



**Elevate Your Expertise To Help Clients
Succeed Within Their Niche**

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 SOUTH CAROLINA
SBDC

VtSBDC
VERMONT SMALL BUSINESS DEVELOPMENT CENTER





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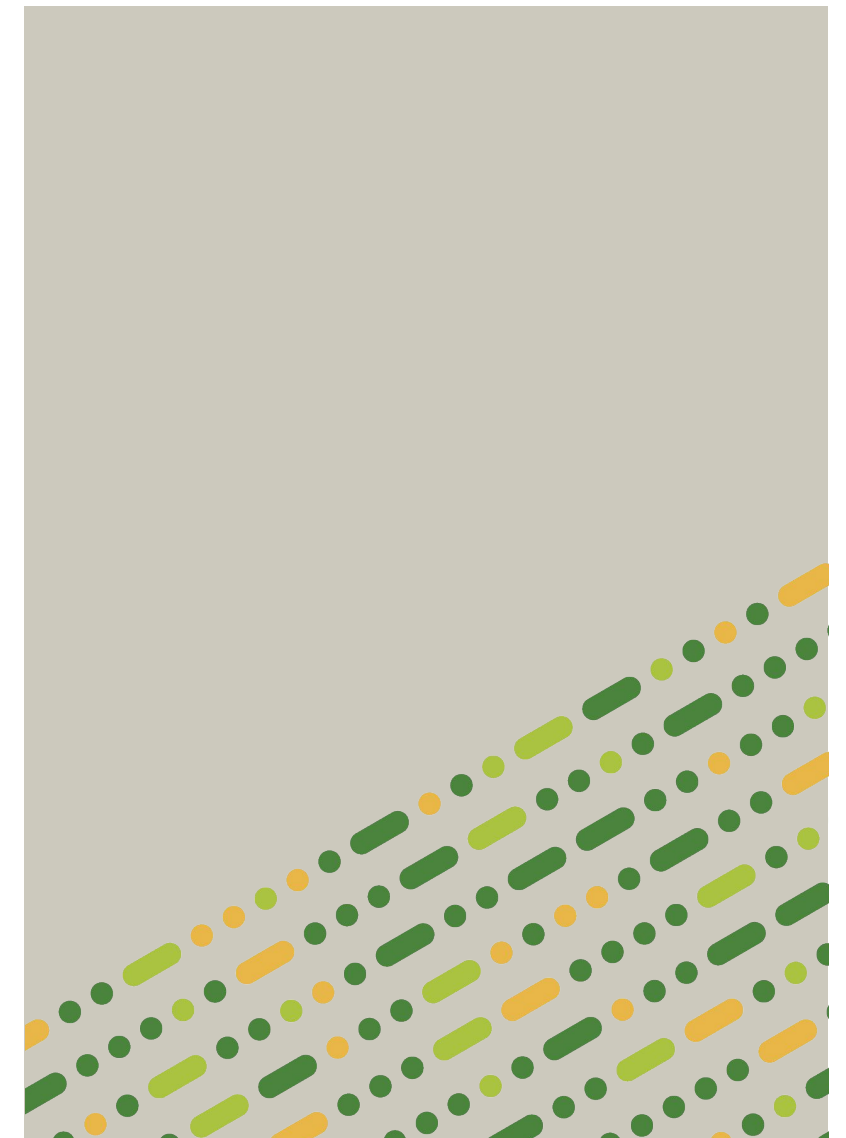
Region Director & Business
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Featured Panelists

