

# Knowing the Common Struggles Small Businesses Face Off



Preparing people to lead extraordinary lives

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## Abstracts

One of the most common struggles for small businesses is financial constraints. Many small businesses are started with limited capital and may struggle to secure additional funding to help them grow. This can make it difficult for small businesses to invest in marketing efforts, purchase inventory, or hire additional staff. Additionally, small businesses may experience cash flow problems, which can make it difficult for them to pay their bills on time and meet other financial obligations.

Marketing is another area where small businesses often struggle. Many small business owners lack the expertise or resources to develop and implement effective marketing campaigns. Without a strong marketing strategy, small businesses may struggle to attract new customers and build brand awareness. This can make it difficult for them to compete with larger, more established businesses in their industry.

Staffing is also a common struggle for small businesses. Hiring and retaining skilled employees can be challenging, especially for small businesses that may not be able to offer competitive salaries or benefits packages. Small businesses may also struggle with employee turnover, which can create additional staffing challenges and increase hiring costs.

Other challenges that small businesses may face include regulatory compliance, competition from larger businesses, and technology-related issues. Regulatory compliance can be a complex and time-consuming process, and small businesses may struggle to stay up-to-date with changing laws and regulation.

## Introduction

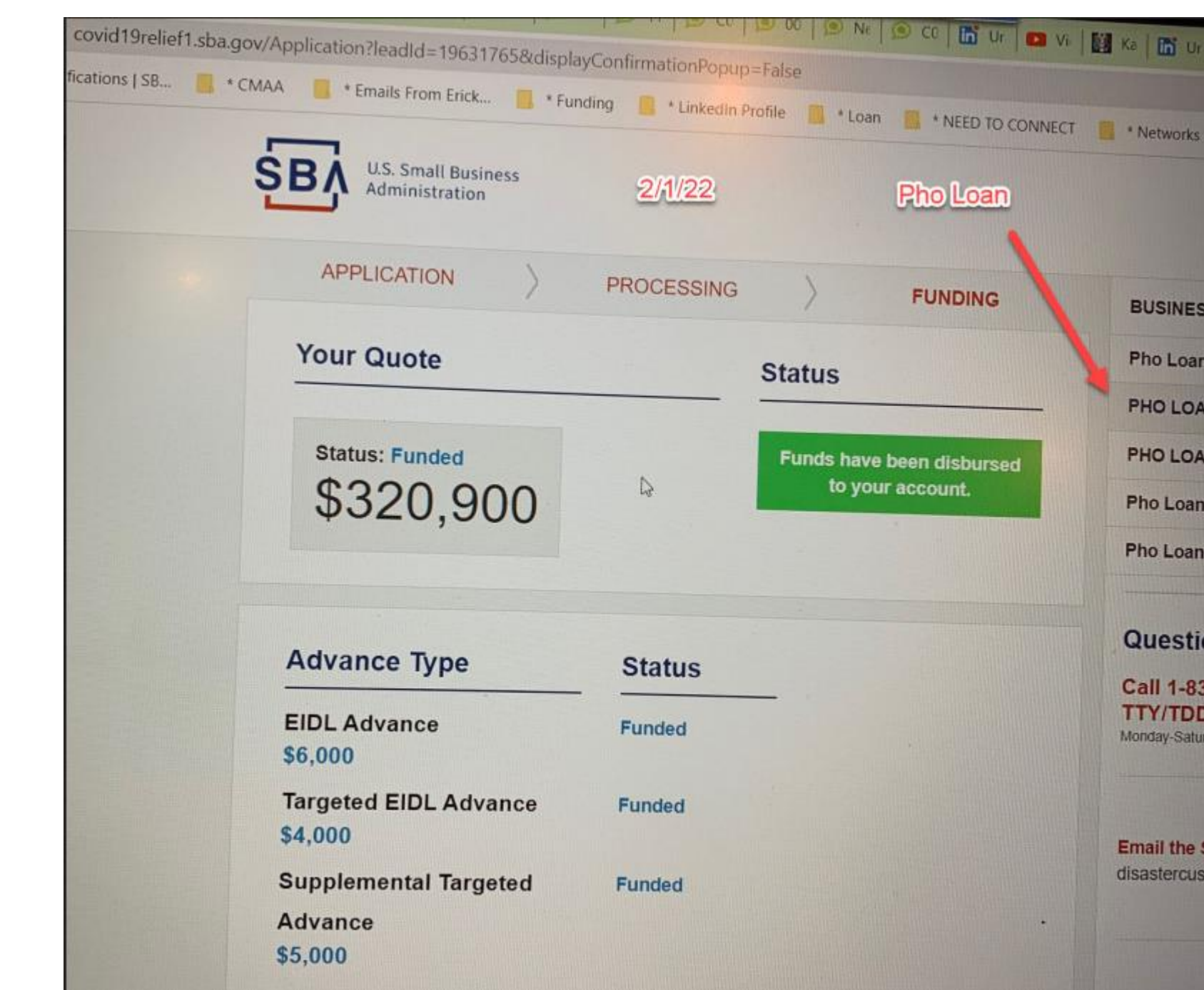
Small business development centers (SBDCs) are a valuable resource for entrepreneurs who are looking to start, grow, or improve their businesses. An SBDC is typically a partnership between the Small Business Administration (SBA) and a local college or university. The goal of an SBDC is to provide free or low-cost resources to small business owners and aspiring entrepreneurs.

