery, raw materials
- *Variable* does not = *optional*



13

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Fixed Costs

- Expenses you have to pay no matter what sales you generate
- Remain the same over a given period of time
- Include rent, brick and mortar location, salaries (not hourly pay), advertising, insurance, write-off of equipment
- What do you think about utility bills?
 - Are they variable or fixed?

SBA

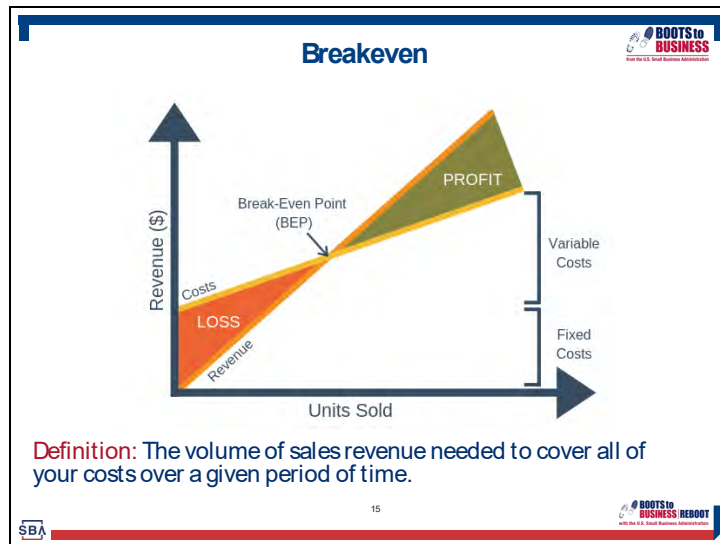
14

BOOTS to BUSINESS

BOOTS to BUSINESS REBOOT

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Example



What does this mean for the
economic model?

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Giddy Up Coffee - Sales (Per Month) | | |
|-------------------------------------|-------------|-------------|
| Price Per Cup | \$ 2.00 | |
| Volume (Units Sold) | 3,200.00 | |
| Revenue (Total Sales) | | \$ 6,400.00 |
| Variable Costs | | |
| Food Costs | \$ 0.50 | |
| Cup | \$ 0.05 | |
| Other Supplies | \$ 0.10 | |
| Variable Costs Per Unit | \$ 0.65 | |
| Total Variable Costs | | \$ 2,080.00 |
| Per Cup Margin | \$ 1.35 | |
| Gross Margin | | \$ 4,320.00 |
| Fixed Costs (Per Month) | | |
| Rental Space | \$ 1,200.00 | |
| Cart Lease Payment | \$ 750.00 | |
| Transportation & Utilities | \$ 625.00 | |
| Insurance | \$ 450.00 | |
| Other Fixed Costs | \$ 1,295.00 | |
| Total Fixed Costs | | \$ 4,320.00 |
| Net Profit | | \$ - |

Economic Model for Giddy Up Coffee

- Breakeven
- Profit is Zero

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Giddy Up Coffee - Sales (Per Month) | | |
|-------------------------------------|-------------|-------------|
| Price Per Cup | \$ 2.00 | |
| Volume (Units Sold) | 4,000.00 | |
| Revenue (Total Sales) | | \$ 8,000.00 |
| Variable Costs | | |
| Food Costs | \$ 0.50 | |
| Cup | \$ 0.05 | |
| Other Supplies | \$ 0.10 | |
| Variable Costs Per Unit | \$ 0.65 | |
| Total Variable Costs | | \$ 2,600.00 |
| Per Cup Margin | \$ 1.35 | |
| Gross Margin | | \$ 5,400.00 |
| Fixed Costs (Per Month) | | |
| Rental Space | \$ 1,200.00 | |
| Cart Lease Payment | \$ 750.00 | |
| Transportation & Utilities | \$ 625.00 | |
| Insurance | \$ 450.00 | |
| Other Fixed Costs | \$ 1,295.00 | |
| Total Fixed Costs | | \$ 4,320.00 |
| Net Profit | | \$ 1,080.00 |

Increased Sales

- Increase Volume (Sales)
- 800 cups over Breakeven
- Get to keep \$1.35 Margin for additional 800 cups sold
- Making a Profit!

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Giddy Up Coffee - Sales (Per Month) | | |
|-------------------------------------|-------------|-------------|
| Price Per Cup | \$ 2.25 | |
| Volume (Units Sold) | 4,000.00 | |
| Revenue (Total Sales) | | \$ 9,000.00 |
| Variable Costs | | |
| Food Costs | \$ 0.48 | |
| Cup | \$ 0.04 | |
| Other Supplies | \$ 0.08 | |
| Variable Costs Per Unit | \$ 0.60 | |
| Total Variable Costs | | \$ 2,400.00 |
| Per Cup Margin | \$ 1.65 | |
| Gross Margin | | \$ 6,600.00 |
| Fixed Costs (Per Month) | | |
| Rental Space | \$ 1,200.00 | |
| Cart Lease Payment | \$ 750.00 | |
| Transportation & Utilities | \$ 625.00 | |
| Insurance | \$ 450.00 | |
| Other Fixed Costs | \$ 1,295.00 | |
| Total Fixed Costs | | \$ 4,320.00 |
| Net Profit | | \$ 2,280.00 |

Improve Margin

- Increase Price
- Decrease Variable Cost by Negotiating with Vendors or getting new ones
- Margin increases per cup
- Increases profit by \$1200 without selling more cups!

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

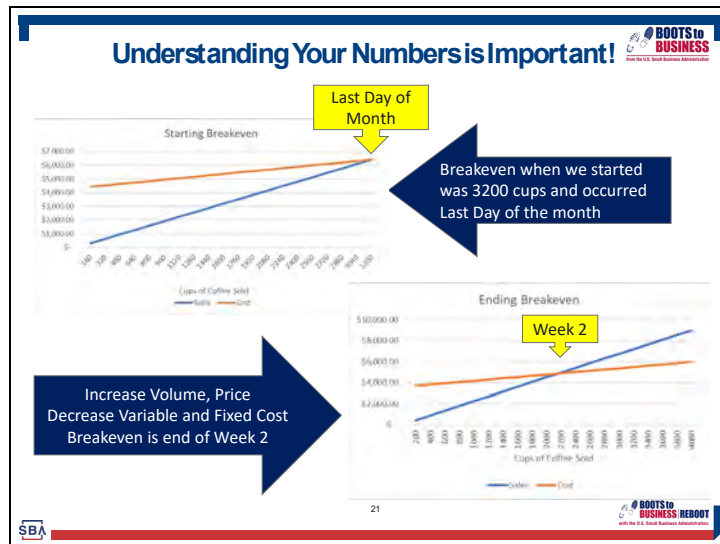
| Giddy Up Coffee - Sales (Per Month) | | |
|-------------------------------------|-------------|-------------|
| Price Per Cup | \$ 2.25 | |
| Volume (Units Sold) | 4,000.00 | |
| Revenue (Total Sales) | | \$ 9,000.00 |
| Variable Costs | | |
| Food Costs | \$ 0.48 | |
| Cup | \$ 0.04 | |
| Other Supplies | \$ 0.08 | |
| Variable Costs Per Unit | \$ 0.60 | |
| Total Variable Costs | | \$ 2,400.00 |
| Per Cup Margin | \$ 1.65 | |
| Gross Margin | | \$ 6,600.00 |
| Fixed Costs (Per Month) | | |
| Rental Space | \$ 1,200.00 | |
| Cart Lease Payment | \$ - | |
| Transportation & Utilities | \$ 625.00 | |
| Insurance | \$ 450.00 | |
| Other Fixed Costs | \$ 1,295.00 | |
| Total Fixed Costs | | \$ 3,570.00 |
| Net Profit | | \$ 3,030.00 |

Decrease Fixed Costs

- Bought Used Cart
- No more Cart Lease Payments @ \$750/mo.
- Increases Profits
- Breakeven is now 2164 cups – almost 1000 cups less!

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Operating Leverage

Operating Leverage is the relationship between variable costs and fixed costs.

- Higher fixed cost model = high operating leverage
- Higher variable cost model = low operating leverage

What is the difference between variable and fixed costs?

22

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Implications of Operating Leverage

Higher fixed costs
(higher operating leverage)

- Greater risk
- It takes more units of service each month to breakeven
- But, once you get to breakeven, you make a lot more money

Lower fixed costs
(low operating leverage)

- Less risk
- It takes less units of a service or product each month to breakeven

SBA


23



BOOTS to BUSINESS

BOOTS to BUSINESS REBOOT

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

24



Before you open your doors, ask yourself

1. How will I generate sales dollars/revenue?
2. What are my total sales-related costs to do that?
3. What are my fixed/operating costs to run my business for a given period of time?
4. How much sales revenue must I generate to cover ALL my costs, so I begin to show a net profit?
5. Based on my research and analysis, can I generate the needed sales dollars and manage to these expenses in my proposed business venture to actually have a sustainable and profitable business?

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.




Key Takeaways

REVENUE DRIVERS: How many ways do you have to generate sales revenue? Does the number of revenue drivers increase or decrease your risk?

MARGINS: What is left over after each unit of sale to pay fixed costs? What percentage of sales is that? When do you break even?

VOLUMES: How many units do you sell each period? Is it enough to exceed breakeven? Is there enough sales volume to make your business profitable and worthwhile?


OPERATING LEVERAGE: New businesses will need to maintain a low operating leverage (high variable cost) model to manage risk and maintain liquidity.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

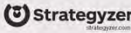
Filling In YOUR Business Model Canvas...



| | | | | |
|---|--|---|---|--|
| KEY PARTNERS <small>Who are your key partners?</small> | KEY ACTIVITIES <small>What are the activities you perform every day to deliver your value proposition?</small> | VALUE PROPOSITION <small>What is the value you deliver to your customer? What is the customer need that your value proposition addresses?</small> <i>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.</i> | CUSTOMER RELATIONSHIPS <small>What relationship does each customer segment expect you to establish and maintain?</small> <i>Lorem ipsum dolor sit amet, consectetur adipiscing elit.</i> | CUSTOMER SEGMENTS <small>Who are your customers?</small> <i>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.</i> |
| KEY RESOURCES <small>What are the resources you need to deliver your value proposition?</small> | | CHANNELS <small>How do your customer segments want to be reached?</small> <i>Lorem ipsum dolor sit amet, consectetur adipiscing elit.</i> | | |
| COST STRUCTURE <small>What are the important costs you make to deliver the value proposition?</small> | | | REVENUE STREAMS <small>How do customers reward you for the value you provide to them?</small> | |

Fill in this section of BMC in student workbook

You completed in an earlier module



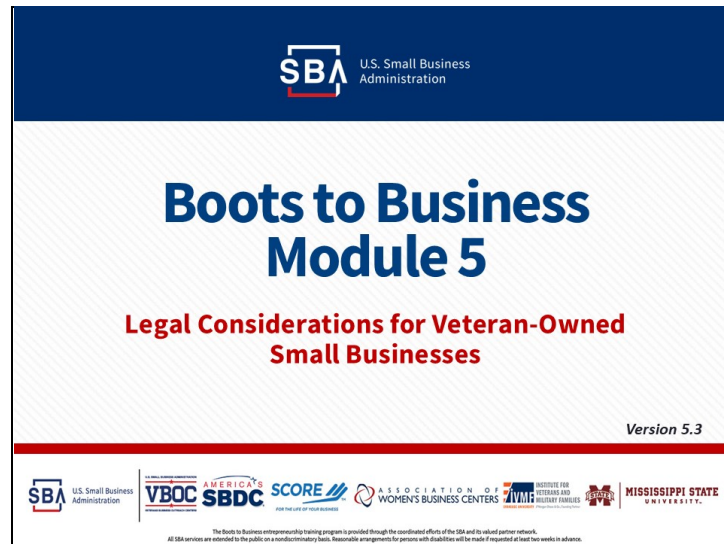
Notes: Click the thumbnail above to access fillable Business Model Canvas

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
From the U.S. Small Business Administration

- 




2



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Agenda

- Importance of BAIL Team
- Small Business Entities
 - Types
 - Characteristics of Each
- Other Legal Considerations
 - Contracts
 - Government Contracting
 - Intellectual Property



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



 With the U.S. Small Business Administration

Assemble Your BAIL Team




Banker

- Loans
- Business Accounts
- Credit Card Services
- Customer Loans
- Payroll Services




Accountant

- Accounting
- Taxes
- Tax & Strategic Plans
- Payroll Processing
- Advice on Legal Entities



Insurance Agent


- Property
- Health
- Liability
- Workers Comp
- Directors & Officers Liability (D&O)
- Bonding



Lawyer

- Legal Entity
- Partnership Agreements
- Operating Agreements
- Employee Agreements
- Leases
- Customer & Supplier Contracts

Some businesses may also need IT Services, Human Resources, Mentoring, Social Media or other assistance as part of their BAIL Team


4


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

- <https://www.sba.gov/business-guide/launch-your-business/choose-business-structure>



5



BOOTS to BUSINESS REBOOT
with the U.S. Small Business Administration

Types of Business Structures



- Sole Proprietorship (DBA) or Partnership
 - Default Entities based on number of owners
- Limited Liability Company (LLC)
- Corporations
 - C-Corp
 - S-Corp
- Other Legal Entities

TALK TO YOUR ACCOUNTANT AND LAWYER!



