

# University of Georgia Small Business Development Center Gainesville

*Dr. W. Patrick Fulbright*  
*Area Director, UGA SBDC in Gainesville*

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**Small Business  
Development Center**  
**UNIVERSITY OF GEORGIA**

# Meet the Gainesville Team

You can reach us at [gainesville@georgiasbdc.org](mailto:gainesville@georgiasbdc.org) or (770) 531-5681.



Patrick Fulbright, PhD  
Area Director



Robbie Parks  
Business Consultant



Margaret Ryder, DBA  
Business Consultant



# WHAT WE DO FOR GEORGIA'S BUSINESSES

*“To enhance the economic well-being of Georgians. We’ve been committed to providing training, confidential consulting, and research assistance to Georgia’s small businesses for over 40 years.”*





We provide the tools,  
training and resources  
to help small businesses  
**grow and succeed.**



U.S. Small Business  
Administration



Small Business Development Center  
UNIVERSITY OF GEORGIA

# Business in Georgia

The #1 Business Environment in the Country



## Why do business in the state of Georgia?

Georgia has been rated the #1 state in the country for best business environment, per [https://wallethub.com/edu/best-states-to-start-a-business/36934#expert=William\\_Bowman](https://wallethub.com/edu/best-states-to-start-a-business/36934#expert=William_Bowman)



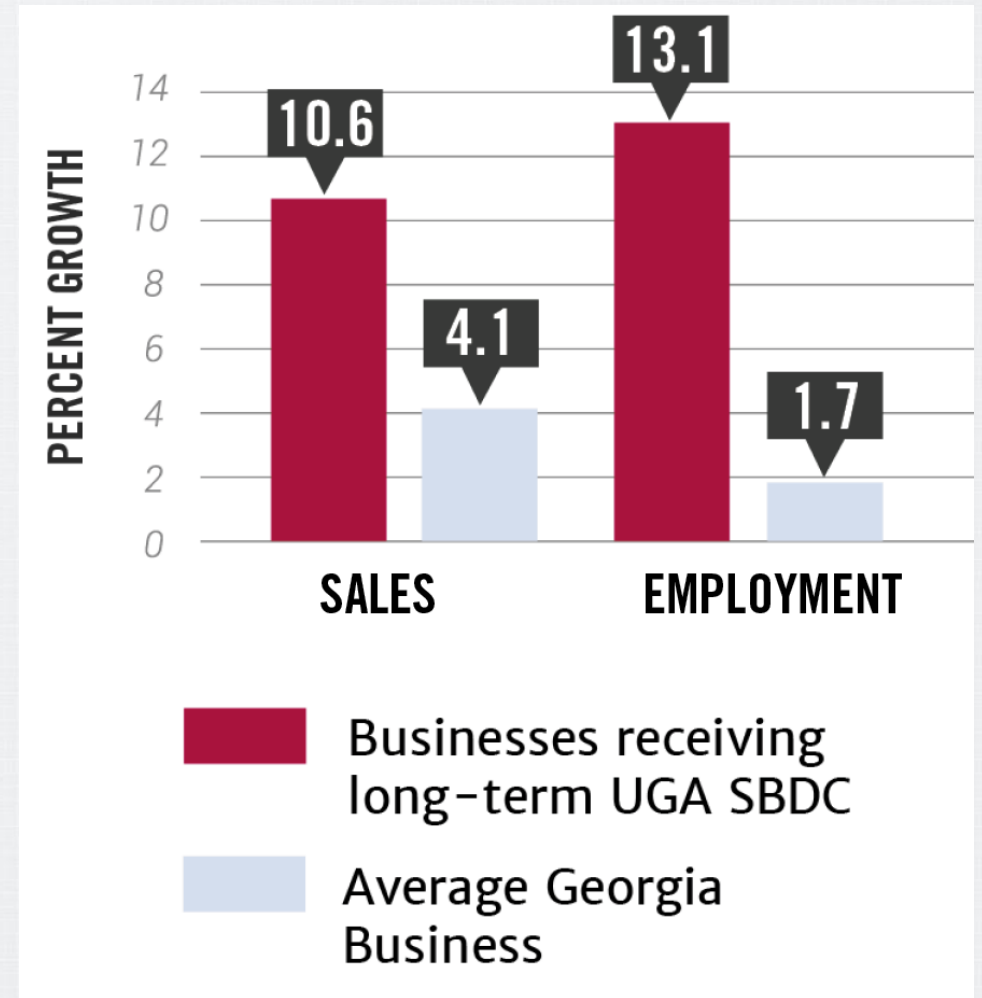


# 18 Office Locations

*Serving Every County in Georgia*



In 2022, we consulted with **5,204 clients** and conducted training programs attended by **12,793 Georgians**.



