

Ask SCORE for Business Advice

“Ask SCORE” Column

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More Green Bay businesses struggled in 2010 By Tina Dettman-Bielefeldt

There were quite a few heartbreaking moments for SCORE counselors this past year. While previous years saw mostly start-ups, 2010 saw more existing businesses come to SCORE for help. Rather than looking for basic information, many were seeking marketing ideas that would spur the sales growth necessary to survive. Some did, but others did not.

It was one of the trends that counselors reported. KaraLynne Moore, a commercial lender and SCORE counselor, said many businesses went into the year expecting a turnaround, but it didn't happen in most cases. As sales declined, dramatically for some businesses, they sought additional credit but had a hard time finding it.

"Many existing businesses that provided outsourced services saw their customers bring that service back in house to keep their own employees working," Moore said. "Real estate sales continue to be slow, and that has affected appliance stores, electricians, cement workers, furniture shops and all the other businesses that served the housing industry."

With business being so difficult to come by, marketing dominated many of the counseling sessions. Gordon Russell, a SCORE counselor with 35 years of marketing experience, said some entrepreneurs were confused about what marketing means.

"The biggest problem is that they often think of advertising as marketing," he said. "That's a small part and actually comes after marketing. Marketing means knowing the competition, analyzing costs, defining your target and everything involved in selling a product or service."

Russell spent more time in sessions discussing marketing and is optimistic that clients are getting it. He saw younger clients and was impressed with their can-do attitude. John McCully, another counselor, also saw younger clients and thought most would-be entrepreneurs came in with better knowledge of business basics. That meant providing information on more specific issues. McCully said he dug deep for information after sessions and followed up, sometimes referring clients to counselors with specific expertise.

Other clients had issues with health care, accumulating debts, declining sales and start-up funds. Some came to SCORE thinking the federal government's stimulus plan meant money was available for them.

"Many believed that there were grants out there to help start a business," said Barbara Jordon, one of the newest SCORE counselors. "When they discovered that there is no 'free money,' we shifted our focus to surviving and thriving in a tough economy."

Counselor Harvey Medress felt businesses that had a unique niche and quality product or service fared best. He advised his clients to develop a well-defined brand. While the variety of clients means differing issues, counselors agree that all need to be realistic before starting or saving a business. A business plan still rules, and clients need to be cautious of false optimism. This is especially true of those who have lost their jobs and think a business will save them. "Many of those counseled still overestimate the volume of sales without a clear plan on how to achieve those sales goals," Moore said.

Tina Dettman-Bielefeldt is co-owner of DB Commercial Real Estate in Green Bay and assistant district director for SCORE, Wisconsin.
