

10 TIPS

FROM SBDC ENTREPRENEURS



The Los Angeles Regional
Small Business
Development Center
Network

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"My SBDC advisor had a very good idea of what angels expect to see in your business plan, your projections, and how it ties in to your overall story. My advisor helped us convey our knowledge of the market as well as articulate our understanding of the competition. He gave us a long term view both for ourselves and our investors we'll approach at a later date."

*James Chang, Frenzy,
Bixel Exchange SBDC Client*

As the year comes to a close, we included some of the best tips SBDC entrepreneurs shared with us on their business lessons learned. We invite you to read the tips below and check out their sites for more information on their product or service.

- 1 START ON THE RIGHT FOOT:** The SBDC helped these partners select a legal structure, explained the benefits of each type, why and how to file a DBA, get a seller's permit and obtain business licenses. "The SBDC saved us so much money compared to what we would have had to pay a law firm." *Stacie Schmitz and Tim Varnell, It's a Deal Casino Rentals, Redondo Beach, ECC SBDC Client*
- 2 BE REALISTIC WITH YOUR PROJECTIONS:** "When you're doing projections, it's important to be realistic. The SBDC helped me do more in-depth analysis on the closest business model, look into the growth potential of the solar industry, and [estimate] what market share we could realistically expect to gain in the near future." This client was the first funding cycle winner of \$100k from Innovation Fund So Cal. *Max Aram, PickMySolar.com, Los Angeles, PCR SBDC Client*
- 3 FINANCING TAKES PLANNING:** The SBDC helped this first-time tech startup founder develop a compelling pitch deck, create realistic four year financial projections, assess a first-round financing and plan for future rounds. "My SBDC advisor at the Bixel Exchange had a very good idea of what angels expect to see in your business plan, your projections, and how it ties in to your overall story. Our advisor helped us convey our knowledge of the market as well as articulate our understanding of the competition. Our advisor has given us a long term view, both for ourselves and for the investors we'll approach at a later date." Six weeks into working with the Bixel Exchange, Frenzy raised \$60k in financing. *James Chang, Frenzy, Los Angeles, Bixel Exchange SBDC, Emerging Technology Center Client hosted by the LA Chamber*
- 4 USE THE RIGHT TOOLS:** The SBDC encouraged this client to transition from books on ledgers to QuickBooks, "This helped us tremendously with controlling costs and analyzing the business. Our SBDC advisor also showed us the cost ratios we should be looking at, how to control the cost of goods and what was realistic in terms of pricing." *Gene Holman, Cappy's Dry Rub, Woodland Hills, COC SBDC Client*
- 5 THERE'S HIRING HELP:** The SBDC connected this client with the Foothill Workforce Investment Board (FWIB), a program that matches employers with employees who are seeking to learn new job skills and overcome disadvantages. "The fact that FWIB pays a portion of a new employee's wages during their initial four months was a bonus. That has been a tremendous help because when a new employee has to learn 300 cheeses and the meats and wines that pair with them, a lot of labor is lost to training." *Leah Park Fierro, MilkfarmLA, Los Angeles, PCC SBDC Client*
- 6 UNDERSTAND AND MONITOR P&LS:** This SBDC client began to receive requests from out-of-state customers, which involves calculating different rates of sales tax. "Although it's complicated, my advisor spent hours with me teaching me not only how to put in every single entry in QuickBooks, but also the big picture of being able to analyze your business' profit and loss. My advisor showed me that without a tool like QuickBooks, you won't really understand the nitty-gritty of your business. If I had hired someone to do the accounting, I never would have learned that." This client generated more than \$150k during the first four months of opening; 15% of sales came from her website. *Dayna Mance, Prism Boutique, Long Beach, LBCC SBDC Client*
- 7 IMPROVE YOUR OPS:** One of the SBDC's advisors, a Six Sigma process improvement expert, worked with this client to design a new workflow plan that would: increase the company's manufacturing capacity, improve efficiencies, reduce costs in research and development and the prototype-build department. The SBDC connected this client with a business student who put all the company's work procedures in writing. "In the auto industry, you need documentation. Now we've moved our processes out of being 'tribal knowledge' to being much more documented and structured." This client received more than \$32M in investments in 2013. *Wolfgang Bullmer, Transonic Combustion, Camarillo, EDC-VC SBDC Client*
- 8 ENGAGE WITH CUSTOMERS:** This client developed a client base through offering facials as a hobby; the SBDC encouraged her to build on that clientele by adding email marketing and social media to her marketing. "I learned how to do email marketing with Constant Contact – now I send out monthly specials. The social media marketing program helped put us on the map and build awareness of our services in just a few months." Further, this client is working on developing reciprocal relationships with medical practitioners interested in integrated wellness treatment options for patients. Six months after launching, Y. Belleza Wellness met its financial projections and was on track to double sales. *Mayra Cortes, Y. Belleza Wellness, Alhambra, PCR SBDC Client*
- 9 KNOW YOUR NICHE:** This client sought help after acquiring a Vietnamese market; the SBDC helped this client advertise effectively and expand his product line to include different ethnic foods. "The SBDC advised me how to reach customers from these different ethnic groups." Now, this client advertises in local magazines, newspapers and on Peruvian TV. The SBDC also advised this client on how to import food from Peru, which gave this client the freedom to sell his food under his own label, and collect a higher margin. *Celfio Goni, Inca Gourmet and Saigon Market, Lawndale, ECC SBDC Client*
- 10 PRICE YOUR PRODUCTS TO COMPETE IN MARKETS ABROAD WITHOUT SACRIFICING PROFIT:** The international team with the LA SBDC Network helped this client reassess her international pricing strategy to keep more of her profits, develop a plan for international expansion, find international distributors and vet international contracts. During a session, this client assessed her cost of goods and realized the product price was too low. "That was a tremendous eye-opener, the CITD helped us a lot with pricing – they came to our office and worked with us so that our pricing and branding adequately reflected a luxury good- which helped the company boost profits." The CITD helped Laguna Candles secure a three year international order with one of South Korea's largest candle retailers. *Sharie Hendricks, Laguna Candles, Laguna Beach, Center for International Trade Development Client hosted by LBCC.*



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