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U.S Small Business
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New Study on Business Failures

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The National Commission on Entrepreneurship, in its March 3, bi-weekly economic newsletter reports some enlightening new information on small business failures (subscribe at ncoe@sso.org). We have reprinted the article verbatim for our readers.

It's conventional wisdom that most new businesses fail. Thanks to a forthcoming article in Small Business Economics, this view may soon go the way of flat earth theory. Brian Headd, a senior researcher at the Small Business Administration's (SBA) Office of Advocacy, examined Census data on new business starts and found some surprising results. More than half of new businesses with employees are still in business after four years. Moreover, one-third of closed businesses were successful at closure. The study also assessed factors correlated with business survival. Firms that started with \$50,000 or more in initial capital, and that were led by owners with previous business experience had a greater chance of success than other similar firms. These in-

teresting results may lead us to some different conclusions about how new businesses start and grow over time.

The study, *Redefining Business Success: Distinguishing Between Closure and Failure*, will appear in a forthcoming edition of the journal, *Small Business Economics*. An earlier version of the paper is available at the Census Bureau website at: <http://www.ces.census.gov>, then click on "Papers". It is the first paper on the 2001 list. This information may not surprise veteran SBDC counselors, but empirical data is always nice to have.

Don't forget SBDCNet's website (<http://sbdnet.utsa.edu>) Check out the Counselors Toolkit for other interesting and informative links. We have just added a new section of Best Practices for counselors.

For Your Information

All of us enjoy receiving a paycheck, but few relish the thought of preparing the payroll and the associated accounting chores that are so cumbersome. **PayCycle** (866 729-2925 and www.paycycle.com) is an online service that offers affordable, comprehensive payroll tracking and paycheck/tax payment generation. *PC Magazine*, March 25, 2003,

rated it one of the simplest payroll platforms they have seen.

PayCycle even sends e-mail reminders of deadlines. Entering payroll data is easy. PayCycle provides columns to accommodate various types of pay. All pay categories, deductions, taxes, and year-to-date summaries are shown and printed. It allows you (con't)

For Your Information Need Your Own Web Site? No Big Deal!

(con't) to print on QuickBooks-compatible check stock or print just the stubs and hand-write the checks.

When it's time to pay taxes, click a Taxes & Forms link, then a Pay Taxes button. It shows a list of taxes currently due, past due, and upcoming. Pay-Cycle will print 1099s (a flat \$20 fee) and W-2s. It is easy to export paycheck data to QuickBooks, Quicken, Microsoft Money, or to Excel. The company also provides free tech support.

List price: Up to 5 employees, \$19.99 per month; each additional employee \$.99.

For less than \$25 a month you can put your business on the Web. There are thousands of Web hosting companies feverishly competing in the small business market. Here are seven of the nation's leading providers that target small and midsize businesses as rated by *PC Magazine*. Their favorite is ValueWeb (www.valueweb.com). They will host your Web site for as little as \$19.95 a month—\$49.95 if you need e-commerce capabilities. ValueWeb is well-suited to a variety of business uses, with user-friendly interfaces, easy-to-use site management features, and an extensive, searchable knowledge base. Other companies recommended by *PC Magazine*: DellHost, EarthLink, Interland, NetNation, NTT/Verio, and Yahoo! Web Hosting.

If you have some basic skills and want to do your own web designing, some sites provide wizard-style dialogs that help you create a basic Web site in just a few minutes. Interland provides this type of easy site building capability. Whatever your skill level, there are a number of sites that can help you launch the next Amazon.com.

Test Your Clients' Entrepreneurship Quotient

So, you've been asked to speak about small business issues and you don't know where to start? Worse, the group you're speaking to just called and needs you tomorrow! Don't panic. We have gathered some of the most frequently cited sources for statistics, data, and trends about small business. You can find this treasure trove of information under the section "Demographics" at our home

page—<http://sbdcnet.utsa.edu> (see "small business" at the bottom of the "demographics" page). We include links to the latest government statistics on small business, current trends by the Na-

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identify future success
stories?**

tional Federation of Independent Businesses, and statistics and surveys about women and minority owned businesses.

Another very useful Web site is the *StartupJournal*, *The Wall Street Journal Center for Entrepreneurship* at <http://www.startupjournal.com>. Your clients can take the self quiz to help determine their entrepreneurship quotient. The site is full of interesting articles and advice.

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