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A guide to helping
entrepreneurs start up
and build their businesses





ONE STEP AT A TIME

START AND GROW YOUR BUSINESS WITH HELP

Doug Ross

Turning an idea for a product or service into a successful business takes a lot of work. This seven-step guide will help entrepreneurs move in the right direction.

Jim Hubbard, co-chair of SCORE NW Indiana, said his group offers free mentoring to would-be entrepreneurs. SCORE does seminars on each of these steps.

Bert Cook, executive director of the La Porte Economic Advancement Partnership, and others are eager to point to the Northwest Indiana Small Business Development Center for help with getting started.

Laura Schafsnitz, public affairs specialist with the U.S. Small Business Administration's Indiana district office, urges entrepreneurs to get to work right away. The SBA can help put them on the right path to reach their intended destination.

Ryan Biggs, founder of HelloFrom in South Bend, urged budding business owners to start talking about their idea right away. His business, which sends greeting cards for clients, won the Founder Factory's "Shark Tank"-style pitch competition last fall. His idea took off and has been featured on CNBC, FOX, CNN and HGTV, among others. That's some incentive!

Now get to work!

1 So, you have a business idea — what now? How do you start to turn your idea into a profitable business?

"Starting a small business involves planning, making key financial decisions and completing a series of legal activities," Schafsnitz said. "The U.S. Small Business Administration has great online resources to help guide you through the steps you need to take before you open your doors."

Many organizations are eager to offer assistance.

You don't need to seek help from just one, but be sure to let them know who else you're working with and what you're finding out. Often, you might be pointed into another

direction for more specialized help. Follow good advice.

Biggs urges entrepreneurs not to be secretive. "Tell as many people as possible," he said. "This is counter to what many think. Everyone is worried that their idea is going to be stolen, but guess what, starting a business is really difficult."

He said don't worry about someone taking your idea.

"One big idea is fun and exciting, but it takes countless hours, over a thousand smaller ideas, and other people to truly bring this business to life," he said. "If someone else is willing to take your idea and start a company around it, then your idea is probably too easy to replicate and may not be worth doing in the first place."

YOUR GUIDES



JIM HUBBARD
SCORE NW INDIANA
Co-chair



BERT COOK
LA PORTE ECONOMIC
ADVANCEMENT
PARTNERSHIP
Executive director



**LAURA
SCHAFSNITZ**
U.S. SBA'S INDIANA
DISTRICT OFFICE
Public affairs specialist



RYAN BIGGS
HELLOFROM
Founder

2 How do you evaluate your business idea? How do you conduct market research?

It's not as hard as it sounds, but it does take time.

"One of the first things you need to do before you start a small business is evaluate your idea and see if it will work by doing market research," Schafsnitz said. "This information will tell you where your customers are, what they're buying, what your competition looks like, what their sales have been over the past few years, and how you might need to tweak your idea and pricing to be successful." Search for "Market research and competitive analysis" on the SBA website for resources that will walk you through how to do market research.



Friends, family and even your local barista are great to run ideas by, but make sure you also talk to potential customers, Biggs said. Figure out what they like about the idea, how they're solving this problem today, whether they're willing to pay for it and other details. "Ask them questions with the intent to truly understand their problems," he said.

Listening is key.

"Don't ask people about your idea to simply feel good about what your idea is," Biggs advised. "Often people will ask potential customers if they like their idea but fail to truly understand how motivated this potential customer is to prioritize solving this specific problem."

He said make sure they would be willing to pay a fee that would allow you to stay in business, too.

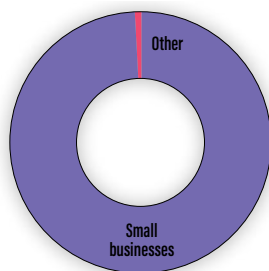
"If a potential customer says, 'I like your idea but I'm not willing to pay for it,' find out why. Ask them what it would take for them to give you money. Do this with enough customers and see what priorities float to the top," he said. "See if you can adapt your product or service."

Cook said he talks to people well on their way to success and some who aren't likely to make it.

"Do you have a business plan? Do you have financial projections?" he asks. "There are plenty of people who have terrific ideas, but get your idea down in writing," he advised.

Hubbard works with clients to make sure their business model is viable. "What's going to make me different from everybody else?" Is it a better mousetrap? Who's the target customer?

