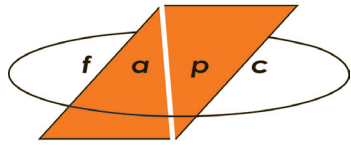


# Food & Agricultural Products Center



# FLASH!!

OKLAHOMA STATE UNIVERSITY™

Jan. 5, 2005

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## Helping Small Business Owners Succeed

STILLWATER, Okla. – According to the Small Business Administration, small businesses represent 99.7 percent of all employers and employ half of all private sector employees. Since small businesses represent such a large portion of America's economy, *The Wall Street Journal* compiled a list of lessons learned by entrepreneurs through their successes or failures.

Chuck Willoughby, business planning and marketing specialist for the Food & Agricultural Products Center, said the food industry is one of the most competitive in the U.S. economy.

“The Food Marketing Institute recently reported that the failure rate of new product launches is more than 50 percent,” Willoughby said. “Entrepreneurs need to know these kinds of details about their industry before jumping in. They need to consider these risks when developing their business plan.”

Last year more than half a million new businesses opened their doors for the first time; however, nearly the same numbers of doors were closed. These rapid changes from success to failure make it increasingly important for small business owners to define the word success.

Often success is defined by a company's rate of expansion, monetary gain or retention of their market, but for small businesses, success may be the satisfaction of pursuing a dream.

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*“Our role at FAPC is to help value-added businesses, small and large, overcome obstacles. We have a diverse group of technical and business specialists to help these companies succeed – to help add value to Oklahoma.”*

*Chuck Willoughby  
FAPC Business Planning  
and Marketing Specialist*

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According to the Small Business Administration Office of Advocacy report released last year, more than a quarter of small-business owners surveyed believed they were “successful” when they closed.

“For many food business entrepreneurs, the rewards are often times more intrinsic than net worth,” Willoughby said. “Knowing that a long time favorite family recipe has been enjoyed by thousands of people is hard to put a dollar value on.”

The Small Business Administration report also suggested some common problems affecting companies that filed for bankruptcy, such as outside business conditions and financing difficulties. These outside business conditions can range from new competition and rent increase to declining real estate values and insurance cost increases.

Several companies report problems with the Internal Revenue Service, loss of financing, creditor disputes and personal problems of the owner.

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According to the Small Business Administration, two-thirds of new employer firms survive at least two years, but only about half make it through four years.

Dave Anderson, a leadership consultant in Agoura Hills, Calif., and author of “Up Your Business,” said successful enterprises are the ones that stay on the offensive even after achieving their goals. He also said leaders who prevail for the long-term continue in-

novating and working with their products, rather than becoming bogged with paperwork.

Small businesses generate 60 percent to 80 percent of new jobs annually, and pay 44.3 percent of total U.S. private payroll, according to the Small Business Administration. Entrepreneurs with a dream and a business plan will continue to contribute greatly to the economic health of America.

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Chuck Willoughby is a business planning and marketing specialist for the FAPC. He may be contacted at (405) 744-6071 or <a href="mailto:cwillou@okstate.edu">cwillou@okstate.edu</a> .
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Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Ed Miller, Interim Dean and Director of Oklahoma Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Dean of the Division of Agricultural Sciences and Natural Resources and has been prepared and distributed at a cost of \$86.80 for 620 copies. 0105 MHG.

Food & Agricultural Products Center  
Oklahoma State University  
Room 148  
Stillwater, OK 74078-6055