

The New York Times

## You're the Boss

The Art of Running a Small Business

---

MARCH 14, 2011, 7:00 AM

### This Week in Small Business: Start-Ups Surge

By **GENE MARKS**

What's affecting me, my clients and other small-business owners this week.

**THE HAPPIEST GUY IN THE U.S.** This small-business owner in Hawaii is the [happiest man](#) in America. (And this second grader from New York [makes his opponents very unhappy](#).)

**START-UPS INCREASING** A Kauffman Foundation study released last week finds that entrepreneurs are [starting more businesses](#) than ever (but not hiring anyone). Kalen Smith blogs about [the stigma](#) of being an unemployed entrepreneur. Adriana Gardella shares the [dark side](#) of opening a store. Scott Case, a Priceline co-founder, is asking entrepreneurs how Startup America can [help them create jobs](#). Mark Rodgers explains how [start-ups can leverage](#) the Small Business Administration. Under30CEO lists its [top franchises](#) for young entrepreneurs. A New York City [start-up incubator](#) offers \$25,000 investments. An infographic explains how to [become a millionaire](#) in 58,398 easy steps.

**BUT THE REST OF US?** The Dow [sinks](#). January's [wholesale inventories](#) rise. Paul Kedrosky shares some [depressing news](#) about our income. Americans [are concerned](#) about the economy. Small businesses are getting [more optimistic](#), but William Dunkelberg of the National Federation of Independent Businesses [is still cautious](#): "The N.F.I.B. reported the fourth monthly gain in its Optimism Index for small business owners, that's the good news. The bad news is that the index, at 94.5, is still well below the 30-year average prior to the recession of 100." EconWeekly [is skeptical](#) that this confidence will result in more sales. But one survey says small businesses [are expanding](#) their spending.

**THE C.B.O. GETS OMINOUS** The director of the Congressional Budget Office offers [four thoughts](#) on the budget, such as: "Fiscal policy cannot be put on a sustainable path just by eliminating waste and inefficiency; the policy changes that are needed will significantly affect popular programs or people's tax payments or both." CNBC reports that government payouts — including Social Security, Medicare and unemployment insurance — make up more than a [third of total wages](#) and salaries of the United States population. The House Committee on Small Business does its part by [adding five more essential people](#) to its staff. Market Talk's John Shipman thinks that the [food stamp](#) program is getting out of control: "Is giving people more money and making it easier (via debit-type cards and direct deposit) to take the cash encouraging more folks to embrace Uncle Sam's largess?" James Pethokoukis says we will [not be able to grow](#) our way out of our debt problems.

**GOOGLE HAS A BUSY WEEK** Google has [malware](#) issues with the Android, but that doesn't stop sales from [surpassing](#) R.I.M. and Apple. Eric Schmidt [is being considered](#) for commerce secretary. The Senate investigates allegations about the company's [search](#) formula. The company finds it [hard to compete](#) with PayPal, but it still finds time to introduce a beta version of its new [traffic navigation](#) tool and to bring [instant previews](#) to phones.

**HEALTH CARE UPDATE** Americans spend more on health care and have [higher rates](#) of chronic diseases than the British.

**A NEW TAX BATTLE BEGINS** The president of a California business group says that a state [tax loophole](#) has given out-of-state, online-only retailers an unfair competitive advantage over local retailers. The Tax Policy Center's Howard Gleckman says that the battle over [Internet sales taxes](#), simmering for more than a decade, is boiling over.

**HOW HIGH ARE PRICES AT THE PUMP?** Some gas retailers are [telling it](#) like it is. Gary Becker and Richard Posner think [oil prices will increase](#) over the long term: in the Middle East and North Africa, "country regimes that become much more democratic as a result of the current unrest would tend to produce less oil than the autocratic regimes they replaced if they use government-run oil companies, and have a long horizon. This would mean higher oil prices in the near and long term." Paul Krugman makes an [interesting point](#) about oil and copper, "Copper is basically about the prospects for world economic growth: strong growth means lots of copper demand. Oil is partly about growth but also about chaos in the Middle East."

**I, ROBOT** Kash Mansori [looks at the data](#) and concludes "the strongest sectors in U.S. manufacturing are those that require more highly skilled labor, and/or are more highly automated." Karl Smith, economics professor, argues that tomorrow's [manufacturing robots](#) will benefit the engineers who own the patents. A Silicon Valley company develops [artificial muscle](#). This robot is [freaking me out](#).