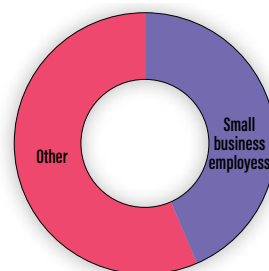
Another pro tip? Go to your local library. Talk to a librarian. "By trade, librarians are research gurus with access to databases and information you might not even know existed," Schafsnitz said.



BY THE NUMBERS

← 534,640 small businesses / 99.4% of Indiana businesses
 → 1.2 million small business employees / 43.8% of Indiana employees

Source: U.S. Small Business Administration



3 How do you write your business plan?

This step is key to a successful venture.

"Writing and maintaining your business plan is vital to the future success of your small business," Schafsnitz said. "A business plan is not a one-and-done document; it lives, breathes and changes for the entire life of your business. As daunting as that might sound, it's not. Think of a business plan as the map you will use on your small business journey."

"Write Your Business Plan" on the SBA website has basic instructions, tips and formats to get a person started, but get expert help once you get the general idea of what you need.

Hubbard hears from many people who want to open a restaurant, for example. "I can cook. Everybody likes my stuff," they reason. But running a successful restaurant isn't just about feeding people.

"To run a restaurant, it's a business. You have to understand the bigger picture," he said. "A lot of the stuff that we can help them think through, they may never have thought of. That's one of the advantages, I think, of getting mentors. They can help you refine your idea and make it workable."

"Do they have a correct understanding of the marketplace and what they see themselves as being able to see and do?" Hubbard asks.

And do they understand costs? It's not just about the cost of raw ingredients for a recipe.

"You forgot the labor that it took to go out and gather all of this stuff and go out and put it all together," he said.

Then there are overhead costs like marketing, packaging, maintaining a location and more.

Hubbard helped a young man get his cement work business off the ground. After finding his niche, the

client had to calculate the cost of equipment, determine how much to pay employees and plan how to market the business.

"We try to get them to understand the cost of providing a service or a product, make that calculation," he said. Then it's a matter of seeing what the market will pay. "If I'm not below that cost, I'm going to lose money."

Advisers like Hubbard won't write a business plan for a new business but offer free one-on-one counseling, advice and mentoring. They'll provide training, tips, templates and more.

"There are ways to do it so that banks are more comfortable" lending money to the business, Hubbard said.

4 How do you develop an entrepreneurial mindset?

Going through the motions won't work. You must believe in your idea and make a plan.

"Turn your dream into a reality. Write your ideas down. Make a plan. Consult with a business adviser. Set smart goals," Schafsnitz urged. "Dreams come true when you consistently do the work to achieve them."

True entrepreneurs love solving problems, Biggs said. They're obsessed with the idea that they can make something better, more efficient or cheaper.

5 How do you build your social network?

It's important to connect with other business leaders as well as reach out more broadly through social media and other means, Cook advised.

"We tend to be of the opinion that you don't put all your eggs in any one basket," he said.

Conversations with other business leaders help you know what's going on in your community and how you might be



RESOURCES

Want to start a small business? Here are some places to turn for help:

- Indiana Chamber of Commerce, Indianapolis
- Indiana Economic Development Corp., Indianapolis
- Indiana District, U.S. Small Business Administration, Indianapolis
- Northwest Indiana Small Business Development Center, Crown Point
- Northwest Indiana Forum, Portage
- Center of Workforce Innovations, Valparaiso
- Entrepreneurship assistance at University of Indiana Northwest, Small Business Institute, consulting services for businesses, Gary
- Innovate WITHIN
- LEAP, partnership between the Greater La Porte Economic Development Corp. and the Greater La Porte Chamber of Commerce.
- Purdue Northwest University, Certificate in Entrepreneurship and Innovation, Commercialization and Manufacturing Center, Hammond, Westville
- Notre Dame University, Innovation, De-Risking and Enterprise Acceleration, the IDEA Center, South Bend
- SCORE Northwest Indiana
- Society of Innovators at Purdue Northwest
- Startup South Bend-Elkhart
- Valparaiso University Innovation Hub, Valparaiso
- 1 Million Cups of Northwest Indiana, Hammond
- Community Investment Fund of Indiana, Indianapolis
- Indiana PTAC, Northwest Region, Crown Point
- Center for Creative Solutions, Michigan City
- NWI BizHub.com/resources: Most comprehensive list of resources for small businesses in Northwest Indiana
- Move to Indiana.com/business
- inbiz.in.gov to register a business

able to capitalize on events as well as generally improve your community.