## CLIENT SUCCESS OVER THE PAST 5 YEARS

**1,788**

Businesses  
Started

**\$9.7B**

Total  
Sales

**13,849**

Jobs  
Created

**\$1.029B**

Capital Raised in  
Loans & Equity





# Consulting Services



STRATEGIC PLANNING



STARTUP ASSISTANCE



CAPITAL ACQUISITION



INTERNATIONAL TRADE



ACCOUNTING/FINANCE



PROCUREMENT



MARKETING STRATEGY



BUSINESS MANAGEMENT



# Special Initiatives



AGRIBUSINESS



INTERNATIONAL TRADE



MINORITY BUSINESS



MEDICAL PRACTICE MANAGEMENT



# **FIVE things to talk about.....**

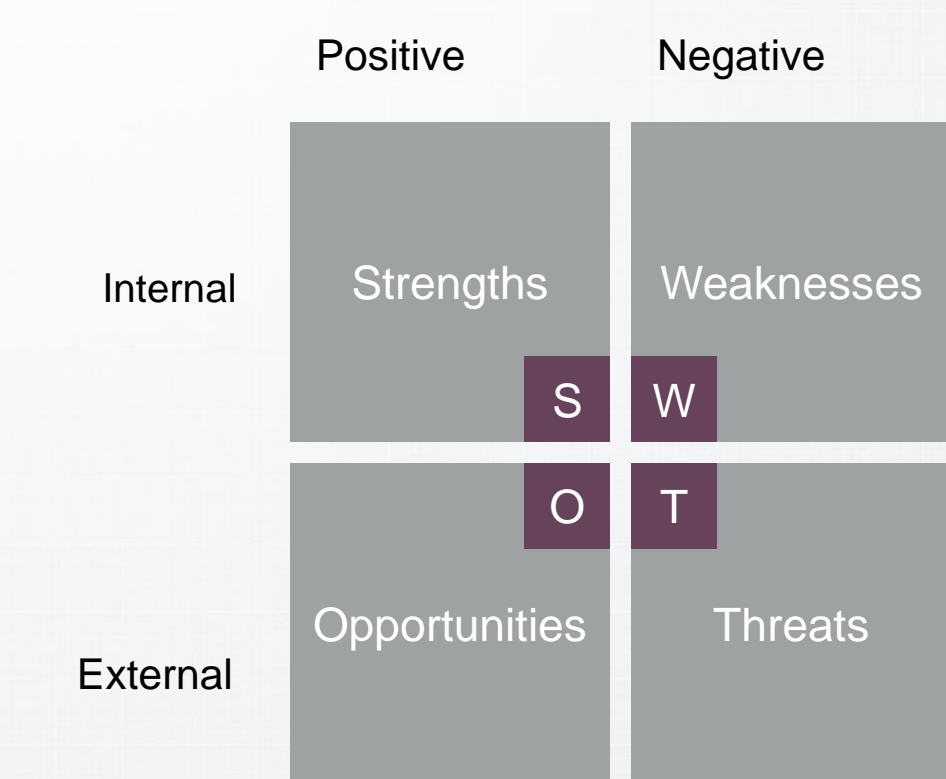
- 1. Re-ignite your Business**
- 2. Cash Flow Management**
- 3. Sales Strategy**
- 4. Inventory Management**
- 5. Human Resources**





# SWOT Analysis

## An Evaluation of Your Business



### Strengths

What makes your business strong from an internal perspective?

### Weaknesses

What makes your business weak from an internal perspective?

### Opportunities

Where are there external opportunities for growth and improvements.

