

Ohio | **Inc.**

Enterprise Appalachia  
**Enterprise Benchmarks**

Paper 4

## Enterprise Benchmarks: Expanding Your Market Reach

Welcome to the final installment in a series of four *Enterprise Benchmarks* white papers, brought to you by **Enterprise Appalachia** ([http://ohiomeansbusiness.com/enterprise\\_appalachia](http://ohiomeansbusiness.com/enterprise_appalachia)) and *Inc.* magazine. This series explores the ideal location selection model for entrepreneurial start-ups based on four key criteria: capital, knowledge and labor, supply chain, and market growth resources. The first three papers, "**Finding Funding**," (<http://images.inc.com/ohio/Ohio-Whitepaper-1-2.pdf>) "**Building Your Knowledge Base**" (<http://images.inc.com/ohio/ohio-whitepaper-2-2.pdf>) and "**Real Best Practices for Supply Chain Optimization**," (<http://images.inc.com/ohio/ohio-whitepaper-3.pdf>) focused on the types of funding most commonly required by small businesses and where to find the financing you need, educational resources and techniques for supply chain optimization. This last entry in the series offers practical perspectives on business expansion, along with real-world examples.

## 1. Introduction

Regardless of the industry they are in, most new businesses go through similar stages of development in their early years. A classic study of small business growth<sup>1</sup> described the first stage as “existence,” with the main challenges a business faces during this period being simply getting enough customers and delivering products or services efficiently enough to establish its viability. Stage two is “survival,” and the focus shifts to generating enough revenue over the short term to break even, stay in business and provide sufficient income to support the owners. Many small businesses never progress beyond this stage, earning marginal returns on invested time and capital and closing up shop when the owner retires or simply pulls the plug. In fact, about 97% of all new businesses never take the next step, according to the U.S. Small Business Administration Office of Advocacy.<sup>2</sup>

Those businesses that do progress to the next stage—“success”—enter into a whole new world of opportunities, but it’s one accompanied by significant challenges and tough choices. Most often, this transition takes place when a business’s current target markets and/or channels begin exhibiting a diminishing rate of return. “You tend to pick off the low-hanging fruit in the early stages,” says Pamela Springer, CEO of Manta Media, a provider of small-business information based in Westerville, Ohio.

A company faces two distinct challenges at this point. First, its initial universe of customers cannot provide sufficient revenues and profits to sustain the company’s existence. Second, expanding the universe of customers requires the company to enter uncharted territory in terms of new markets, new channels, new products/ services, new types of customers or some combination of those elements. This white paper looks at factors involved in taking a small business to the next level, various options for pursuing growth and expansion strategies, and resources available to small business owners to help them make the right choices and implement their decisions.

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<sup>1</sup> “The Five Stages of Small Business Growth,” Neil C. Underhill and Virginia L. Lewis, *Harvard Business Review*, May-June 1983.

<sup>2</sup> *Small Business Growth: Searching for Stylized Facts*, working by Brian Headd, U.S. Small Business Administration Office of Advocacy, and Bruce Kirchoff, New Jersey Institute of Technology, October 2007.

## 2. Making the Decision To Expand

How can you tell if you've reached a critical juncture in your business and need to think about expanding your market reach? "Clearly, a slowing of growth in your established revenue base is one of the most obvious signs," says Barry Sloane, CEO of New York-based Newtek Business Services, a non-bank U.S. Small Business Administration (SBA) lender and provider of business services and financial products to more than 100,000 small and medium-sized businesses throughout the U.S. Other indicators include running out of space in your current location, information technology (IT) needs that have expanded beyond your current capacity to meet them, a big increase in inbound marketing inquiries and the emergence of external trends in the marketplace that seem likely to increase demand for your products or services.

