

A Field Guide to the Downtown Entrepreneur

July 23rd
Virginia Main Street Summer Toolkit
Franklin, Virginia



Mason Enterprise Center
at the
SCHOOL OF PUBLIC POLICY

Virginia SBDC Publications

- **Strategies for an Economic Downturn.pdf**
- **2010 Guide to Doing Business In Virginia**
VirginiaBusiness.com - Virginia Business Magazine
- **2010 SBA Small Business Resource Guide**
SBAGuides.com

SBDC Introduction and STAMP Review

- Partnership with US SBA, George Mason University and premier local host organizations across Virginia.
- For established firms, emerging companies or aspiring entrepreneurs, the Virginia SBDC is the place where businesses go to talk business.
- Counseling, training and information resources are the hallmarks of the SBDC program.
- SBDC counselors deliver professional guidance, experienced insight and practical solutions.

About The Expert



Marc Wilson, Retail Industry Consultant

Marc Wilson brings 35 years of experience to bear helping retail, restaurant and non-retail-related small businesses refine and promote their concepts to the public. In 1975, Marc started his retail career as co-owner of the largest distributor of Earth Shoes in the U.S. Since then he has held executive positions with retailers such as Britches of Georgetown, Crown Books, Circuit City, The Broyles Exchange, Exampass.com and StoreTrax, Inc. Most recently, he worked in Dallas, Texas to open the world's first energy efficiency store for Current Energy, LLC, a company funded by Risk Parity, Jr. Marc joined the SBDC in 2009 as a Retail Industry Consultant and will develop the Small Town & Retail Merchant program throughout the state of Virginia.

Small Town & Merchant Program



Virginia Small Business Development Center Network
www.virginiasbdc.org

The Virginia Small Business Development Centers (SBDC) Network is an organization of 24 local SBDCs across Virginia providing professional business counseling, training and information resources to help grow and strengthen Virginia businesses. The network is a partnership between the U.S. Small Business Administration, George Mason University, Mason Enterprise Center at the School of Public Policy and premier local host organizations throughout Virginia.

The Virginia SBDC Network is funded in part through George Mason University-Mason Enterprise Center at the School of Public Policy and through a cooperative agreement with the U.S. Small Business Administration. All logos, trademarks or icons/containers represent an image of the activity and do not necessarily reflect the views of the SBDC.

Virginia Resources

- [The Business Registration Guide](#)
- [Virginia Department of Taxation](#)
- [Virginia State Corporation Commission](#)
- [Virginia Department of Business Assistance](#)
- [Virginia Employment Commission](#)
- [Virginia Government](#)
- [Virginia Chamber of Commerce](#)
- [Virginia Department of Minority Business Enterprise](#)
- [Virginia Economic Development Partnership](#)
- [eVirginia](#)
- [Virginia Economic Bridge](#)
- [Doing Business with the Commonwealth](#)



2009-2010 Stamp Recap

- 21 seminars delivered
- 46 towns visited
- Over 500 attendees
- 159 1-on-1's conducted at merchant's store

Types of Downtown Businesses

- Independent Owners
- Hobbyists
- Professional Services
- Franchises
- Restaurants
- Retail

Assess market needs and demands; plan to attract specific businesses to your community

Start date July 1, 2009



The Idea – Your Questions

- **What** is your business?
- **What** need does it fill?
- **Who** is the customer?
- **Why** is it special?
- **Why** is it better than the competition?
- **How** is that communicated?



Customer Definition?

An unemployed college professor who drives an old Volvo.

Estimated sales of \$1300/sf = twice industry average

		Risk of Sales Downturn					
		Low			High		
		Essential	Treats	Postponables	Expendables	Behavior Change	
Customer Type	Slam-on-the-Brakes	Will seek lower-cost product and brand substitutions such as private labels	Will deeply reduce or eliminate treats or seek lower cost substitutes	Will put off all durable purchases unless forced to make emergency replacements; will delay repairs and personal services, such as dental cleanings	Will eliminate purchases in this category	High	High
	Pained-but-Patient	Will seek out favorite brands at lower prices but settle for cheaper, less preferred alternatives; will stock up on good deals	Will cut back somewhat on frequency and quantity and emphasize value	Will delay major purchases, repair rather than replace, seek value and low ownership costs rather than extra features, and negotiate at point of sale	Will deeply curtail expenditures	Medium	Medium
	Comfortable Well-Off	Will continue to buy favorite brands at pre-recession levels	Will be more selective in purchasing luxuries	Will seek better quality for the price; will negotiate harder at point of sale	Rarely regards any purchases as unjustifiable but may reduce the most conspicuous consumption in this category	Low	Low
	Live-for-Today	Will continue to buy favorite brands at pre-recession levels	Will continue to buy favorite brands at pre-recession levels	May buy if there is a great deal; otherwise may postpone	Is reluctant to regard any customary purchase as unjustifiable; may not want to expand consumption to new types of purchases	Low	Low

Where Do Your Customers Fall?

- **Slam-on-the-Brakes:** eliminate, postpone, decrease, or substitute.
- **Pained-but-Patient:** short-term economization, but resilient and optimistic long-term.
- **Comfortably well-off:** top 5%, or secure; more selective and less conspicuous.
- **Live-for-Today:** more stable spending; not savings conscious; younger, experience driven.

