



Enterprising News



The Newsletter of the Illinois Small Business Development Center at Hull House

WINTER 2007

THE ENTREPRENEURIAL EDGE: HOW TO JUMP START A SMALL BUSINESS

Fourteen years ago, Chicago resident **Brent Conn** was toying with the idea of starting his own business. Today, he has successfully secured multiple loans, purchased property, landed loads of clients and staff, and has most recently purchased the client list of a well-known competitor. **Conn's Catering** probably wouldn't be where it is today without the help of the **Entrepreneurship Training Program (ETP)** at the Illinois Small business Development Center at Hull House.

"Hull House offered a structured way for me to develop my business plan," says Conn. "The course stepped me through the process of making sales projections, developing a menu, determining pricing. Ultimately, my business plan helped me get that first loan."

See his company's website at www.connscatering.com.

Another business that gained an advantage from the Entrepreneurial Training Program (2006) is the **Perfect Peace Café & Bakery**, located at 1255 West 79th Street in Chicago. Owners Denise Nicholes and Julie Welborn used a number of small business resources in Chicago, particularly The Beloved Community's Business Development Program, The Institute for Justice Clinic on

Entrepreneurship at the University of Chicago, and the IL Small Business Development Center at Hull House.

The Perfect Peace Café and Bakery has an extensive [menu](#) featuring baked goods, salads, sandwiches, and hearty soups. All their food is prepared with the highest quality ingredients available, and from local suppliers, when possible.

Julie and Denise have also played a big part of the revitalization of the Auburn Gresham neighborhood in Chicago. Check out their website at www.perfectpeacecafe.com, and then check out the feast at their location!

Hundreds of other aspiring, and now successful, entrepreneurs have found the jump start they needed at the IL SBDC at Hull House. For more information about our 10 week long Entrepreneurial Training Program, see page 3 of this newsletter.

(The previous press release on Conn's Catering was written up by Katie Williams and Amanda Nevels of **G.A.B., LLC**, a marketing communications, public relations, design, & event planning company. Katie and Amanda are also ETP Alums (2006). Their company's website is at www.gabbiz.com.)

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The Hull House Association is a tax-exempt, not-for-profit organization. Opinions expressed in this newsletter are not necessarily those of HHA or its affiliates. Curt Roeschley, Director; Kathleen Robbins, SBDC Director; Tom Ullmann, Small Business Specialist; and Lisa Heidorn, Program Manager. **Visit our website at www.hullhouse.org/programsandcenters/program/smallbusinessdevelopment.html to learn about our services, find our workshop schedule, and to sign up for classes.**

SMALL BUSINESS—INNOVATION

Looking online for local customers

Ads placed near search results are gaining favor with small companies

By Chris Gaither, *Los Angeles Times*, Special Section, (May 16, 2006), 5.

The upholstery business was starting to look a little threadbare. Search engines helped restore the luster.

Sales at Michael's Custom Built Inc. in San Rafael, Calif., were on a steady decline a few years ago. Owner Michael Jimenez blamed the growing popularity of inexpensive furniture that's cheaper to replace than re-upholster. The second-generation craftsman wondered whether he was tethered to a dying profession.

That changed in 2004, when a client suggested that he try "keyword advertising" on search engines. Jimenez signed up with Google Inc., then Yahoo Inc., and ads for his website began appearing alongside search queries for terms related to upholstery in Northern California.

Business was up 20% last year and is expanding at a similar pace in 2006, Jimenez said.

"We're getting e-mails from the whole Bay Area asking us to bid on work," he said.

The old-fashioned Yellow Pages are still the most common setting for ads placed by small and medium-sized businesses, according to research firm Kelsey Group. But locally oriented online ads are an increasingly popular tool for plumbers, hair salons, real estate agents and other businesses to land new customers.

Among the competitors to print publications are search engines that offer geographically targeted ads, Internet Yellow Pages sites such as SuperPages, local Web portals such as those operated by Citysearch, and specialty websites such as ServiceMagic.com.

"What the Internet has done is broken the lock that the traditional media had on the consumer," said Greg Sterling, founding principal of Sterling Market Intelligence, a local-media consulting and research firm.