**AROUND THE COUNTRY** [Wisconsin Republicans](#) and [Pennsylvania's governor](#) take a shot at balancing their budgets. It's a [good time](#) to be a small-business owner on Mill Avenue. New York banks step up [lending](#) ( a bit). The 12th Annual Department of Energy [Small Business Conference & Expo](#) will be in Kansas City, Mo., from May 10 to May 12. Orlando is ranked the most dangerous [spring-break destination](#) in the country. Small-business [workshops are scheduled](#) in Montana.

**CYNDI SAVES THE DAY** The dollar [continues to decline](#) as an international currency. France's small-business [lending outstrips](#) that of the United States. Some American small businesses [buck the off-shoring](#) trend. Israel may seek [another \\$20 billion](#) in American aid. Forbes's Doug Bandow says that India could be the next [economic superpower](#) in the making and [many investors seem to agree](#). But a piece in The Economist says that India's retail sector is [still not open](#) for business. China puts on [the brakes](#). Europe's [energy efficiency push](#)

could mean some big opportunities. This guy really knows [how to pack](#) a carry-on bag. And Cyndi Lauper [saves the day](#) for some unhappy air passengers.

**HOW TO SELL MORE FOOD** If you own a restaurant, here are a few ideas for [marketing to your mobile](#) customers. Foursquare [goes beyond](#) check-ins. And here's how your customers can [buy drinks](#) from you through Facebook. In a related story, [Jack Daniels](#) reports a rise in earnings.

**THE LUCK OF THE IRISH** Retailers are expected to cash in on [St. Patrick's Day](#). A report says that PayPal's express checkout helps [bump merchant sales](#) by 18 percent. Startup Nation's [Eric Richard](#) and [yours truly](#) give some advice for using Groupon.

**PUNISHING THE INVESTORS** Cyndia Zwahlen, of The Los Angeles Times, says that [good credit ratings](#) can pay off for small firms in a big way. [Credit unions](#) push for small-business lending. Smaller private equity funds (and the small businesses they support) are being [unduly punished](#) by Dodd-Frank.

**GETTING BETTER, GETTING SMARTER** Why taking [naps](#) makes us smarter. A tech analyst firm thinks that [Web-conferencing providers](#) need more comprehensive solutions to retain small businesses. A few big achievers share [their greatest risks](#). Steve Blank tries a [new way](#) to teach entrepreneurship. Kevin Aubrey, a successful entrepreneur, thinks that successful small-business managers have certain [essential qualities](#). Example: "There is no better way to exhibit competence and mastery in your field than to challenge, inspire, and enable your team to successfully complete key goals and initiatives ahead of schedule, under budget, and with exceptional results." And ever wonder what's the best [time of day](#) to make a decision?

**DON'T IRK** Constant Contact's guest contributor, Cliff Pollan, lists six great reasons to [use video in e-mail](#) marketing. Example: "A video helps bring your business or organization to life, and it makes your communication more personal." Sales guy Kelley Robertson lists the 11 things sales people do that [irk decision-makers](#).

**SOCIAL MEDIA** Small businesses [doubled their](#) use of Twitter in 2010. But use of [Yellow Pages](#) stays constant. A New York University Stern School study shows that there are long-term [benefits to blogging](#) in the workplace. More than 76,000 people want to be [Charlie Sheen's](#) social media intern. [Jennifer Aniston](#) tries to go viral. LinkedIn introduces a daily [industry news service](#) and is deemed to be more [effective for B2Bs](#) in a new study. ReadWriteWeb.com's John Paul Titlow says [teenagers don't want to "like"](#) your company on Facebook.

**THANK YOU FOR READING THIS** The staff at AnyNewBooks.com picks Gary Vaynerchuk's [The Thank You Economy](#) as best book of the week.

**MISS WORK, WIN A GRAND** Share the most creative excuse that you have ever heard for missing work and [you could win](#) a \$1,000 gift card.

## THIS WEEK'S AWARDS

**BEST REASON TO BUILD A BOMB SHELTER** A gold investor says not to be duped by [rising stocks](#): “The government only has one option — the printing press — and they are willing to use it. Bernanke has stated in previous papers that he would not raise interest rates to counteract an economic slowdown created by oil shocks. Instead he will inflate, inflate, inflate. This is the reality we face today.”

**BEST WAY TO GET A JOURNALIST TO LIKE YOU** Felicity Grey, public relations specialist, explains [how to get a journalist](#) to write about your start-up. Example: “A journalist wants to know who, what, when, where and why, and if you can give them this information succinctly and on one page, you’re half way there.”

**BEST INVENTION OF THE WEEK** Someone figured out how to [wipe Charlie Sheen](#) from the Internet.

When do you make your best decisions?

*Gene Marks owns the [Marks Group PC](#), a Bala Cynwyd, Pa., consulting firm that helps clients with customer relationship management. You can follow him on [Twitter](#).*