

Starting a Small Business in Alabama: 5 Tips from Owners

► Starting a business is an exciting step toward advancing your career, achieving your goals, or making a difference in the world. Starting a business can seem daunting, but there are many resources available to potential owners. Sometimes, there are so many resources that finding applicable advice can be a challenge.

The Auburn University Rural Partnership Institute team spoke with 31 small business owners across Alabama and asked them for advice they would give other owners or potential owners. These entrepreneurs are in a variety of industries with diverse experience, but they often offer similar advice. Here are the top five things these owners recommended:

Tip 1. Dreaming of Starting a Business? Do It.

This group of entrepreneurs advised following your heart when it comes to starting and running a business. They admitted there are many reasons not to do it, ranging from financial to reputational risks. Despite these possibilities, the risk of living a life regretting a missed opportunity might be worse. Trust your instincts and find peace in your decisions as a good indication that you are on the right path. The Alabama small business owners explained that having confidence in yourself and your business is the first step toward business ownership and success.

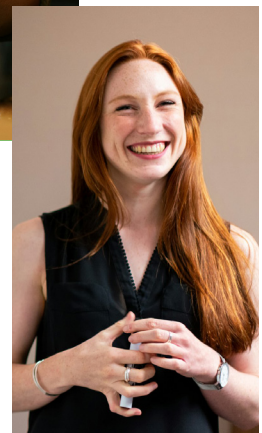


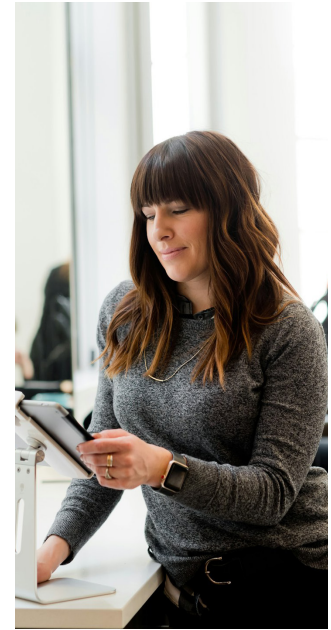
Tip 2. How to Begin? Start Slow and Small.

Self-confidence is not the same as impulsivity. The small business owners emphasized that researching your potential field of business is crucial for success. Find out how many businesses are in your market, how you plan to source materials, the rate for your product or service, and the demand in your area. Additionally, you should seek out information about what defines a quality product or service in your sector.

This type of information will help you build a business plan and mission. You can explore different business models and explain how your business will scale up as you grow. Hence, a short-term and long-term plan is necessary. An important first step in developing a short-term plan is to define the mission and goals of your business. Having a clear mission and set of goals provides boundaries, preventing “mission creep,” which is losing sight of your goals and intended market as the business grows. Setting clear goals about who you are serving, what price point and quality you are offering, and how you are distributing or delivering the product or service prevents confusion down the line for yourself, potential employees, and your customers.

Owners also recommended that you develop a backup plan for your future. Even with the best intentions and a strong business plan, the economy at large and personal circumstances can unexpectedly change. Higher education, technical training, personal savings, a will, and a succession plan are all important elements of a strong backup plan for your career, your family, and your financial stability. This plan, while it is hopefully never needed, will give you confidence and security as you move forward with your business.





Tip 3. Be in the Business.

Owners told us that one of the best parts about owning and operating your own business is getting to be the boss. However, sometimes first-time business owners misunderstand what self-employment really looks like. Especially in the first few years of running a business, owners often are fully immersed in their business. You must be “in the weeds” of the business itself until it grows enough to hire others to do these everyday tasks, when as the owner, you can then focus on the big picture. While this ability to outsource tasks to other business staff is a goal for some owners, it is not a goal for all. Many owners enjoy all aspects of management and the excitement of operating their business every day.

Both approaches to ownership are valuable, but they both require perseverance. Owners shared that potential entrepreneurs must put in the hours and do the little tasks not only to get the business off the ground, but to keep perspective as the business grows. An owner must persist through rough seasons and down cycles. For some of the owners we interviewed, that looks like taking on additional outside work for a period. For other owners, this meant the opposite: quitting salaried jobs to commit to growing their businesses. Potential business owners should have an informed idea of what time and energy will be needed to invest in their business going forward.

