

Small Business and Entrepreneurship Development

Tuesday, September 8





VICKY ROWINSKI, CECD

Director

vicky.rowinski@macombgov.org

(586) 469-5285



**Planning and Economic
Development**



Macomb County, Michigan

- Located in northern Metro Detroit
- The state's third most populated county
- Features a collective of 27 cities, villages and townships
- Has a thriving economy with high-paying jobs, especially in the aerospace and defense sectors.





Before we begin ...

- ❖ *What's your **name**?*
- ❖ *What's your **occupation**?*



In the next two hours you will learn:

- **Facts** about small business
- **Demographics** on small business owners
- **Starting** a business
- **Emerging** areas
- **Resources** for Economic Developers
- **Group Project** using your toolkit



What is a Small Business?

- A privately owned company, partnership or sole proprietorship, independently owned and operated that has fewer than 500 employees and makes less than \$5 million each year (these numbers vary depending on industry)
 - From Salesforce (2026) [What is a small business?](#)
- Often described as the backbone of the U.S. economy
 - From Investopedia.com (August 2023) [Small Business Administration \(SBA\): Definition and What It Does](#)





Small Business vs Startups

- A **STARTUP** is a small, new, or young company founded by entrepreneurs to introduce a new product or service, disrupt an existing market, or even create a new one.
- They are important drivers of innovation, employment, productivity, and economic growth.
- ***Differences:***

Start up

Develop an innovative or disruptive idea or product for the market

Small business

Serves an existing market and achieves profitability much quicker

FAST FACTS

Macomb County Edition

Ninety-nine percent of the businesses in Macomb County are defined as “small business” -- one that employs fewer than **500 people**.



FAST FACTS (cont'd)

Michigan Edition



- There are **983,079 (99.6%)** small businesses in MI
 - with **1.9 million** employees, representing **47.7%** of MI workers. ([2025 SBA Small Business Profile](#))
- Overall, most small businesses believe that businesses should give back to their local communities. ([2025 US Chamber](#))
- Nationwide, about **68 cents** of every dollar spent at a small business is returned to the community.
(2025 Economic Impact Study – [American Express](#))



FAST FACTS (cont'd)

United States Edition

Unfortunately ...

- **One-third** of businesses fail in the first two years.
- The pandemic **destroyed 31%** of small businesses.

However ...

- Small businesses are responsible for **77.4% of job openings**.
- Small businesses employ **62.3 million people** just in the US.
- In 2025, over **5.1 million** new businesses were started.
- **36.2 million** small businesses exist in the US today.
- There are more than **400 million** small businesses globally.



The background features a large, thick, black curved line that starts from the top left and curves towards the bottom right. Along this curve are several black tick marks of varying lengths. A blue arrow points upwards from the bottom left towards the top of the curve. The entire page is framed by a light blue dotted border.

FAST FACTS



FAST FACTS

5.7 million new
business in 2025

According to the [U.S. Small Business Administration \(2026\)](#)



FAST FACTS

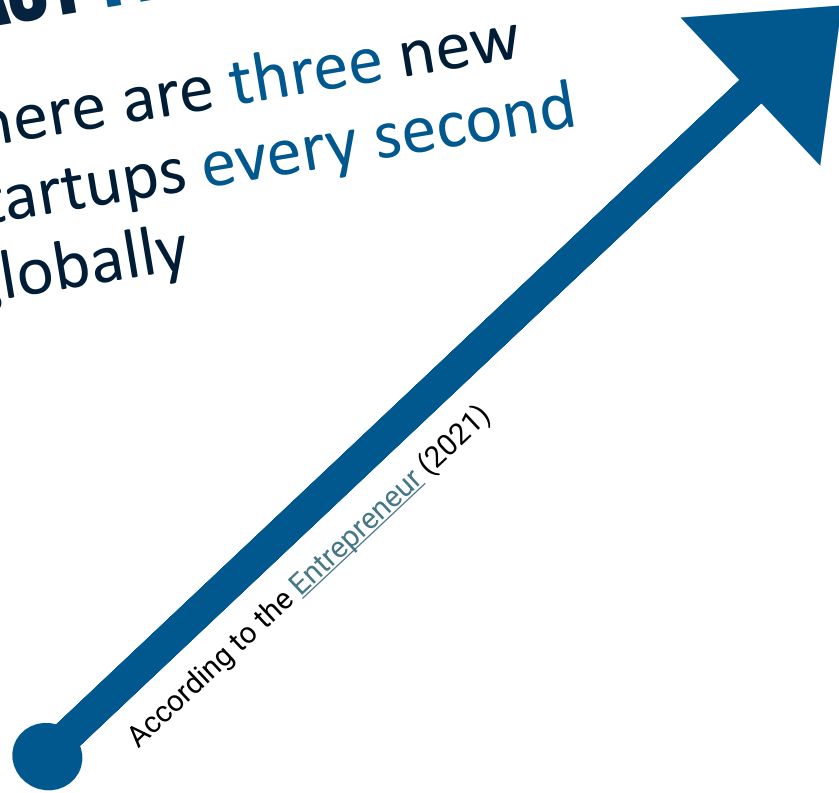
That's 500,000 more business applications submitted than in 2024





FAST FACTS

There are three new startups every second globally



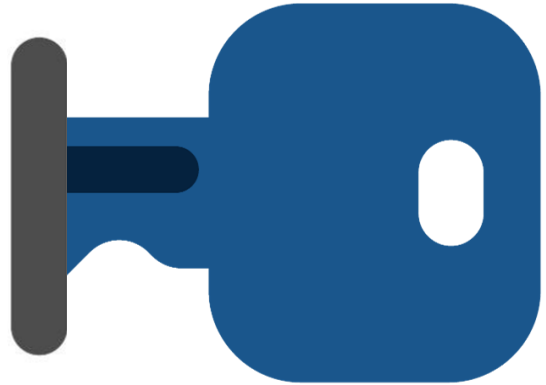
According to the [Entrepreneur](#) (2021)



FAST FACTS

This means 21,600
businesses will be created during
this class period.