6



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Sole Proprietorship (DBA)

A business owned and operated by a single individual

- You're automatically considered to be a sole proprietorship if you do business activities but don't register as any other kind of business*


ADVANTAGES:

- Easiest/least expensive to form
 - Gives owner complete control of business
- Generated income goes to owner to keep or reinvest

DISADVANTAGES:

- Business assets & liabilities not separate from personal assets & liabilities
- Raising money can be difficult
 - Banks often hesitant to lend to sole proprietorships
- Lack of continuity if the owner becomes incapacitated or passes away
- May be less attractive to prospective employees

TAX REQUIREMENTS: Business profits and losses reported on individual tax return (Form 1040) on Schedule C (Schedule E for Real Estate business)



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Partnership

A business owned by two or more individuals who share the profits and liabilities of the business

- *Having a written Partnership Agreement in place is strongly recommended*

ADVANTAGES:

- The simplest structure for two or more people to own a business together
 - Easy and inexpensive to establish
- Shared financial commitment
- Potential partnership incentives for future employees

DISADVANTAGES:

- Joint and individual liability
- Shared profits and decision-making may lead to disagreements

TAX REQUIREMENTS: The partnership itself is not subject to income tax. Profits and losses "flow through" to the individual partners, who report their share of the partnership's income on their personal tax returns



Notes:

Online attendees can hit the "Tab" key to go to the next page, or hit "Shift+Tab" to go back a page.

Limited Liability Company (LLC)

Hybrid business structure that provides the limited liability features of a corporation and the tax efficiencies and operational flexibility of a sole proprietorship or partnership

ADVANTAGES:

- Protects you from personal liability in most instances
 - Personal assets (like your vehicle, house, and savings accounts) won't be at risk in case your LLC faces bankruptcy or lawsuits
- Lets you take advantage of the benefits of both the corporation and the sole proprietorship or partnership business structure

DISADVANTAGES:

- May require more paperwork than sole proprietorship or partnership
- Must file with your state, pay fees, & company information becomes public

TAX REQUIREMENTS: Default form of taxation for: Single Owner - same as for Sole Proprietorship. Multiple owners - same as for Partnership. LLC can also elect to be taxed as C-Corporation or S-Corp



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Corporation (C-Corp)

A corporation is a legal entity that is separate from its owners

Corporations can make a profit, be taxed, and can be held legally liable

ADVANTAGES:

- Offers the strongest protection to its owners from personal liability
- Easier to raise capital through the sale of stock, which can also be a benefit in attracting employees

DISADVANTAGES:

- Must file with your state, pay fees, & company information becomes public
- Require more extensive record-keeping, operational processes, and reporting
- Double taxation

TAX REQUIREMENTS:

- Subject to corporate income tax on profits at the corporate level. Shareholders then taxed on any dividends received from the corporation at their individual tax rates



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

S-Corporation (S-Corp)

IRS Tax classification that Corporations and LLCs can opt for

*An S-Corporation is a **tax designation** rather than an actual business entity. Businesses cannot be incorporated as an S-Corporation. Electing S-Corp status requires filing a form with the IRS*

ADVANTAGES:

- Allows business owners the advantages of a corporation without the double taxation that comes with running a traditional C-Corp
- LLCs can save 15.3% FICA taxes on a percentage of profits

DISADVANTAGES:

- All shareholders must be individual US citizens or permanent legal residents
- Prohibited preferential distributions may discourage investors

TAX REQUIREMENTS: S-Corporations are pass-through entities for tax purposes. The corporation itself does not pay income tax. Instead, profits and losses pass through to the individual shareholders, who report them on their personal tax returns

TALK TO YOUR ACCOUNTANT!



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Other Legal Entities

BENEFIT & CERTIFIED B-CORPORATION: Available in some states for corporations with a beneficial or social mission

NONPROFIT CORPORATION: Organized for charitable, educational, religious, literary, or scientific work. Nonprofits can receive tax-exempt status, meaning they don't pay state or federal income taxes

FAMILY LLC/LLP: Used by families to conduct business operations with ownership among legally-related individuals, assist in protecting assets, sharing income, and estate planning

LIMITED (LP) & LIMITED LIABILITY PARTNERSHIP (LLP): Advanced entities often used for specific types of businesses



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Compare Business Structures | | | |
|-----------------------------------|---|---|---|
| Business Structure | Ownership | Liability | Taxes |
| Sole Proprietorship | One person | Unlimited personal liability | Self-employment tax Personal tax |
| Partnerships | Two or more people | Unlimited personal liability unless structured as a limited partnership | Self-employment tax (except for limited partners) Personal tax |
| Limited Liability Company (LLC) | One or more people | Owners are not personally liable | Self-employment tax Personal tax or corporate tax |
| Corporation – C-Corp | One or more people | Owners are not personally liable | Corporate tax |
| Corporation – S-Corp | One or more people, but no more than 100, and all must be U.S. citizens | Owners are not personally liable | Personal tax |
| Corporation - Benefit Corporation | One or more people | Owners are not personally liable | Corporate tax |
| Corporation - Nonprofit | One or more people | Owners are not personally liable | Tax-exempt, but corporate profits can't be distributed |

Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Entities In Summary


- There is no one magical entity that works for everyone. The important thing is to consider the operational, legal, and tax aspects of each structure as they apply to your unique situation!

- **Don't make this choice lightly!** It is possible to change forms if need be, although it can sometimes be expensive

TALK TO YOUR ACCOUNTANT AND LAWYER!



14



BOOTS to BUSINESS REBOOT
with the U.S. Small Business Administration

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Registration Steps

- State Corporations Division/ Secretary of State
 - Businesses that operate in multiple states
 - Registering as a Domestic or "Foreign" business
 - Multiple and/or Holding Company Consideration
- Federal Employer Identification Number (EIN) at **IRS.GOV** once organized (for taxes/withholding)
- State Registrations: some states have annual renewals, withholding and sales taxes, disability, worker's compensation and unemployment insurance
- Local/Other Registrations: business licenses, zoning, HOA, excise taxes, fuel taxes, and other permits

15

Notes:

Online attendees can hit the "Tab" key to go to the next page, or hit "Shift+Tab" to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

-




10



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Other Legal Issues to Consider

- Contracts with vendor, suppliers, employees
- Government Contracting
- Intellectual property






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Contracts

- You may need contracts with customers, suppliers, partners, investors, employees, etc.
- Contracts are often used for: purchase, non-compete, service, employment, ownership, partnership...

- Some contracts can be customized so that, once created, you can reuse them for other purposes (fill in the blank)
- Seek legal advice before entering into contracts
 - *An ounce of prevention is worth a pound of cure*



Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Government Contracting

Basic Requirements:

- Remember, eligibility for selected government contracting programs requires qualifying individual(s) to unconditionally and directly own and control at least 51% of the business
- Get proper registrations and ID numbers
- Match business' products and services to NAICS Code
- Register with SAM.gov

<https://www.sba.gov/federal-contracting>







Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Types of Intellectual Property

Refers to creations of the mind: inventions; literary and artistic works; symbols, images names and logos used in commerce

| | | | |
|--|--|---|--|
| TM Trademark Indicates the source of goods and/or services |  Copyright Protects original works of authorship when fixed in a tangible form |  Patent Protects new inventions |  Trade secret Any information that is valuable and kept confidential |
|--|--|---|--|



21



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Types of Intellectual Property




Trademarks

- A trademark indicates the **source of goods or services** and is how customers recognize your goods or services in the marketplace

REGISTERED
WORD
MARKS

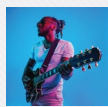
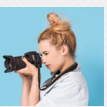

STARBUCKS
NIKE
TARGET


REGISTERED
DESIGN
MARKS


Copyrights

- Copyright provides legal protection for **original works of authorship**, including literary, dramatic, musical, and artistic works



22




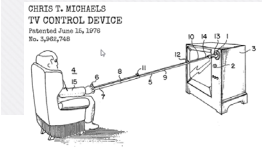

Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

113

Types of Intellectual Property



| Patents | Trade Secrets |
|--|---|
| <ul style="list-style-type: none"> • A property right granted by the U.S. government to an inventor for a limited time and in exchange for public disclosure of the invention • Protects a new and useful process, machine, manufacture, composition of matter, or improvement thereof • Confers the right to exclude others from making, using, selling, or importing the invention in the U.S. <div style="text-align: center; margin-top: 10px;">  <p style="font-size: small;">CURTIS T. MICHAELS TV CONTROL DEVICE Patented June 24, 1975 No. 3,862,748</p> </div> | <ul style="list-style-type: none"> • Confidential business information like a formula, pattern, compilation, program, device, method, technique or process • Gives businesses an opportunity to obtain an economic advantage over competitors who do not know or use it • Protection of trade secrets is done through confidentiality agreements and security safeguards; there is no database of registered trade secrets <div style="text-align: center; margin-top: 10px;">  </div> |


23


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Intellectual Property Resources and Services

- Protect your inventions, brands, and creations early to preserve your business advantages
- U.S. Patent and Trademark Office: www.uspto.gov
 - Issues U.S. patents and registers federal trademarks
 - Landing page for entrepreneurs and inventors: www.uspto.gov/inventors
 - Landing page for military-connected customers: <https://www.uspto.gov/initiatives/entrepreneurship-resources-military-community>
- U.S. Copyright Office: www.copyright.gov
 - Registers creative works
 - Copyright basics video series: www.copyright.gov/learning-engine

Contact the USPTO at: militaryoutreach@uspto.gov for further assistance and guidance

**PATENT PROTECTION CAN BE EXPENSIVE.
EDUCATE YOURSELF BEFORE MOVING FORWARD!**



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Intellectual Property Resources and Services

- Protect your inventions, brands, and creations early to preserve your business advantages
- U.S. Patent and Trademark Office: www.uspto.gov
 - Issues U.S. patents and registers federal trademarks
 - Landing page for entrepreneurs and inventors: www.uspto.gov/inventors
 - Landing page for military-connected customers: <https://www.uspto.gov/initiatives/entrepreneurship-resources-military-community>
- U.S. Copyright Office: www.copyright.gov
 - Registers creative works
 - Copyright basics video series: www.copyright.gov/learning-engine

Contact the USPTO at: militaryoutreach@uspto.gov for further assistance and guidance

**PATENT PROTECTION CAN BE EXPENSIVE.
EDUCATE YOURSELF BEFORE MOVING FORWARD!**






24

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Key Takeaways

- As part of founding your firm, seek the advice of a qualified lawyer
- Assemble a good BAIL team
- Keep your personal and business finances separate
- Laws and regulations differ across states, and sometimes, within states
- The consequences of not knowing could have serious legal and financial ramifications



25

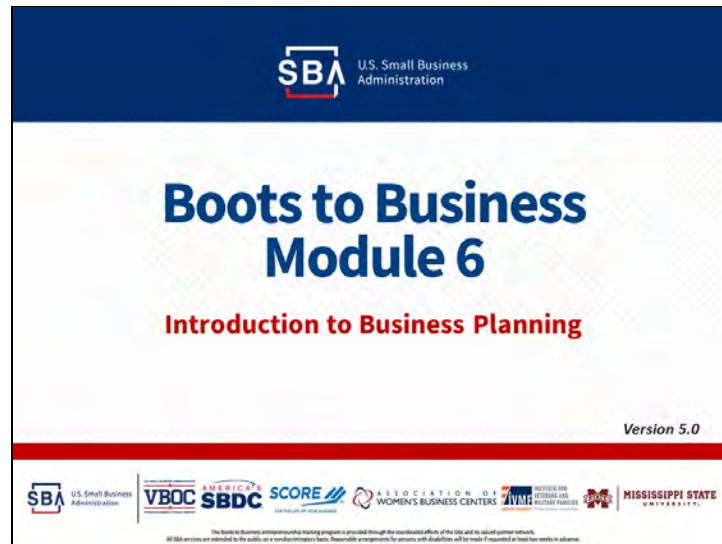
Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Objectives




- Understand the concepts and value of business planning
- Learn about tools and models that can help your business planning process
- Identify the essential elements of a business plan and focus them, based on your audience
- Utilize SBA Resource Partners and tools to develop a viable business plan

2



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

3

Agenda

- Approach to Business Planning
 - Why?
 - When?
 - Contents & Tools
 - Pitfalls to Avoid




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

A Few Thoughts...

