

Incubators help small business start-ups

In the United States, small businesses employ 47.5% of the private workforce. It is imperative that we continue to grow this resource. According to data from the U.S. Bureau of Labor Statistics, about 20 percent of small businesses fail within their first year. By the end of their fifth year, roughly 50 percent of small businesses fail. After 10 years, the survival rate drops to approximately 35 percent.

What can be done to change/ impact these numbers?

Business Incubators are a rising factor in developing small businesses. There are several models of incubators.

Grow DeSoto Market Place incubator

<https://www.youtube.com/watch?v=IYWifjP1LJc&feature=youtu.be>

Starting in 2017, the community of DeSoto, TX entered a public/ private partnership to develop the Grow DeSoto Market Place incubator (<https://www.growdesoto.org>). The idea behind this is to offer lower than market rents, provide mentoring and community support. As with all new ventures, the learning process gives continuous opportunities to refine the process and take corrective action.

The Grow DeSoto Market Place incubator has an onsite business mentor to help with small business problems. The importance of having a business plan is stressed and is now part of the criteria before any new business enters the incubator. This helps to get the companies focused on their business, learn about competitors and face the challenges in their industry before making a financial investment.

Many small business express concern about financing, but the reality for start-ups is that no bank is interested in taking a risk in you if you are not willing to invest in yourself. Once you develop a track record and have proof of concept, you become marketable. By developing your business plan, you can make informed decisions. Do you have enough cash to get you through the first year? By doing business projections, you have a measure of whether you really understand the market or not. Are your estimates low or high? Either way, you get to do further analysis to see what you missed in your original analysis, take corrective steps, and get your business on track for success.

Importance of supporting small business development

Small Businesses Drive Job Growth in the U.S.

<https://www.sba.gov/advocacy/small-businesses-drive-job-growth-us>

2018 Small Business Profiles for the States and Territories

<https://www.sba.gov/advocacy/2018-small-business-profiles-states-and-territories>

Small Business Facts and Infographics

<https://www.sba.gov/advocacy/small-business-facts-and-infographics>

Sources of information on small business and incubators

Check with your Governor's Office for Economic Development. They should be able to point you to resources in your state.

What is happening in your area to encourage small business growth? The environment must be right to encourage these small businesses.

What they need:

- Mentors
- Lower cost options for start up (rent, furnishings, office support, etc)
- Ongoing Training w low cost or free options
- Financial training and help
- Supportive Community

The Industry Hub has a strategy for small to medium sized communities. Give us a call and see how we might help. Call 972-750-9315.