That's why small companies are following bigger ones into online advertising, according to research firm Borrell Associates Inc. Revenue from locally focused online ads rose 78% last year to \$4.8 billion and is expected to jump to \$5.8 billion this year. Twenty percent of last year's growth came from local advertisers experimenting with search engine ads.

Overall, online advertising generated \$12.5 billion in revenue in 2005, according to the Interactive Advertising Bureau. More than \$5.1 billion, or 41% of those dollars, paid for search-related ads, up from \$3.9 billion in 2004.

The Internet giants see an opportunity in connecting customers with bricks-and-mortar businesses in their local markets.

After all, only 5% of small businesses surveyed by Kelsey Group last year employed search ads targeting specific localities. And only 23% said they were at least somewhat likely to start using them within the next year.

Consumers, however, haven't held back, with 39% of those surveyed in February saying they used search engines for local shopping. Thirty-six percent said they used print Yellow Pages for local shopping, down from 51% in 2003.

Search engine giants such as Google, Yahoo and Microsoft Corp. are investing heavily in ways to make it easier for small businesses to appear online, in free listings as well as paid ads.

All businesses in local phone directories are included in the search engines' basic listings at no charge. Marketing experts say a small-business owner should spend a few hours making sure the search engines have up-to-date information on the company, such as its business category, accepted payment methods and Web address.

Some search engines and online directories also offer enhanced listings for a fee. For example, Melanee Thai Restaurant, on West Pico Boulevard, comes up when Yahoo users do queries for "Thai food Beverly Hills." The restaurant pays Yahoo \$9.95 a month to display standard information plus a biography of its chef, a menu, coupons and photos of dishes.

"It used to be you were competing with everyone on the general search engine," said Thomas Mix, who built the Melanee Thai website. "Now it's localized, so your nearest competitor got a lot nearer. If they're in [the search engines] and you're not, you're going to lose business."

The search engines use other ways to figure out where an Internet user is, including registration information and "geolocation" technology, which links the numerical Internet address of the computer to its approximate geographical area.

The more localized the search results, the more "sponsored links" -- ads that appear alongside regular results -- can be sold by the search engine. The advertiser pays only when someone clicks on its sponsored link.

Still, there are problems with search engines.

One concern is "click fraud" -- clicking on competitors' ads to drain their advertising budgets, or clicking on ads placed by a search engine on one's own site to artificially boost revenue. Estimates of the extent of click fraud vary widely. A recent study by Click Forensics Inc. estimates that 12% of all advertising clicks on Yahoo and Google are fraudulent.

And compared with print advertising, "the online stuff is a bit more mysterious," Kelsey Group analyst Neal Polachek said.

A business owner must answer these questions at a minimum: How much should I spend a month? Which search queries should I target? Which sites should I advertise on?

The difficulty has spawned a cottage industry of companies like Encino-based ReachLocal Inc., which helps businesses advertise online more efficiently.

"If you're a dentist, you're running your business," said Michael Kline, ReachLocal's co-founder and chief operating officer. "You're not going to have the time to figure out how to do keywords on Google."

For example, Lewis Co., a Los Angeles copier sales and repair shop founded in 1936, isn't exactly on the cutting edge. The first time owner Ralph Loeff talked with his ReachLocal account executive, Allison DeFatta, he was tapping away on a typewriter as she explained how search-engine ads work.

But now users of Google and SuperPages.com who type in "copier sales Los Angeles" or similar language will probably see an ad linking to the Lewis site on ReachLocal.

Loeff has stopped advertising in the print Yellow Pages and instead pays about \$300 a month for search engine ads.

The bottom line, he said, is that "I've got a lot of customers I never would have had if I didn't have the Internet."



The Entrepreneurship Training Program

The Entrepreneurship Training Program (ETP) is a 10-week course that assists prospective or current business owners in compiling a comprehensive business plan. The class is for entrepreneurs who need the organizational skills to guide business growth or get a business off the ground.

The class curriculum is set up to help participants write a business plan, but there are also other benefits that accrue from the class. The camaraderie and networking that develops among students often becomes a strong support system for these entrepreneurs that continues beyond the class.