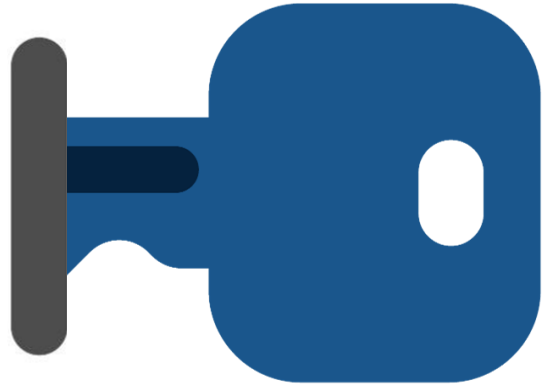




Key Takeaways

- Small businesses are generally defined in terms of their **revenue or number of employees**.
- The criteria for what's considered small can **vary** from one industry to another.
- The U.S. Small Business Administration (SBA) sets the revenue and employee limits for specific types of business
- [North American Industry Classification System \(NAICS\)](#)





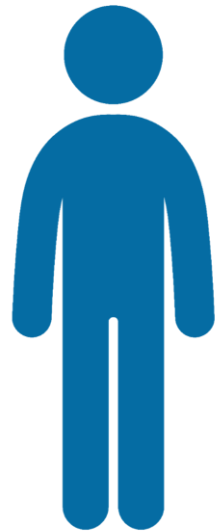
Key Takeaways

(cont'd)

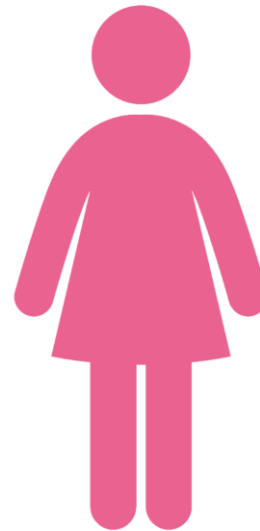
- Qualifying as a small business can make a company eligible for government contracts and other financial benefits.
- Women-owned, Veteran-owned, Minority-owned businesses set asides
- Small businesses can structure themselves in a variety of ways for tax and legal purposes, including insulating their owners from financial liability.



Who owns small businesses?



61%



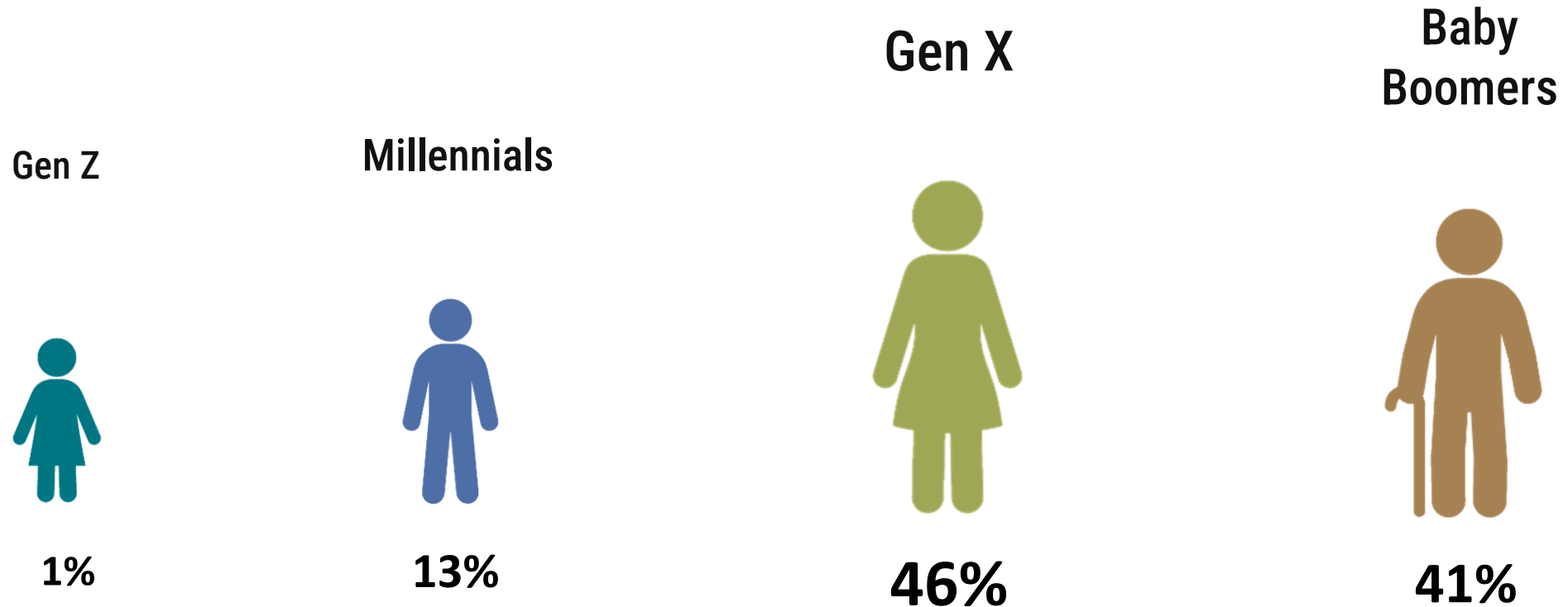
42%

and growing!

*According to the [U.S. Census Bureau Annual Business Survey](#)



Who owns small businesses?



Earnings

Small businesses generate between \$1 and \$40 million in revenue.

