

Helping Small Businesses Score

An Interview with W. Kenneth Yancey, Jr.,
Chief Executive Officer, SCORE Association

EDITORS' NOTE W. Kenneth Yancey, Jr. represents SCORE nationally before the media, industry leaders, and in Congressional testimony and serves as SCORE's chief liaison with the U.S. Small Business Administration (SBA). Yancey speaks nationally on the topics of entrepreneurship, nonprofit management, small business trends, and mentoring. He has presented at conferences for the American Society of Association Executives (ASAE), BoardSource, and panels for the SBA.



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Yancey has appeared on MSNBC, CNN, CNBC, Fox, PBS, and numerous national and regional radio programs. Prior to joining SCORE, Yancey served as Executive Director for the Dallas-based National Business Association. Before this, he held executive positions in the banking industry. Yancey is a member of the American Society of Association Executives (ASAE). He serves on the Small Business Advisory Council at the U.S. Chamber of Commerce. He received a bachelor's degree in business administration and finance from Texas A&M University.

ASSOCIATION BRIEF Headquartered in Herndon, V.A. and Washington, D.C., the SCORE Association "Counselors to America's Small Business" is a volunteer organization created by Congress in 1964 to help U.S. small businesses get started and flourish. Many of its volunteers are retired businessmen and businesswomen, representing roughly 300,000 years of business experience who operate 370 chapters across the country and offer one-to-one counseling and workshops to aspiring entrepreneurs. Through SCORE's work, roughly 20,000 new U.S. small businesses get started each year. SCORE is a resource partner with the U.S. Small Business Administration.

What difference does SCORE make?

From our standpoint, business creation equates to job creation, and given that we're creating about 20,000 new businesses each year, and we know that each SCORE client will create roughly 3.2 employees, we think we are making a significant contribution to the economy, especially now, when the focus is on job creation.

What are SCORE's biggest success stories?

We've had some excellent success stories. They run the gamut from Jelly Belly to Vera Bradley, and from Allen Edmonds shoes to the Vermont Teddy Bear Company. Some of the best ones are businesses that aren't well-known, but they make a major impact in their communities.

The reason SCORE volunteers are so valuable is they live in your community, they understand it, they know what businesses are successful, and they provide some on-the-ground knowledge. And many of our

volunteers benefited from SCORE counseling when they got going and are coming back and volunteering.

Is there a greater demand for your services now?

Even in these difficult times, businesses are starting. A lot of individuals who have been laid off from larger organizations are going to find themselves looking to small business ownership and self-employment as a career alternative. We're expecting to see a lot more start-ups.

Clearly, though, it's not easy to get going and to continue to grow. Access to capital is difficult. Right now, without a really solid plan and a good feasibility study, it's very difficult to get bank financing. The market will not tolerate a marginal plan and, quite honestly, the market will not tolerate a marginal business. We still see businesses that are struggling for clients who are looking to develop new products, new avenues, new niches, and are bundling products differently. Businesses are looking at a more effective management of cash flow and managing their debt.

How would you describe these individuals who are coming out of large organizations and starting businesses from scratch?

We call them accidental entrepreneurs, unexpected entrepreneurs, and incidental entrepreneurs. It really takes somebody who is motivated to start a business. Entrepreneurs are a bit of a different breed; they have a drive to create something. But entrepreneurship is not for everybody, and there are ways you can assess whether it's right for you. There are some people who are better off working for someone else, and there is nothing wrong with that. But it's important to know that before starting out on your own. You're going to be your own boss

and you may think you will get to choose which of the 24 hours you are going to work each day, but often, it's going to be all 24 of those hours. It's a very different, challenging, and rewarding lifestyle, but not for everybody.

Isn't now a bad time to start a new business?

It's always the right time for a good idea. If it's well thought out, and you can demonstrate that people are going to buy your product or service at the right price point, it's always the right time. It might be a little bit more difficult, but that doesn't mean it can't be done. But sitting on the sidelines and waiting for things to improve doesn't make sense either, because there is not a lot of opportunity on the sidelines right now.

There are some great tools out there to help people get started. There is lots of information and social networking opportunities, and you can go to SCORE or some mentor or coach and take what you have learned and turn it into a real business.

What can you learn from entrepreneurs that you cannot learn in a classroom or from a textbook?

It's the "been there, done that" factor. Certainly, education is wonderful, but there are lots of ways to learn. The lifetime learners, the people who consume knowledge on an ongoing basis – whether it's in a formal setting or on the job or by meeting people and asking lots of questions – are the people who typically succeed. And we can help there, because SCORE volunteers have had the kind of experience anyone can learn from. They've made payroll, and they've sweated, and they've gone to the bank to ask for working capital. One of the most important things they've done is they've failed, and they've learned from those failures. So they give business owners and potential business owners an opportunity to learn from these mistakes and lessons.

We have volunteers who have operated Fortune 1000 companies, and we have volunteers who have started small businesses or run franchises. We have volunteers who have operated internationally and who have sold services to the government, which it turns out is very helpful these days, with all the stimulus dollars flowing to states and localities. There is a lot of experience there that's really valuable. ●