## Methodology

We help small businesses by providing free or low-cost consulting services. SBDC consultants are experienced professionals who have expertise in a variety of areas, including marketing, finance, and business planning. We can help small business owners identify areas where they need improvement and develop strategies to address those areas. SBDC consultants can also provide guidance on how to access financing and other resources that can help small businesses grow.

## Results

Client's Struggle	CMAA Intervention	Status / Progress	Client's Success Stories	Success Bumper Sticker
Rising rent cost. Limited access to capital and unsuccessful grant applications	Chetha and Tommy helped her apply for Chicago Recovery Grant for \$250,000 to help relocate and expand her restaurant. Also helping her negotiate her lease contract with the landlord and find contractors to help with her build-out.	Elaborate on the success 1. CRG for construction 2. EIDL for continuing operations	Approved to begin construction on new Argyle St location using Chicago Recovery Grant funding	
If he should open his own gym since 2 gyms he rented from were dirty and not respecting his high-end clients. Additionally, he acknowledged he could not scale this as he restricted to only 1-on-1 clients. He needed to do group classes with additional trainers who could apply his training methodology. Thus scaling his reach and revenue.	Edgar and Adli did a pricing analysis of how much he was making as a free lance trainer and what he would have to earn in addition to cover the monthly expenses of his own space. Making \$60,000 through personal training prior to intervention. Worked with Edgar to decide if he should open a gym or continue personal training. Pricing strategy, financial projections, gained confidence to go ahead and open a gym	Adli opened his new gym Jan 1 and due to his consistent social media and excellent relationship with long term clients, he is gaining new clients for his group classes.	Since December 1st, (8 weeks ago) Adli has signed up 8 new "Group Class" clients over 8 weeks organically at an average monthly revenue per student of \$232. This accounts for \$1,856 of new monthly income. As for retention, he has only lost 1 student out of 19 in the last 8 weeks, for a 95% retention rate. Combining his retention % and weekly organic growth rate, he will be at break even point for all of new gym expenses of \$3,550 in 8 weeks with 7 new students added to his roster, totaling 15 group students.	After coaching our My Thai Trainer client in optimizing his social media, analyzing and repricing his classes for maximum margins and modeling numerous Pro Forma's that identified multiple break even points based on timing, costs and pricing, BEFORE opening his own My Thai Gym, our Client is now on an annual revenue increase of 113% within 1 year of opening his doors. Support: in less than 10 weeks of opening his brand new gym, Adli has not only covered more than 50% of his new gym's operating expenses, breaking even by March. Now, his organic monthly growth pace of 9% reach \$11,500/month by December for an annual gross profit of \$26,700 within 1 year of operation with 40 new monthly group students. This is in addition to his annual 1-on-1 training revenue of \$102,000, growing his annual Gross Profit \$128k more than double of what he grossed a year ago.
Miles Lazar wants to launch a low cost, hemp clothing line starting with Hoodies. He is self-funding this effort with \$15k of his own saved money, and adding funds he earns from his full time retail job at GearHead in Highland park. Prior to becoming an SBDC client of Edgar, he had filed for a Trademark application through legalZoom with no legal guidance. The name is pronounced like "Heritage" although it is spelled "Heritage". 6 months later, he was sighted in 5 challenges from the USPTO that his TM name looks too close to a product of the very large	After discovering the details of the Trademark challenges of Aratage and Miles intent, Edgar connected him with a Trademark lawyer who has helped several of our SBDC's clients, Dallas Spahr. She met with her TM support colleague walked through the risks of challenging USPTO since it was their recreation in challenging the name, not applicable. They explained that he could still lose the challenges after spending almost \$3,500 in legal fees, he could change the name, or refile for the same name but with more flushed out detail in the application that Aratage is a Hemp clothing brand with a proper logo.	Utilizing some of the Covid Business Relief funds from the State and SBA, Trademark lawyer filed a fresh application for the Aratage name with no challenges to date. The expected decision from USPTO will be late Spring of 2023. Recently, a lot of analysis and coaching has been on his branding and value proposition for those willing to spend \$20 for a black hemp hoodie, until the pricing drops so it is more affordable to the masses. A very important reference tool has been the Branding Key, which emphasizes for him to focus on the essence of what Aratage is trying to do.	On 2/10, Miles received 5 working black hoodie prototypes from SBDC, his chosen hemp fabric and manufacturing supplier. The pieces are now being modeled on Social Media and will be used for Model photography. Photos will be used for Kickstarter and website posts. Crowdfunding campaign launch target is mid March.	Connect Miles to Rheba - Red Party needing



## Acknowledgements

The SBDC provides invaluable assistance to small businesses, helping them succeed and grow. Its services are free or low-cost and accessible to all entrepreneurs, making it an essential resource for those looking to start or expand their businesses. The SBDC's impact on small businesses is significant, and its importance to the economy cannot be overstated.

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- E-Commerce Strategies
- Business Education and Training
- Web Integration Development
- Workplace Safety Protection

**SERVICES OFFERED VIRTUALLY IN MULTIPLE LANGUAGES**

The Illinois SBDC at Chinese Mutual Aid Association is funded in part through a cooperative agreement with the U.S. Small Business Administration, the Illinois Department of Commerce and Economic Opportunity and the Chinese Mutual Aid Association.

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**OUR SERVICES**

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- INTERVIEW PRACTICE & CAREER EXPLORATION

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