



Strategizing with Business Owners: Creating Value with Industry Intelligence



Thursday, September 7
2:00 PM - 3:15 PM
Ryman Studio DE





Bobby Martin
CEO & Co-Founder



Anne Lancaster
Certified Business Advisor



Candice Mays
Business Consultant

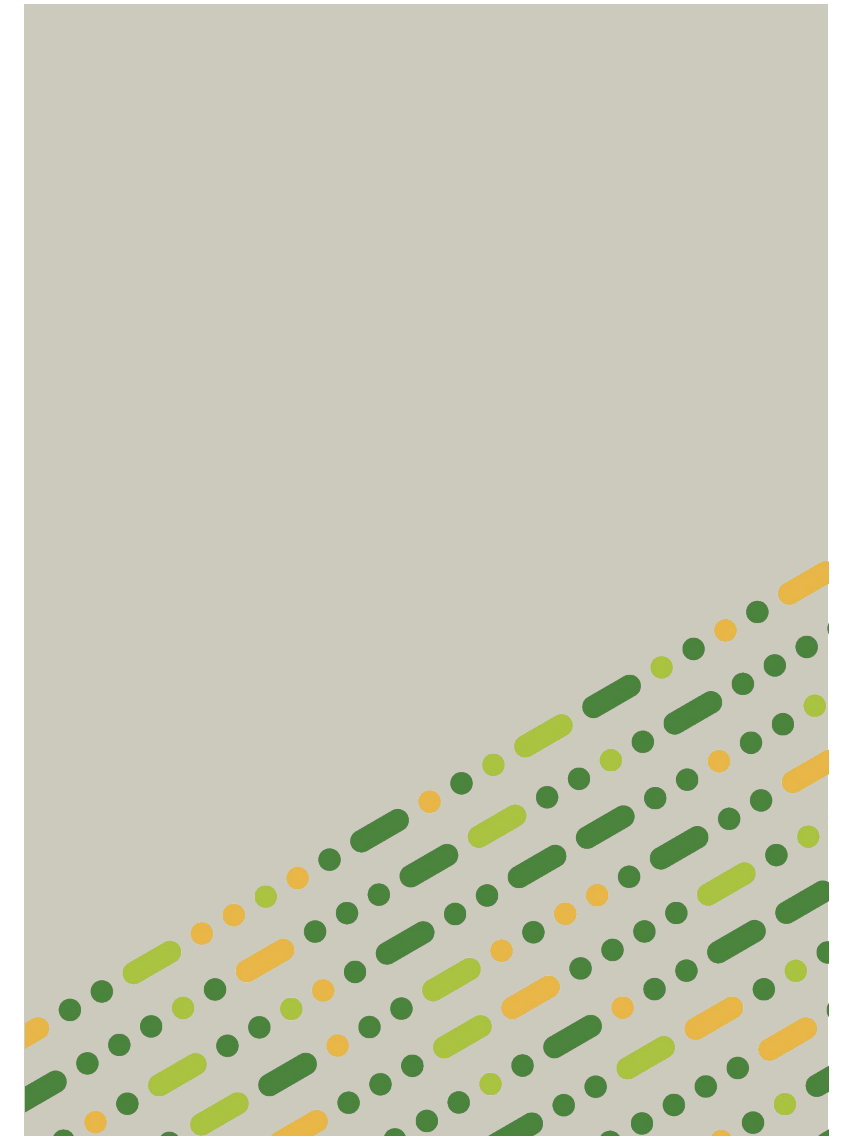


Featured Panelists



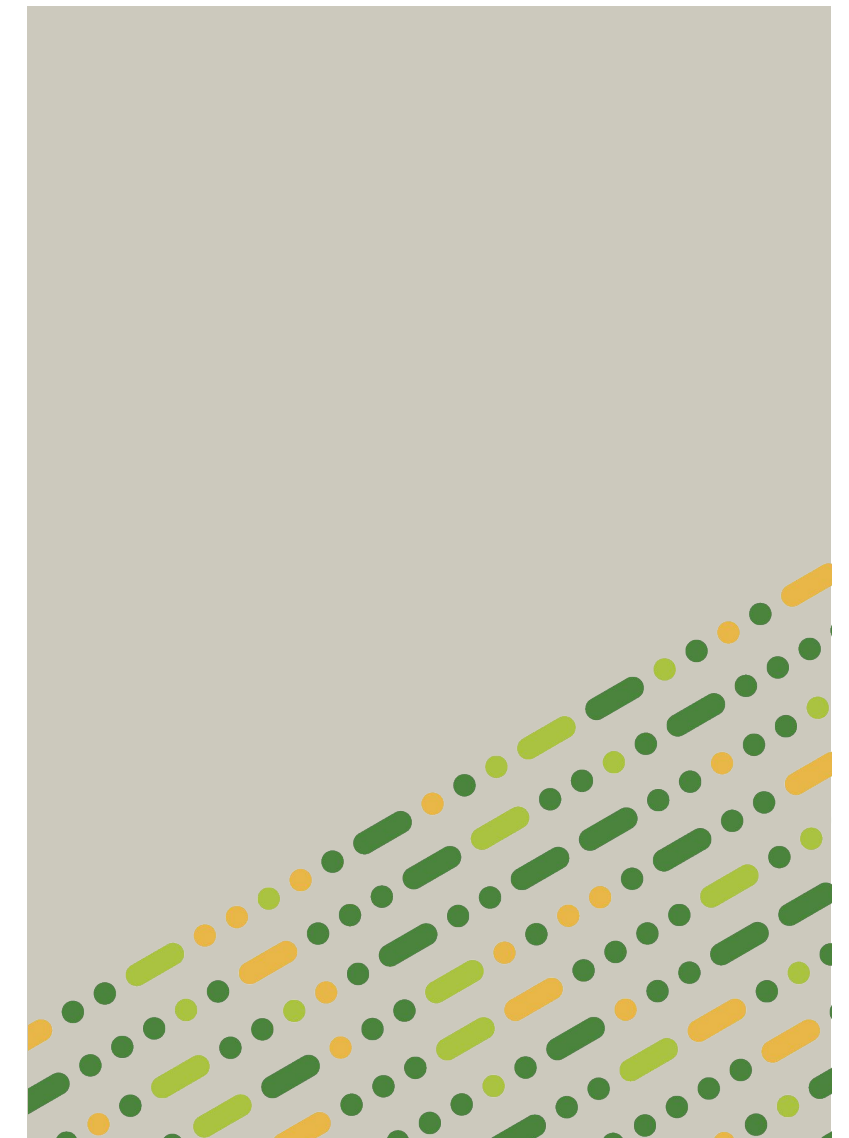
Agenda

- Overview and Introduction
(5 minutes)
- Present information and live demo platform
(50 minutes)
- Q&A between panelists and audience
(20 minutes)



What you can expect to learn today

- The psychology behind small business owners' decision-making
- Tips to build client trust and develop an advisory-level relationship
- Leveraging the Vertical IQ platform and applying Industry Intelligence to strengthen relationships with small business owners



Not all small business owners are the same.

“The rare individual who unselfishly tries to serve others has an enormous advantage.”

-Dale Carnegie



Types of Small Businesses

Small businesses are often governed as...

- Individually owned
- Family- or partnership-owned
- Multi-person board

How many small businesses are there?

- Non-employee: *23 million (~460,000 per state)
- Main Street: *4 million (~80,000 per state)
- Suppliers (B2B): *1 million (~20,000 per state)
- High-growth (Innovative): *200,000 (~4,000 per state)

Tennessee has an estimated 152,046 small businesses

Source: Harvard Business Review

***Estimated.**

NOTE AN ESTIMATED 500,000 SMALL BUSINESSES ARE NON-SUPPLIERS IN THE TRADED SECTOR AND DO NOT FALL INTO ANY OF THE ABOVE CATEGORIES. SOURCE - ANALYSIS OF DATA FROM THE CENSUS BUREAU BY KAREN MILLS AND MERCEDES DELGADO