“Get involved with your community! Join community organizations, go to town hall meetings, join online forums,” Schafsnitz said. “Networking is essential to growing and grass roots advertising your new venture.”

Marketing advice depends on the type of business.

“Be smart. Reference your market research and determine where your customers and peers spend their time,” she said. “If your research shows that your customer base makes purchases based on what they’re seeing on Instagram, focus on building your Insta presence and becoming a go-to small business on that platform.”

Downtown Delights, a yogurt business in downtown La Porte, does that well, Cook said. The company is small but has an outsized presence by using social media well and having a presence at a lot of events.

Something not to do, Hubbard said, is to be injudicious about what you post online.

“If it goes on the internet, it goes there forever,” he reminds clients. “Are you on there as a person, or are you on there as a representative of your company?” Social media users might not understand the difference. So, use a carpenter mindset when posting, he suggested. “Like a carpenter, measure twice, cut once.”

Schafsnitz suggested bouncing ideas off mentors and taking any free social and digital marketing classes they offer. The SBA website also has free marketing tutorials, and there are online platforms offering advice on how to have an impactful social presence.

“Try it all,” Cook advised, and see what works best. But don’t just focus on one niche. “If you don’t diversify yourself, that really becomes a problem,” he said.

6 How do you select a business structure?

Cook advises consulting a law firm that specializes in commercial business for the best advice on how to set up your business. You want to

protect yourself from potential failure even as you work toward success in business.

Schafsnitz referred to the SBA website for an explanation of the types of business structures. Mentors can also offer advice once they learn more about your plans for your business.

7 How do you register and license your business? What kinds of permits do you need?

Each town, county and state is different.

La Porte doesn’t require most businesses to get a permit to operate in the city. However, it’s a good idea to make them aware of what’s going on, Cook said. They might have advice that you will find useful in setting up your space, as well as utility service and signage.

“It’s a good practice to connect with the community you’re operating in,” he said.

Schafsnitz said Indiana’s website has an excellent online resource that allows you to research and register your small business plus file any certification and/or tax paperwork you need to keep your small business legal. Look for “Business Owner’s Guide.” A mentor or attorney also can help you make sure you’re registering your business right.

With that said, the chances of starting a successful business that makes it to the five-year mark are 50-50. According to data from the U.S. Bureau of Labor Statistics, about 1 in 5 businesses fail during the first year. About 35% make it to 10 years. In Indiana, those rates are about right, according to a LendingTree analysis.

The top reasons for failure? Money management, no one wants the product or service and not enough research into the competition. But with careful planning, understanding your market and the competition, and enthusiasm for your work, a business can thrive. ●



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CULTURE FOR BUSINESS

INDIANA TURNED GRIM OUTLOOK 20 YEARS AGO INTO TOP CLIMATE FOR STARTUPS, INNOVATION

LAURIE B. DAVIS

It takes a lot of moxie to roll with the ups and downs of starting a new business. But aspiring small business owners in the Region will find they don't have to go it alone. A network of experts across the state, in organizations big and small, offers free advice, education, mentoring and connections to resources for building a successful business.

The owners of 33,500 businesses and counting discovered that the economic viability in Northwest Indiana's seven counties is worth their personal determination and their blood, sweat and tears.

The statewide network of people with business expertise work in organizations from the federal government's Small Business Administration to the Indiana Chamber of Commerce, and the Indiana Economic Development Corp. to the 10 regional Small Business Development Centers. State universities, Purdue University Northwest, Indiana University Northwest and Valparaiso University, also help guide and support businesses and drive economic growth throughout Indiana.

Many of these agencies are integrated. The SBA funds the Northwest Indiana SBDC, which secures local matching funds from the IEDC and PNW.

One of the funding programs of the IEDC is the READI program. According to Erin Sweitzer, vice president of communications, it will have a significant and transformational impact on communities across the state, including Northwest Indiana, which received a \$50 million allocation, the maximum amount a region can receive. Northwest Indiana's proposed projects are focused on innovation, education, talent attraction and quality of place.