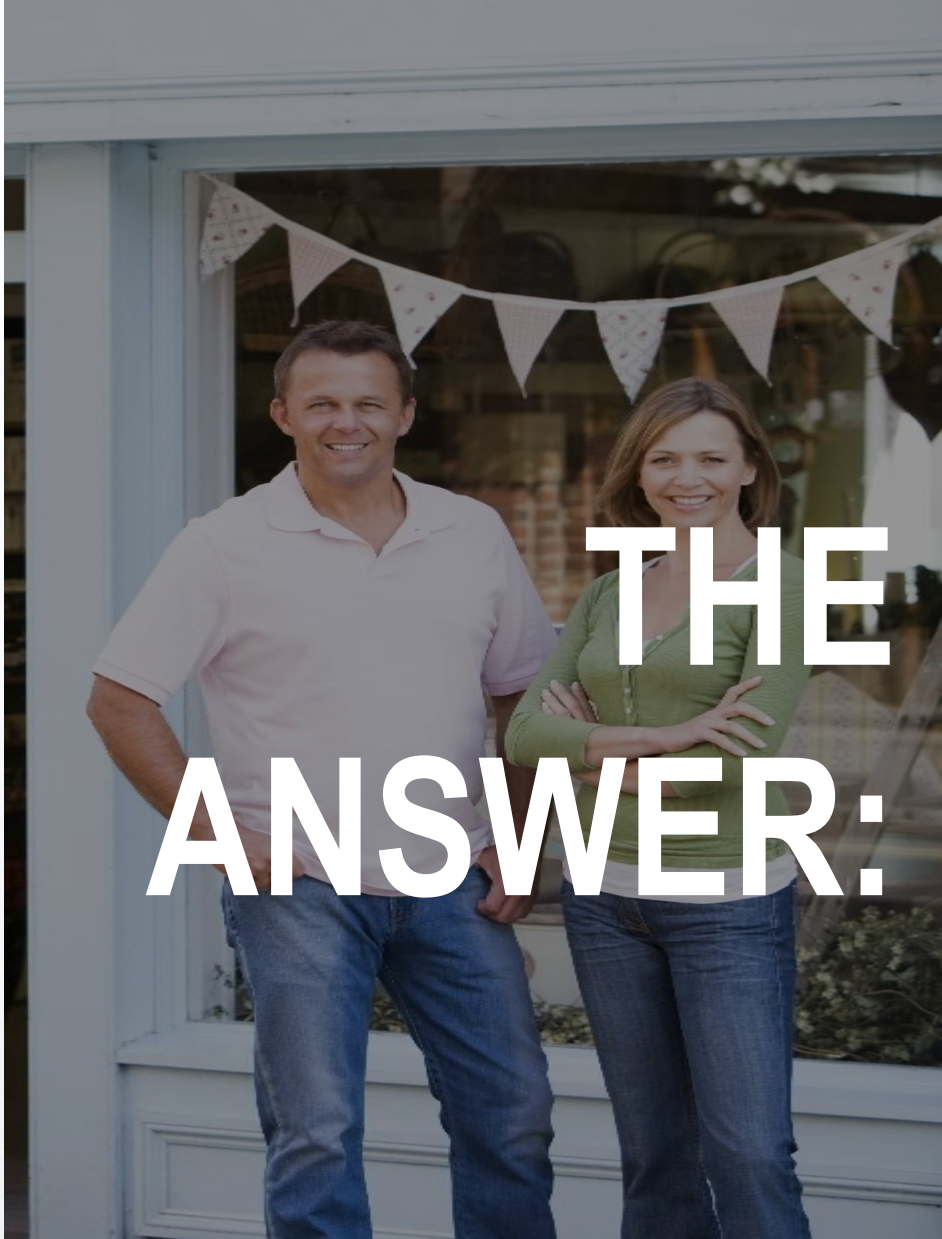
### Threats

What external threats exist that may have a negative impact on your business?



**50% OF SMALL  
BUSINESSES CLOSE  
WITHIN 5 YEARS OF  
STARTING. WHY?**





- Lack of capital
- Lack of experience and leadership
- Lack of uniqueness and value (over confidence)
- Not keeping in touch with customer needs
- Unprofitable business model
- Poor financial management/Personal comingling
- Rapid growth and expansion (outstrip money and people)
- Poor pricing strategies
- Failing partnerships
- Not keeping current (technology)





# Ten Mistakes that Sabotage Business Success

No. 1: Failure to Plan.

No 2: Lack of a Record Keeping System.

**No. 3: No Understanding of Financial Statements.**

No 4: Poor Cash Flow Management.

No 5: Poor Credit/Collections.

No 6: Failure to manage inventory.

No 7: Lack of Internal Controls.

No 8: No Marketing.