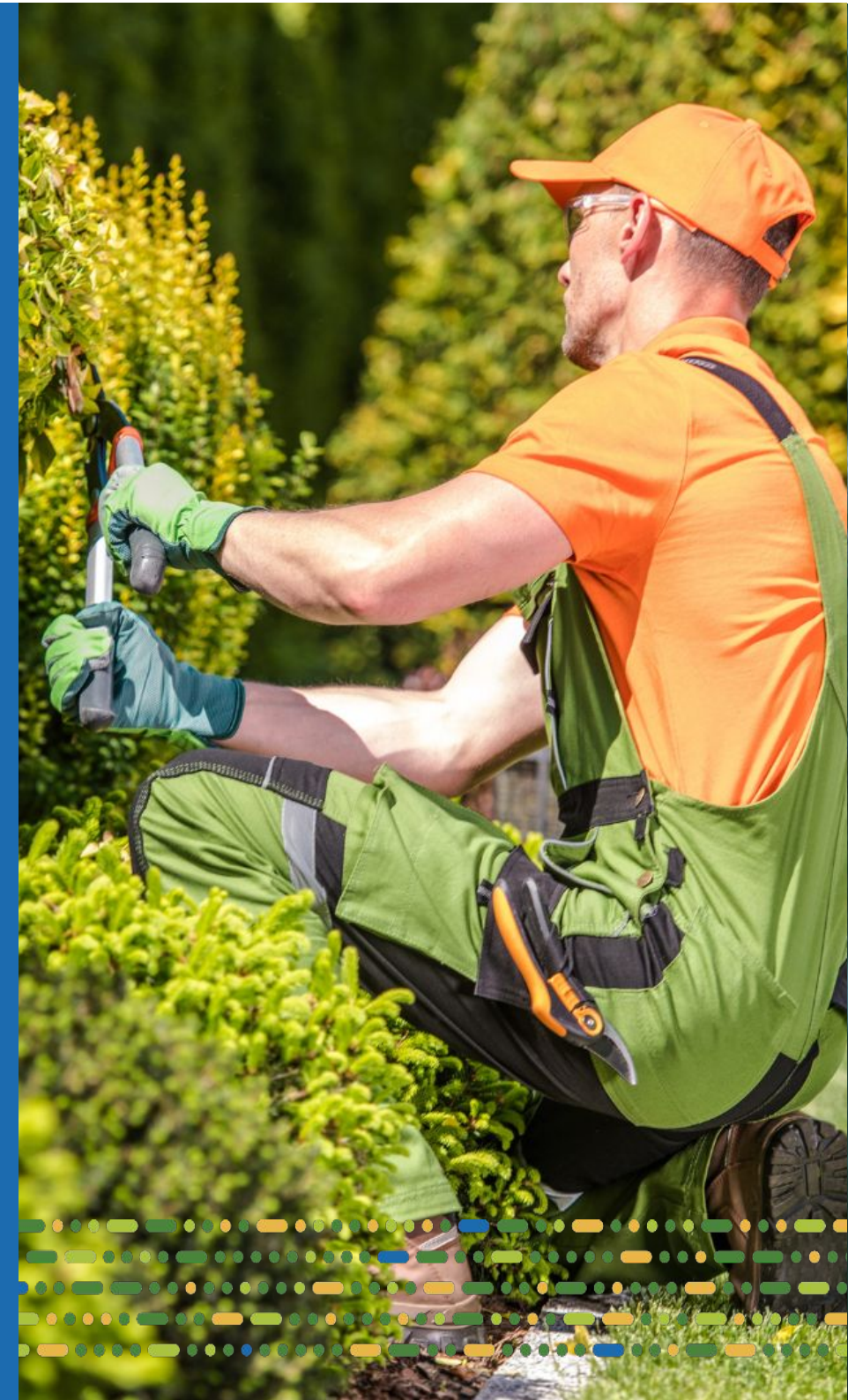
Main Street - Individually Owned

Identified as:

- Professions such as engineering, architecture, dentistry, healthcare
- Trades such as HVAC, plumbing, construction, landscaping

Traits:

- Strong, independent personalities are common
- Often very hard workers
- Their business often is tied to their identity
- Often excel at their trade but not at finance
- Big egos are common, especially if the business was started by a founder
- Sometimes don't take advice well



Main Street - Individually Owned

Common struggles

- Management & leadership are often difficult
- Fear of failure
- Many manage their business operations the hard way
- Some worry about what will become of their business when they step away

Tips for working with them

- Become a chameleon
- Relate to their industry with innate curiosity, not expertise
- Respect their hard work and their craft
- Dress business casual, avoid suits
- Ask for their permission before offering advice

Remember:

*Vertical IQ offers industry-specific Call Prep Questions!

Main Street: Family or Partnership

Traits:

- A dynamic exists that doesn't exist with individually owned firms.
- This dynamic almost always contains complexities that require leadership skills.
- Could be any type of business; but instead of the trades, more manufacturing, oil and gas, and larger medical practices.
- Recordkeeping and finances are more important.



Main Street - Family or Partnership

Common struggles

- Who makes decisions? 50/50 partnerships are especially complex.
- Who is responsible for what aspects of the business?
- Businesses that pass down generationally require maturity and experience and often need consulting.

Tips for working with them

- Don't ask too much too early about the partnership or family dynamic; that has to be earned by gaining credibility and insights.
- Figure out how to relate to all of the partners; don't leave anyone out of conversations.
- Ask questions that relate to their *business or industry.

Remember:

*Vertical IQ Industry Profiles help you speak the business owner's language

Innovative, Growth-Minded Entrepreneurs

Traits:

- Very focused personality but may change their minds about career choices.
- Are often younger with less experience but not always.
- They may come across as “not knowing what they’re doing” – that’s normal and often expected.