From [Sellers Commerce United States Small Business Statistics](#) (2026 Data)

Small business **revenue**:

- Self-employed owners:
Earn an average of \$78,000 to \$128,000 per year
- Sole Proprietorship:
Earn an average of \$46,978 per year
- Businesses with one employee:
Earn an average of \$387,000 per year

Ken Yarmosh (2024)

A solopreneurship or
single-member business



According to U.S. Census Bureau data, [from For a Financial](#) (2026)



Small businesses also contribute to the economy in other ways, including:

- **Employment:** Small businesses employ **almost half** of the American workforce
- **GDP:** Small businesses have accounted for between **43.5%** and **50.7%** of the United States' gross domestic output (GDP) since the late 1990s



According to [U.S Chamber of Commerce](#) (2025)



Small businesses also contribute to the economy in other ways, including:

- **Export value:** Small businesses generate **32.6%** of known export value

According to [U.S. Chamber of Commerce](#) (2023)

- **Private sector payroll:** Small businesses pay **38.7%** of private sector payroll

According to [U.S. SBA Office of Advocacy](#) (2026)





What does it take to start a business?

- Be inspired/Have a passion
- Identify a business idea or need
- Analysis of the industry
- Establish a target market
- Research the market
- Financing
- Assemble a business team if applicable





Famous Entrepreneurs



From [hourdetroit.com](https://www.hourdetroit.com) (January 2021)

[Tech Entrepreneur Dug Song on Why He Couldn't Build His Business Anywhere Else](#)

📌 Ann Arbor, MI

Dug Song

Founded Duo Security in 2010.

 provides two-factor authentication, a digital security tool that prevents hacking.

Acquired by Cisco for \$2.35B in 2018 - In 8 years Song built up his business, utilized Michigan resources and sold it.

Why Dug Song chose Michigan.

“What does it take to build a great company? You need creative disruption. You need team players. And you need fast learners. And that’s freaks, geeks, and jocks.”



Famous Entrepreneurs



From ethels.com (January 2024) [Dedicated to gluten-free](#)

📍 Shelby Twp, MI

Ethel's Baking Company,

a pastry business – carries the gluten-free seal from the Gluten-Free Certification Organization (GFCO).

- Began operations in 2011 with 1 employee (owner)
 - Located in a leased church kitchen in Grosse Pointe Farms
 - \$150,000 revenue
- Moved and expanded to St. Clair Shores in 2013
 - 3 full-time employees
- In 2020, relocated to current location in Shelby Township with 2,000 square feet
 - \$3 Million revenue (2020)
 - 40 employees (currently)
- 2025 revenue: \$8 million
- Projected 2026 revenue: \$15 million



What is the starting point for a business?

First, choose a business entity.

- Most common in Michigan: [Limited Liability Company \(LLC\)](#)

An LLC provides the small business with benefits, including:

- Lower taxes (a pass-through entity)
- Liability protection

Business income is reported on the owner's tax return.

- Can choose to be taxed as an S-Corp or C-Corp.

Register your business through [Licensing and Regulatory Affairs \(LARA\)](#).





“Doing Business As”

You can also file a **DBA** for your company

- A designation or license that allows businesses to operate under a different name than originally filed.
- Not a separate business structure.
- Can be used by any business type in Michigan.

A DBA does not have to be filed with the State of Michigan

- County Clerk/Register of Deeds can designate entities as DBAs
- Do NOT register with both the County and the State.





There are a number of small business certifications that assist with contracting opportunities

Hub Zone: Program for small companies that operate and employ people in Historically Under-utilized Business Zones (SBA)

8(a) Program: Nine-year program created to help firms owned and controlled by socially and economically disadvantaged individuals (SBA)

Women Owned Small Business (WOSB) : 51 percent own and operated by a women with various third party certifiers

Service Disabled Veteran Owned Business (SDVOSB): Must be at least 51% owned by an individual who is considered, by the government, a Service-Disabled Veteran (DD214)





Trivia





How much is needed to start a small business?



How much is needed to start a small business?

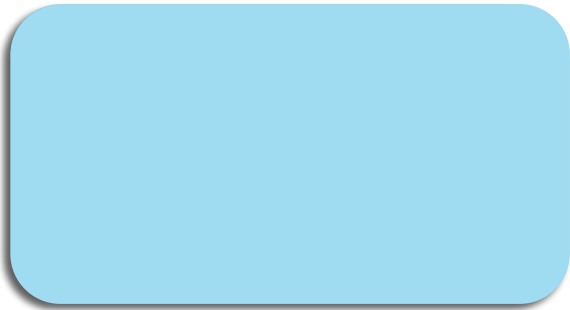
On average, you only need \$25,000.

According to the U.S. Small Business Administration, most microbusinesses cost around **\$3,000 to start**, while most home-based franchises cost \$2,000 to \$5,000.

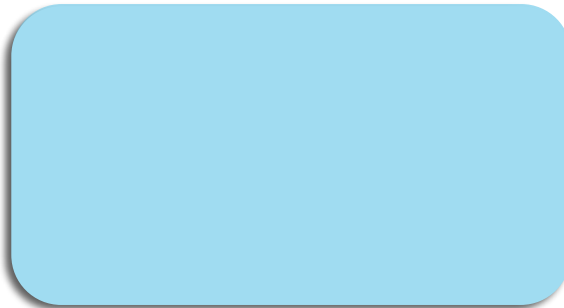
The price tag goes up when you pay rent, have paid employees, need to develop marketing and a website and have basic raw materials/inventory.

Fast track trivia

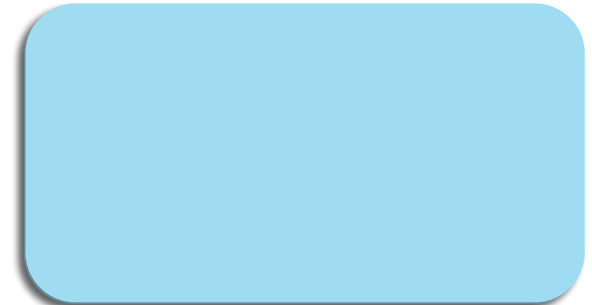
How many
Small Businesses
survive within the **first**
year?