"If you fail to plan, you plan to fail."
- Benjamin Franklin

**"In preparing for battle, I have always found
that plans are useless, but planning is
indispensable."**
- Dwight Eisenhower

4

Notes:

Online attendees can hit the "Tab" key to go to the next page, or hit "Shift+Tab" to go back a page.

Why It's Important?

Business Planning is the roadmap for turning your business idea or concept into a sustainable business:
Tells you how and when to do things, and with what resources

Analysis
• Identifying critical areas before investing your time, cash, resources

Decision Making
As an evaluation tool for making strategic choices

Communication
• Necessary to get loans or investment





5

Notes:




Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

When To Do It?

Before you start spending money!


Remember, it is an on-going process, not a one-time event.



CAVEAT: All depends on what you are doing, your goals, and what your needs are.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

7



Business Planning Priorities

- Your Value Proposition
- Your Customers
- Your Business and Economic Models
- The Identification & Mitigation of Risks
 - S.W.O.T. Analysis can help you think them through




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Your Value Proposition

Value Proposition: a concise statement that summarizes how your product or service will be of value to a customer or better solve their problem than other similar offerings.

FedEx® *When it absolutely, positively, has to be there overnight*



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Your Customers

FROM YOUR MARKET RESEARCH:

- **IDENTIFY** your target market(s)
- **INCLUDE** what you know about your customers
- Consumers: demographics, geography, lifestyle, shopping habits
 - Commercial/Wholesale: industry compatibility; government need
- **QUANTIFY:**
 - Current Market: *How many are there?*
 - Future Growth: *How many will there be?*
 - Economic Reliability of Your Markets: *How many have the incentive/ability to give you their money?*
- **VALIDATE** by citing your research









9



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

10

Your Business & Economic Models

- Which products/services are valuable to your customers and profitable for your business?
- What is your pricing model? What are your customers willing to pay?
- What kinds of resources do you need? Physical assets, materials and/or staff?
- What are your fixed and variable costs?

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Risks & Mitigation: S.W.O.T Analysis | |
|--|--|
| Strengths What are your business advantages? What are your core competencies? Where are you making the most money? What are you doing well? | Weaknesses What areas are you avoiding? Where do you lack resources? What are you doing poorly? Where are you losing money? What needs improvement? |
| Opportunities Any beneficial trends? Niches that competitors are missing? New technologies? New needs of customers? | Threats Obstacles to overcome? Aggressive competitors? Successful competitors? Negative economic conditions? Government regulations? Changing business climate? Vulnerabilities? |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


| FedEx S.W.O.T. Analysis | |
|--|---|
| Strengths Time-critical deliveries Strong brand reputation & presence Industry leader (by market share) Variety of services Extensive global network and supply chain Effective marketing | Weaknesses Overreliance on North American market Limited diversification into e-commerce Increasing transport costs Reputation for poor customer service |
| Opportunities Expand into emerging markets Focus on retail e-Commerce Adopt more carbon-neutral operations Innovation | Threats Anti-Globalization movement Stiff competition from rivals within sector Fluctuations in fuel prices |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The Business Model Canvas

- A one-page visual representation that summarizes the key components of your business
- Lets you put your entire business down on paper
- A quick and easy tool that can be completed in hours or days
- Helps assess your strategy, planning gaps & exposure to risk
- The work you do on your business model canvas can be incorporated into a formal business plan



The image shows a hand holding a black pen, writing on a white notepad. The notepad is open, and the hand is positioned over the right page. The background is a solid pink color.

SBA **BOOTS to BUSINESS** **BOOTS to BUSINESS REBOOT**

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The Business Model Canvas


| | | | | |
|--|--|---|---|--|
| KEY PARTNERS <small>Who are your key partners?</small> | KEY ACTIVITIES <small>What are the activities you perform every day to deliver your value proposition?</small> | VALUE PROPOSITION <small>What is the value you deliver to your customers? What is the "unique proposition" that your company provides to customers?</small> | CUSTOMER RELATIONSHIPS <small>What relationship types might customer segments expect you to establish and maintain?</small> | CUSTOMER SEGMENTS <small>Who are your customers?</small> |
| KEY RESOURCES <small>What are the resources you need to deliver your value proposition?</small> | | CHANNELS <small>How do you reach your customer segments?</small> | | |
| COST STRUCTURE <small>What are the important costs you incur to deliver the value proposition?</small> | | | REVENUE STREAMS <small>How do you currently receive your revenues? What is your potential for them?</small> | |

14



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Business Plan



- A comprehensive document that outlines the details of a business, its goals, strategies, and financial projections
- Provides a baseline for tracking the company's performance, its goals and objectives
- Helps you communicate with stakeholders
- If looking to secure financing from investors, lenders, or other sources, a business plan is generally expected



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

What's in it?

1. Your Concept

2. Industry Description

3. Market Analysis

4. Your Competition

5. Economics of the Business

6. Marketing Strategy

7. Management Team

8. Operations

9. Risks & Assumptions

10. Timeline

11. Financial Projections

12. Offering/Use of Funds

13. Executive Summary

SBA

16

BOOTS to BUSINESS

REBOOT



Small Business Administration

U.S. Department of Commerce

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

134

17

Different People Focus on Different Things in a Business Plan

Friends and Family

- Support of the project
- Potential participation and/or funding

Lenders



- Debt = Your ability to re-pay the loan on time, with interest
- Reducing their risk = how much money, how will you use it, how long will you need money, your collateral, your credit rating, projected or current cash flow

Investors

- Growth Potential - market size, competitors, lead time, return on investment
- Innovation – New ideas, technology, intellectual property

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Business Plan Pitfalls & Fixes | |
|---|---|
| PITFALLS  | FIXES  |
| Lack of Clarity <ul style="list-style-type: none"> • Big idea vs. details • Writing style & jargon | <ul style="list-style-type: none"> • Provide scenarios and data • K.I.S.S. Keep it Simple & Succinct • Avoid acronyms |
| Lack of Continuity & Consistency <ul style="list-style-type: none"> • Numbers • Verbiage | <ul style="list-style-type: none"> • Be conservative in estimates • Check your numbers • Proofread for errors, spelling, etc. |
| Lack of Realism <ul style="list-style-type: none"> • Financials, market size, suppliers, etc. too optimistic | <ul style="list-style-type: none"> • Be conservative – compare best and worst case scenarios, and choose the middle |
| Lack of Flexibility <ul style="list-style-type: none"> • Failure to assess internal and external risks | <ul style="list-style-type: none"> • SWOT analysis to identify risks and ways to mitigate their impact to maximize potential for success • Update as needed |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



U.S. Small Business Administration

Business Plan Development Tools
SBA.gov



Business Plans & Startup Assistance Resources
SCORE.org



Boots to Business
With the U.S. Small Business Administration



ASSOCIATION OF WOMEN'S BUSINESS CENTERS

Connect with your local Women's Business Center



Connect with your local SBDC



Connect with your local VBOC



Strategyzer



Canvanizer

Business Model Canvas Resources
Strategyzer & Canvanizer

Boots to Business | REVENUE READINESS
Business Model to Business Plan

B2B Follow on course: Boots to Business Revenue Readiness - Business Model to Business Plan
Boots to Business Revenue Readiness Course (B2B RR) | Boots to Business (msstate.edu)



19





Boots to Business REBOOT
With the U.S. Small Business Administration

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Key Takeaways


- Business planning helps you develop strategies for turning your business idea into a sustainable business
- A business plan or business model canvas is more tactical. For either of those, you'll need to think about:
 - Value Proposition, customers, business and economic models, identification & mitigation of risks
 - What are your goals and expectations?
 - Who is your audience?
- You'll also need to start thinking about your Teams:
 - Internal management team
 - B.A.I.L. Team (Banker – Accountant/Tax Advisor - Insurance Agent – Lawyer)
 - External advisors and mentors
- Tap into the SBA Resource Partner Network



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Filling In YOUR Business Model Canvas...

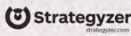


From the U.S. Small Business Administration

| | | | | |
|---|--|---|--|--|
| KEY PARTNERS <small>Who are your key partners?</small> | KEY ACTIVITIES <small>What are the activities you perform every day to deliver your value proposition?</small> | VALUE PROPOSITION <small>What is the value you deliver to your customer? What is the customer need that your value proposition addresses?</small> | CUSTOMER RELATIONSHIPS <small>What relationship does each customer segment expect you to establish and maintain?</small> | CUSTOMER SEGMENTS <small>Who are your customers?</small> |
| | KEY RESOURCES <small>What are the resources you need to deliver your value proposition?</small> | <i>>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.</i> | CHANNELS <small>How do your customer segments want to be reached?</small> | <i>>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.</i> |
| COST STRUCTURE <small>What are the important costs you make to deliver the value proposition?</small> | | REVENUE STREAMS <small>How do customers reward you for the value you provide to them?</small> | | |
| <i>>Lorem ipsum dolor sit amet, consectetur adipiscing elit.</i> | | <i>>Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor</i> | | |

Fill in this section of BMC in student workbook

You completed in an earlier module



strategyzer.com

Notes:

Click the thumbnail above to access fillable Business Model Canvas

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

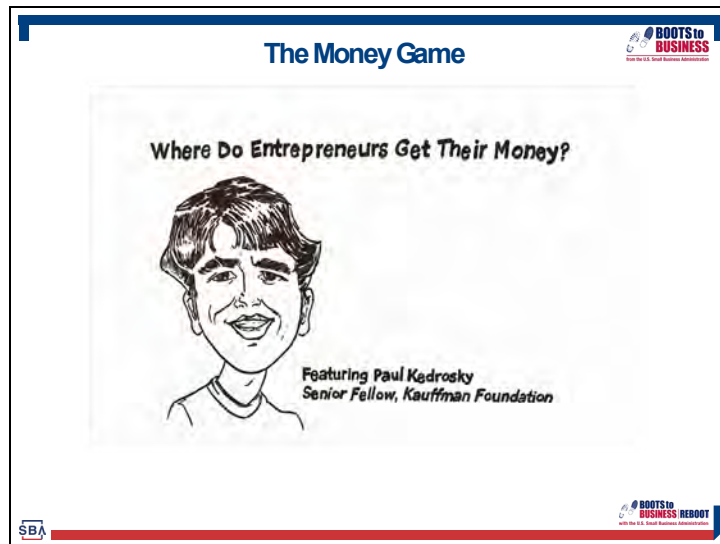
Objectives

- Understand what types of financing are available for your business
- Understand the difference between debt & equity financing
- Explore what lenders and investors look for when deciding whether to finance your small business



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Click the slide image above to play the associated video

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration



**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

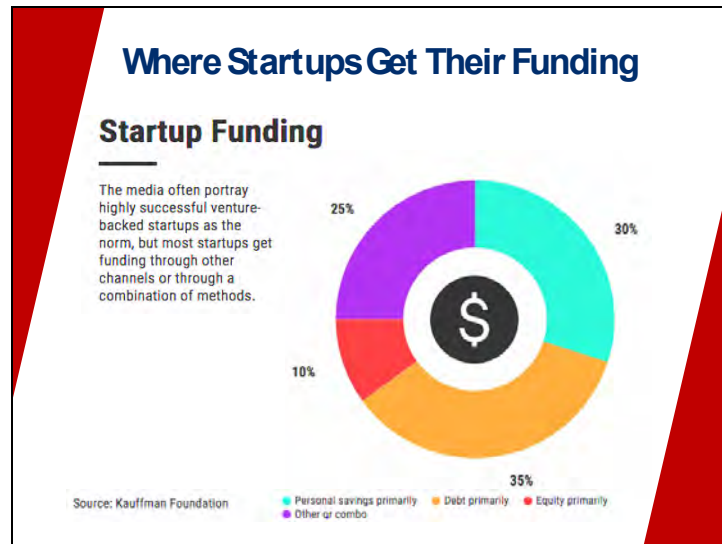
LENGTHY PRODUCT DEVELOPMENT CYCLES

Some products are under development for years before they generate earnings. The up-front costs often exceed a firm's ability to fund these activities on its own.

