

# **THE 2000 STATE SMALL BUSINESS WEEK WINNERS**

## ***A Statistical Profile***

### **AGE:**

The winning businesses have an average age of almost 18 years: 42% were started in the 1990s, 25% were started in the 1980s and 15% were started in the 1970s. The oldest was founded in 1906 and the newest was founded in 1998.

### **PRODUCTS AND SERVICES:**

The winning businesses produce and sell a wide variety of products and services including: building materials, fiber optics lighting manufacturing, furniture manufacturing, cross cultural video production, environmental consulting, commercial printing, confectionery, clinical drug researching, balsam products manufacturing, restaurants, information technology, pasta manufacturing, sheet metal manufacturing, digital printing, and Internet service.

- 21% of the businesses manufacture products.
- 10% of the businesses provide computer equipment or services.
- 25% of the businesses are retailers.
- 4% of the businesses are wholesalers.
- 13% of the businesses are in construction.
- 19% of the businesses sell professional services.

### **OWNERSHIP:**

- 35% of the businesses are owned by women.
- 30% of the businesses are owned by minorities.
  - 16% Hispanic
  - 6% African American
  - 3% Asian Pacific Islander
  - 3% Indian
  - 2% Other
- 57% of the businesses are family-owned and operated, employing an average of two family members each.
- Of the family employed businesses: 46% employ their son, 25% employ their wife, 25% employ their husband, 21% employ their father, 21% employ their brother, 14% employ their daughter, 11% employ their mother, and 11% employ their sister.
- 13% of the businesses are owned by veterans.
- 49% of the businesses are organized as corporations.
- 43% of the businesses are organized as S corporations.
- 4% of the businesses are sole proprietorships.
- 2% of the businesses are organized as partnerships and LLCs.

- 100% of the owners said they would choose to start their own businesses if they had it to do all over again.

### **GOVERNMENT CONTRACTS:**

55% of the businesses sell their products and services to the federal government, and those sales account for an average of 13% of their total sales.

### **JOBS:**

Together, the winning businesses employ 4,331 full-time and part-time employees, but sizes vary widely.

- 53% of the businesses employ 50 or fewer people.
- 18% of the businesses employ 51-100 people.
- 23% of the businesses employ 101-500 people.
- Average current employment for the businesses is 89 (median 47). They employed an average of four at start-up (median three).

### **REVENUES:**

Total sales for the businesses' most recent reported year amounted to more \$330 million, or an average of almost \$7.5 million each (median \$5.6 million). The businesses averaged \$474,000 in sales in their start-up year (median \$97,000).

### **EXPORTING:**

- 16% of the businesses export their products.
- Export sales for those that already export account for an average of 3.88% of total sales.

### **GETTING STARTED:**

- None of the businesses is home-based.
- About half of the business owners cited the difficulty in securing credit and financing as their biggest hurdle at the outset. Others cited personal discipline, finding the right employees, fear of failure, establishing credibility, the lack of business experience and gaining acceptance as a woman business owner in a man's business.
- 67% of the businesses got financial or management assistance from SBA, 45% received financial assistance, 10% received business counseling, 8% received SBA publications for assistance, and 4% received procurement assistance.

## **COMPUTER AND ADVANCED COMMUNICATIONS USAGE:**

100% of the winners use computer technology in their businesses.

- 100% have personal computers in place
- 98% use personal computers
- 69% use lap top computers
- 92% use e-mail
- 88% use fax machines
- 73% use graphics
- 96% use modems
- 98% use printers
- 86% use laser technology
- 96% use CD-ROMs
- 98% use computers for accounting
- 94% use computers for financial analysis
- 94% have customer databases
- 71% use computers for inventory management
- 94% use computers for word processing
- 67% use desk-top publishing
- 80% use computers for personnel records system
- 92% use cellular phones
- 55% use pagers
- 57% use integrated phone/fax systems
- 53% use computer bulletin boards
- 47% use electronic commerce/data interchange
- 10% use video conferencing

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(Note: Of the 53 winners from the states, the District of Columbia, Puerto Rico, and Guam 49 responded to this survey (as of 11May 2000). The results do not include several Advocate winners whose business characteristics were comparable.)