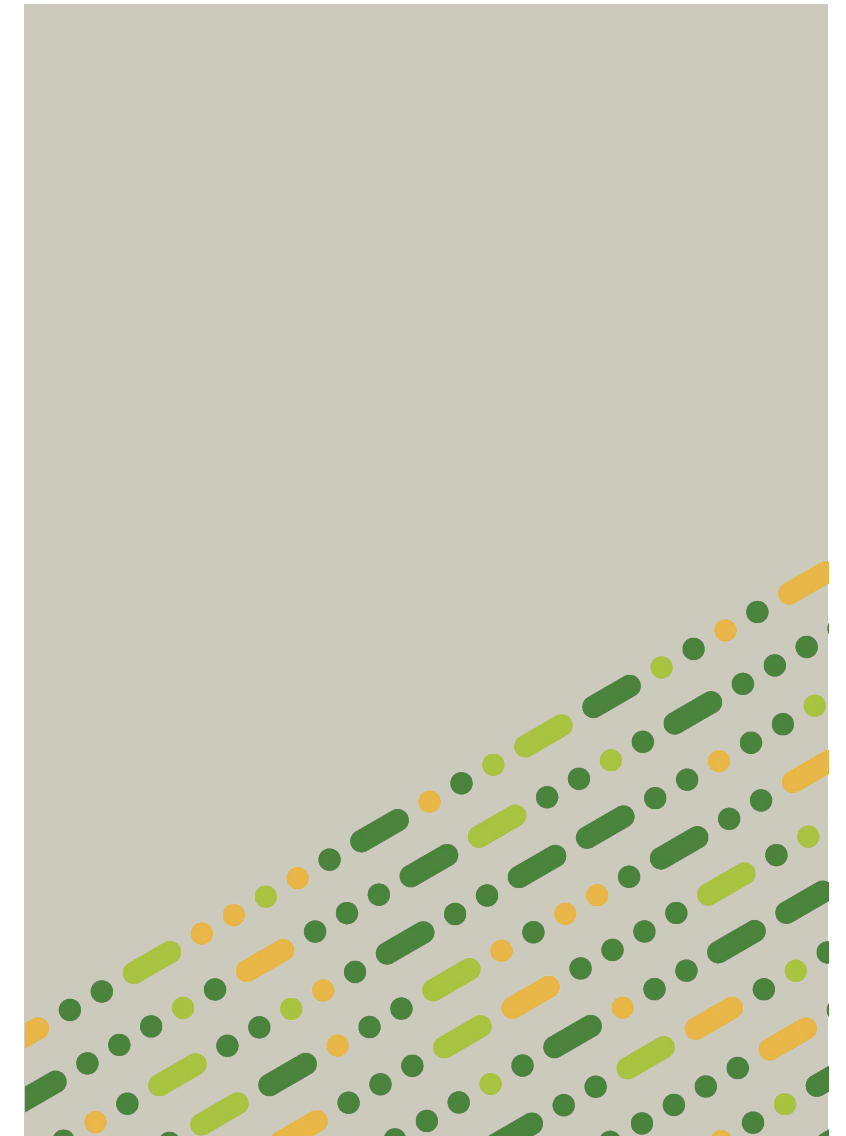
Agenda

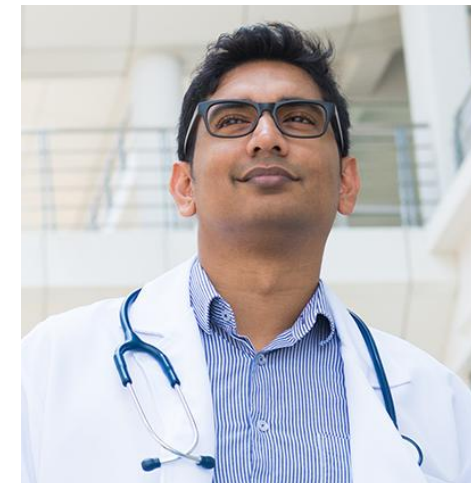
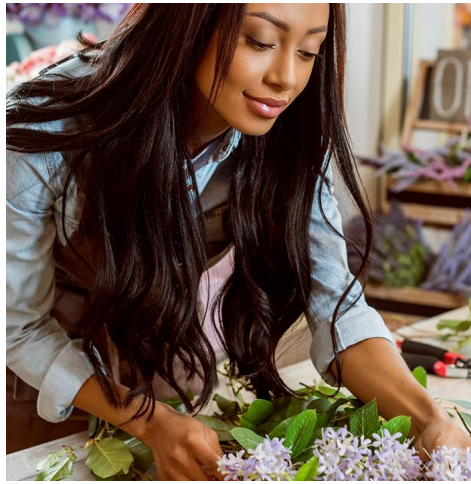
- Overview and Introduction
(15 minutes)
- Q&A With Panelists
(45 minutes)
- Q&A Between Panelists and Audience
(15 minutes)



What you can expect to learn today

- How the “niche” business category works
- Prepare quickly and easily for client meetings
- Identify the potential challenges your clients may face when starting or growing within a niche
- Incorporate industry, local economic, and forecasts into business plans





WHAT IS A NICHE?