•

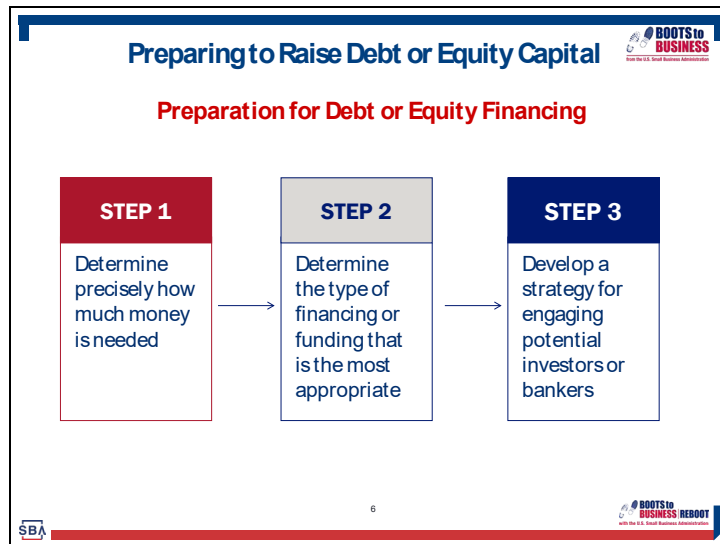
**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Questions to Ask Yourself

- How much money do I need?
 - Based on projections / not just an estimate
- What will I use the money for?
 - Equipment, Inventory, Working Capital, Marketing, Real Estate, etc.
- How do I show I can pay it back?
- What type of funding do I need?
 - Debt
 - Equity






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Personal Funds

You need skin in the game before you seek any external funding!

- Sources of personal funding:
 - Cash/Savings
 - Bootstrapping techniques (getting what you need without spending much on it)
 - Home equity
 - Friends and family
 - Credit Cards
 - Equities and stock portfolio
 - Retirement accounts



Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Bootstrapping

Finding ways to avoid the need for external financing or funding through creativity, ingenuity, thriftiness, cost-cutting or any means necessary.

| | | |
|--------------------------------------|--|--|
| Buying used instead of new equipment | Coordinating purchases with other businesses | Sharing office space with other businesses |
| Leasing equipment instead of buying | Obtaining payments in advance from customers | Making do with what you have |
| Crowd funding | | Vendor financing |

*****The most common source of start-up funding and most entrepreneurs bootstrap out of necessity.***



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Debt vs. Equity | |
|--|--|
| DEBT | EQUITY |
| <ul style="list-style-type: none"> • Bank loan (or other lender) • Allows you to maintain ownership and control • Requires repayment with interest • Generally considered the cheapest way to grow | <ul style="list-style-type: none"> • Involves investors • Money is exchanged for partial ownership • Is not paid back • Means you have shareholders • Can have huge benefits beyond the money |



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Sources of Equity Financing

- Crowd Funding
- Angel Investors
- Venture Capital
- Private Equity

- Private Placement
- Public Offering
- Peer-to-Peer



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


12

What Investors Typically Look For

- Business Potential – Return on Investment
- Strong Management and a Strong Team
- Business Structure and a Solid Business Plan
- A Reason To Invest
- An Exit Strategy



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



What Lenders Typically Look For

- Business Plan
- Collateral
- Injection (20 – 25% is typical)
- Good Credit Score
- Financial Projections (1 – 3 years)
- Personal Tax Returns
- Basic Personal & Business Info
- The 5 C's are used to evaluate overall creditworthiness



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Debt Financing

What you should know up front...

- Generally, SBA does not give grants to help you start a for-profit small business
- Your credit history is very important
- Rates can be fixed or variable and are negotiated
- Terms usually 1-25 years
- A lender will likely require a personal guaranty from you— they may even require a secured personal guaranty

SBA

14

BOOTS to BUSINESS

BOOTS to BUSINESS REBOOT




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


| How a Lender Evaluates the Five C's of Credit | |
|---|---|
| Character: | <ul style="list-style-type: none"> General impression you make on lender or investor Payment History (Personal and Business) Credit Score Experience, educational background, references, employees experience |
| Capacity: | <ul style="list-style-type: none"> Cash flow, timing of repayment, probability of repayment, contingent sources of repayment |
| Collateral: | <ul style="list-style-type: none"> Pledged assets, signed guarantees |
| Capital: | <ul style="list-style-type: none"> Amount personally invested (skin in the game) |
| Conditions: | <ul style="list-style-type: none"> Intended purpose of the loan: working capital, equipment, inventory Local economic and industry climate |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

16

Character



Your personal reputation and general impression you make on your lender; your integrity

A lender considers who you are:

- Management experience in the industry
- Past credit history
- Banking relationship and loan repayment history
- Personal reputation in the community


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Your Personal Credit Standing

How do you find out how you will look to a lender?

- Order a copy of your credit history and FICO® score
- Largest credit reporting agencies
- Equifax
- TransUnion
- Experian



All are required to provide a free report every year – www.annualcreditreport.com

SBA 17 BOOTS to BUSINESS REBOOT

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

What If Your Credit Score is Low?



Some things can be fixed...

1. Review the reports for mistakes - if any mistakes are found:

- Contact the creditor in writing to ask to have the report fixed
- Contact the credit bureau in writing to find out how to correct wrong information
- All three credit bureaus accept disputes submitted online
- Provide copies of your letters to your lender

2. If report is correct, but negative - try to fix it before applying for a loan:


- Make credit payments on time
- Reduce the amount of debt you owe
- If necessary, work with a non-profit that will provide free credit counseling



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Capacity / Cash Flow




Whether your business makes enough money to pay all its bills including the new loan.


The amount of money that you make or expect to make (“cash flow”) should be sufficient to pay all expenses and allow a little extra in case something unexpected comes up.

Takeaway

This is the most important of the 5 C's because it measures whether you can pay back the loan.




19



Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Capacity / Cash Flow




If you are an existing business – lender will look at:

- Historic Cash Flow
- Business Financial Statements
- Minimum Two Years of Tax Returns
- 3-5 Years of Financial Projections




If you are just starting your business – lender will rely on:

- Your Business Plan
- Personal Financial Statement
- 3-5 Years of Financial Projections



20



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

| Financial Statements You Will Need: | | BOOTS to BUSINESS Small Business Administration | |
|--|--------------------|---|--------------------|
| Balance Sheet | | | |
| ASSETS | | LIABILITIES | |
| Current Assets | | Current Liabilities | |
| Cash | \$123,000 | Accounts Payable | \$100,000 |
| Marketable Securities | 200,000 | Notes Payable | 150,000 |
| Accounts Receivable | 345,000 | Total Current Liabilities | \$250,000 |
| Inventories | 100,000 | | |
| Total Current Assets | \$768,000 | | |
| Long-Term Assets | | Long-Term Note | |
| Building (Gross) | \$350,000 | | \$300,000 |
| - Accumulated Depreciation | -50,000 | Total Liabilities | \$550,000 |
| Net Building | \$300,000 | Owner's Equity | \$843,000 |
| Land | \$325,000 | | |
| Total Long-Term Assets | \$625,000 | Total Claims | \$1,393,000 |
| Total Assets | \$1,393,000 | | |
| <i>A snapshot of assets and claims against those assets. Shows what the company owns, owes and how it is financed.</i> | | | |
| SBA | | BOOTS to BUSINESS REBOOT Small Business Administration | |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

Shows revenue and expenses and provides a 'bottom line' of profitability over a specified period.




**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


| Financial Statements You Will Need: | |
|---|-------------|
| Cash Flow Statement | |
| OPERATING ACTIVITIES, CASH FLOWS PROVIDED BY OR (USED) IN: | |
| Depreciation/Amortization | \$50,000 |
| Changes in A/R | (\$345,000) |
| Changes in A/P | \$100,000 |
| Changes in Inventory | (\$100,000) |
| Total Cash Flow from Operating Activities | (\$277,000) |
| INVESTING ACTIVITIES, CASH FLOWS PROVIDED BY OR (USED) IN: | |
| Payment for acquisition of PPE | (\$350,000) |
| Sale of PPE | \$0 |
| Total Cash Flow from Investing Activities | (\$350,000) |
| FINANCING ACTIVITIES, CASH FLOW PROVIDED BY OR (USED) IN: | |
| Issuance of Stock | \$600,000 |
| Dividends | |
| Net Borrowings | \$150,000 |
| Total Cash Flows From Financing Activities | \$750,000 |
| Net increase/Decrease in Cash: | \$123,000 |
| Cash at beginning of period | \$0 |
| Cash at end of period | \$123,000 |
| Shows sources and uses of cash as well as net change on cash over a specified period. | |

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Collateral / Guarantees




Something of value that you own or will buy with money from the loan that you can “pledge” to secure a loan

Most lenders also require the business owners to **personally guarantee** the business loan




=

a promise to **personally repay** the business loan even if the business fails.




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Capital / Contribution




How much will you be investing in your business?
Do you have "Skin in the game?"

- Owner infusion includes money you have invested in the business
- Shows your commitment to the business and what you have at risk if the business fails
- Varies based on the lender or financing source. Be prepared to provide at least 10-30%
- With traditional lenders, lack of owner infusion usually means loan will be turned down


25

Notes:

Online attendees can hit the "Tab" key to go to the next page, or hit "Shift+Tab" to go back a page.




Conditions




Loan conditions that a lender considers when approving your loan

Conditions include:

- Loan amount
- Interest rate
- What you will use the loan for: real estate for your business, equipment, inventory, or working capital
- How well people are doing in your community and how well your business' industry is doing



26



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

SBA Loan Programs





Lending partner

Loan

Small business
(You)

SBA reduces risk and enables easier access to capital.

- The SBA works with lenders to provide loans to small businesses. The agency doesn't lend money directly to small business owners.
- SBA lenders still consider the Five Cs of credit
- The SBA reduces risk for lenders and makes it easier for them to access capital.
 - This makes it easier for small businesses to get loans.

<https://www.sba.gov/loans>


27


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

SBA Loan Programs

- From \$500 - \$5.5 million to fund your small business
 - SBA-guaranteed loans range from small to large and can be used for most business purposes
 - SBA-approved lenders can match you with the right loan for your business needs





Working Capital - Like seasonal financing, revolving credit or refinanced business debt



Fixed Assets - Like furniture, real estate, machinery, construction and remodeling



28



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Other SBA Loan Programs

7(a) Loan Program


- SBA's primary business loan program


SBA 504 Loan

- Real estate & Long-term use equipment

SBA Express Programs

- Loan amounts of up to \$500,000
- Streamlined, expedited loan process


Small text: Small Business Administration


Small text: Small Business Administration

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

SBA Loan Programs for Underserved Markets

Targeted to veterans, women, minorities, rural and other underserved populations

SBA Community Advantage

- Loan amounts of up to \$350,000

SBA Microloans

- Loan amounts of up to \$50,000
- Administered by CDFIs/Non-Profit Lenders
 - Credit requirements not as stringent
 - Management/Technical Assistance provided



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

SBA Loan Eligibility Requirements

- SBA loan eligibility is generally based on what a business does to receive its income, the character of its ownership, and where the business operates
- Normally, businesses must meet size standards, be able to repay, and have a sound business purpose
- The lender will provide you a full list of eligibility requirements for your loan





Be a for-profit business
The business is officially registered and operates legally.



Do business in the U.S.
The business is physically located and operates in the U.S. or its territories.



Have invested equity
The business owner has invested their own time or money into the business.



Exhaust financing options
The business cannot get funds from any other financial lender.


31


Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Not Eligible for SBA Financing



- Gambling or speculation
- Real estate investment/ other speculative activities
- Lending activities
- Multi-level marketing firms
- Marijuana Industry

- Businesses providing sexual material
- Non-profit organizations
- Illegal Activities
- Borrowers that have defaulted on federal loans or financing



32



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Fee Relief for Veteran Borrowers



- Zero Up-front Guaranty Fees on SBA Express Loans for military community members, including:
 - Soon-to-be discharged active-duty service members, eligible for military Transition Assistance Program (TAP)
 - Reservists, National Guard members
 - Veterans
 - Current spouse of any of the above
 - Widowed spouse of service member or veteran who died during service or from service-related disability



33






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Your Local SBA Team

- Can connect you with business advisors
 - Assist with cash flow analysis and financial projections
- Can help you find the right lender
 - Can connect you with lenders that have loan programs appropriate to your stage of business, industry, financing needs, demographic, risk level, etc.




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.