Small businesses basically have two options at that point, says James Sinclair, a principal in OnSite Consulting, a nationwide business consultancy based in Los Angeles that specializes in the hospitality industry. They can pursue organic growth, taking steps to position the company to capitalize on opportunities existing in their current marketplace. "The risk is low in this option, and therefore the reward is exponentially smaller," he says. Or they can choose an "all-in" strategy, making leveraged moves that create exposure and risk for the company but also create the opportunity for big rewards. This is a "make-it or break-it scenario" and usually requires additional funding, Sinclair notes.

### Multiple approaches to market expansion

There are many viable ways to expand your market reach, and all come with varying degrees of risk and potential upside gain. Examples include:

- **Multifaceted diversification.** This involves expanding into new product/service categories and new markets simultaneously. It is a relatively high-risk strategy because you must deal with multiple variables with which you may have little or no prior experience. But higher risks can return high rewards, i.e., the potential for a "home run" new product or customer base.
- **Product/service development.** This is a lower-risk approach to growth because you are dealing with a single variable. It works best for companies with an established customer base that has expressed an interest in buying

additional products/services similar to those you already offer. It is not risk-free, however. The new product development cycle may take longer than anticipated and require constant fine-tuning.

- **Greater penetration of your current market.** The objective of this strategy is to claim a greater share of your existing market by selling the same products/services to more customers and/or by getting your existing customers to buy more of what they already buy. It generally requires a competitive point of difference (lower prices or a clearly superior product or service, for example) to succeed.
- **Market development.** This is the most common choice for small businesses because it offers the most options at potentially the lowest cost, depending on the channels chosen for expansion. Businesses can choose to market their existing products and services to the same kinds of customers in other parts of the country—or the world—and/or to a completely new kind of customer. Business-to-business (B2B) companies can easily expand their marketing push to customers in industries other than the ones they originally targeted. And with Internet-based strategies, it can be done cost-effectively.

Because the multifaceted approach creates the greatest number of opportunities for customer interactions, it offers the greatest potential for reward. Using low-cost strategies such as Web marketing, e-commerce and distributorship deals rather than opening new facilities helps lessen the risk. Small and medium-sized businesses (SMBs) in the industrial sector are doing just that.

According to a recent survey of industrial companies (about 70% of which have fewer than 50 employees and annual sales of less than \$10 million)<sup>3</sup>, the U.S. industrial sector grew at a much faster pace than the national economy in the second half of 2009. The top two strategies cited by companies reporting growth were selling into new customer segments (36%) and introducing new products or services (33%). “More significantly, the most successful growth companies were the ones that teamed those two strategies with a Web strategy,” says Susan Orr, senior director, strategic marketing, at ThomasNet, a company that helps buyers and sellers of industrial products connect with each other.

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<sup>3</sup> ThomasNet Industry Market Barometer, April 2010.

## Expansion Case Study: Diagnostic HYBRIDS, Inc.

Partnering with another successful company is often the best way for a fast-growing “gazelle”—company—one that grows at an annual rate of 20% or more—to achieve the next level of performance, and that’s just what Diagnostic HYBRIDS, Inc. (DHI) did. Like most biotechnology startups, Athens, Ohio-based DHI had a long gestation period. Founded in 1983, the company was in existence for 10 years before it launched its first marketable product. It was able to survive as a fledgling enterprise with about a dozen employees during that early period thanks to the care, nurturing and support it received as part of the Ohio University community where it was founded, president David Scholl said in a 2009 interview with hiVelocityMedia.com, an online magazine focused on Ohio’s transitioning economy.

Its relationship with Ohio University continued to play an important role through DHI’s first two decades of existence. In 2000, for example, the company partnered with the university on a \$1 million grant from the Ohio Third Frontier’s Action Fund, helping to lure a prominent scientist to the team. DHI really began to hit its growth stride about five years ago; it was named one of the 500 fastest-growing companies in America by Inc. magazine in 2004 and 2005 and it posted a 75% increase in jobs—to about 225 employees—between 2005 and 2009. Ultimately, it developed into a market leader in manufacturing and commercializing direct fluorescent in vitro diagnostic assays used in medical laboratories for a variety of diseases, including viral respiratory infections, herpes and thyroid diseases.