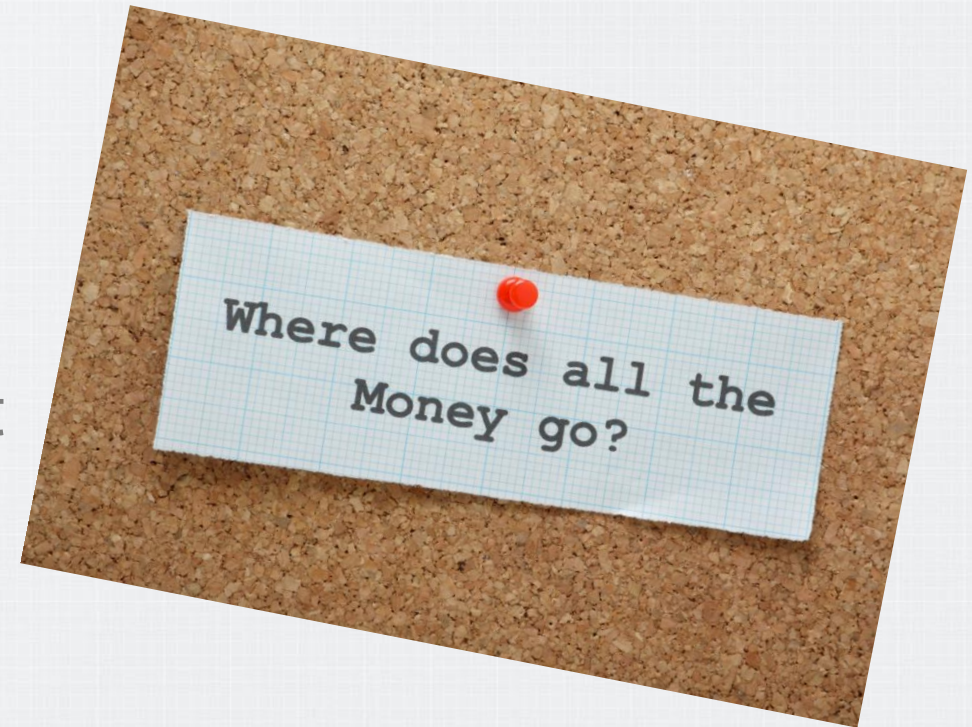
No 9: Misuse of Debt.

No 10: No Exit Strategy or Succession Plan.



# Where is my Cash?

- Inventory
- Use / Waste
- Accounts Receivable
- Asset Purchases
- Liabilities / Loans on Balance Sheet
- Bank Fees
- Annual Expense Increases
- Added Services
- Payroll Increases



