

Open a new business? Now?

Often, the monotony of punching a clock as someone else's employee leads to daydreams of starting a business and being your own boss. In rough economic times, those daydreams may never pass beyond imagination. "Times are tough; how could I start my own small business now?" one thinks. That's rational thinking but, counterintuitively, a down economy can actually create great opportunity for budding entrepreneurs.

There are a variety of benefits to starting a small business during poor economic conditions. For starters, office rents could be lower and suppliers may cut better deals. Downturns are a great time to sign new accounts. Customers are examining every expense for ways to save, including asking eager entrepreneurs for price bids in order to replace current and expensive vendors.

An unfortunate reality of hard times is increased unemployment. But for small-business owners, this means more experienced talent is available in the marketplace, with more affordable salary requirements.

However, as you can imagine, the grass isn't all green for entrepreneurs making a start in a down economy. It's tough, very tough. A down economy means tighter lending standards, higher prices on energy and food, and weak consumer spending.

Like those millions of entrepreneurs who started a business during the recession of the early 1990s, today's dreamers need to ask themselves if they have the appetite for risk and fire in the belly to succeed as a small-business owner.

For those inspired to give entrepreneurship a go, here are some quick tips for starting a small business in poor economic conditions:

- **Avoid the middle-market products and services.** Even in a down economy, consumers and businesses need necessity based products and services office supplies, tech services, food, medical assistance, waste management, etc. Conversely, an innovative luxury item

can also be successful. Avoid the middle ground; if customers can delay purchases while times are hard or choose a less expensive alternative, that's not the industry to be in.

- **Don't fret the big bucks.** If start-up capital is an issue, consider starting a part-time business. Keeping a day job for a while can help maintain a steady income while waiting for sales from the new business venture to kick in. It's also a smart way to work out kinks, gain industry knowledge and build a solid customer base without superfluous financial stress and pressure.
- **Make equipment multitask.** Technology products are getting smarter and helping people streamline. Many printers can also scan and copy and fax.
- **Strategize staff selection.** Minimize full-time staff. Hire part-time employees. Contact the local college or university to see if they offer a formal internship program. In some states, interns can work for free or class credit only. Outsource or hire freelancers who can take overflow work or specialty jobs. Don't invest precious resources employing people who may be underutilized. As your business grows, you can consider adding more full-time employees.
- **Embrace the guerrilla.** Don't spend a fortune on advertising. Use guerrilla marketing techniques to get the word out. There are hundreds of free or inexpensive ways to do business promotion: Distribute free products to attract people and secure repeat customers. Write a column for the local newspaper. Get involved with your local chamber of commerce. Network with other area business professionals. Display the company logo on a vehicle.
- **Buy the business.** Many businesses for sale are completely viable; the current owner has simply run out of time, energy or entrepreneurial passion. Although it may cost more up

front, the purchase of a business can provide an existing foundation and income stream ready to be nurtured and advanced to a higher business level.

Anytime can be the right time to launch a venture if the opportunity is right. During periods of a challenging market, big companies suddenly don't take any risks; they retrench and bunker down. In contrast, entrepreneurial start-ups, small and agile, are out re-inventing models. Great ideas, some savvy business sense and a passion for self-employment can overcome any type of economy.

Good luck!