With 2009 sales of \$51 million, up 34% over the previous year, it became clear that the company needed a new strategy to support its burgeoning growth. It had all the elements of a true gazelle enterprise in place, including control of its overhead cost structure and historical sales performance to support projections of future demand for its products. DHI’s leadership team decided merging with an appropriate partner was the most efficient way to go, and it found one in Quidel Corporation, a San Diego-based company that is a market leader in rapid point-of-care diagnostic tests. Quidel completed its acquisition of DHI in January, 2010, for about \$130 million in cash. DHI continues to operate as a separate subsidiary of Quidel, with Scholl remaining as president.

“Quidel is a synergistic and cultural fit for Diagnostic HYBRIDS, and this transaction presents us with an excellent opportunity to have a larger presence in our markets and to leverage key aspects of our research and development teams to accelerate product development,” Scholl said in a February 19, 2010, joint press release with Quidel announcing the deal. “Our combined organization will have greater channel strength, and together we will provide our customers a full-service offering of best-in-class diagnostic products.”

## 3. Strategies and Tactics to Consider

There are many different ways to get your products and services in front of new customers, from virtual channels like eBay and e-commerce to boots-on-the-ground tactics like branch outlets and satellite offices. Following are some to consider.

- **Open additional locations.** This is the first thought that pops into the heads of many small business owners when their original venture starts to take off. It can make sense in some cases, such as when the original outlet has unique attributes that contribute to its success and can be easily replicated elsewhere, or if you need additional space for activities such as manufacturing but expansion of your current location is not a viable option. However, this is one of the most expensive ways to expand and almost always requires significant additional funding, so it makes sense to consider all other options as well.

If physical expansion is the route you choose, start by doing a full business plan for the new location. Make sure you have the administrative, managerial, financial and other resources in place to support the launch. Location, of course, is key, especially access to transportation if distribution is an important part of your business model. Situated within 600 miles—a day's drive—of 60% of the U.S. population, Appalachian Ohio is a prime location for many types of businesses. It offers easy access to three of the state's four largest airports and is close to Pittsburgh's huge international airport. Appalachian Ohio has 5,800 miles of rail track (4,500 miles of Class I Rail) and borders 450 miles of the Ohio River, which carries as much freight tonnage as the Panama Canal every year. Ohio also boasts the fourth-largest Interstate highway system of any state. (For more information, visit the **Enterprise Appalachia "Market Access page** [http://ohiomeansbusiness.com/enterprise\\_appalachia/market\\_access/](http://ohiomeansbusiness.com/enterprise_appalachia/market_access/)).

- **Franchise your business.** Franchising shifts much of a business's expansion costs to other entrepreneurs, who open additional outlets as franchisees, using the franchisor's trade dress, business model and operations and management procedures. Franchisees own their businesses individually

but pay ongoing royalty and advertising/marketing fees, typically amounting to 5%-10% of revenues, to the franchisor. In exchange for this ongoing revenue stream, the franchisor provides training, marketing, advertising, group buying power and other ongoing support. In most cases, franchisees also pay an initial fee in exchange for the franchisor's help with launching new outlets. The **International Franchise Association** ([www.franchise.org](http://www.franchise.org)) is a good starting point for entrepreneurs interested in exploring this means of expanding their market reach.

Notwithstanding its many advantages, franchising as a method of expanding your market reach is only appropriate for certain kinds of companies, advises Andrew Sherman, an adjunct professor who teaches courses on business growth, capital formation and entrepreneurship in the MBA programs of Georgetown University and the University of Maryland and is a principal in Grow Fast Grow Right Enterprises LLC, a consulting and training firm headquartered in Rockville, Maryland. "The most important prerequisites are the operation and management of a successful prototype and a business and financial model which makes sense for both franchisor and franchisee," he says. "Franchising should not be viewed as a solution to undercapitalization or as a get-rich-quick scheme." While expanding through franchising is less capital-intensive than building company-owned sites, Sherman warns that start-up costs to launch a franchising program can be extensive.