How many Small
Businesses survive
within **five years?**



How many Small
Businesses survive
within **ten years?**



Numbers vary by industry...

Commerce Institute (2024)





Things to think about ...

Emerging areas of small business creation:

- Knowledge Economy
- Innovation Based Companies/Digital Entrepreneurs
- Green Business
- Agritourism
- Aging Baby Boomers turned Entrepreneurs
- Hobby Businesses





5 Min Break

5





What's an EDO?



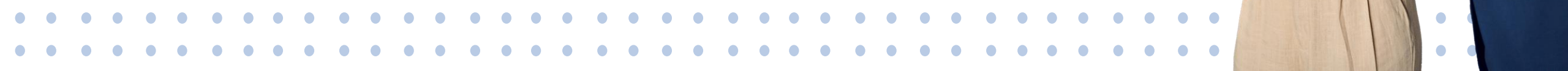


What is the role of an economic development organization?

The role is to attract and grow, create and retain and make communities a better place to live.

Why is it important?

Attracting/growing businesses strengthens the economy and provides locally-produced goods and services, leading to jobs that pay for a higher quality of life. Strong businesses also pay taxes that go to vital services like schools, roads, fire and police departments.





Planning and Economic Development

Economic Development Service Group (EDSG)

Our mission is to to foster a healthy, growing and diversified business community in Macomb County. We strive to:

- *Maintain* and *generate* new job opportunities
- *Expand* Macomb County's tax base
- *Promote* the adoption of creative, technology-based solutions in business and industry



Remember
Ethel's?



The Right Place is Greater Grand Rapids' leading economic development organization, offering comprehensive business assistance services to growing companies.



MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Delivers assistance to invest and expand your operations and workforce in Michigan communities through collaboration with over 100 partners. They market Michigan as the place to do business, assists businesses in their growth strategies, and fosters the growth of vibrant communities across the state.



SmartZones

According to [the MEDC](#):

These are facilities where technology-based companies, entrepreneurs and researchers can locate in close proximity to community assets that assist in their endeavors.



There are 20 SmartZones in the State of Michigan.

Great services and co-working spaces are available at these locations.