Supporting Fledgling and Potential Business Owners

- Commitment from the top - government leaders, community leaders, business leaders, citizens
- Have a plan that will guide policies, programs and services
- Known 'Point of Contact' for business assistance
- Ease of entry - licensing, registration, zoning, signage
 - Alexandria - revamping Special Use Permits to ease the process for businesses coming or expanding into Alexandria
- Have market demographics to support attraction and location
- Inventory of available retail space and landlord contacts
- Identify potential businesses to expand into your community

Where Do Your products/services Fall?

- **Essentials:** Necessary for survival and well-being.
- **Treats:** Justifiable indulgences.
- **Postponables:** Wanted or needed, but reasonable to put off.
- **Expendables:** *Gone!!*

Continued

- "How to" information easy to access
- Cultural Districts - Arts Districts
- Amenities
 - Affordability
 - Space options
 - Cultural Arts
 - Recreation
 - Shopping and restaurants
 - High speed connectivity
 - Accessibility

Customer Friendly Downtowns

- Consistent hours of operation
- Friendly service
- Variety and unique shopping/dining
- Mixed use – commercial/housing
- Parking
- Signage
- Cleanliness
- Cooperative Marketing
- Lighting
- Pedestrian and vehicle friendly
- Public/community gathering space
- Safe environment



Characteristics of a Successful Downtown Business

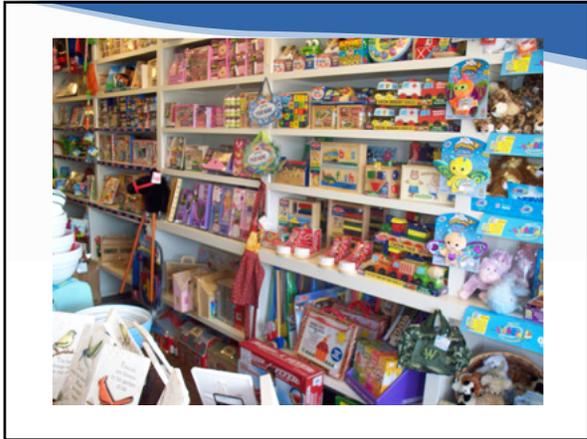
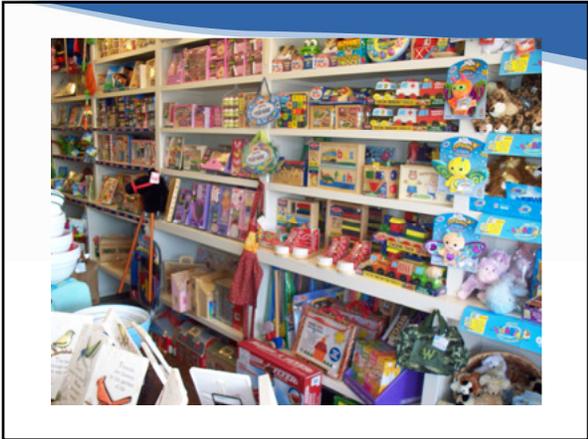
- The store is personality driven by the owner!
 - Knows their customers by name
 - Focus on target customer
 - Has a business plan
 - Well Capitalized
 - Involved in business community
 - Investment in community –
 - Local ties-resident, property owner
 - Maintains a welcoming presence



Differentiate the Business

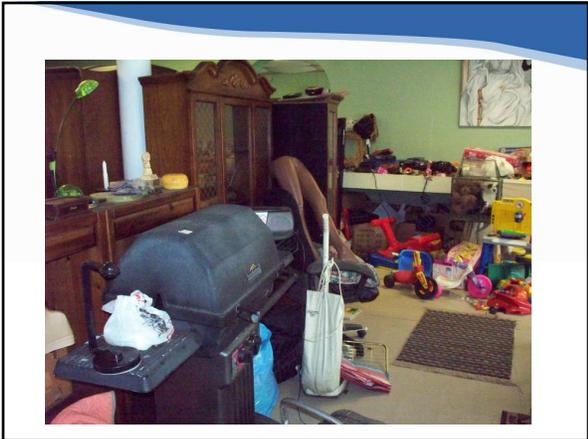
- It is the only . . .
- It is the first . . .
- It is the best . . .
- It's got the best selection . . .
- It is the coolest, hippest . . .
- It's people are the best . . .
- It's the most convenient . . .
- It's always got new offerings of . . .
- It offers the best value . . .





Customer Retention – The First Line of Defense!!

- Voluntary information capture
- E-mail information
- Direct mail promotion
- Newsletter
- Co-promotions w/other businesses
- Thank you notes
- Appointment shopping/special order



Cross- Promotion Activities

- Retailers/Restaurants seek out nearby Restaurants/Retailers and exchange promotional materials or coupons.
- Back to school.
- Group "visit" or "frequent buyer" cards. "Combo cards."
- Scripting the visit.
- Anyone who shares the same customer definition is a possible co-promoter.
- What do you get when you cross a ___ with a ___?
 - Art gallery Restaurant
 - Laundromet Book Store
 - House and garden tour Bicycle Shop
 - Running Club Brew pub
 - Easter Egg Hunt Sidewalk Sale