- **Explore strategic partnerships.** "Before trying any other strategy, I'd look at partnering with another business that's already active in a market or audience segment you'd like to reach, and seeing if you can structure a deal that makes it advantageous for them to put your products or services in front of their audience," suggests Shel Horowitz, a small business consultant based in Hadley, Massachusetts. Yoon Cannon, president of Paramount Business Coach, based in Doylestown, Pennsylvania, says you can multiply the impact of your marketing initiatives by teaming up with one or more complementary businesses. "Joining forces can be as simple as a joint direct mail campaign or as involved as an alliance of businesses sponsoring a special event," she says. "Plus, multiple businesses together will always add more value to the end customer who attends the event, besides expanding the market reach of each of the businesses participating in the event."

Some small businesses, particularly in the manufacturing sector, find distributorships or authorized reseller arrangements a good way to expand market reach, especially into distant locales, such as international markets, which would be prohibitively expensive to access directly. While profits are shared with the distributor or reseller, the partnering entity also assumes much of the risk. Licensing is another strategy small businesses can leverage to reach new markets in a cost-effective manner requiring minimal capital outlay and a manageable degree of risk.

- **Consider a merger or acquisition.** This makes the most sense when both companies are involved in similar or complementary businesses and are likely to be worth more as a single, combined unit than they were as separate entities. Fast-growing companies that have their overhead cost structure under control and a historical sales performance track record that supports forecasted demand for its products or services are the best candidates for this approach to market expansion (*see, for example, "Expansion Case Study: Diagnostic HYBRIDS, Inc.," above*). By combining the complementary resources of two companies, mergers and acquisitions can expand the market reach of both participants, reduce expenses by providing economies of scale, provide tax benefits in some cases and eliminate other inefficiencies. However, mergers and acquisitions tend to be complex transactions requiring the expertise of third-party professionals such as lawyers, accountants, brokers and business valuation experts. A significant upfront investment may be required to determine all the associated costs and potential benefits and pitfalls.
- **Make the Federal government your customer.** Some small business owners are under the mistaken impression that the only way to do business with the Federal government is by competing against much larger enterprises. In fact, to ensure that small businesses get a fair share of government's roughly \$425 billion annual spending on products and services<sup>4</sup>, contracting goals have been established by law for Federal executive agencies. These goals call for 23% of prime contracts to go to small businesses, 5% of prime contracts and subcontracts to go to women-owned small businesses, 3% of prime contracts to HUBZone small businesses, and 3% of prime contracts

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<sup>4</sup> *Opening Doors: Small Business Opportunities in Federal Government Contracting*, U.S. Small Business Administration, [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/serv\\_pub\\_contracting.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/serv_pub_contracting.pdf)

and subcontracts to service-disabled veteran-owned small businesses. What's more, the government uses many business-friendly practices, such as buying off-the-shelf items and paying by credit card, and it generally pays its bills within 30 days of receiving an invoice.

For the purpose of determining eligibility for these set-aside contracts, the government defines small businesses by industry segment. In manufacturing, for instance, firms of up to 500 employees are eligible, while the cap is 100 employees in wholesale trade. It uses annual revenues as the differentiator in other segments: up to \$7 million for most business and personal services firms, but no more than \$4.5 million for architectural/engineering/surveying and mapping firms or dry cleaning/carpet cleaning firms. Participating firms must complete the Federal government's Central Contractor Registration process and be willing to learn and follow an extensive set of guidelines, but there is lots of help available at the **SBA site** ([www.sba.gov/contractingopportunities](http://www.sba.gov/contractingopportunities)).

## SCORE's Top Secrets for Small Business Success

1. Grow your customer base.
2. Expand low-budget marketing.
3. Surround yourself with experts.
4. Add e-commerce through a web site.
5. Create experience events to draw in customers.