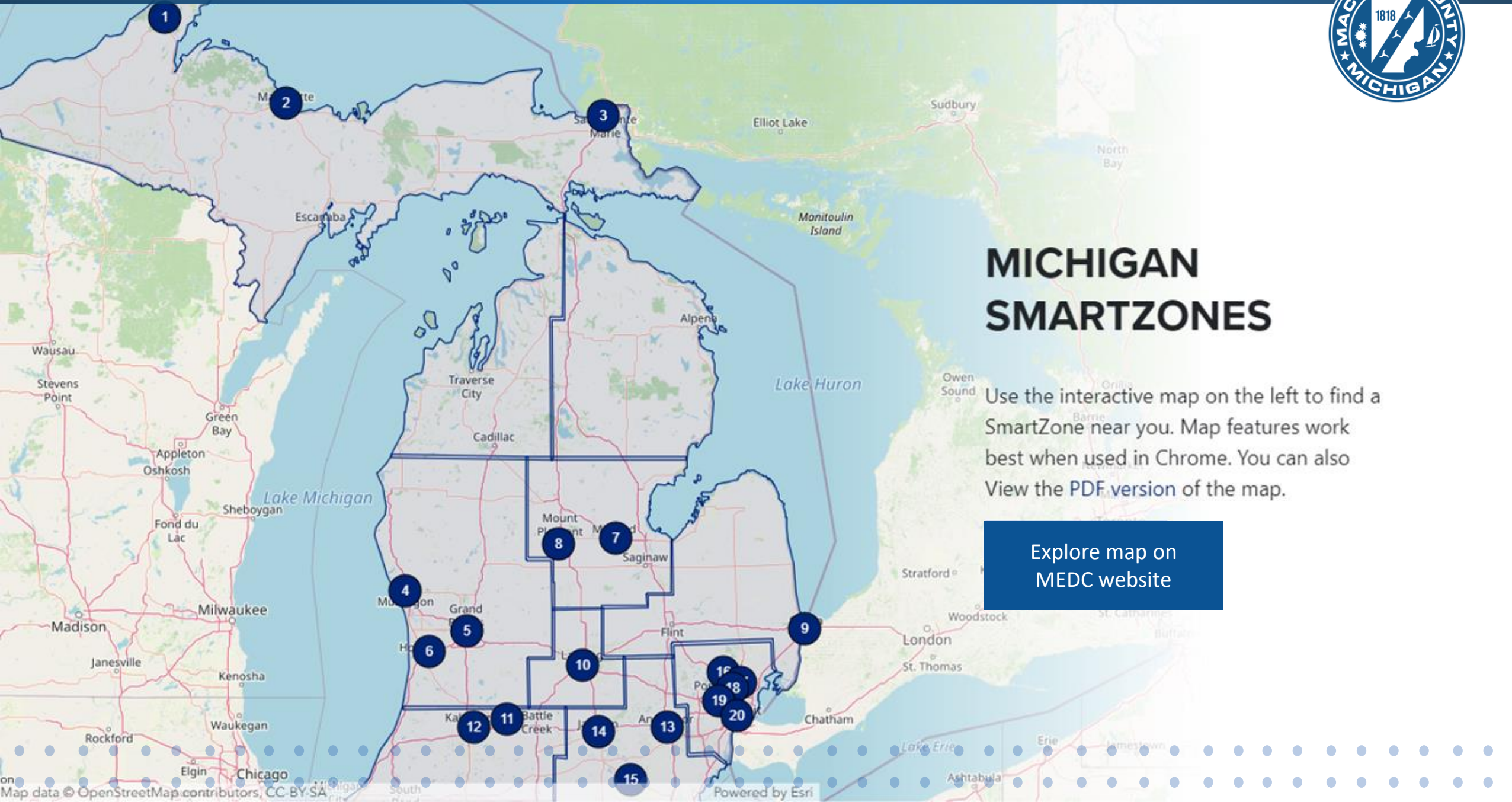
 Velocity - Sterling Heights, MI

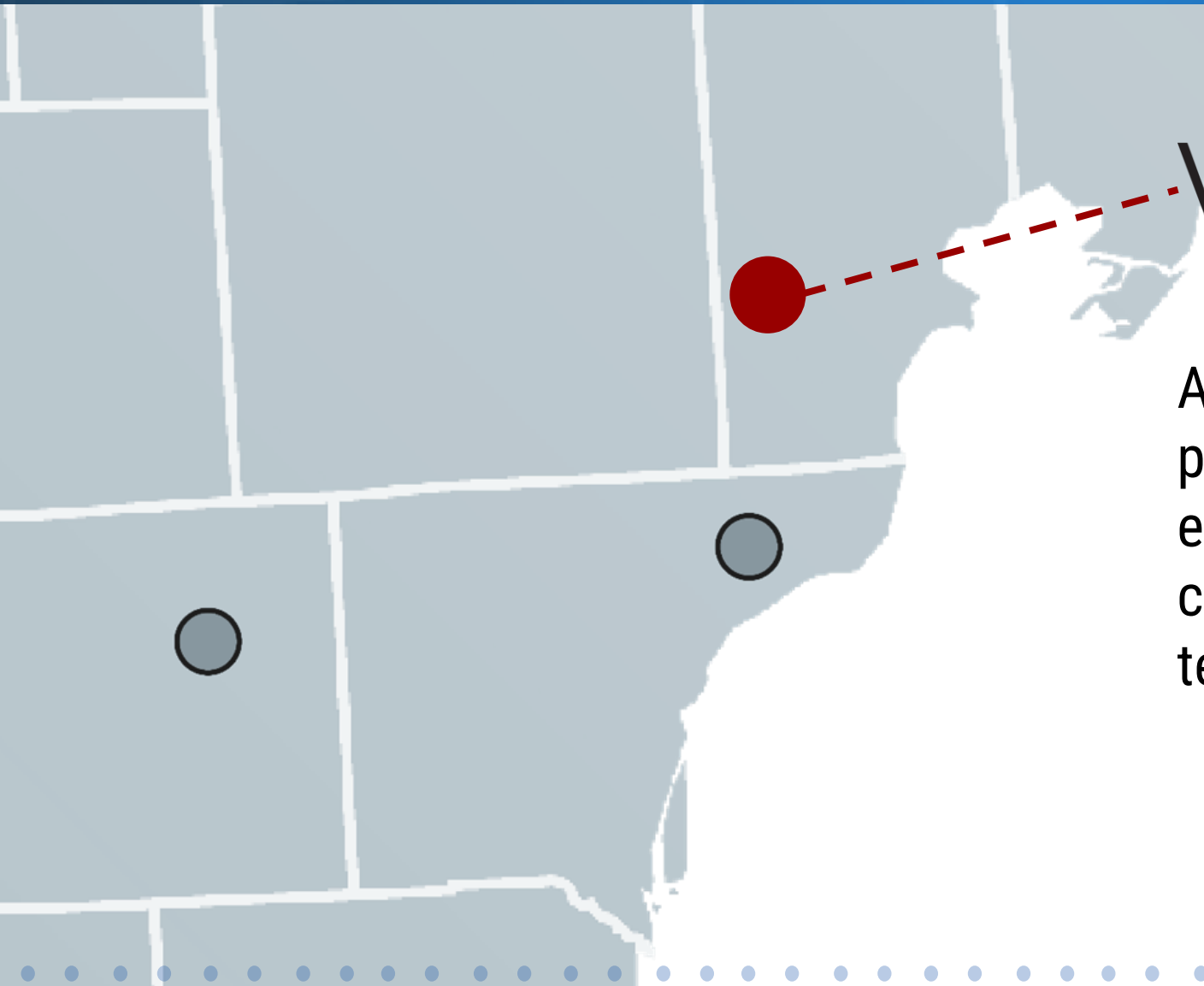


MICHIGAN SMARTZONES

Use the interactive map on the left to find a SmartZone near you. Map features work best when used in Chrome. You can also [View the PDF version of the map.](#)

Explore map on
MEDC website





VELOCITY

A SmartZone that provides space, programming, and support to entrepreneurs and growing companies in the manufacturing, technology, and defense industry



RESOURCES - SMARTZONES



- Helps small businesses launch, stabilize and grow
- Allows testing of innovative technology or tech startups.
- Provides free consultations and programming.



RESOURCES - SMARTZONES



- All about driving smart economic growth in service of prosperity for all.
- Works to attract businesses that fit the region by Washtenaw County.
- Supports and enhances local municipalities' economic development efforts.



**Remember
Dug Song?**





Small Business Development Centers (SBDC)

The Michigan SBDC provides consulting, training and market research for new venture, existing small businesses and advanced technology companies.

There are **ten offices** across the state.





RESOURCES – SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

According to the US Small Business Administration:

These centers are places in your area that can offer assistance and counseling to start, run, or grow your business.



RESOURCES – SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

Services include ...



**Business plan
development**



Market research



Business education



RESOURCES – SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

Services include ...



Export sales strategy



Cybersecurity



Finance management



RESOURCES – SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

Services include ...



**HR and organizational
development**



**Diverse entrepreneur
resources**



Strategic planning





APEX Accelerators

According to their [official website](#):

APEX Accelerators serve as the axis for existing and new businesses to strengthen the defense industrial base by accelerating innovation, fostering ingenuity and establishing resilient and diverse supply chains.