A niche market is a segment of a larger market that can be defined by its own unique needs, preferences, or identity that makes it different from the market at large.

Niches are technically NOT Industries (per NAICS)

- Physicians Offices = 62111 (Industry)
 - **Niches:** Cardiologists, Dermatologists, Pediatricians, etc.
- Car Washes = 811192
 - **Niche:** Auto Detailing Services
- Veterinarian Services
 - **Niche:** Veterinarian Emergency Clinic

Examples of niche firms

- Clothing (Spanx)
- Grocery Stores (Whole Foods)
- Licensee unique products within a market (toys)
- Clothing (Untuckit shirts)
- E-commerce websites (data about CCRCs)
- A unique service (list of babysitters)
- Steel product manufacturer (make a specific type of hammering nails)
- Online Store (Lefty's)

Niches are important to SMB success.

Creating a “niche” within a larger market is what often makes small businesses successful. Therefore, it’s a counselor’s job to help clients *hone in* on their niche.





Price

Luxury, moderate,
discount



Demographics

Gender, age, income level,
education level



Quality

Premium, handmade,
economical



Psychographics

Values, interests,
attitudes



Geographics

Residents of a certain country,
city, or neighborhood

Source = Shopify Blog

Common ways to define a niche

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SMB niches are often in *fragmented* industries.

A fragmented industry is one in which there are many firms competing and, as a consequence, no 'one' player is big enough to influence the direction or growth of the industry. Restaurants, cab services, home-care services, auto dealership and the furniture business are examples.

Source: *BusinessLine On Campus*

<u>Code</u>	<u>Industry Title</u>	<u>Number of US Entities</u>
11	Agriculture, Forestry, Fishing and Hunting	367,756
21	Mining	32,341
22	Utilities	49,050
23	Construction	1,518,643
31-33	Manufacturing	640,582
42	Wholesale Trade	698,178
44-45	Retail Trade	1,842,358
48-49	Transportation and Warehousing	686,393
51	Information	372,131
52	Finance and Insurance	774,196
53	Real Estate Rental and Leasing	901,488
54	Professional, Scientific, and Technical Services	2,446,402
55	Management of Companies and Enterprises	82,395
56	Administrative and Support and Waste Management and Remediation Services	1,626,466
61	Educational Services	428,715
62	Health Care and Social Assistance	1,692,711
71	Arts, Entertainment, and Recreation	378,197
72	Accommodation and Food Services	899,587
81	Other Services (except Public Administration)	1,928,273
92	Public Administration	259,495
	Total US Business Entities	17,625,357