## Expansion Case Study: SenSource

Joe Varacalli, an electrical engineer with two decades of experience in sensor manufacturing, and Kevin Stefko, a veteran district sales manager, started SenSource in 2002 with \$3,000 in cash and a couple of credit cards. The Youngstown, Ohio, firm doubled in size annually for the first five years of its existence; since then, it's been growing at a consistent rate of 20%-30% a year. Its 2009 sales of more than \$3.1 million were up 25% over the previous year, prompting it to increase staff by 20% and expand its product line, and it projects a 30% sales gain for 2010. While Varacalli, SenSource's president, credits several factors for its success, expanding the firm's reach to new customers has been a big one.

SenSource started out as a supplier of sensors, controls and value-added customer solutions. “Industrial automation was our first target market, but we quickly added others as they surfaced through our Internet keyword marketing campaigns. After our first year, we realize our original target was much too narrow,” Varacalli explains. Spurred by inquiries from potential new customers, the firm began designing and manufacturing high-tech counters that track people through body heat, providing an accurate way to measure traffic in retail and similar settings. “Our market has expanded and shifted greatly since we began. We now target business-to-business retail, libraries, museums, shopping centers, malls and entertainment facilities,” he says.

Among the well-known names now dotting SenSource’s customer list are Disney, Abercrombie & Fitch, Vitamin World, Sportsman’s Warehouse and Advance Auto Parts. The Greater Cleveland Rapid Transit Authority uses its products, and it now has customers in more than 40 countries. The Internet has been the most important driving force behind the expansion of SenSource’s market reach, Varacalli says, and it has added reps in other countries to help bridge the language and time-zone gaps.

Up next is more of the same. The company is gearing up to break into additional markets with a new product line of environmental monitoring sensors and software. It plans to target customers in healthcare, food storage, museums and other sectors where there is a need to monitor areas and items that are sensitive to temperature and/or humidity. With its tremendous success at expanding its market reach, SenSource has been able to finance all its growth internally. “We briefly considered seeking additional funding, but we have been blessed with low overhead, great staff and nice profit margins,” Varacalli reports. “We are more than happy with a methodical but consistent and controlled growth.”

## 4. Other Considerations

Self-funded expansion success stories like SenSource's are the exception rather than the rule. Most small businesses that reach the third stage of growth ("success") and want to move to the next level require some financial help. "Now is the time to meet with a representative at a Small Business Development Center (SBDC) and develop a plan to convince a lender that you are ready to take your business to the next level," says Thomas Mueller, Ohio district director for the SBA. There are dozens of SBDCs in Ohio; you can find the one closest to you at the **Entrepreneur Ohio site** (<http://www.entrepreneurohio.org/Mapresults.aspx?showall=y&groupby=area&hideeventonly=y>).

Fortunately, access to additional funding becomes somewhat easier for businesses that have made it to this point. If you have a documented performance record, are turning a profit and have some collateral in the business, traditional lenders such as banks may be an option. Although small business lending by national and regional banks dried up during the recession, many community banks and, especially, credit unions have kept credit flowing to small business customers. Credit union portfolios of SBA 7(a) small business loans grew from \$125 million in 2004 to almost \$500 million in 2009.<sup>5</sup>

### Catching the eye of VCs

Small businesses also become more attractive to venture capital firms at this stage of their development, but they have to be able to make a strong case in their favor. "They need to show that top-line revenue growth will accelerate and provide a strong rationale for why that will happen," says Lynn Gellerman, founding partner and president of **Adena Ventures (www.AdenaVentures.com)**, which invests in early and growth-stage companies in Appalachia. Companies must demonstrate that they have control over operating expenses and a business model that works and will scale, adds Gellerman, who is also executive director of **TechGROWTH Ohio (www.techgrowthohio.com)**, which connects early-stage, technologically innovative companies with valuable tools for growth and sources of capital.