United States Department of Agriculture




BOOTS to BUSINESS
Helping Small Business Grow

USDA Loans & Loan Guarantees

- Businesses in rural areas can use for:
 - New business start-up expenses
 - Acquiring an existing business
 - Purchasing land, buildings or facilities
 - Modernization & other business improvements



35



BOOTS to BUSINESS REBOOT
Helping Small Business Grow

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration

- 




34

**BOOTS to
BUSINESS | REBOOT**
with the U.S. Small Business Administration

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Key Takeaways

- Understand how a lender or financier will evaluate your project and what your options may be
- SBA loan programs can provide financial assistance for a variety of business needs
- SBA resource partners have assistance available for procuring financing



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The slide features a white background with a blue header bar at the top and a red footer bar at the bottom. The title "Questions, Discussion, & Survey" is centered in a large, bold, blue font. Below the title, the text "(Survey link is located on the next slide)" is centered in a smaller, italicized font. The slide is framed by a thin black border. In the top right corner, there is a logo for "BOOTS to BUSINESS" with the tagline "Small Business. Big Impact." In the bottom left corner, there is a small "SBA" logo. In the bottom right corner, there is a logo for "BOOTS to BUSINESS REBOOT" with the tagline "Small Business. Big Impact."

**Questions,
Discussion,
& Survey**

(Survey link is located on the next slide)

38


Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Please Tell Us How We Did


- On your laptop, tablet, or smart phone visit tinyurl.com/SBA-B2BSurvey or use cell camera to access the survey QR Code
- Please select “Introduction to Entrepreneurship (2-day course)” as the course you completed
- All responses are voluntary and kept confidential

Thank you for completing our survey! Your input will help us to serve you better.



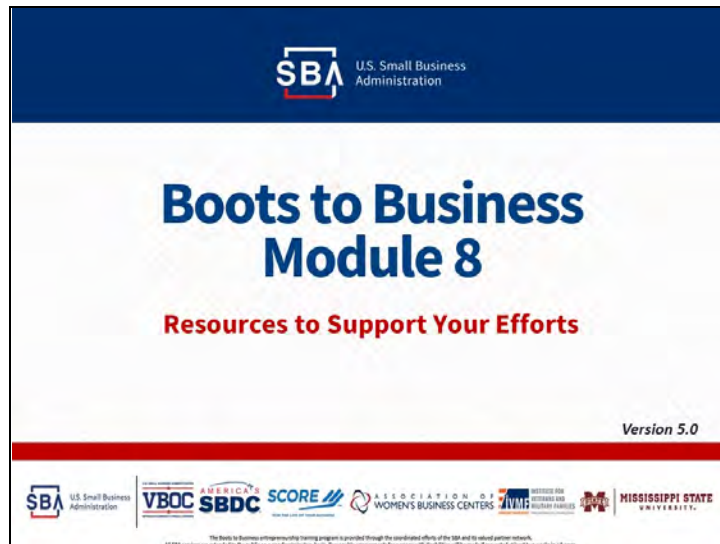



Small text: U.S. Small Business Administration


Small text: U.S. Small Business Administration



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.




Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Agenda

- SBA Resource Partner network
- Other resources & training
- B2B Follow-On Training
- Next Steps
- Q&A



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

3



Veterans Business Outreach Centers

Services

- One-on-One Counseling & Mentorship
- Pre-Business Plan Workshops/Concept Assessments
- Business Plan Assistance
- Feasibility Analysis/Strategy
- Training
- Navigation of Local Programs & Resources
- Other Related Business Development Services

<https://www.sba.gov/vboc>

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.





BOOTS to BUSINESS
from the U.S. Small Business Administration

- Develop a business plan
- Create financial projections
- Apply for financing



- The couple received an SBA-backed loan to help them get started
- Bold Mariner Brewing Company opened their doors in 2015


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.




Services

- Mentoring
 - Online
 - In-Person
- Business Tools and Templates
- Workshops
 - Online
 - In-Person

<https://www.score.org/>



5




Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

SCORE


SCORE Client

- Gary Peterson**
 - Retired Air Force Major, looking to turn a passion for automobiles into a business
- Connected with local SCORE, who helped him:**
 - Develop and scale his business idea
 - Attend executive level training
 - Build a network of business advisors






- Result:**
 - One Community Auto opened their doors in 2017
 - One Community Auto named a SCORE Small Business Champion



6



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Small Business Development Centers

Services

- Business Plan Development
- Manufacturing Assistance
- Financial Packaging and Lending Assistance
- Exporting and Importing Support
- Disaster Recovery Assistance
- Procurement and Contracting Aid
- Market Research Assistance

<https://www.sba.gov/tools/local-assistance/sbdc>



7



Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Small Business Development Centers

SBDC Client

- Jilan Hall-Johnson**
 - Military spouse looking to turn her culinary ideas into a fully-baked business
- Connected with local SBDC, who helped her:**
 - Access pre-business counseling
 - Put together a loan package for financing
 - Seek out local small business grants





- Result:**
 - Business received an SBA 7(a) loan and a grant from city of Billings, MT
 - Sassy Biscuit Co successfully opened and has expanded to a second location








Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Women's Business Centers



Services

- Training
- Counseling
- Access to Capital
- Webinars
- Organizational development tools
- Fund-raising assistance
- Best practices in program delivery

<https://www.sba.gov/tools/local-assistance/wbc>

9

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

Women's Business Centers



WBC Clients

- Lila Teunissen & Michelle Thomsen**
 - Current and former National Guard members realized service members needed quality dog boarding while deployed or drilling
- Connected with local WBC, who helped them:**
 - With pre-business counseling
 - Get designated as a Women-Owned Business
 - Connect with other small business resources



Result:

- The Bed N' Biscuit Ranch is open & helping dogs and owners live their best lives



10






Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


Other Resources and Training

- U.S. Department of Agriculture
- B2B Follow-on Training
 - B2B Revenue Readiness
- Things you can do now




Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



Other Resources to Consider


- [APEX Accelerators](#)
 - Formerly Procurement Technical Assistance Centers (PTACs)
- [SBA Export Assistance](#)
- [SBA Surety Bond Program](#)
- [Small Business Innovation Research \(SBIR\) Small Business Technology Transfer \(STTR\) Programs](#)
- [SBA Office of Advocacy](#)






Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

United States Department of Agriculture

BOOTS to BUSINESS


USDA Rural Development

Over 40 programs to help rural America




Business and Cooperative

- Business Loans
- Technical Assistance Grants
- Renewable Energy




Housing

- Single Family Housing
- Multi-Family Housing



Community Facilities


- Public Services
- Healthcare
- Education




Rural Utilities

- Water and Sewer
- Broadband
- Electric and Telephone


www.rd.usda.gov


SBA

BOOTS to BUSINESS REBOOT

Notes:



Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.


United States Department of Agriculture



USDA Business Programs

| | | |
|--|--|---|
| <h3>Business and Industry Loan Guarantees</h3> <p>Eligible: Rural Businesses</p> <p>How can guaranteed loan funds be used?</p> <p>Examples of eligible uses include:</p> <ul style="list-style-type: none"> • Business development, growth, modernization, conversion, or repair • Buy and develop land, buildings, and associated infrastructure for commercial or industrial use • Buy and install machinery, equipment, supplies, and inventory • Refinance debt to create cash flow and create jobs • Acquire businesses or industries when the loan will maintain operations, and create or save jobs <p>https://www.rd.usda.gov/programs-services/business-programs/business-industry-loan-guarantees</p> | <h3>Rural Energy for America Program</h3> <p>Eligible: Rural Small Businesses and Agriculture Producers</p> <p>Grants up to 40% of Eligible Project Costs</p> <p>Guaranteed Loans up to 75% of Eligible Project Costs</p> <p>How can funds be used?</p> <p>Example of Renewable energy systems:</p> <ul style="list-style-type: none"> • Biomass • Geothermal • Wind and/or solar Generation <p>Examples of Energy Efficiency:</p> <ul style="list-style-type: none"> • High Efficiency HVAC • Insulation / lighting • Replacement to high energy efficient equipment <p>https://www.rd.usda.gov/programs-services/energy-programs/rural-energy-america-program-renewable-energy-systems-energy-efficiency-improvement-guaranteed-loans</p> | <h3>Rural Microentrepreneur Assistance Program</h3> <p>Eligible: Rural Small Business with 10 or fewer full-time employees</p> <p>Maximum loan amount - \$50,000</p> <p>Fixed Interest Rate</p> <p>Limited to 75% of project costs</p> <p>How can funds be used?</p> <p>Examples of eligible uses include:</p> <ul style="list-style-type: none"> • Working capital • Debt refinancing • Purchase equipment and supplies • Improve real estate <p>https://www.rd.usda.gov/programs-services/business-programs/rural-microentrepreneur-assistance-program</p> |
|--|--|---|

Notes:


Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

USDA
United States Department of Agriculture

BOOTS to BUSINESS
Helping Small Business Grow

**To learn more about these programs and others,
Contact Your State USDA Office**

<https://www.rd.usda.gov/about-rd/state-offices>



SBA

BOOTS to BUSINESS REBOOT
Helping Small Business Grow

15

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.



BOOTS to BUSINESS
from the U.S. Small Business Administration



-

16



195

Next Step: Keep it Moving...



- Connect with one of SBA's local Resource Partners
 - <https://www.sba.gov/local-assistance>
- Start working on your business plan
- Continue researching your business opportunity
- Sign up for free follow-on training
 - <https://sba.my.site.com/>
 - <https://www.sba.gov/sba-learning-platform>

17

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

The slide features a white background with a blue header bar at the top and a red footer bar at the bottom. The title "Questions & Discussion" is centered in a large, bold, blue font. In the top right corner, there is a logo for "BOOTS to BUSINESS" with the text "Small Business Administration" below it. In the bottom left corner, there is an "SBA" logo. In the bottom right corner, there is a logo for "BOOTS to BUSINESS REBOOT" with the text "Small Business Administration" below it. The number "18" is centered in the footer area.

Notes:

Online attendees can hit the “Tab” key to go to the next page, or hit “Shift+Tab” to go back a page.

CLASSROOM DOCUMENTS



U.S. Small Business
Administration



BUSINESS MODEL CANVAS

Date:

| | | | | |
|--|---|--|---|---|
| <div>KEY PARTNERS</div> <div>Who are your key partners?</div> | <div>KEY ACTIVITIES</div> <div>What are the activities you perform every day to deliver your value proposition?</div> | <div>VALUE PROPOSITION</div> <div>What is the value you deliver to your customer? What is the customer need that your value proposition addresses?</div> | <div>CUSTOMER RELATIONSHIPS</div> <div>What relationship does each customer segment expect you to establish and maintain?</div> | <div>CUSTOMER SEGMENTS</div> <div>Who are your customers?</div> |
| | <div>KEY RESOURCES</div> <div>What are the resources you need to deliver your value proposition?</div> | | <div>CHANNELS</div> <div>How do your customer segments want to be reached?</div> | |
| <div>COST STRUCTURE</div> <div>What are the important costs you make to deliver the value proposition?</div> | | | <div>REVENUE STREAMS</div> <div>How do customers reward you for the value you provide to them?</div> | |

CASE STUDIES

CASE STUDY OPTION #1

SGT John Smith is leaving the Army after 10 years and moving to Binghamton, NY, his home town. His wife was hired at the local hospital, so they have a reliable income. They have agreed to use their \$10,000 in savings as start-up capital for a landscaping company. John plans to buy basic equipment for himself and a two-person crew to use during the spring and summer. He also plans to buy a plow blade to plow snow in the winter, mitigating landscaping seasonality. He is looking for contracts using his existing network, so feels confident in purchasing the equipment.

CASE STUDY OPTION #2

Col. Jane Rivera is retiring from the Marine Corps. She has decided to move to Washington, DC to pursue her dream of being a security consultant in the defense industry. She maintains a Top Secret security clearance and has bona fide credentials in the field and excellent contacts in large defense contracting companies. Jane is single with \$100,000 in savings and plans to launch the company with very little start-up expense. She has a potential two-year contract with Lockheed and is considering hiring a project team so she can focus on growing her customer base rather than servicing one contract.

CASE STUDY OPTION #3

Phil Dyer is retiring from the Air Force in three months. His wife, Mary is a veteran and earned a hospitality management degree while working as a local restaurant manager. They have \$250,000 in home equity and very little in savings. Phil and Mary want to open a local craft beer brew pub. Their mutual passion, knowledge of the market, Mary's degree and practical experience work in tandem to make this an attractive option for them. Mary is handling planning and Phil intends to take on a greater role in real estate and financial planning after his retirement. They are looking forward to the next phase of life but are a little nervous about taking the leap.



U.S. Small Business
Administration



WHAT'S NEXT?



BOOTS TO BUSINESS REVENUE READINESS (B2B RR)



B2B RR is a six-week online training program designed to build on the business idea conceptualized during the introductory two-day B2B course and help you take your business idea from concept to actionable plan in a relatively short timeframe.