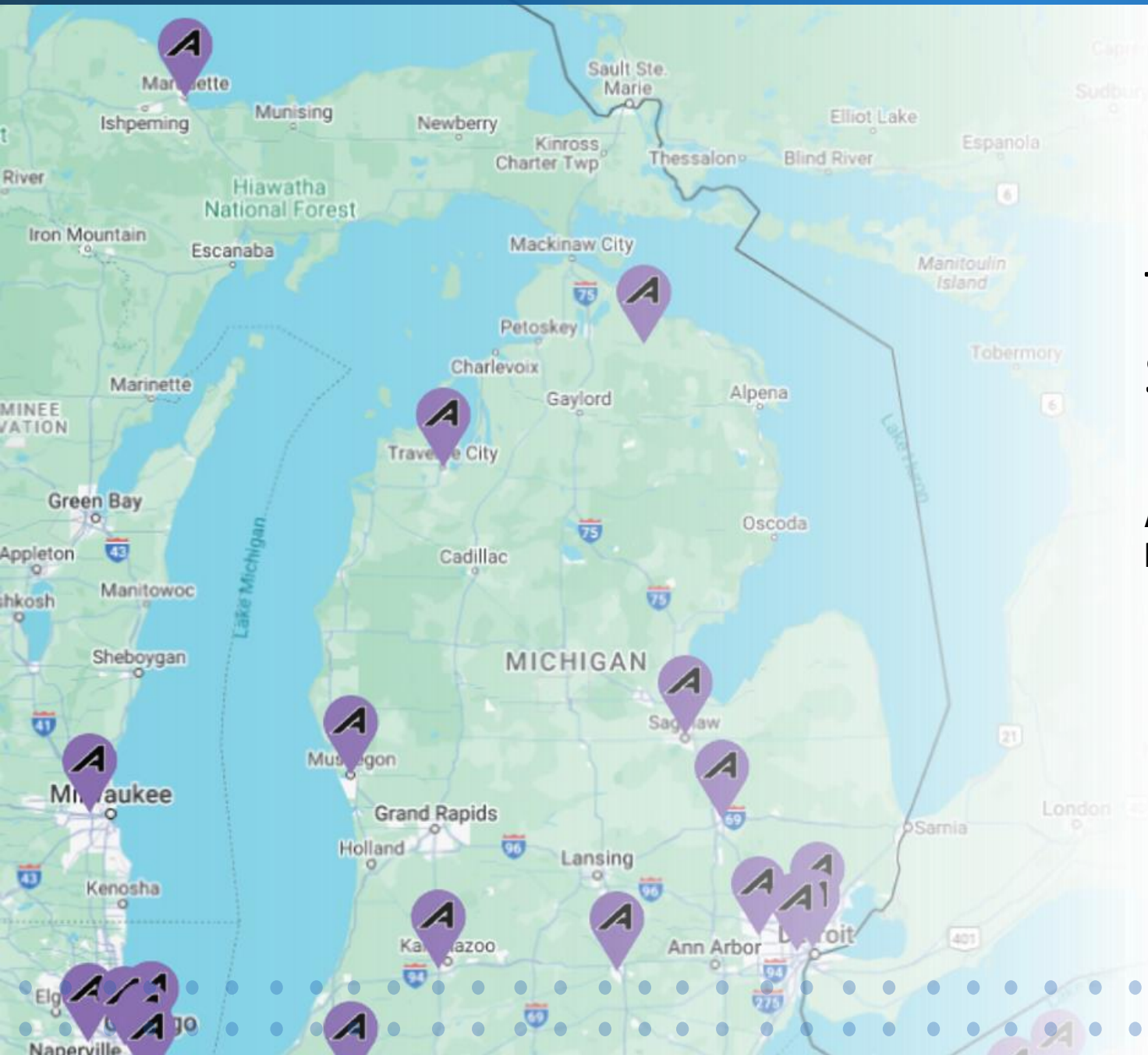




There are 12 across the State of Michigan.

A Native American APEX Accelerator also exists in the Midwest Region in Nebraska.

Explore map on APEX Accelerators website



U.S. Small Business Administration



Grand Rapids office

According to their [official website](#):

SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital and contracting expertise as the nation's only go-to resource and voice for small businesses.

Detroit main office

*The Michigan District serves the entire state.

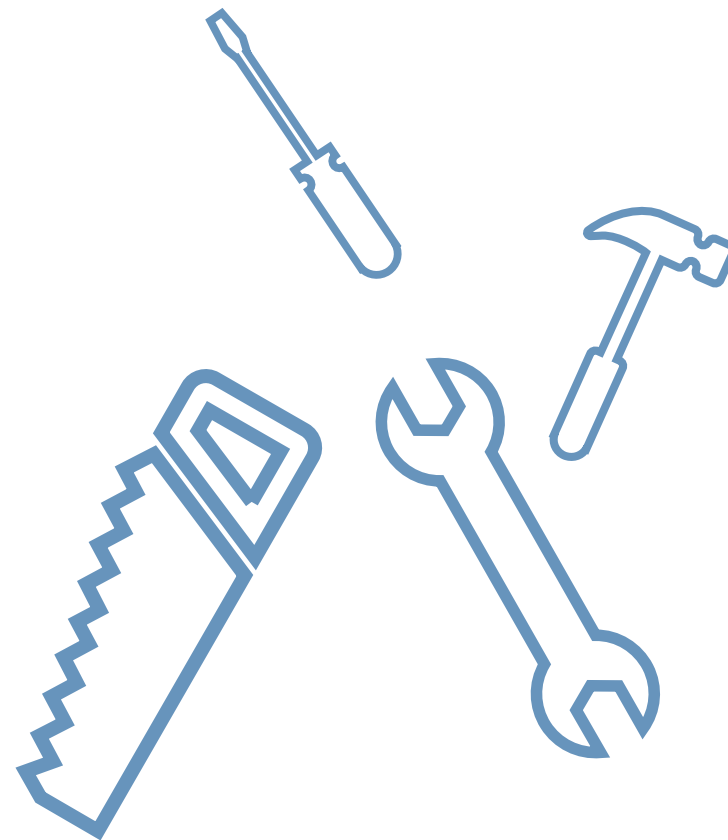
Other resources for your Toolkit

- *Chambers of Commerce*
- *Downtown Development Authorities*
- *Main Street Programs*
- *Local leaders and planners*
- *SCORE*
- *Colleges and University Partners*
- *Banks and Financial Institutions*
- *Michigan Manufacturing Technology Centers (MMTC)*
- *MEDA*
- *And many more...*





Group Project ***Break Out Session***



Group Project Break Out Session



PROMPT:

Great Lakes Precision Manufacturing is a small, family-owned manufacturer specializing in precision components for the automotive, aerospace, and defense industries.