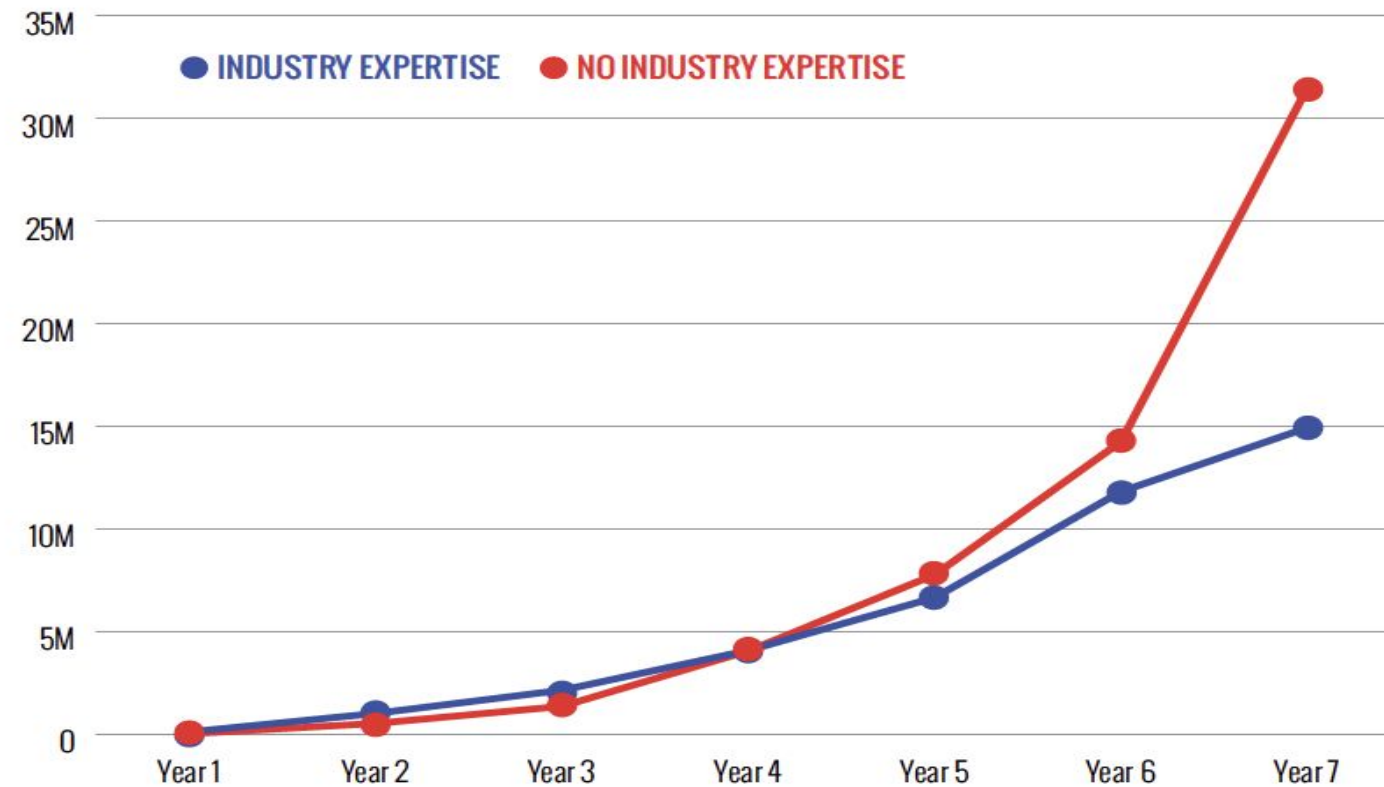
Innovative, Growth-Minded Entrepreneurs

“Succession becomes identified with loss and losing out and therefore takes the meaning of a taboo. But the issue of succession is inevitable not only for reasons of age but also because of increasing maturation and growth of the company. The entrepreneur is no longer alone; other interest groups such as employees, family members, bankers, customers, suppliers, and the government are getting involved.”

Manfred Kets de Vries

Does Industry Expertise Help?

INDUSTRY EXPERTISE COMPARISON



Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Industry Expertise	98,637	1,002,185	2,131,798	4,070,594	6,643,209	11,808,360	14,917,880
No Industry Expertise	12,942	511,779	1,347,532	4,047,472	7,757,392	14,242,555	31,469,848

Research from:
*The Hockey Stick
Principles*

By: Bobby Martin

*A Revenue Growth Study
of 172 Successful
Start-Ups*



It's Specific

You're not just more "aware" when engaging a business owner, but more "insightful"



It's Timely

You stay current with industry changes – no matter how fast they're happening



It's Actionable

Industry Intelligence sparks questions that lead to deeper, more thoughtful conversations.