Structured as a virtual, interactive classroom, the program consists of “live” instructor-led sessions twice-per-week with corresponding assignments focused on identifying customers, developing a business model and drafting a business plan. Each session is recorded for those who are unable to attend the ‘live’ session, providing you the flexibility to incorporate the course into your own schedule.

As a cohort participant, you will receive individualized feedback on your assignments from experienced business professionals. Upon conclusion of the course, B2B RR personally connects you with an appropriate veteran-focused small business mentor to further assist in achieving your business goals.

Through its extensive network of experienced course instructors, interactive curriculum, and individualized feedback, B2B RR launches you on to the path of entrepreneurial success and connects you with the resources for sustained growth.

SBA LEARNING PLATFORM



The SBA Learning Platform's online portal hosts a variety of self-paced online training courses and videos to help small business owners explore and learn about the many aspects of business ownership. The SBA Learning Platform has courses designed to help you throughout every stage of business ownership – including planning, launching, managing, or growing your business.

The planning courses teach you about financing your business, legal requirements, or how to write a business plan. Other courses are specifically designed to introduce young entrepreneurs to the basics of creating and financing a successful business.

Ready to launch your business? SBA Learning Platform courses are designed to help you take the next step and turn your business idea into a reality, with classes on social media marketing, savings plans, sales, and tips to help you find investors. You can also take courses that help you master day-to-day operations; from customer service, to accounting, to marketing 101.

For more information about the SBA Learning Platform, visit sba.gov/sba-learning-platform.



Veterans Business Outreach Center Program

Eligibility



Transitioning or active duty service member



Veteran of any era



National Guard or Reserve member



Military spouse

Top Reasons to Contact a VBOC

- You are thinking about small business ownership as a post-service career
- You could benefit from additional management expertise, mentorship, and access to capital and market opportunities
- You are preparing to apply for a Small Business Administration (SBA) backed loan or a federal contracting certification
- You need help creating your business plan

Additional Resources

Learn more or find your nearest VBOC at sba.gov/vboc.

If you are an aspiring entrepreneur or small business owner seeking to start, grow, expand, or recover your business, a Veterans Business Outreach Center (VBOC) is your one-stop shop for training, counseling, resource partner referrals, and more.

VBOC Program Assistance and Services

Transition Assistance Programs

★ Boots to Business

The entrepreneurship track of the Department of Defense Transition Assistance Program offered on military installations worldwide.

★ Boots to Business | Reboot

An extension of Boots to Business, delivering the same information and benefits to veterans, members of the National Guard and Reserves, and military spouses in more accessible off-base locations.

Business training and workshops on topics such as

- Business planning
- Financing your business
- Small business and social media marketing
- Human resources and hiring

Business tools and resource referrals

- Connections to mentors
- Referrals to other partners and programs
- Preparation to engage SBA lending institutions
- Access to market research databases
- Application assistance for federal contracting certification program

Tailored business counseling and mentoring in-person and online



Veterans Business Outreach Center Program

Eligibility



Transitioning or active duty service member



Veteran of any era



National Guard or Reserve member



Military spouse

Top Reasons to Contact a VBOC

- You are thinking about small business ownership as a post-service career
- You could benefit from additional management expertise, mentorship, and access to capital and market opportunities
- You are preparing to apply for a Small Business Administration (SBA) backed loan or a federal contracting certification
- You need help creating your business plan

Additional Resources

Learn more or find your nearest VBOC at sba.gov/vboc.

If you are an aspiring veteran or military spouse entrepreneur or small business owner seeking to start, grow, expand, or recover your business, a Veterans Business Outreach Center (VBOC) is your one-stop shop for training, counseling, resource partner referrals, and more.

VBOC Program Assistance and Services

Business training and workshops on topics such as

- Business planning
- Financing your business
- Small business and social media marketing
- Human resources and hiring

Business tools and resource referrals

- Connections to mentors
- Referrals to other partners and programs
- Preparation to engage SBA lending institutions
- Access to market research databases

Application assistance for federal contracting certification program

Entrepreneurship Training

★ Boots to Business: sba.my.site.com

The entrepreneurship track of the Department of Defense Transition Assistance Program offered on military installations worldwide.

★ Boots to Business | Reboot: sba.my.site.com

An extension of Boots to Business, delivering the same information and benefits to veterans, members of the National Guard and Reserves, and military spouses in more accessible off-base locations.

★ Military Spouse Pathway to Business: sba.gov/milspouse

An in-person or virtual course tailored to military spouses interested in business ownership. Learn about the fundamentals of entrepreneurship and SBA resources available for starting your business.

Tailored business counseling and mentoring is available both in-person and online.



LOCATIONS



1. **Westborough, MA**
Coverage Area: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
vbocnewengland.org
2. **Watervliet, NY**
Coverage Area: New Jersey, New York
vbocregion2.com
3. **Norfolk, VA**
Coverage Area: Virginia, West Virginia
odu.edu/iie/vboc
4. **College Park, MD**
Coverage Area: District of Columbia, Maryland, Delaware
midatlanticvboc.com
5. **Panama City, FL**
Coverage Area: Florida
vboc.org
6. **Fayetteville, NC**
Coverage Area: North Carolina
fsuvboc.com
7. **Nashville, TN**
Coverage Area: Tennessee, Kentucky
pathwaylending.org/vboc
8. **Starkville, MS**
Coverage Area: Alabama, Louisiana, Mississippi
vboc.msstate.edu
9. **Warner Robins, GA**
Coverage Area: Georgia
gavectr.org/vboc
10. **Flint, MI**
Coverage Area: Indiana, Michigan
vetbizcentral.org
11. **Milwaukee, WI**
Coverage Area: Illinois, Minnesota, Wisconsin
wwbic.com/veterans
12. **Edinburg, TX**
Coverage Area: West, Central, and South Texas
utrgv.edu/vboc
13. **Arlington, TX**
Coverage Area: Arkansas, North Texas, Oklahoma
vboc.uta.edu
14. **Albuquerque, NM**
Coverage Area: New Mexico
nmvboc.org
15. **St. Louis, MO**
Coverage Area: Kansas, Missouri
vetbiz.com
16. **Billings, MT**
Coverage Area: Montana, Utah, Wyoming
bigskyvboc.org
17. **Grand Forks, ND**
Coverage Area: North Dakota, South Dakota
und.edu/dakotasvboc
18. **Sacramento, CA**
Coverage Area: Northern California
norcalvboc.org
19. **Cardiff, CA**
Coverage Area: Southern California
socalvboc.org
20. **Phoenix, AZ**
Coverage Area: Arizona
arizonavboc.org
21. **Honolulu, HI**
Coverage Area: American Samoa, Guam, Hawaii
hilo.hawaii.edu/vboc
22. **Tukwila, WA**
Coverage Area: Washington, Idaho, Oregon
businessimpactnw.org/vboc
23. **Charleston, SC**
Coverage Area: South Carolina
vboc.citadel.edu
24. **Omaha, NE**
Coverage Area: Nebraska, Iowa
nebbiz.org
25. **Long Beach, CA**
Coverage Area: Greater Los Angeles Region
lavboc.org
26. **Anchorage, AK**
Coverage Area: Alaska
businessimpactnw.org/vboc
27. **Colorado Springs, CO**
Coverage Area: Colorado
veteranscenter.org/vboc
28. **Las Vegas, NV**
Coverage Area: Nevada
nvvboc.org
29. **Dayton, OH**
Coverage Area: Ohio
ecdi.org/vboc
30. **University Park, PA**
Coverage Area: Pennsylvania
invent.psu.edu/programs/vboc
31. **San Juan, PR**
Coverage Area: Puerto Rico, U.S. Virgin Islands
vbocprandusvi.org

Small Business Development Centers (SBDCs) provide assistance to small businesses and aspiring entrepreneurs throughout the United States and its territories. SBDCs help entrepreneurs realize the dream of business ownership and help existing businesses remain competitive in a complex, ever-changing global marketplace. SBDCs are hosted by leading universities and state economic development agencies and funded in part through a partnership with SBA.



SBDC advisors provide aspiring and current veteran and military small business owners a variety of free business consulting and low-cost training services including: business plan development, manufacturing assistance, financial packaging and lending assistance, exporting and importing support, disaster recovery assistance, procurement and contracting aid, market research help, 8(a) program support, and healthcare guidance.

Women's Business Centers (WBCs) represent a national network of over 100 educational centers throughout the United States and its territories, which are designed to assist women in starting and growing small businesses. WBCs seek to “level the playing field” for women entrepreneurs, including women veteran, service member, and women spouse entrepreneurs, who still face unique obstacles in the business world.



SBA's Office of Women's Business Ownership (OWBO) oversees the WBC network, which provides comprehensive training and counseling on a variety of topics in several languages.

The SCORE Association, supported by SBA, is a nonprofit association of thousands of volunteer business counselors throughout the U.S. and its territories dedicated to helping small businesses and veteran-owned small businesses get off the ground, grow, and achieve their goals through education and mentorship.



SCORE provides volunteer mentors who share their expertise to aspiring and existing veteran, service member, and military spouse small business owners across 62 industries; free and confidential business mentoring in person, via email or by video; free business tools, templates and tips online, and inexpensive or free business workshops and webinars.

» **TO LEARN MORE ABOUT LOCAL SBA RESOURCES, VISIT WWW.SBA.GOV/LOCAL-ASSISTANCE.**

Empowering Veteran Entrepreneurship

Eligibility



Transitioning or active
duty service member



Veteran of any era



National Guard or
Reserve member



Military Spouse



VBOCs are a one-stop shop for
transition assistance, training,
counseling, and resource connections.

Find your nearest VBOC at
sba.gov/vboc.

Find Help

For B2B, B2BR, and Pathway to
Business visit sba.my.site.com.

For other resources, visit
sba.gov/local-assistance; or
sba.gov/ovbd to learn more.

The U.S. Small Business Administration empowers veterans, service members, National Guard and Reserve members, military spouses, and family members with programs and services to start, grow and expand their small business.

Starting & Growing Your Business

Receive management expertise through free counseling, training, and entrepreneurial education.

★ Boots to Business (B2B)

Offered on military installations worldwide, service members and military spouses can learn business ownership fundamentals, analyze the feasibility of a business idea, and tap into SBA services.

★ Boots to Business Reboot (B2BR)

Delivers the Boots to Business curriculum to veterans of any era, National Guard and Reserve members, and military spouses in their local communities.

★ Military Spouse Pathway to Business

An in-person or virtual course tailored to military spouses interested in business ownership. Learn about the fundamentals of entrepreneurship and SBA resources available for starting your business.

★ Women Veteran Entrepreneurship Training Program (WVETP)

A network of SBA partners deliver small business development support to women service members, veterans, and military spouses. Programs are offered in a variety of formats – from online workshops to hands-on mentorship.

★ Service-Disabled Veteran Entrepreneurship Training Program (SDVETP)

Receive entrepreneurial training and learn about the tools and resources available specifically for service-disabled veteran-owned small businesses (SDVOSBs).

Pursue federal procurement opportunities and technical assistance.

★ Veteran Federal Procurement Entrepreneurship Training Program (VFPETP)

Learn how to best position a veteran-owned business to win and retain government contracts through federal procurement training.

Funding Your Business

Gain access to capital at any stage of business through various SBA-backed loan programs.

★ 7(a) Loan Program

Small business loans up to \$5 million for facilities, equipment, inventory, and working capital.

★ 504 Certified Development Company Loan Program

Long-term loans up to \$5 million for real estate and large equipment.

★ Community Advantage Loan Program

Loans up to \$350,000 for business personal property and working capital.

★ Microloan Program

Loans up to \$50,000 for working capital.

★ Military Reservist Economic Injury Disaster Loan Program

Loans up to \$2 million for working capital if a National Guard or Reserve small business owner or essential employee is called-up to active duty.



Accessing Capital for Your Veteran-Owned Business

You've brainstormed, researched, and are almost ready to launch. How are you going to fund your new veteran- or military-owned business? The U.S. Small Business Administration (SBA) guides you through the process of accessing capital, debunking common misconceptions along the way.

FACT #1

The SBA is **NOT** a loan provider. Instead, you can receive an SBA-backed loan through your local lender.



There is **one exception**: the SBA provides direct loans for disaster assistance, including the **Military Reservist Economic Injury Disaster Loan (MREIDL)** program.

FACT #2

Starting a business doesn't have to be expensive. Veterans typically need **less than \$50,000** to start their business. In fact, **51%** report using \$25,000 or less in capital for startup or acquisition.¹

FACT #3

Noting your military status may have its benefits.