Idea factory

Lorri Feldt, regional director of the Northwest Indiana Small Business Development Center, and her team of advisers work alongside entrepreneurs and business owners in all aspects of starting and growing a business. Individuals come to them with ideas for restaurants and bakeries, retail stores and salons, or manufacturing and agribusinesses.

The advisers might offer market data or how to target millennials or Gen Z consumers.

"We help them gain an understanding of that segment and what motivates them and how to appeal to them," Feldt said.

No matter how much exposure clients have had to understanding their markets — and some know their markets very well, Feldt said — the SBDC helps them navigate the details.

"We try to meet startup individuals where they are," she said.

When a company wants to create a physical product for an invention, "Purdue Northwest can help them create a functional prototype for that," Feldt said.

Alexandra Moran, clinical instructor of entrepreneurship, helps run and teaches courses in Purdue Northwest University's certificate in entrepreneurship and innovation program.

"We spend a significant amount of time on the experiential learning component," Moran said. "Experiential learning is not only much more impactful for retention, but what we try to do is to help students create their resumes, their LinkedIn profiles, and actual opportunities and accomplishments where they've executed successfully on projects."

Moran collaborates with her colleague and business partner, Mont Handley, associate director of the Commercialization and

YOUR GUIDES



LORRI FELDT
NW ISBDC
Regional director



ALEXANDRA MORAN
PNW, Clinical instructor of entrepreneurship



MONT HANDLEY
PNW, Associate director of the Commercialization and Manufacturing Center



KEVIN BRINEGAR
INDIANA CHAMBER
CEO and president

Manufacturing Center at PNW's College of Technology.

"What he did a few years ago, and we've worked together on this, is create a concept of commercialization program, locally," Moran said.

The grant Handley received helps take startups through tasks such as customer discovery, intellectual property protection and presentation skills.

"We partner students with those startups so they can walk right down that road together," she added.

Moran and Handley are working on formalizing the program to build strategies for attracting venture capital within Northwest Indiana.

"We're going to start building that ecosystem here," Moran said.

PNW alumni entrepreneurs will be part of the initiative.

“Keeping together a core group of students and a core group of startups, that’s really the magic sauce, that the startups continue to scale and build,” she added.

Moran said she is one among many resource experts in the Northwest Indiana network who are willing and able to assist businesses.

“If someone needs to be plugged in, they can come to me, they can go to Lorri, they can go to Mont. We’re not that hard to find,” she said, laughing. “The flywheel is spinning. We have successes, including venture successes.”

They are attracting capital, too.

“Five years ago, I couldn’t tell you we’ve been raising venture money,” Moran said, “but now our startups, outside of the competition space, are raising venture money.”

They also are helping women and minorities bring their ideas to market.

“Many of them are owned by women, and women of color, who are getting it done. And that should be celebrated.”

Legislative reforms

The Indiana Chamber and the SBA form a powerhouse of advocacy for businesses, from Indianapolis to Portage and around the state.

Kevin Brinegar oversees the chamber. As its CEO and president, he has steered a team of lobbyists and other business advocates for almost 30 years. He plans to retire in January 2024. Brinegar was instrumental in leading the chamber’s efforts in 2000 to reform business tax laws in Indiana.

Brinegar says the chamber’s top three ways of supporting Hoosier businesses are: legislative and regulatory advocacy, regulatory compliance and employee training programs, and providing information to members/customers regarding policy matters that impact their businesses.

“The Indiana Chamber also works to elect business-minded individuals (through our PAC, Indiana Business for Responsive Government) to the General Assembly in order to create the best business climate possible for our state,” Brinegar said. “Our successful and impactful legislative

DID YOU KNOW?

FIRST IN A

SERIES: The U.S. Small Business Administration’s Indiana District Office is partnering with us to provide regular tips for small businesses. The first in the series will offer 10 steps to starting a business and how the SBA can help. Find this “Did You Know” tip on our website, nwindianabusiness.com, or scan the QR code above with your phone.



U.S. Small Business Administration



SCAN WITH PHONE

and regulatory advocacy creates a business environment that makes businesses want to stay here — and locate here.”

The reforms eliminated the inventory tax, a corporate gross receipts tax, and lowered the corporate net income tax from what once was the sixth highest in the country. Twenty years ago, Indiana’s business story was grim. The state ranked last in job creation and growth, last in economic momentum, and first in bankruptcies and home foreclosures, Brinegar said.