Why Advisors excel with
Industry Intelligence

vertical IQ[®]

How does VIQ help someone who says, “I have an idea for a business!”

VIQ Profiles help to answer the hard questions:

- “What will you sell (services and industry)?” – How Firms Operate Section
- “Who will be your suppliers, and what’s your target audience?” – Industry Structure Section
- “How many employees will you need?” – Industry Structure Section
- “Who or what is your biggest competition?” – Industry Risks/Trends Section, Industry Structure Section
- “What PPE equipment will you need?” – Capital Financing Section
- “Are SBA Loans a common source of funding?” – Banking Products Section

***All VIQ content can be shared with the business owner, the business owner’s CPA, and even sent to SBA for loans.**

Profiles are designed to be SIMPLE and easy for business owners to understand.

SBDC Advisor Use Cases

vertical IQ[®]

How can SBDC Advisors help clients use VIQ to Build a Business Plan?

The biggest advantage - our industry reports can be shared. These reports can serve as the basis for personalization.

- It also provides content worth “responding to with mitigating considerations you’ve come up with.” It allows one to present common industry risks and then ways they plan to mitigate them.
- Functionality to query by NAICs codes and Industries
- Sections such as: Marketing/Industry Analysis, Competition, Covid Sections, and Trends as well as the financials, can all be used in building out a business plan.
- Additional Links can be used as an additional resource.

SBDC Advisor Use Cases



How can VIQ Data be Used for Financing?

- Business owners often arrive at their Bank or their SBDC with projections guided by the wind. They have no data behind any of their numbers. The biggest advantage of Vertical IQ is the ability to source **Financial Benchmarks** and then use the **Industry Forecast to solidify projections**.
- Business owners don't always understand cash flow. They know their business is profitable, but they don't understand why they don't have the cash to pay their bills. Vertical IQ's Financial Benchmarks once again shed light on so many things.... **The Value of a Day, the seasonality of their business (when to clean up their LOC)**, etc.

How can VIQ Profiles Help with Marketing SBDC services?

- Vertical IQ can help with marketing SBDC services, and help provide content for social media, webinars, websites, newsletters and external communications.
- SBDC quarterly updates

SBDC Advisor Use Cases

vertical IQ[®]



Vertical IQ is delivered in a format that is easy to digest and understand, and the content is designed to be shareable, saving our counselors time on both research and follow-up.

But what really sets Vertical IQ apart from other providers is customer service. **Their focus on ensuring their customers' success through on-boarding and topic-specific training, as well as their responsiveness to users' needs, are truly unparalleled.**



Charles "Tee" Rowe
President and CEO





“Vertical IQ is one of the most valuable tools at the SBDC’s disposal”

Whether sourcing data for a market research report or helping an entrepreneur build a business plan, Derek has found Vertical IQ’s Industry Intelligence to be a vital tool, providing value to clients at every life-stage of their business.

In fact, he recently used Industry Intelligence to help an entrepreneur bring her dream of opening a wedding venue to fruition. The research gave the client the confidence he needed to purchase the \$1M piece of real estate to get the business off the ground!

Working with a wide breadth of industries, it’s difficult for Derek to stay abreast of the ins and outs to every business, and that is where Vertical IQ comes in!

- **Industry Trends and Current Conditions** help business owners find success in today’s business environment.
- **Financial Benchmarks** enable businesses to plan their revenue and expenses by reviewing key financial ratios.
- **Credit Risks and Industry Forecasts** allow them to gauge risk and the potential life cycle when entering a business into the market.



Derek Stephens

Market Research Specialist



Platform Demonstration



Small Business
Development Center
UNIVERSITY OF GEORGIA



Upcoming Trainings

General Vertical IQ Site Training – Exclusively for ASBDC

- Monday, October 16th at 10:00 AM EST
- Tuesday, December 5th at 12:00 PM EST

Advanced Topic-Specific Training – Exclusively for ASBDC

- Friday, September 15th at 11:00 AM EST
- Friday, November 17th at 11:00 AM EST

Scan the QR Code on the handout to register and view entire list of trainings.



Please Complete the Workshop Survey!

- **Open the Conference App or open the web version of the App**
 - **Log in, if you are not already**
 - **Click 'Agenda/Schedule'**
 - **Ensure that you are registered for this workshop**
 - **Click on the 'Mind of the Small Business Owner' workshop**
 - **Scroll to the surveys**
 - **Click the workshop survey**
 - **Complete the survey and add comments**
 - **Submit the survey once complete**
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