Zero upfront guaranty fees on SBA Express Loans.

FACT #4

Banks are not the only place to receive funding for your business. Nonprofit lenders may also provide access to capital. Connect with an SBA representative to learn more about the different types of certified lenders.

Accessing Capital Through the SBA

| | WHAT | AMOUNT | FROM | FOR |
|---|----------------------|--------------|--|--|
| 7(a) Loan Program | Small business loans | Up to \$5M | Commercial lenders | Facilities, equipment, inventory, working capital, lines of credit |
| 504 Certified Development Company Loan Program | Long-term loans | Up to \$5M | Certified Development Companies (CDCs) | Real estate, large equipment |
| Microloan Program | General loans | Up to \$50K | Non-profit lenders who also provide free training and technical assistance | Working capital, equipment, inventory, supplies |
| Community Advantage Program | General loans | Up to \$250K | Non-profit lenders | Personal property (FF&E), working capital |
| Military Reservist Economic Injury Disaster Loan Program (MREIDL) | Disaster loans | Up to \$2M | SBA | To meet necessary operating costs if a National Guard or Reserve owner or essential employee is called up to active duty |

¹<https://www.sba.gov/sites/default/files/advocacy/435-veteran-owned-businesses-report.pdf> . All SBA services are extended to the public on a nondiscriminatory basis.

Want to learn what funding options are available for you and your veteran owned business?

Ready to connect with a lender?

Find your nearest Veterans Business Outreach Center
at SBA.gov/VBOC.

SBA's Lender Match matches YOU—the borrower—with
SBA-approved lenders. Get started at SBA.gov/LenderMatch



Government Contracting for Your Veteran-Owned Business

Tap into the U.S. Small Business Administration to navigate through the complexities of government contracting and learn how to best position your veteran owned business in the federal marketplace.

What is Government Contracting?

The process where you sell your goods or services to and for use by the government.



The process generally starts with procurement, where an agency defines their requirements and determines the best method for purchasing services.



Acquisition is what occurs once you've already won an agency contract.



Did you know?

U.S. government agencies buy nearly \$100 billion worth of goods and services from small businesses each year

Do I Need to Be Certified?

The government must adhere to certain set-aside guidelines—meaning there's a certain percentage of business set aside for different types of companies. Small Business Certification isn't necessary for day-to-day operations, but highly recommended if you're planning to sell to the government.

Here are a few certifications to consider if you're a veteran- or military-owned small business:

8(a) Business Development Program

51% owned and controlled by a socially and economically disadvantaged individual or group of individuals.

Asian Americans¹

Service-Disabled Veteran-Owned Small Business (SDVOSB)

At least 51% owned, operated, and controlled by one or more veterans with a service-connected disability

The federal government's goal is to award at least 3% of all contracting—and 3% of subcontracting—dollars to SDVOSBs each year.

Veteran-Owned Small Business (VOSB)

At least 51% owned and controlled by U.S. citizens who are veterans of the U.S. Armed Forces

Typically, this only certifies you to do business with the Department of Veterans Affairs (VA). While it's good for other agencies to know you are a certified veteran-owned small business (VOSB), many federal agencies have their own systems of self-certification for the businesses who wish to do business with them. Large businesses with subcontracting plans have goals to subcontract with veteran-owned businesses.

How Can I Prepare My #VetBiz for Government Contracting?



Training

The **Veteran Federal Procurement Entrepreneurship Training Program (VFPETP)** equips veteran businessowners with the knowledge and skills required to successfully enter and compete for government contracts. The program offers three levels depending on contracting experience – starting, growing, or expanding internationally.



Advising

Set up a meeting with a local **SBA District Office** or **SBA Resource Partner** — including Veterans Business Outreach centers (VBOCs), SCORE, Small Business Development Business Centers (WBCs) — to chat with an experienced adviser who can guide you through either the contracting or certification process.



Learning

The SBA's online tools, such as the **Government Contracting Classroom**, provide you with a basic understanding of the federal marketplace – and how you can start to position your business to compete for contracts.



Supporting

The SBA provides **surety bonds** for certain surety companies — and also covers the different types, including bid, payment, performance, and ancillary.

Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed.



TRANSITIONING SERVICE
MEMBER



VETERAN



BUSINESS OWNER

USDA



Helping Transitioning Service Members and Veterans with Rural Small Business

Step 1:

Find out if your business is rural

- ✓ Visit bit.ly/usdabusinessmap to see if your business qualifies

You might be surprised!

Step 2:

Identify which program fits your business needs

- ✓ Loans and Loan Guarantees:
bit.ly/Loans-and-Loan-Guarantees
- ✓ Processing and Marketing of Products:
bit.ly/Processing-and-Marketing
- ✓ Energy Efficiency Improvements:
bit.ly/Energy-Efficiency-Improvements

Step 3:

Visit your local USDA Service Center

- ✓ Locate an office at bit.ly/usda-locator

For more information on USDA's Rural Development programs and services visit:

www.rd.usda.gov/programs-services

RURAL IS
CLOSER
THAN
YOU
THINK

REFERENCED LINKS:

- **Module 1 – Introduction to Business Ownership**
 - [Video: Transition Mission: Navy Veteran Starts Military Care Package Company](#)
- **Module 2 - Opportunity Recognition**
 - [Video: Visualizing Your Business Model](#)
 - [Business Model Canvas \(from Strategyzer\)](#)
- **Module 3 – Market Research**
 - Free Market Research Sources
 - General business statistics
 - [NAICS \(North American Industry Classification System\)](#)
 - [USA.gov Small Business Page](#)
 - [US Census Bureau Business Builder](#)
 - [Statistical Abstract of the United States](#)
 - Consumer statistics
 - [Consumer Credit Data](#)
 - [Consumer Product Safety Research & Reports](#)
 - Demographics
 - [Census \(CBB\) Business Builder](#)
 - [Bureau of Labor Statistics \(BLS\) Demographic Data](#)
 - Economic indicators
 - [Consumer Price Index](#)
 - [Bureau of Economic Analysis](#)
 - [BLS Employment Data](#)
 - [BLS Earnings by Occupation and Education](#)
 - [BLS Income Statistics](#)
 - Money and Interest Rates
 - [Daily Interest Rates](#)
 - [Money Statistics via Federal Reserve](#)
 - Production and Sales Statistics
 - [Consumer Spending](#)
 - [Gross Domestic Product \(GDP\)](#)
 - Trade Statistics
 - [USA Trade Online](#)
 - Other Free Market Research Resources
 - [Statistics of Specific Industries](#)
 - [SBDCNet.org](#)
 - Government Contracting
 - [System for Award Management \(SAM.gov\)](#)
 - [Dynamic Small Business Search System](#)
 - [USA Spending](#)
 - [GSA Subcontracting Directory](#)
 - [APEX Accelerators \(formerly PTACs\)](#)

REFERENCED LINKS:

- [Veterans Institute for Procurement](#)
- **Module 4 – Economics of Small Business Start-up**
 - [SCORE Financial Projections Template](#)
 - [SCORE Break-Even Analysis Template](#)
- **Module 5 – Legal Considerations**
 - [Choosing a Business Structure](#)
 - [How to Hire an Attorney](#)
 - [How to Write a Business Contract](#)
 - [SBA Federal Contracting Resources](#)
 - Intellectual Property Resources
 - [U.S. Patent and Trademark Office](#)
 - [Inventor & Entrepreneur Resources](#)
 - [Resources for Members of the Military Community](#)
 - [Contact USPTO](#)
 - [U.S. Copyright Office](#)
 - [Copyright Basics Video Series](#)
- **Module 6 – Business Planning**
 - [Competitive Analysis Tool](#)
 - [Fillable Business Model Canvas \(from Strategyzer\)](#)
 - No Cost Business Planning Tools & Resources
 - [SBA Business Plan Tools](#)
 - [SCORE Business Plan Tools](#)
 - [Women’s Business Centers](#)
 - [Small Business Development Centers](#)
 - [Veterans Business Outreach Centers](#)
 - [Business Model Canvas Resources from Strategyzer](#)
 - [Business Model Canvas Resources from Canvanizer](#)
 - [Boots to Business Revenue Readiness Course](#)
- **Module 7 – Financing Your Venture**
 - [Video: Kauffman’s “The Money Game”](#)
 - [‘Where Do Startups Really Get the Money to Start?’ - Article](#)
 - [No Cost Personal Credit Check \(AnnualCreditReport.com\)](#)
 - [Calculate Your Startup Costs](#)
 - Financial Statements
 - [SCORE Balance Sheet Template](#)
 - [SCORE Cash Flow Statement Template](#)
 - [SBA Funding Programs](#)
 - [USDA Funding Programs](#)
- **Module 8 – Resources to Support You**
 - [Veterans Business Outreach Center \(VBOC\) Program](#)
 - [SCORE Business Mentoring](#)
 - [Small Business Development Centers \(SBDCs\)](#)
 - [Women’s Business Centers \(WBCs\)](#)

REFERENCED LINKS:

- [USDA Rural Development](#)
 - [Rural Business & Industry Loan Guarantees](#)
 - [Rural Energy for America Program](#)
 - [Rural Microentrepreneur Assistance Program](#)
 - [Learn More About USDA Programs in Your State](#)
- [Boots to Business Revenue Readiness Course](#)
- [USDA Eligibility](#)
- [USDA Service Center Locator](#)
- [USDA Small Business Programs and Services](#)
- **Other Resources**
 - [SBA Office of Veterans Business Development](#)
 - [Connect With a Local SBA Resource Partner](#)
 - [SBA Export Assistance](#)
 - [SBA Surety Bond Program](#)
 - [Small Business Innovation Research \(SBIR\) Small Business Technology Transfer \(STTR\) Programs](#)
 - [SBA Office of Advocacy](#)
 - [SBA Learning Platform](#)

GLOSSARY:

ANGEL INVESTOR: An angel investor is an individual who provides capital for a business or businesses start-up, usually in exchange for convertible debt or ownership equity. Angel investors usually give support to start-ups at the initial moments (where risks of the start-ups failing are relatively high) and when most investors are not prepared to back them.

APEX Accelerators: (Formerly Procurement Technical Assistance Centers – PTACs) Provide local, in-person counseling and training services for small business owners specifically for government procurement. They are designed to provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments.

B-CORPORATION: A benefit corporation is a for-profit corporation recognized by a majority of U.S. states. Certified B-Corporations are different from C-Corporations in that B Corporations are dedicated to “social and environmental performance” in purpose, accountability, and transparency, but are not different in how they’re taxed.

BAIL TEAM: A network of key legal and financial entities that can help your small business succeed and grow; comprised of your Banker, Accountant, Insurance Agent and Lawyer.

BALANCE SHEET: A financial statement that reports a company’s assets, liabilities, and shareholder equity at a specific point in time.

BOOTSTRAPPING: Using creativity, ingenuity, or any means possible to obtain resources other than borrowing money or raising capital from traditional sources.

BREAKEVEN ANALYSIS: A break-even analysis is a calculation of the point at which revenues equal expenses.

BUSINESS MODEL: A company’s plan for how it competes, uses its resources, structures its relationships, interfaces with customers, and creates and delivers value to its customers. See also, Economic Model definition below.

BUSINESS MODEL CANVAS: A one-page summary describing the high-level strategic details needed to get a business (or product) successfully to market.

BUSINESS PLAN: A written document describing all the aspects of a business venture, which is usually necessary to raise money and attract high-quality business partners.

C-CORPORATION: Refers to any corporation that, under United States federal income tax law is taxed separately from its owners.

GLOSSARY:

CASH FLOW: represents the amount of money coming in, and going out, of a company or organization during a specific time period.

CASH FLOW STATEMENT: A statement that measures how well the company generates cash to pay its debt obligations and fund its operating expenses.

CHANNELS: Section of the Business Model Canvas that represent the means through which a business communicates, reaches, and delivers value to its customers. This can include physical stores, online platforms, distribution networks, or other channels.

COMMUNITY DEVELOPMENT FINANCE INSTITUTION (CDFI): CDFIs are private sector financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

COMPETITIVE STRATEGY: A long-term action plan of a company which is directed to gain competitive advantage over its business rivals after evaluating their strengths, weaknesses, opportunities, and threats in the industry and comparing it with your company's own.

COMPETITOR ANALYSIS: A detailed evaluation of a firm's direct, indirect, and future competitors.

COPYRIGHT: A form of intellectual property law that protects original works of authorship, including literary, dramatic, musical, and artistic works, such as poetry, novels, movies, songs, computer software and architecture. A copyright does NOT protect facts, ideas, systems, or methods of operation.

