Using AERN Research Tools

Alabama Entrepreneurial Research Network
The AERN Center has numerous resources for:

- assisting with starting a new business
- helping existing businesses
AERN Sources

- Sources can be used for existing businesses...
  - Identify new customers
  - Possible areas of expansion

- …or for new businesses
  - Market potential
  - Business plan
  - Setting up the business
How to pick a possible business

- Look through the AERN resource *101 Best Businesses to Start*
- Look at what businesses exist in a similar town (use yellow pages)
- Think about what business you have experience in
Hardware Store

- How do I analyze?
- Let’s use some of the AERN sources to examine the potential for a hardware business in Aliceville.
Spending potential

- How big is my potential market?
  - Need to know:
    - How many households in Aliceville.
    - How much each household spends on hardware supplies.
  - Use two AERN sources to calculate.
    - *Community Sourcebook of ZIP Code Demographics*
      - Population & income by zip code
    - *Household Spending*
      - How much households spend on specific goods & services
From the *Community Sourcebook of ZIP Code Demographics*:

- Aliceville zip code 35442
  - 2,146 households (2006 estimate)
  - $26,140 median household income
AERN Resource
Household Spending: Who Spends How Much on What

- Consumer Expenditure Survey by the Bureau of the Census
- How much households spend on specific goods & services
AERN Resource

Household Spending

Spending Potential

$51.29 avg. spending on plumbing per household at avg. income level for Aliceville

X

2,146 households =

$110,068

Rough estimate of potential spending on plumbing for households in Aliceville, Ala. (ZIP Code 35442)
Hardware store will also sell other items
- Lawn, farm & garden
- Paint & cleaning
- Etc., Etc.

Can do a spending potential for all of these.
Additional Analysis

- Are there existing hardware stores in Aliceville?
- Nearby areas?
- What about Wal-Mart?
AERN Resource

Best Customers

See sample pages at:

- http://www.newstrategist.com/productdetails/BestCustomers3Samples.pdf
AERN Resource

Business Plans Handbook

- Provides examples of actual business plans
- Focused on small businesses
  - Example
    - Oshkosh Hardware Store (in Vol. 1)
- Important components (partial list)
  - Description of business
  - Market definition
  - Marketing plan
  - Financial information
Software package loaded on AERN computers. Use to:

- See a b-plan for a Hardware store
- Build your own b-plan
AERN Resource

Business Plan Pro

- Sample business plans available at the Business Plan Pro website:
  http://www.paloalto.com/sample_business_plans/
  (Look in the box called Sample Plan Previews)
AERN Resource

National Trade and Professional Associations of the United States

- Importance of trade associations
  - Networking
  - Access to specialized publications
  - Keep current with your industry
  - Specialized industry information
AERN Resource

National Trade and Professional Associations of the United States

For our hardware example....

We can use this source to identify the North American Retail Hardware Association.

Visit their website at http://www.nhra.org to see tips and strategies, as well as training and business tools.
Funding your business

- How do I get the $$ to get started?
- Will the banks loan me the money to buy a business?
- Do I have to put up collateral?
- Etc., Etc., Etc.
AERN Resource

Financing the Small Business

FINANCING THE SMALL BUSINESS

A complete guide to obtaining bank loans and all other types of financing

How to approach banks
How to create loan proposals
How banks make loan decisions
Non-bank lending sources
Venture capitalists, angels, and other alternatives

ROBERT Sisson
AERN Resource

Your Credit Score
Financing Sources on the Web

- AERN website
  - http://aern.cba.ua.edu
    - Ask a Business Librarian
    - Email answered by us – i.e. the business librarians in the Angelo Bruno Business Library at The University of Alabama

- SBA Alabama – Financing Page

- Southern Development Council
  - http://www.sdcinc.org

- Alacom Finance
  - http://www.alacom.com
Another Web Resource - Alabama Virtual Library
Alabama Virtual Library (AVL)

- Collection of databases for all ages and subjects.
- Available for free to Alabama residents. Obtain your AVL card for password privileges from your local public library.
- Useful business research databases in AVL
  - Business Source Premier
  - Business & Company Resource Center
AVL Card (free from your public library)
Alabama Virtual Library
Business & Company Resource Center

- Find Associations using “Advanced Search”
Alabama Virtual Library
Business Source Premier
Alabama Virtual Library
Business Source Premier

- Find articles from thousands of sources
Connecting Entrepreneurs to Resources