The ETP is team-taught by staff of the Illinois Small Business Development Center at Hull House. Weekly class sessions involve interactive activities, hands-on personalized practicum, and assistance in writing a business plan. In addition, there is the opportunity to

have out-of-class mentoring sessions with one of our small business specialists to work on specific business issues or problems.

As an ETP alumnus, you will continue to receive support for your business needs:

- Networking Events
- Loan Packaging Assistance
- Bi-annual Newsletter

The next 10-week session is planned to start again with two classes, one south and one north, the first week of April, 2008. If you are interested in enrolling in this class, please contact Curt at the IL SBDC at Hull House by phone at (773) 561-3500 x215 or by e-mail at croeschley@hullhouse.org. You can also sign up online at www.hullhouse.org/calendar/index.php.



We Need You!

Just a reminder that donations to the Illinois Small Business Development Center at Jane Addams Hull House Association are always welcome, as they allow us to continue to provide our free and discounted business services to entrepreneurs across the city. Many businesses that are now thriving at one time lacked access to the resources necessary to start or expand their business, and were able to get their initial advice and direction from our Small Business Development Center.

Your tax-deductible contribution will allow us to continue to provide similar services into the future. Thank you in advance for considering this request, and we appreciate your support.

Your gift can be made payable to the Illinois Small Business Development Center at Hull House and can be forwarded to Curt Roeschley at the Uptown Center, 4520 N. Beacon, Chicago, IL 60640.

~ Thanks from Curt Roeschley, Kathleen Robbins, Tom Ullmann, Keri Leftridge, and Lisa Heidorn

THE ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER AT HULL HOUSE

WORKSHOP SCHEDULE 2008

IL SBDC AT PARKWAY (SOUTH)

HOW TO PROTECT, BUILD, & REPAIR YOUR CREDIT
JANUARY 17, 6:00-8:00 P.M.

STARTING A BUSINESS IN ILLINOIS: BUSINESS BASICS
FEBRUARY 12, 6:00-8:00 P.M.

RUNNING A HOME-BASED OR CENTER-BASED DAY CARE BUSINESS
FEBRUARY 16, 10 A.M.-12:30 P.M.

HOW TO WRITE A BUSINESS PLAN
MARCH 27, 6:00-8:00 P.M.

STARTING A BUSINESS IN ILLINOIS: BUSINESS BASICS
APRIL 8, 6:00-8:00 P.M.

MANAGING YOUR BUSINESS FINANCES
APRIL 17, 6:00-8:00 P.M.

Please confirm all workshops by calling Lisa Heidorn or Kathleen Robbins, 773-955-8027. You can also sign up online at www.hullhouse.org/calendar/index.php.

The workshops above are held at the Bessie Coleman Library, 731 E. 63rd Street, unless otherwise stated.



IL SBDC AT UPTOWN (NORTH)

STARTING A BUSINESS IN ILLINOIS: BUSINESS BASICS
JANUARY 9, 6:30-8:30 P.M.

SO YOU WANT TO START A BUSINESS?
JANUARY 16, 6:30-8:30 P.M.

LEGAL STRUCTURES FOR SMALL BUSINESS
FEBRUARY 20, 6:30-8:30 P.M.

STARTING A BUSINESS IN ILLINOIS: BUSINESS BASICS
MARCH 12, 6:30-8:30 P.M.

HOW TO WRITE A BUSINESS PLAN
MARCH 26, 6:30-8:30 P.M.

HOW TO TAKE YOUR BUSINESS ONLINE
APRIL 16, 6:30-8:30 P.M.

Please confirm all workshops by calling Curtis Roeschley, 773-561-3500, ext. 215. You can also sign up online at www.hullhouse.org/calendar/index.php.

The workshops above are held at 4520 N. Beacon, unless otherwise stated.



Future workshops will include loan options, tax and insurance issues for small business, patents/trademarks/copyrights, leasing space, MBE/WBE/DBE certification, and other topics.

Stay informed of our workshop topics by visiting our calendar at www.hullhouse.org/calendar/index.php



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