

BUSINESS

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Self-employment rising

By Liam Marlaire
Leader-Telegram staff

Mike Strand is no stranger to taking a risk.

The Eau Claire-based entrepreneur has launched a couple of successful ventures. His current project, StrandVision, uses regular televisions and other technologies to deliver information and advertising to viewers at locations such as banks, stores and hotels. StrandVision began in 2003 and has two full-time and one part-time employees.

"I started two companies because I wanted to enjoy my work and wanted to make a difference in the world," said Strand, 44. "By being a small cog in a big wheel of a larger company, I was never sure of how my contributions impacted the company and our customers.

"Although entrepreneurship has many day-to-day stresses to overcome, there is never any question as to why we are here and who we are helping."

Entrepreneurship is a growing industry. According to a McClatchy-Tribune story, the number of job hunters who decided to create a business rose 29 percent in the first three months of 2007 compared to the same period last year.

Challenger Gray & Christmas, an outplacement firm, also reported that new business owners accounted for 10.6 percent of job seekers.

The number of startups has been climbing since the second quarter of 2006, when self-employment dropped to a four-year low of 6.2 percent of job seekers. Self-employment has risen an average of 19.7 percent each quarter since.

"Although I am not in the mainstream of knowing all those involved in all entre-



Strand



Doudna

preneurial activity, I do get a lot of people who are looking for advice on business plans and general business questions," Strand said. "It seems that many students are looking to do their own thing when they get out of college.

"There also are a lot more people who have been displaced from formerly stable jobs and are tossing their hats in the entrepreneurial ring. I have discovered that once someone gets a stable job, it is much harder for them to take the risk of starting their own company — even though most people have great ideas that could easily sustain their lifestyles with the right amount of effort," Strand said.

According to the Global Entrepreneurship Monitor, about one in eight U.S. citizens between 17 and 65 is trying to start a new business. Ninety percent of those are people who saw an opportunity rather than being forced into self-employment because they can't find work.

"Many different factors can enter into someone starting their own business," said Brian Doudna, executive director for the Eau Claire Area Economic Development Corporation. "Some of the most common situations where I see a person starting a business include: losing a job, a hobby becoming a business, a change in a person's private life, or they identify a service niche that is required by a familiar industry sector.

"Many people love the idea of working for themselves because of the perceived flexibility it provides, but many are surprised by the hours it requires to become successful."

Budding entrepreneurs can turn to SCORE, a business counseling service, and other similar organizations for help.

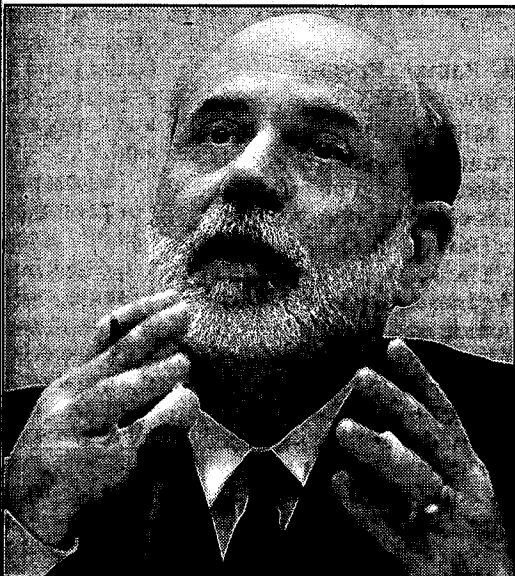
"We are fortunate to have ample resources available in the Eau Claire area to support new business development," Doudna said. "Our corporation has launched the Idea Challenge to try and help individuals with product or service ideas get beyond the concept stage. A business plan is key to thoroughly considering all aspects of a business operation.

"Also, it is important that each entrepreneur understand their market niche and what will make the customer switch to their product or service."

Patience also is crucial. "The biggest piece of advice I can offer — and have a hard time remembering myself — is that things never go as fast as you'd like them to," Strand said. "Most people have huge cash flow outlays and expect huge profits right away.

"Generally, it will take two years before any consistent sales come in. When planning your budget, plan for the worst case of no sales for two years and that it will take twice as long for development milestones. That way, you'll be thrilled when you do make a sale or get done early. In the early days of a company, it is very important to celebrate every sale and every product development milestone to keep you and your staff ready to jump over the next obstacles as they arise," Strand said.

McClatchy-Tribune contributed to this story.



Associated Press

Ben Bernanke, Federal Reserve chairman, testified Wednesday on Capital Hill in Washington, D.C., before the House Financial Services Committee.

ened," he said. Translation: Businesses with shakier balance sheets are finding it harder to get loans, and banks are less willing to lend for buyouts of companies if the deal involves issuing a lot of debt.

But these widening credit spreads — the difference in yields between different financial instruments — remain near the low end of the historical range, Bernanke cautioned, adding that bond and business loan markets remain brisk.

However, investment bank Bear Stearns confirmed Tuesday that two of its hedge funds for rich investors, which held investments above \$20 billion, have effectively gone broke because of exposure to subprime loans that had been bundled and sold into the secondary mortgage market. That's raising fears that such problems may spread further into financial markets.

Union calls for Ridder resignation

MINNEAPOLIS — Union members in the Star Tribune's newsroom called for the resignation of Publisher Par Ridder.

Ridder is being sued by the St. Paul Pioneer Press, which alleges that he took confidential information and a file of noncompete agreements, including his own, from the St. Paul paper.

Earthquake affects plant

Earthquake affected 10 people at a major plant in Japan. Mitsubishi, Japan, near the plant at day's 6.8