Quality had been the company's policy, but recently, aged equipment, outdated sales practices, and delegation issues made it harder to grow.

More than just purchasing equipment, the company needed to change its approach and **develop a comprehensive strategy**.





Group Project Break Out Session

Challenge:

The owner wanted to **increase revenue by 30%** over three years and pursue larger aerospace and defense contracts. However, several barriers stood in the way:

- Limited formal *business planning* and financial forecasting
- Insufficient *capital* for equipment upgrades
- Difficulty recruiting and retaining *skilled workers*
- Limited internal management and *leadership capacity*
- Increasing regulatory and customer *compliance requirements*
- Minimal formal *marketing strategy*
- Inefficient production scheduling and *workflow*
- Limited experience *pitching the company* to lenders, investors, and prospective customers
- *Sales* driven primarily by existing relationships rather than a structured sales strategy



Group Project **Break Out Session**

GROUP WORK:

Together in your group, **focus on one of the key pillars of a comprehensive growth strategy** to provide actionable suggestions to help this small business grow. Include any programs, grants, or technical assistance that you can connect them with to help them succeed.

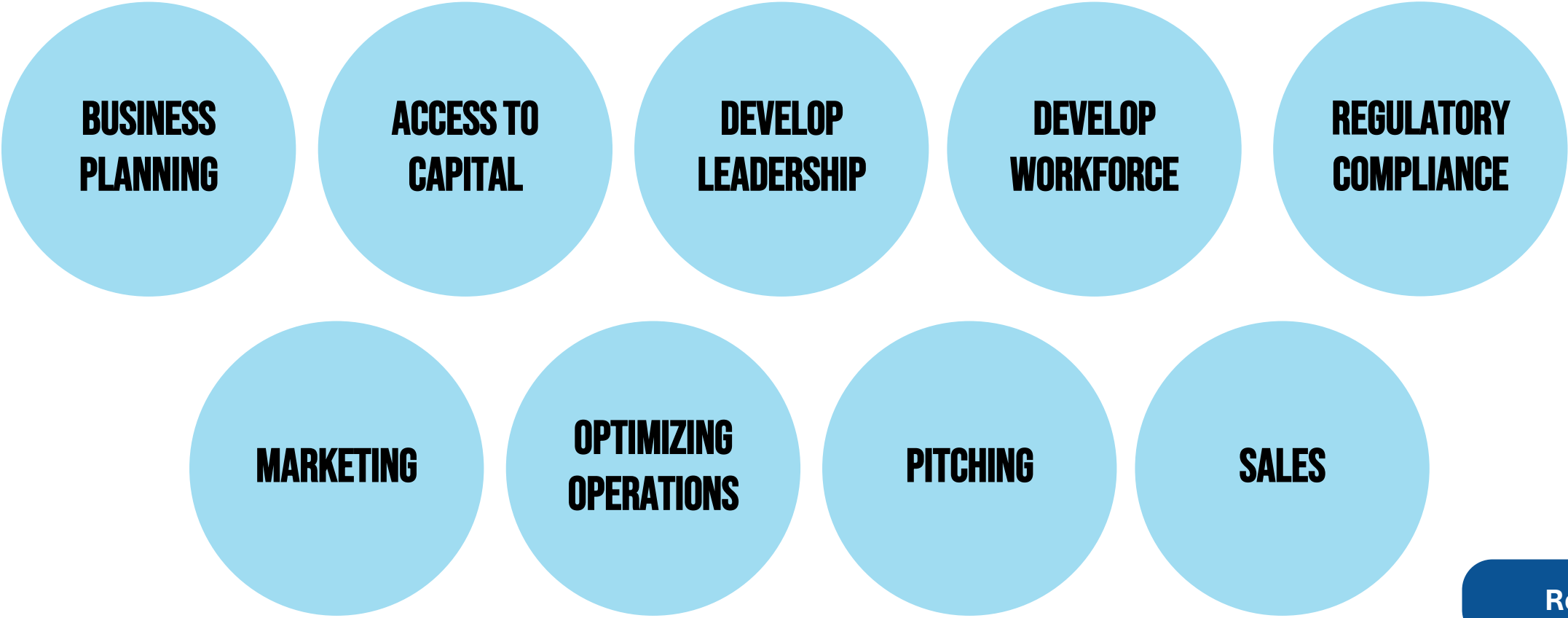
Choose one person in the group to provide feedback.

Pillars of a *Comprehensive Growth Strategy*

- Business planning
- Access to capital
- Leadership development
- Workforce development
- Regulatory compliance
- Marketing
- Operations optimization
- Pitching
- Sales



What’s your approach?



BUSINESS PLANNING

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company developed a **three-year strategic business plan** establishing revenue, employment, capital investment, and customer diversification goals.

The plan identified aerospace and defense as priority growth markets while maintaining the company's automotive customer base.

BACK



ACCESS TO CAPITAL

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company pursued equipment financing, traditional lending, and available **business-development incentives** to fund new machinery and technology.



BACK

DEVELOP LEADERSHIP

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The owner began transitioning from total involvement to only focusing on strategy, customers, and growth. Key employees were given greater responsibility, while supervisors received leadership and management training.

This created a stronger management structure and reduced reliance on one individual.

[BACK](#)



DEVELOP WORKFORCE

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company conducted a **skills-gap assessment** and worked with workforce development partners, community colleges, and training providers to **develop a talent pipeline**.