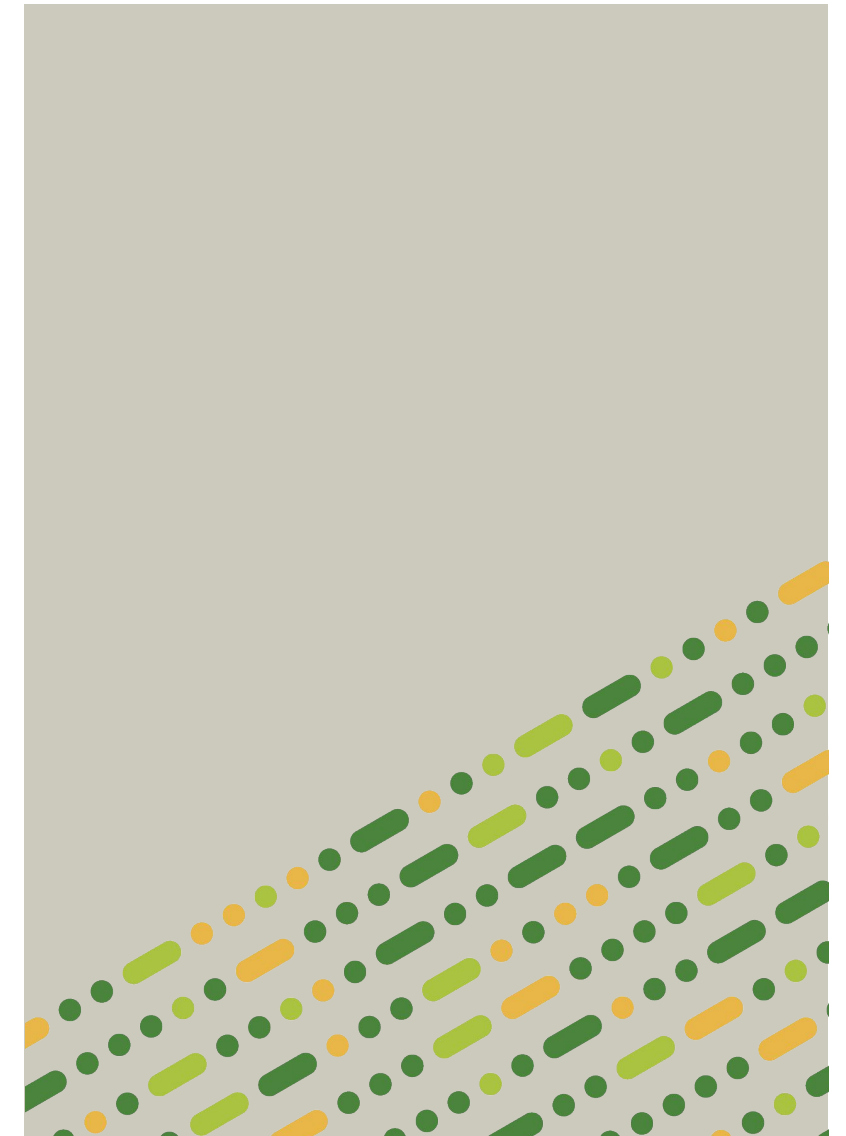
Can you spot the sectors with fragmentation?

Adding value to niche SMBs

- Help them provide useful knowledge about their industry
- Provide valuable content they can use for business planning purposes
- Help them think about ideas that are new for them
- Ask strategic questions specific to their type of business

Ideas for preparing client meetings

1. Ask industry-specific questions that get business owners thinking.
2. Use industry financial statistics to compare business owners' projections to reality.
3. Assess the risks specific for each niche or industry.
4. Share valuable content with business owners.
5. Understand specific industry challenges and trends to improve their business plan.
6. Provide business owners intelligence on the industries they sell to.
7. Offer cash flow challenges specific for each industry.



How do you research a niche market?

- Identify the industry NAICS Code (start with broad industry)
- Search the parent industry (using Vertical IQ or Internet)
- Search Google for [niche name] “risks” and [niche name] “how to start a business”. Consider reliability
- Search Google for associations and publications by [niche name] “associations” and [niche name] “publications

The Beige Book

Summary of Commentary on Current Economic Conditions
By Federal Reserve District

The screenshot shows the United States Census Bureau website. The header includes the logo and a search bar. Navigation tabs include 'BROWSE BY TOPIC', 'EXPLORE DATA', 'LIBRARY', 'SURVEYS/ PROGRAMS', 'INFORMATION FOR...', and 'FIND A CODE'. The main content area is titled 'Business and Economy' and includes a description: 'The Census Bureau produces economic data across the entire economy on a monthly, quarterly, yearly, and five-year basis.' Below this are subtopics: 'Business Counts', 'Business and Owner Characteristics', 'Business and Workforce Dynamics', and 'Economic Census'. A sidebar on the left lists 'WITHIN TOPICS' such as 'About this Topic', 'America Counts: Stories', 'Data', 'Economic Surveys Response', 'Events', 'Library', 'News & Updates', 'Surveys and Programs', and 'Find your NAICS Code'.

Source: Census Academy (<https://www.census.gov/data/academy.html>)

Macro data sources that “drive”
success of niches

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Building forecasts

- Start with the industry forecast ...
- ... and then the local market/economic (i.e. consumer spending trends) factors ...
- ... and then adjust for the client's specific niche.

Panelist discussion

