

GOING INTO BUSINESS IN CALUMET COUNTY

UW-Extension - Calumet County

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Small business is the prime generator of new jobs in Wisconsin and the nation. Small business plays a vital role in our local economy. Many small businesses are creations that reward their hardworking owners for years.

Some, however, will disappear because they were never feasible. That means the combination of owner skills and market demand was not sufficient to overcome the obstacles that face every business start-up.

Calumet County's University of Wisconsin-Extension office may be able to help you determine whether or not it is feasible for you to start (or expand) your business.

When you have finished assembling the information in this guide, you will be able to review your work at no charge with staff at the Business Assistance Center, at 835 Potts Avenue, Green Bay, WI 54304.

If, at the end of this process, you decide to follow through with your business start-up plans, you may want to consult an attorney about what type of business form to adopt (sole proprietorship, partnership, corporation); write a business plan and loan proposal (using all the valuable information you developed here) for whatever funding source you select.

WHY DO I WANT TO GO INTO BUSINESS?

If you want to get rich quick without working up a sweat, try the lottery. Your chances of making it big in the lottery may be only one in several million, but your chances of becoming a millionaire in business overnight are probably no better. As a business owner you will have to...

...Risk your money

...Make thousands of decisions

...Work long hours

If you aren't willing to do the three things listed above, going into business may be a mistake for you.

What are your top three reasons for wanting to go into business?

A.

B.

C.

DO YOU HAVE THE SKILLS YOU NEED?

Starting a restaurant is very different from cooking for your family. You may make great meals, but successfully running a restaurant means more than good cooking. It means supervising people, dealing with the public, establishing appropriate prices, monitoring inventories, balancing revenues and expenditures, marketing, etc.

Every business needs two sets of skills -- the skills needed to provide the goods or services your business will offer, **and business skills**. As a business person you will have to be able to review your financial data and make sound business decisions, find ways to increase sales and decrease expenses, keep in touch with what your customers want and what your competition offers, and keep tabs on changing laws and regulations. A good accountant and an attorney can help with some of the above, but the more you know, the more likely you are to succeed.

If you have several years successfully managing the kind of business you want to start, you are more likely to succeed than a person without similar successful business experience.

What are the most important skills you have that are needed in your business?

- A.
- B.
- C.
- D.
- E.

If you don't have all the business skills you need (*and very few business people have them all*) you may need to train yourself on the missing elements or hire someone to do those tasks requiring skills you don't have. An example is the businessperson who hires an accountant to do the business taxes. Even though they are hired part time by the business, the expense may be far better and more cost-effective than trying to learn about business taxes.

Likewise, consulting an attorney on developing a business partnership agreement may be the best money you ever spent if the partnership goes sour.

What skills do you lack that you will need to learn or hire people to fulfill?

- A.
- B.
- C.

WHAT ARE YOUR OBJECTIVES?

People go into business for different reasons. Some don't like punching a time clock (as a business owner they might have to work from 6 in the morning until 10 at night to be successful); some want the challenge of creating something that works. These are non-monetary objectives, that is, they aren't easy to put a dollar figure on. But they are important!

Other objectives are definitely monetary. You, and those dependent on you, need money to stay alive. Unless you expect to lower your standard of living, you will need to earn from your business enough money to buy food, clothes, shelter, transportation, insurance, doctor services, taxes, etc. How much money per year will you need to put food on the table, keep a roof over your head, and pay your personal bills?

YEARLY PERSONAL EXPENSES

Mortgage/Rent	\$ _____
Homeowner/Renter Insurance	\$ _____
Heat/Light/Water/Sewer	\$ _____
Property Taxes	\$ _____
Auto Loans	\$ _____
Auto Insurance	\$ _____
Gas\Oil\Maintenance	\$ _____
Telephone	\$ _____
Entertainment	\$ _____
Clothes	\$ _____
Prescriptions	\$ _____
Medical/Dental Expenses	\$ _____
Health & Dental Insurance*	\$ _____
Life & Disability Insurance*	\$ _____
Credit Purchases	\$ _____
Income/Social Security Taxes	\$ _____
Retirement	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
TOTAL AMOUNT I NEED PER YEAR	\$ _____

[*If you quit a job to go into business, you will probably be paying 100% of a higher cost (non-group) policy for similar coverage.]

WHAT IS YOUR BUSINESS IDEA?

Most people have an idea of what business they want to go into. Define your business based on...

- A) What my major product or service will be:

- B) Who most of my customers will be:

- C) Who my competition is:

- D) Why customers will buy from me and not my competitors:

WHERE IS YOUR BUSINESS LOCATION?

Where your business is located may make the difference between prosperity and poverty. Retail business needs traffic, a siding contractor does not. On a scale of 1 to 10, how important do you think location is for your business? _____

Where is your business location?

If you have a place in mind, you will have to make certain that it is zoned for the kind of business activity you plan.

Failing to be in compliance with zoning requirements can be costly if you purchase a property that cannot be used the way you intend, or if you make improvements to the property and find you cannot keep your business there.