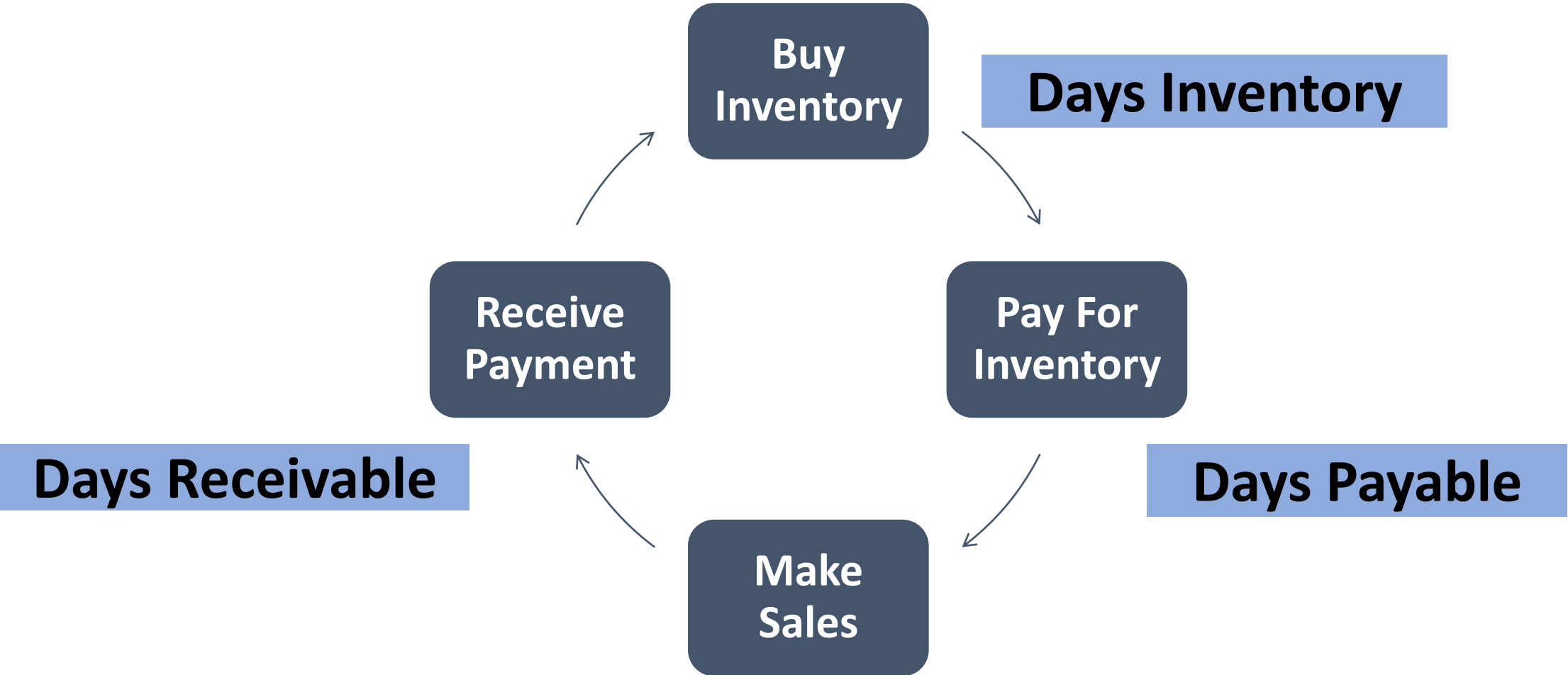
# Planning for Cash: Cash Management

- High Levels of Cash do not mean High Levels of Profit
- Plan and Track Seasonal Trends and Cash Needs
- Inventory Management / Turnover
- Plan Staffing Needs
- Watch Purchasing Terms and Special Dating
- Review Past Cash Needs and P&L (Past Performance)
- Review Balance Sheet (Snapshot of Current Finances)
- Plan for Cash Needs:
  - Save Cash
  - Plan for Short Term Loans or Line of Credit





# Cash Conversion Cycle



# Sales Strategies – Best Practices

Who is in charge of sales?

Train Employees

Use Your Brand for Consistency

Understand Customer Needs and Wants

Solve Customer Problems – Satisfy Needs

Have a Call to Action

Understand and be prepared for objections

Design a Sales Process

Plan Customer Follow-up

Track and Engage Customers



**“Seven out of ten customers  
visit a business or make a  
purchase based on information  
they found online.”**

**Source: Google**





# P.O.S.T.

People  
Objectives  
Strategy  
Technology



# TOO MUCH INVENTORY:

- Monitor Inventory Closely
- Understand "Inventory Turnover Ratios"
- Compare to Industry Standards.
- Purchase Carefully. Calculate Open to Buy
- Merchandise Correctly
- Consider Alternative Selling Platforms







# WRONG KIND OF INVENTORY

- Price Obsolete Inventory to sell Quickly
- Understand Customer Wants and Trends
- Don't Make Yourself Look Bad
- Buy for Customers not Yourself
- Special Order items





# What is GMROI

## More importantly....Why do I care?

- **Gross Margin Return on Inventory (GMROI) - is to review inventory decisions from a return on investment perspective.**
- **The simple formula for GMROI is: Gross Margin Dollars / Average Inventory**

**\$10,000 GM / \$5,000 Avg. Inv. = 200% GMROI or 2.0 or \$2.00 – meaning for every dollar of inventory investment produces \$2.00 of gross margin \$.**

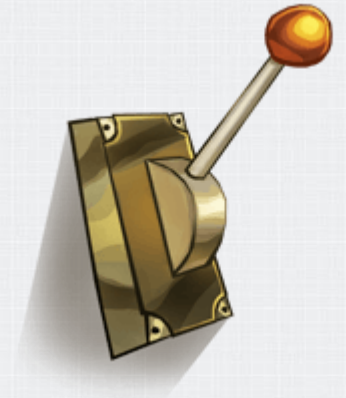
# What is GMROI

GMROI provides a return on investment perspective to inventory management and creates two levers to improve performance.