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<sup>5</sup> Remarks of Karen Mills, SBA Administrator, to National Association of Federal Credit Unions Congressional Caucus, Washington, D.C., Sept. 22, 2009.

Karl Elderkin, founder and managing partner of **Athenian Venture Partners** ([www.athenianvp.com](http://www.athenianvp.com)), based in Athens, Ohio, advises stressing to venture capitalists that your startup venture is now an established business. “You want to leverage and emphasize the fact that you’re now past the idea stage,” he says. “You already have a product or service and, presumably, some revenue. Those are your greatest strengths at this point and your biggest advantage over a startup business.” In addition, he says, continue to look for community and government grants and funding from state and federal programs for disadvantaged geographies and minorities, if you qualify. Those sources of funding are not necessarily restricted to startup companies and may be available to help fund your market expansion efforts.

## People and processes are important

A mistake that too many small businesses make when the time comes to expand their market reach is failing to engage their workforces in the effort, says Rick Maurer, consultant and author of “Beyond the Wall of Resistance” and other books on leading change. “You need these people to help lead the expansion. If they are not engaged or resist the change, you’re in trouble,” he says.

Maurer advises pulling managers and staff into the loop, letting them know what you’re thinking of doing—and why it’s important to expand. “Forgetting to explain why it’s important can be a costly mistake,” he warns. “Let them know how they fit in, and ask for their help in planning.”

While most small businesses are driven in large part by the strength of the founder’s entrepreneurial spirit in the early stages, a more defined management structure, formalized processes and procedures, a financial monitoring system and internal control systems will be required as the company moves into the fourth stage of growth, “take-off.”<sup>6</sup> This may entail bringing in new management personnel, implementing organizational systems and structures and undergoing fundamental shifts within the organizational processes. As organizations make the transition from startup to growth, they become increasingly complex, formalized and decentralized.<sup>7</sup> While those qualities might ring of “anti-entrepreneurialism,” they are needed for the business’s progression to the next level.

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<sup>6</sup> *Op. cit.*, Underhill and Lewis.

<sup>7</sup> *Sustainable Growth for the Small Business: A Theory of Organizational Transition*, white paper by Emeric Solymossy, Western Illinois University – Quad Cities, and Atilio Armando Penna, Capital Federal, 2001.

## 5. Conclusion

Statistically, very few businesses ever go much beyond a subsistence existence and achieve fast growth after their initial startup period—just 3%, according to the SBA research cited at the beginning of this paper.<sup>8</sup> Still, that amounted to almost 140,000 firms in the sample examined by the study’s authors in 2007. The researchers behind the famous study of small business growth also cited at the top of this paper concluded there are eight factors prominent in determining the ultimate success or failure of a small business. Four relate to the business itself, four to the owner. For the business, those that matter most include:

- Financial resources, including cash and borrowing power.
- Personnel resources, relating to numbers, depth and quality of people, particularly at the management and staff levels.
- Systems resources, in terms of the degree of sophistication of both information and planning and control systems.
- Business resources, including customer relations, market share, supplier relations, manufacturing and distribution processes, technology and reputation.

For the owner, it comes down to:

- Your goals for yourself and the business.
- Your operational abilities in doing important jobs such as marketing, inventing, producing and managing distribution.
- Your managerial ability and willingness to delegate responsibility and to manage the activities of others.
- Your strategic abilities for looking beyond the present and matching the strengths and weaknesses of the company with your goals.<sup>9</sup>

While a small business’s growth, expansion of market reach and ultimate success can be affected by many factors—some within the business owner’s control, others not—staying focused on the eight factors mentioned above and taking advantage of all the many resources available to small businesses should greatly increase your chances of ending up in the 3% that go on to bigger and better things.

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<sup>8</sup> *Op. cit.*, Headd and Kirchhoff.

<sup>9</sup> *Op. cit.*, Underhill and Lewis.

