

BACKGROUND ON BUSINESS

Turning an Idea Into a Small Business

by Rob Aulebach

(NAPSA)—If a great idea was all you needed to be successful, Fortune 500 companies everywhere would be operated out of people's basements.

However, an idea alone—no matter how breathtakingly inspired it may be—doesn't ensure you'll end up successful. Which helps explain why in 2004, almost one small business failed for every one that opened (576,200 and 580,900 respectively), according to the U.S. Small Business Administration (SBA).

So what's an entrepreneur to do? Aside from making sure there's actually a market for your new product or service, start by getting financial information that's specific to your business.

Research other businesses in your industry and decide what has and hasn't worked for them. In addition to any private research you do, you can check with publicly available small-business organizations such as the SBA and SCORE.

The next step is to think about funding. Your business credit—which is based primarily on historical experience, loan purpose and ability to repay—can determine your access to loans, so be sure to make improving it a top priority if it's not where you want it to be. When it's time to apply for a loan, be prepared. Treat meeting with a lender the way you would a job interview. Bring your business plan, a completed loan application, and keep your entire presentation to about 30 minutes.

Finally, choose your lenders carefully. Look for an institution that can handle all your money-management needs—both personal and business related. Your

Small Business Power

Small businesses—and the entrepreneurs behind them—have served as economic engines fueling job growth.

- 2,750,000 small businesses opened between 2000 and 2004
- 99.7 percent of all employers are a small business
- Small businesses have created 60 to 80 percent of all new jobs over the past decade
- 50 percent of private sector employees work for small businesses

Sources: U.S. Bureau of the Census, Bureau of Labor Statistics, U.S. Department of Commerce



bank should provide Small Business Administration and conventional business loans, loans and credit comparison tools that familiarize you with your borrowing options, and business credit cards and checks. Many financial institutions have in-house small business experts that can help you decide which products and services work best for you. Bank of America alone has over 600 such experts in select banking centers across the country.

You may also want to check out banks that offer investing and retirement forums specific to small businesses, as well as merchant service resource centers and interactive online tutorials that cover small-business management. Who knows, your small business could soon turn into the next Fortune 500 company—only then you'll have to move it out of your basement.

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