– **Lever 1 - Increase Gross Margin %**

– **Lever 2 - Increasing Inventory Turnover**



# Human Resources GOAL = Retention

- 1 – Hire Slow – Plan a Consistent and Formal Process
- 2 – Write Formal Job Descriptions
- 3 – Develop an Org Chart
- 4 – Write and Maintain an Employee Handbook
- 5 – Invest in Training: Job Training, Customer Service, Cross Training
- 6 – Have a Formal Review Process
- 7 – Reward and Recognize
- 8 – Have a Discipline Process
- 9 – Use Technology to simplify systems
- 10 – Understand Laws and Regulations including good Record Keeping





# HR Basics

- Start with a vision for the job you are filling!
- Determine skills needed
- Write a job description for each position
- Hire the right employees
- Devote time to training
- Celebrate your success
- Reinforce behaviors



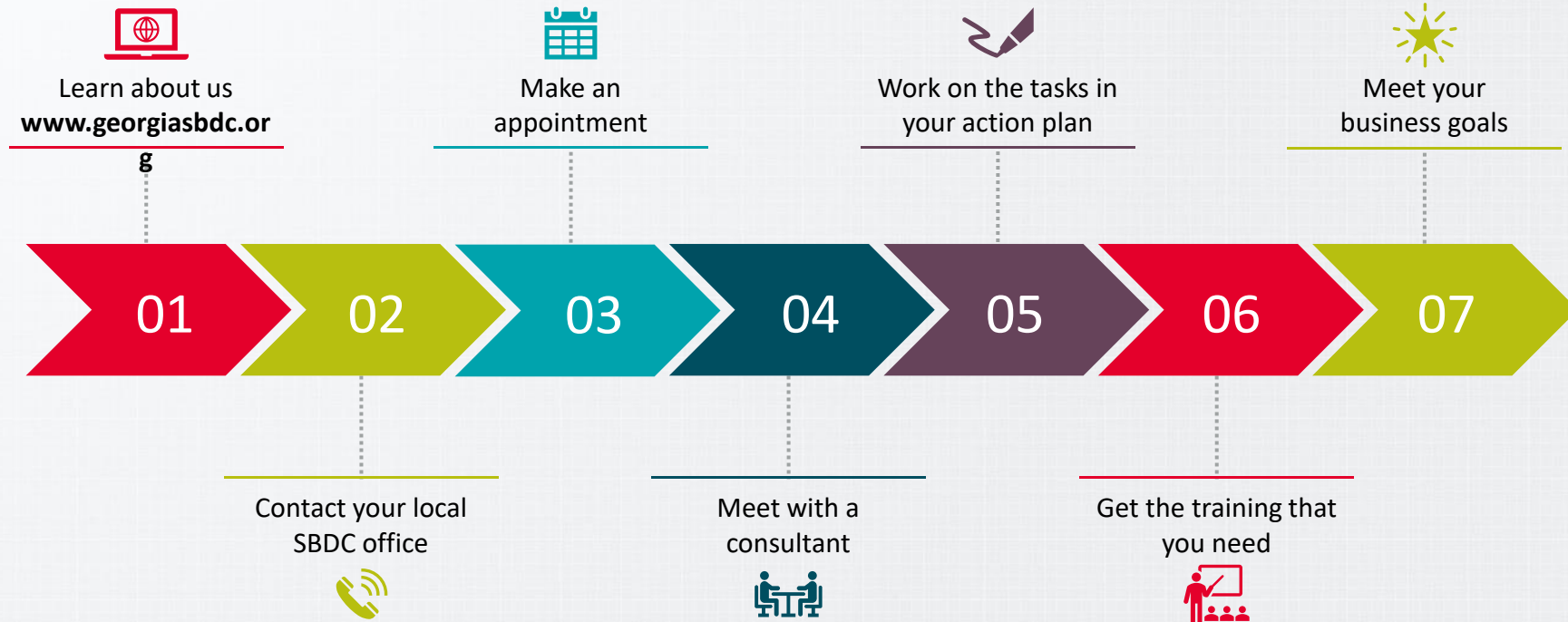
# CASE STUDY

## Burts Pumpkin Farm

- New Business Plan
- Market viability
- New Revenue Streams
- Personnel
- Reputation
- Leverage Social Media



# WORKING WITH THE UGA SBDC



# Q&A







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# Thank You.

Contact us to schedule a consultation for your small business!

In Person  
Days  
Sa  
Time  
8:30AM to 4:30PM  
Dates  
May 13, 2023 to May 20, 2023  
Type  
In Person  
Days  
F  
Time  
8:00AM to 1:00PM  
Dates  
May 26, 2023

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**UGA SBDC Gainesville Office**  
gainesville@georgiasbdc.org  
(770) 531-5681  
www.georgiasbdc.org/gainesville

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