

Bill Cole with Pfister

Ready, set, launch

With layoffs mounting, many are thinking about starting their own businesses

SCOTT DANCE | STAFF

Shara Darden had a longtime passion for dance, but it wasn't until last summer when she decided to make the leap to leave her job as the marketing vice president for a nonprofit and start her own dance studio.

She opened her doors in September — just in time for one of the steepest stock market crashes and global recessions in a generation.

Yet her business, Studio Inspire in Columbia, has seen consistent growth. But she knows things could be different. Since launching, she has seen customers

scale back their spending because they or their family members have gotten laid off. But she's still trying every way she can think of to get the word out about her studio. Because if it can survive now, it can survive anytime.

The current business environment is a Catch-22 for many. What better time to take a risk on starting your own business when you have nothing to lose?

"When somebody's employed, making that leap to be the entrepreneur seems like this huge risk," said Art Jacoby, a business consultant and owner of Jacoby LLC. "But when you're laid off or just moving on, people take a very different view."

At the same time, the risk of a new business failing could hardly be greater than it is now. Those who have done it

say it's full of challenges and has required them to get creative and resourceful to stay afloat.

Anecdotally, many say there has been an uptick in new businesses being created. Because as the economy sheds jobs — 207,000 were looking for work in Maryland in March — there are fewer options. But some numbers show the downturn depressing business creation numbers.

Robert Young, deputy director of the Maryland Department of Assessments and Taxation, said his office started seeing a decline in the number of new business license applications in September. The department, which processes new business license applications, uses new corporations and new limited liability companies, or LLCs, as a barometer for activity.

Three quarters of the way through the current fiscal year, the number of new corporations created in the state is at 59 percent of its total from the previous fiscal year. The number of new LLCs formed — which is largely done for real estate transactions, Young said — is at 62 percent of the previous year's total. And Young said the pace doesn't typically pick up considerably in the last few months of the fiscal year, which ends June 30.

While there are hurdles, some who have made the effort to start a business have found ways to get their ideas off the ground.

For Darden, that means networking in every way possible. She has reached out



to various business networking groups in Howard County, and is also testing the waters online on Facebook and LinkedIn. As online social media usage grows, particularly among businesses, it is becoming a way to level the playing field in marketing, Jacoby said.

"The rise of social networking makes barriers to entry lower," he said. "The cost of marketing yourself is dropping precipitously."

For Bill Cole, it was easier to take the risk because he's partnering with an existing company — one that is also still his employer.

Cole started Pfister Energy in Baltimore in January. He had seen the attention given to growth and demand for solar energy during the past few years. He decided he could break into the business without completely going out on a

The state counts new limited liability companies and new corporations as benchmarks for new business growth.

New LLCs	New Corporations	Total
Fiscal year 2007	29,671	13,968
Fiscal year 2008	29,678	13,508
Fiscal year 2009*	18,579	8,035

*Through March 31. Fiscal years run July 1 to June 30.

Source: Maryland Department of Assessments and Taxation



NICHOLAS GRINER | STAFF

limb by staying and partnering with his family-owned business, Cole Roofing Inc., where he is still a vice president who oversees sales.

"I'm able to leverage that I've got the equipment and the manpower of a 90-year-old roofing company," Cole said.

So far, he splits his time fairly evenly between the two companies as he drums up business. Some days that means spending more time digging up leads for solar system sales; others, it means working with roofing clients all day, and then catching up on Pfister at night.

The partnership has provided support as he and his clients find it difficult to finance tens of thousands of dollars worth of solar panel systems. He was, however, able to get some family members to invest, and because of Cole Roofing's relationship with M&T Bank, was also able

to get a loan there.

Like Cole, Rachel Taylor has started a new business while still minding an existing venture. But she got a stronger push this year to start her new company, Clever Clips, because of a downturn in her other business, Athena Stone, a contractor that does stone work.

Taylor originally got the idea for Clever Clips when she was at Loyola College in the master's of business administration program. While running late to class one morning, she threw a sock clip in her hair, and has been using one to fix her hair ever since. She even did a mock product marketing project on the clip in her MBA program. But it wasn't until her other business started to falter during the past three years that she decided to take the plunge.

She is working on getting her prod-

uct into mall stores like Claire's, but is finding trouble because slow consumer spending has diminished retailers' appetites for new products. And Taylor says she understands that, so she is trying to meet potential partners where they are. That means, for example, redesigning her packaging for Claire's to reduce costs, in an effort to strike a deal. Her clips, which resemble the small hanger that socks are packaged around, sell for \$10 apiece.

Taylor also has found that she has gotten some opportunities she might not otherwise have because business is slow everywhere. She signed a deal for an injection molding company in Utah to produce several thousand of her clips, but figures during better times, they might be busy with larger orders. These days, they'll take any business they can get.



Helpful Hints

- **If possible**, lay the groundwork for a new company while you are employed.
- **Focus** your new venture on what you know and love. Where is your expertise?
- **Have at least** one client lined up before you officially launch a business.