COST STRUCTURE: Section of the Business Model Canvas outlining the various costs incurred by a business while operating its business model. It includes both fixed and variable costs, such as production costs, marketing expenses, overhead costs, and more.

CREDIT SCORE: A credit score is a three-digit number, usually on a scale of 300 to 850, that lenders use to evaluate the probability that an individual will repay loans in a timely manner. The higher the score, the better a borrower looks to potential lenders. A credit score is based on credit history: number of open accounts, total levels of debt, and repayment history, and other factors.

CROWDFUNDING: The use of small amounts of capital from a large number of individuals to finance a new business venture. Makes use of easy accessibility of vast networks of friends, family and colleagues through social media websites.

GLOSSARY:

CUSTOMER RELATIONSHIPS: Section of the Business Model Canvas describes the types of relationships a business establishes and maintains with its customer segments. It can range from personal assistance to self-service or automated interactions, depending on the nature of the business.

CUSTOMER SEGMENTS: Section of the Business Model Canvas that identifies the different groups of customers a business aims to serve. It involves understanding the specific needs, preferences, and behaviors of these customer segments.

DEBT FINANCING: Money that is borrowed by a business and paid back, with interest, within an agreed time frame.

DEMAND: A customer's desire to purchase goods and services and willingness to pay a price for a specific good or service.

DIFFERENTIATION STRATEGY: A strategy that firms use to provide unique or different products to customers. Firms using this strategy typically compete on the basis of quality, service, timeliness, or some other dimension that creates a unique value for customers.

DIRECT COMPETITORS: Businesses offering identical or similar products/services.

ECONOMIC MODEL: A business economic model describes how your business works from an economic perspective. Simply put, it describes how the business captures the value a business creates and delivers to its customers, in the form of an economic return to the owner(s).

ENTREPRENEURSHIP: The vision to perceive and act upon opportunities in the environment coupled with the ability to create and build something from practically nothing.

EQUITY FINANCING: A way for businesses to raise capital by selling shares in the business. This differs from debt financing, where the business secures a loan from a financial institution.

FEASIBILITY ANALYSIS: A preliminary evaluation of a business idea to determine if it is worth pursuing.

FINANCIAL PROJECTIONS: Using existing or estimated financial data to forecast your business' future income and expenses. They often include different scenarios so the entrepreneur can see how changes to aspects of the finances (such as higher sales or lower operating expenses) might affect profitability.

THE FIVE C's: (Character, Capacity, Capital, Collateral, and Conditions) is a system used by lenders to gauge a borrower's creditworthiness.

GLOSSARY:

FIXED COSTS: The costs that a company incurs in operating a business, whether that cost generates sales or not.

FRANCHISE DISCLOSURE DOCUMENT: A legal disclosure document that must be given to individuals interested in buying a U.S. franchise, as part of the pre-sale due diligence process. The document provides a clear picture of how the business relationship between the franchisee and the franchisor will be conducted.

FRANCHISING: A form of business organization in which a business (franchisor) that already has a successful product or service licenses its trademark and method of doing business to other businesses (franchisees) in exchange for fee and royalty payments.

FUTURE COMPETITORS: Businesses that are not yet direct or indirect competitors but could become competitors at any time.

GOVERNMENT LOAN GUARANTEE: A contractual obligation between the government, private creditors (such as banks and other commercial loan institutions) and a borrower that the Federal government will cover the borrower's debt obligation in the event that the borrower defaults. Note: In the event of a default, the borrower is still responsible for repaying the debt to the federal government.

INCOME STATEMENT: A financial statement that shows a company's income and expenditures. It also shows whether a company is making a profit or loss for a given period.

INDIRECT COMPETITORS: Businesses offering similar, but not exactly the same, products or services as another business.

INDUSTRY: A group of firms producing a similar product or service, such as airlines, fitness drinks, or video games.

INDUSTRY ANALYSIS: Business research that focuses on the potential of an industry.

KEY ACTIVITIES: Section of the Business Model Canvas representing the core actions and processes that a business must undertake to deliver its value proposition. This can include activities such as production, marketing, distribution, customer support, or research and development.

KEY RESOURCES: Section of the Business Model Canvas that refers to the critical assets, both tangible and intangible, that a business requires to operate. This can include physical resources like manufacturing facilities, intellectual property, technology, or skilled employees.

GLOSSARY:

KEY PARTNERSHIPS: Section of the Business Model Canvas that involves collaborations or alliances with external entities that contribute to the overall success of the business. This can include suppliers, distributors, strategic alliances, or joint ventures.

LIFESTYLE COMPANY: Businesses that provide their owners the opportunity to pursue a particular lifestyle and earn a living while doing so (e.g., ski instructors, golf pros, tour guides).

LIMITED LIABILITY COMPANY (LLC): A form of business organization that combines the limited liability advantage of the corporation with the tax advantages of a partnership or sole proprietorship.

LIMITED LIABILITY PARTNERSHIP (LLP): Limited liability partnerships are similar to limited partnerships but give limited liability to every owner. An LLP protects each partner from debts against the partnership, but they won't be responsible for the actions of other partners.

LIQUIDITY: Refers to how easily assets can be converted into cash. Assets like stocks and bonds are very liquid. Large assets such as property and equipment, which take longer to liquidate, are not as liquid.

MARGIN: The difference between the cost price and selling price of a product or service.

MARKET: Any place where makers, distributors or retailers sell, and consumers buy. Businesses that operate in markets are usually in competition with other companies offering similar goods or services.

MARKET ANALYSIS: An analysis that breaks down the industry into segments and zeros in on the specific segment (or target market) to which the firm will try to appeal.

MARKET RESEARCH: The process of gathering, analyzing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face.

MARKETING STRATEGY: A firm's overall approach for marketing its products and services.

MICROLOAN: Loans up to \$50,000 to help start up, rebuild, re-open, repair, enhance or improve a small business. Loans are provided by SBA-backed nonprofit community-based organizations with experience in lending as well as management and technical assistance.

GLOSSARY:

NONPROFIT ORGANIZATION: A nonprofit organization is a business that has been granted tax-exempt status by the Internal Revenue Service (IRS) because it furthers a social cause and provides a public benefit. The organization must explicitly state in its organizing papers that it will not be used for the personal gain or benefit of its founders, employees, supporters, relatives, or associates. Nonprofit organizations are sometimes called NPOs or 501(c)(3) organizations, based on the section of the tax code that permits them to operate.

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODES: Government applied industry codes based on products/services offered and primary business activity (in revenues).

OPERATING LEVERAGE: The extent to which a firm commits itself to high levels of fixed operating costs (which vary with time, such as insurance, rent, salaries but not interest) as compared with the levels of variable costs (which vary with volume, such as for energy, labor, material).

OPPORTUNITY: A favorable set of circumstances that creates a need for a new product, service, or business.

OPPORTUNITY RECOGNITION: The process of perceiving the possibility of a profitable new business or a new product or service.

PARTNERSHIP: A business organization in which two or more individuals manage and operate the business. Both owners are equally and personally liable for the debts from the business.

PARTNERSHIP AGREEMENT: A document that details the responsibility and the ownership shares of the partners involved in the organization.

PATENT: A government authority or license conferring a right or title for a set period, especially the sole right to exclude others from making, using, or selling an invention.

PRICE: The amount of money consumers pay to buy a product or service.

PRIMARY MARKET RESEARCH: Research that is original and is collected firsthand by the entrepreneur by, for example, talking to potential customers and key industry participants.

PRIME CONTRACTOR: Prime contractors work directly with the government. They manage any subcontractors and are responsible for ensuring that the work is completed as defined in the contract. To become a prime contractor, the business must be registered with the System for Award Management (SAM).

GLOSSARY:

PROFIT: When revenue generated from a business, exceeds the expenses and costs involving in sustaining it.

PROJECTIONS: Show the expected revenues, expenses, and cash flows of a business over a forecast period.

REVENUE: The income generated from sale of goods or services, or any other use of capital or assets, associated with the main operations of an organization before any costs or expenses are deducted.

REVENUE DRIVER: Anything that generates revenue for the company.

REVENUE STREAMS: Section of the Business Model Canvas that outline the ways in which a business generates income from its customer segments. This can include one-time sales, recurring subscriptions, licensing fees, or other revenue models.

RISKS & ASSUMPTIONS: Risks are events that, should they happen, could cause a company's revenues or profits to be lower than what the owner had forecast, while assumptions are things you assume will be true in the future, such as customer needs, resources, financial factors, and the competition.

S-CORPORATION: A regular corporation that has between 1 and 100 shareholders, and that passes-through net income or losses to shareholders in accordance with Internal Revenue Code.

SBA LOANS: The SBA works with lenders to provide loans to small businesses. The agency doesn't lend money directly to small business owners. Instead, it sets guidelines for loans made by its participating lenders. SBA reduces the risk for lenders and makes it easier for them to access capital. This makes it easier for small businesses to get loans.

SBA RESOURCE PARTNER: A nationwide network of small business advisors that provide high-quality training and counseling, designed to meet the needs of small business owners.

SCORE: An SBA resource partner that includes the largest network of volunteer business mentors in the nation.

SECONDARY MARKET RESEARCH: Data collected previously by someone else for a different purpose that can be applied to an entrepreneur's market analysis.

SMALL BUSINESS DEVELOPMENT CENTER (SBDC): An SBA resource partner that provides management assistance to current and prospective small business owners.

GLOSSARY:

SOLE PROPRIETORSHIP (D/B/A): The simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts. D/B/A stands for “Doing Business As.”

SUBCONTRACTOR: Unlike prime contractors, subcontractors do not work directly with the government, but instead work for other contractors. Some government contracts require large companies to subcontract with a small business. This creates more opportunities for small businesses to get involved in federal contracting.

SUSTAINABILITY: The capacity of a business to endure through market fluctuations.

SYSTEM FOR AWARD MANAGEMENT (SAM): A federally operated information system that allows government agencies and contractors to search for companies based on ability, size, location, experience, ownership, and more. Businesses that want to bid on government contracts or receive grants must be registered in the SAM system.

TARGET MARKET: The limited group of individuals or businesses that a firm goes after or tries to appeal to at a certain point in time.

TRADEMARK: A recognizable insignia, phrase, word, or symbol that denotes a specific product and legally differentiates it from all other products of its kind.

TRENDS: A shift or change in the fundamental business dynamics within an industry.

USDA: The U.S. Department of Agriculture (USDA) is a federal agency responsible for developing and executing laws related to farming, forestry, rural economic development, and food. USDA also provides funding opportunities for rural small businesses through loans, loan guarantees, and grants.

VALUE PROPOSITION: A concise statement that summarizes why a consumer should buy a product or use a service. Should convince a potential customer that one particular product or service will add more value or better solve a problem than other similar offerings.

VARIABLE COSTS: Costs that are not fixed, that a company incurs as it generates sales. Costs will vary with sales: when sales go up, the cost to deliver those sales go up. When sales go down, the cost to deliver those sales go down.

VENTURE CAPITAL: Money that is invested by venture capital firms in start-ups and small businesses with exceptional growth potential.

GLOSSARY:

VETERANS BUSINESS OUTREACH CENTER (VBOC): An SBA resource partner that provides business training, counseling and resource partner referrals to veterans, transiting service members, National Guard and Reserve members and military spouses.

VETERAN SMALL BUSINESS CERTIFICATION (VETCERT): The SBA's Veteran Small Business Certification program (VetCert) opens opportunities for veteran-owned small businesses (VOSBs) and service-disabled veteran-owned small businesses (SDVOSBs) to compete for federal sole-source and set-aside contracts across the federal government. In addition to determining eligibility to compete for contracts in the federal marketplace, the SBA provides all small businesses access to training, counseling, access to capital, and more throughout their entrepreneurial journey. Most services are free of charge to the small business owner.

VOLUME: The number of units of product or service a firm sells or provides.

WORKING CAPITAL: Cash and liquid investments that a business has on hand to pay for day-to-day operations.

WOMEN'S BUSINESS CENTER (WBC): An SBA resource partner that helps women succeed in business by providing training, mentoring, business development, and financing opportunities.

JOIN THE B2B COMMUNITY

**>> GET SBA VETERAN ENTREPRENEUR
NEWS AND INFORMATION**

**>>> ACCESS AND DOWNLOAD COURSE
PRESENTATIONS**

**>>> SIGN UP FOR B2B FOLLOW-ON
TRAINING OPPORTUNITIES**

>> VISIT [SBAVETS.MYFORCE.COM/S/LOGIN/REGISTER](https://sba.gov/vets/myforce.com/s/login/register)



U.S. Small Business
Administration





U.S. Small Business
Administration