To determine who to talk to about zoning, contact your municipality's Clerk, or the Calumet County Planning and Zoning Office at (920) 849-1442.

If you have to make changes to the proposed business location to meet local building codes or zoning, ask a contractor what such changes would cost.

YOUR START-UP EXPENSE

Almost every business has start-up expenses. The cost of getting ready to go into business can be very small (for a home-based business, for example), or very large (for a manufacturer). In order to operate legally, you may need licenses or permits or be subject to regulations that cost money. You may want to bake bread to sell to others, but when you check out what's required you may find that you have to invest thousands in separate kitchen facilities and commercial grade stainless steel equipment. To find out what licenses or permits you need to have, contact the Wisconsin Department of Development's Permit Information Center at 1-800-HELP-BUS. Explain what your business will be doing and they will inform you of what licenses or permits you will need. Information on permits for many businesses can also be obtained online by visiting the State of Wisconsin Build Your Business website at <http://www.wisconsin.gov/state/byb/agencies.html>.

You may then have to contact the State agency that issues the license or permit (look in the Yellow Pages in the Green Bay or Madison phone books--at your local library) to find out what is required. Note carefully what changes you will have to make to your proposed business location and ask a contractor for an estimate of the cost of such improvements. These are part of your start-up costs.

	Cost
LAND	
Acquisition	\$ _____
Landscaping	\$ _____
Sewerage	\$ _____
Drainage and runoff	\$ _____
Parking & driveways	\$ _____
BUILDING	
Size (present needs and future expansion)	\$ _____
Age and condition (external appearances)	\$ _____
Entrances and exits	\$ _____
Plumbing	\$ _____
Heating and air conditioning	\$ _____
Lighting	\$ _____
Internal transportation (aisles, elevators, stairs or escalators)	\$ _____
Paint, carpeting, and wall coverings	\$ _____
FURNITURE AND FIXTURES	
Merchandise display counters	\$ _____
Storage racks	\$ _____
Shelving	\$ _____
Customer seating	\$ _____
Signs (internal and external)	\$ _____
Office furniture	\$ _____

MACHINERY AND EQUIPMENT

Production machinery and equipment	\$ _____
Transportation vehicles	\$ _____
Office equipment	\$ _____
Cash registers	\$ _____
Safe	\$ _____

START-UP INVENTORY \$ _____

MISCELLANEOUS COSTS BEFORE STARTING BUSINESS

Legal Expenses	\$ _____
Advertising Expenses	\$ _____
Utility Deposits	\$ _____
Other:	\$ _____
Other:	\$ _____

TOTAL START-UP COSTS \$ _____

AMOUNT OF CASH YOU WILL CONTRIBUTE TO START-UP \$ _____

AMOUNT OF COLLATERAL (EQUITY IN REAL ESTATE, ETC.) YOU WILL PLEDGE \$ _____

ANNUAL BUSINESS EXPENSES

In addition to start-up costs, each business will have annual costs. By picking up the phone and contacting those who provide the goods and services you need, you will be in a position to know how much your business will need every year. Most businesses have most of the following annual costs. Find out the actual costs for your business:

	Annual Expense
Rent/Mortgage	\$ _____
Utilities (water/sewer, heat, lights)	\$ _____
Telephone/Internet	\$ _____
Insurance	\$ _____
Employee's Salaries and Wages	\$ _____
Employee Fringe Benefits	\$ _____
Leased Equipment	\$ _____
Repairs and Maintenance	\$ _____
Advertising	\$ _____
Legal Expenses	\$ _____
Accounting Expenses	\$ _____

Licenses and Fees	\$ _____
Dues and Subscriptions	\$ _____
Office Supplies	\$ _____
Postage	\$ _____
Cleaning/Janitorial Expenses	\$ _____
Entertainment (business related)	\$ _____
Transportation (UPS, Van, Truck, Company Car)	\$ _____
Bad Debts (Customers who don't pay)	\$ _____
Interest on Loans	\$ _____
Waste Removal (Garbage)	\$ _____
Snow Removal	\$ _____
Lawn Care	\$ _____
Miscellaneous _____	\$ _____
_____	\$ _____
_____	\$ _____
Total Amount I Need Per Year (From page 6&7)	\$ _____

COMPLETION

Congratulations! You've survived this long. You have a much better idea of how much money the business has to provide you every year, what the start-up costs will be, and your annual business expenses. You are now in a position to meet with a University business agent. He or she can use your answers to help you decide whether or not it is likely that your business will generate sufficient sales to pay you what you need to live on, what your business needs every year, and what debt service will be required. That is the next step in determining whether or not going into business in Calumet County is for you.

To arrange for a meeting with the business counselor, contact:

Ernie Johnson, Counselor
 Small Business Development Center
 at the Business Assistance Center
 in Green Bay at 835 Potts Avenue
 Phone (920) 496-9010
 URL: www.MyBusinessHelp.org

You may also want to talk to someone in the same type of business you're in. Try to find a similar sized business in a similar sized town. You will probably have to travel far enough away to not be perceived as a potential competitor before you'll find someone willing to offer useful advice.