## Enterprise Appalachia Resources: Market Access

Starting or locating your business in the Enterprise Appalachia Region provides you with unbeatable access to Midwestern, Central Canadian and Mid-Atlantic markets. You will be able to cost effectively get your product to market. Your business will be within 600 miles of 60% of the U.S. population and 50% of the Canadian population. Easy, affordable access to your potential customer or consumer base translates into the potential for improved margin to help you achieve profitability more quickly.

To learn more about the resources that can help speed you and your business to market, check out the following links:

- **Airports** ([http://firstohio.com/Economic/ED0701\\_airports.aspx](http://firstohio.com/Economic/ED0701_airports.aspx))
- **Highways** ([http://firstohio.com/Economic/ED0704\\_Highways.aspx](http://firstohio.com/Economic/ED0704_Highways.aspx))
- **Rail** ([http://firstohio.com/Economic/ED0702\\_railservices.aspx](http://firstohio.com/Economic/ED0702_railservices.aspx))
- **Waterways** ([http://firstohio.com/Economic/ED0703\\_waterport.aspx](http://firstohio.com/Economic/ED0703_waterport.aspx))

## Enterprise Appalachia: The Right Resources in the Right Location

Ohio's 32 Appalachian counties are well-known for their beautiful scenery, rich culture, and timeless traditions; they also boast a welcoming business climate, skilled workers with a strong work ethic, and an affordable cost of living. The traditional assets that have been the foundation of the Appalachian region's economy for centuries are supporting new and emerging opportunities for the region today.

**Enterprise Appalachia** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/](http://ohiomeansbusiness.com/enterprise_appalachia/)), an initiative developed by the Governor's Office of Appalachia, was created specifically to help make entrepreneurs aware of all the benefits and resources the region provides.

Choosing a location is an important strategic choice, one that should be based on a thorough consideration of established criteria and relevant data. Entrepreneurs must set aside stereotypes, prejudices, and preconceived notions and make the choice accordingly based on solid, accurate information. Enterprise Appalachia is all about offering the useful insights and resources that can help you make the choice.

The website offers access to a wide range of resources offered by the region, including **Capital** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/capital\\_access/](http://ohiomeansbusiness.com/enterprise_appalachia/capital_access/)); **Knowledge & Labor** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/knowledge\\_labor\\_access/](http://ohiomeansbusiness.com/enterprise_appalachia/knowledge_labor_access/)); **Supply Chain** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/supply\\_chain\\_access/](http://ohiomeansbusiness.com/enterprise_appalachia/supply_chain_access/)); **Markets** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/market\\_access/](http://ohiomeansbusiness.com/enterprise_appalachia/market_access/)); **Life Balance** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/access\\_your\\_life/](http://ohiomeansbusiness.com/enterprise_appalachia/access_your_life/)); and much more.

For today's capital investor, every dollar is a precious commodity. The more investment capital that actually makes it to product development and commercialization, the greater is the probability of success, and the faster is the return on investment. That's why site selection is so critically important. The ideal location maximizes the value of the investment by delivering a perfect balance between access to mission critical resources and low overhead costs—a balance that can be found in Appalachia.

## Successful Site Selection, Successful Business

The location needs of entrepreneurs are different from those of established businesses. Most startups and early-stage businesses don't have the same level of available financing. They don't have internal laboratories and R&D departments or supply chains. While an established business has the ability to draw from its existing networks to find what it needs, an entrepreneur must find the perfect balance of resources and low costs. All of those needs make selecting the right site—one offering the resources to answer a wide array of entrepreneurs' challenges—critical. For the entrepreneur, getting it right the first time is imperative.

Appalachia Ohio's Counties offer access to these resources and much more. Go to **Enterprise Ohio's "Ideal Site Selection Criteria" page** ([http://ohiomeansbusiness.com/enterprise\\_appalachia/ideal\\_selection\\_criteria/index.php](http://ohiomeansbusiness.com/enterprise_appalachia/ideal_selection_criteria/index.php)) to learn more about all the tools the region features—not just to get you off to the right start, but to keep you on the path to success.