Today, the National Tax Foundation ranks Indiana among the top 10 best states in its 2023 State Business Tax Climate Index. Even more illuminating is Indiana’s current ranking by Forbes as the No. 1 best state in which to start a business in 2023.

The SBA provides funding programs, counseling, federal contracting certifications and disaster recovery. It also provides resources through its partner organizations, loan lenders and other community groups that help small businesses succeed.

Laura Schafsnitz, spokesperson for the SBA, Indiana District, says the agency’s work on behalf of businesses gives them a voice in the White House and with Congress. The agency’s administrator, Isabella Casillas Guzman, is a member of President Joe Biden’s cabinet.

“She can use that power and influence to help encourage legislation

based on what small owners tell her,” Schafsnitz said.

The administration also offers educational programs, including THRIVE: Emerging Leaders Reimagined. Indiana’s business leaders can take advantage of THRIVE, which is focused on teaching skills to entrepreneurial executives to scale their businesses and make them more efficient, profitable and competitive. The six-month program is for those who’ve been in business for three, five or 10 years.

“What small business owners tell us is No. 1, ‘I came out of this with a better idea of how to develop strategy,’” Schafsnitz said.

These local, regional and national advocates of Indiana businesses rewrote the state’s story on business climate through their own purposeful strategies. Besides tax reforms, foundations in Northwest Indiana — including the Legacy Foundation, Crown Point Community Foundation and Unity Foundation — pooled their finances to fund the NWIBizHub.com, a web portal listing of more than 70 business resources across Northwest Indiana.

“We’re the only Region that built a small business portal like that,” the SBDC’s Feldt said. “It was very intentional.”

She said the IEDC is working on building other regional portals.

“It’s more evidence of the support and commitment there is regionally behind small businesses,” she said.

The people who do the work, day-in and day-out, keep “the flywheel spinning,” as Moran calls the regional, economic momentum.

“We have advantages here,” in Northwest Indiana, Feldt said. “We have a work ethic in the Region. Some people call it grit; pick your favorite term.”

Starting a business isn’t for everyone, she said.

“I think we as a local, a regional culture, have that measure of determination and tenacity that is well-suited for entrepreneurship.”

Some call that moxie. ●



SCAN WITH PHONE



15 NWI COMPANIES EARN PLACE IN STATE'S NEW YEARBOOK

HEATHER PFUNDSTEIN

Fifteen Northwest Indiana companies are included in a new publication that highlights efforts of the state's entrepreneurs.

"Entrepreneurship Indiana" will come out annually. The first issue was released in November during Global Entrepreneurship Week in Indiana.

The publication highlights 100 businesses. Here are the Northwest Indiana companies that received

recognition in the order that they appear:

- Crossroads Solar, South Bend
- Paradise Spreads, Schererville
- Patchables, Hobart
- Plantennas, Chesterton

- The Roaming Wedge, Griffith
- ROCKaBLOCK, Merrillville
- Abrams Studios, North Judson
- Importin' Joe's Ethiopian Coffee, South Bend
- SIMBA Chain, South Bend
- Alliance RV, Elkhart
- Ameri-Can Engineering, Argos
- BNutty, Portage
- StoryBolt, Hammond
- TayCo Brace, South Bend
- Tolbert & Tolbert, Gary

Indiana Secretary of Commerce Brad Chambers and the Indiana Economic Development Corp. also announced a new website that will support entrepreneurs with a list of resources, programs and services for those who want to start or grow a business. It is still in beta testing.

"Entrepreneurship has been and continues to be an essential driver of Indiana's economic future," Chambers said in a press release. "Our innovation ecosystem has unlimited potential and deserves

continued cultivation and resource allocation."

The Indiana Venture Report said that the state surpassed the \$1 billion mark in venture capital investment for the first time.

South Bend, including Elkhart, is of particular note, landing the No. 20 spot on the 2022 Best Startup Cities in the Midwest list by Midwest Startups.

Indiana companies less than five years old contributed about \$11.5 billion to the state's gross domestic product in 2021, according to an IEDC press release. These same types of companies created 36,000 jobs in 2019.

"We honor and thank our entrepreneurs — the risk-takers, dreamers and innovators who are fundamental to our state's economy," Chambers said.

Find the complete list of businesses in "Entrepreneurship Indiana" at www.entrepreneurshipindiana.com.



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