Tip 4. Build Your Team

Business ownership is a team effort, and owners should make a point to identify who is “in their corner” when starting a business. The owners we interviewed explained that you need people you can trust, who will be honest with you, and who might think differently than you do. These individuals should stand behind your investment of time, energy, and resources. These are the kind of people who may not be able to contribute financially but lend an ear or a hand when needed. Furthermore, these people should also be honest with you, even when the truth might be hard to hear, as honesty is often the best kind of support. This difference in perspective can also give you insight into areas you might not be considering, as well as creative solutions when you run into problems.

Identifying a mentor is a great step toward building a team. You should look for other business owners who are doing things with their business that you admire or who are running a business in a way that you admire and hope to emulate. For example, parents might be drawn to other business owners who are parents to seek advice about work-life balance. Young owners might seek out others who started businesses at a similar age. While there is always value in perspectives that might not be like yours, when seeking out a mentor, someone who has been “in your shoes” is going to be more likely to provide advice and insight to guide your decision-making.



Tip 5. Think Beyond Your Team.

Finally, beyond the people you intentionally choose to be on your team, your customers and clientele are on your team too. Owners told us their customers and clients are often their biggest advocates and cheerleaders, and it is important to return that support and respect. Small businesses do not exist without their communities, and hospitality and customer service are some of the most critical factors in local business success. Owners told us that positive interactions benefit everyone involved in a transaction and make running your business an enjoyable experience.



Conclusion

These are just highlights of the advice the owners interviewed gave for other small business owners, but they consistently agreed about their experiences. These owners are friends and neighbors, making their advice tangible, relevant, and focused on building up other small businesses in Alabama. As mentioned before, one of the most valuable things you can do is reach out to small business owners in your own life and ask them for advice. Those owners might have more to add, and those connections will help your small business if and when you decide to start your own.

By taking the risk of starting a business, you are doing the hardest part of the process by trusting yourself and your capabilities, and that risk can and should be mitigated with slow and intentional decision-making. Developing short- and long-term strategies will create a structure and guidance for all other decisions you will need to make along the way and keep you focused on your goals. All owners may not need to be full time or take steps to hire right away for their business, but you should have reasonable expectations about the time and energy needed to invest in your business going forward. When you do look to others to build your team, look for others who have time, resources, and energy to give, even if those resources are not financial. Having an honest support system is crucial to success. Finally, understand that your customers, clients, and community members are a part of that support system, and they are what makes running a small business so important for local communities and such an enjoyable experience for owners. These people will be your biggest cheerleaders to achieve your goals.

Resources

Alabama Extension has programs and resources to help Alabama's entrepreneurs transform their ideas into small businesses.

The Alabama Cooperative Extension System's [Community Resource Development](#) team is ready to assist you along your journey to small business ownership. To start, you can schedule a virtual appointment with a member of the team and begin turning your dream into reality. Just visit www.aces.edu/go/1on1s.

Be sure to sign up for the community resource development listserv to be notified about upcoming workshops, programs, and courses: www.aces.edu/go/crdinfo.

Visit [Starting a Business in Alabama](#) resource page for an overview of the steps needed to start a business.

What programs does Alabama Extension offer? Visit aces.edu to learn more.

- "The Business Model Canvas" is a multi-part series that helps entrepreneurs create a lean model canvas that can be transformed into a traditional business plan, detailing a business's mission, vision, and strategy. This program is beneficial for any entrepreneur or business owner with an idea or seeking business funding.
- "Filing for Success" is a four-part series on forming a small business in Alabama: licensing, LLCs, banking, insurance, recordkeeping, and taxes.
- "The Small Business Café" is an online learning community that provides introductory-level education on small-business topics, including marketing, access to capital, and budgeting. This community includes a Facebook group open to anyone where you can stay-up-to date on business and learning opportunities, network with other Alabama entrepreneurs, and ask questions about your business challenges.

Additional resources on the Alabama Extension website at aces.edu.

- [The Business Model Canvas](#)
- [Business Model Canvas: Feedback Loop](#)
- [Why Small Businesses Fail](#)
- [Succession Planning: Is Your Small Business Future-Ready?](#)
- [Using Artificial Intelligence in Small Businesses](#)
- [Expanding Your Small Business](#)
- [The Benefits of Shopping Local](#)



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