Employees received training in advanced manufacturing, CNC operation, quality systems, automation, safety, and emerging technologies. The company also established cross-training and career pathways so employees could advance.

BACK



REGULATORY COMPLIANCE

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company conducted a **compliance assessment** to identify gaps related to workplace safety, environmental requirements, quality systems, and customer-specific requirements.

Standardized procedures and documentation were implemented, positioning the company to compete for more sophisticated contracts.

BACK



MARKETING

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company developed a professional marketing strategy focused on its competitive advantages.

The company upgraded their website, created capability materials, strengthened their online presence, participated in industry events, and targeted business-to-business outreach.



BACK



OPTIMIZING OPERATIONS

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company did an internal review of their production process.

They then used this information to reorganize their workflow, improve production scheduling, establish performance metrics, and invest in automation.

BACK



PITCHING

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The owner developed a concise company pitch explaining the company's capabilities, market opportunity, growth strategy, workforce needs, capital requirements, and economic impact.

The same core story was adapted for the audience, whether that was a bank, economic development organization, workforce partner, potential customer, or strategic partner.

BACK



SALES

Great Lakes Precision Manufacturing wants to increase revenue by 30% over three years ...

THEIR APPROACH:

The company moved from relationship-based selling to a **structured sales process**.

They identified target customers, established a sales pipeline, tracked prospects, followed up systematically, and developed a strategy for entering larger aerospace and defense supply chains.

BACK



THE RESULTS



Within three years, Great Lakes Precision Manufacturing was able to achieve ...

- 30% revenue increase
- 20% employment increase
- New investment in advanced manufacturing equipment
- Improved production capacity and turnaround times
- A stronger pipeline of skilled workers
- Employee upskilling and new career pathways
- Improved employee retention and internal advancement
- Entry into new aerospace and defense markets
- Stronger management and leadership capacity
- Improved compliance and quality systems
- A formal marketing and sales pipeline
- Greater access to capital and future financing opportunities



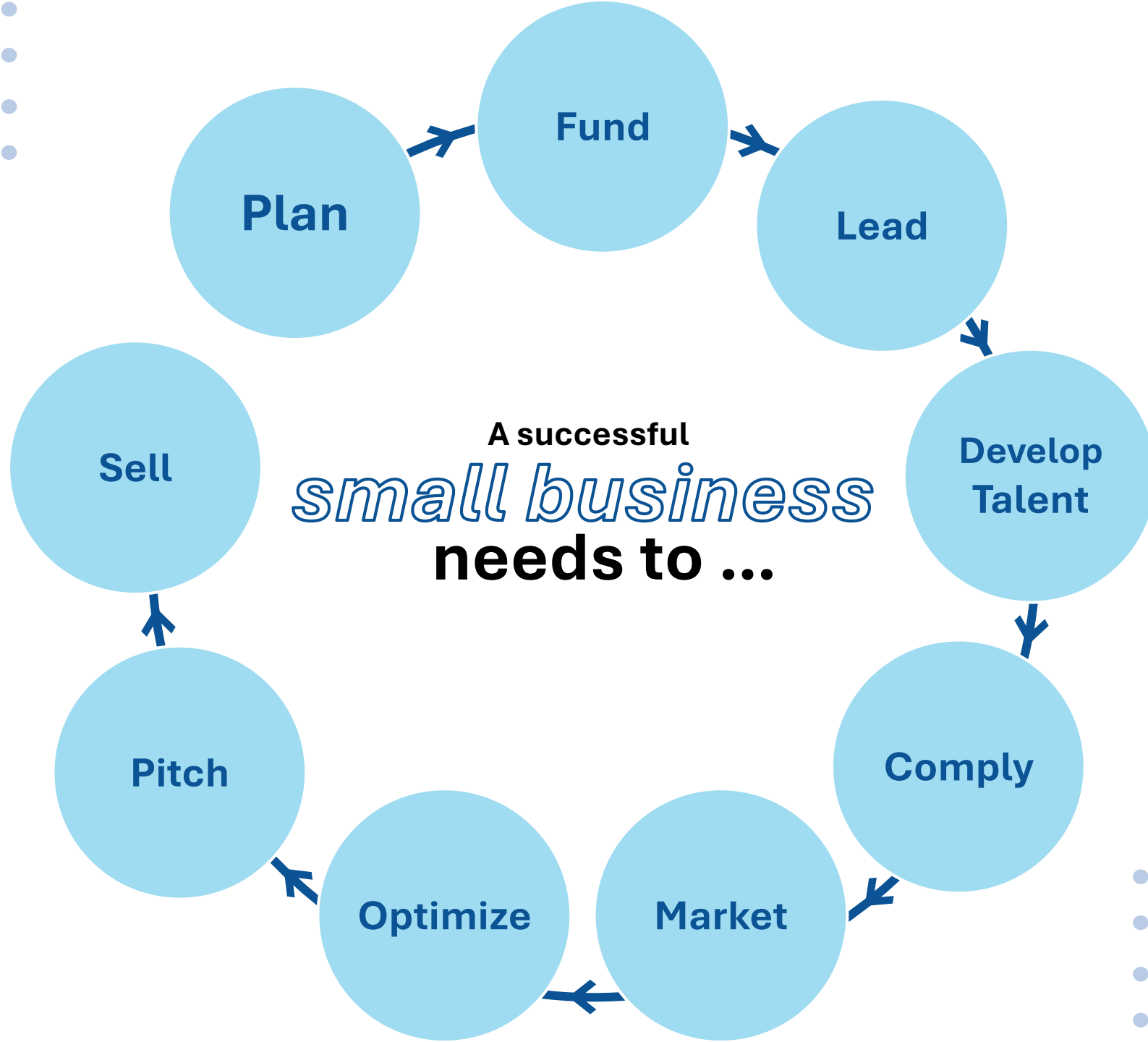
ECONOMIC IMPACT



The company's growth created benefits beyond the business itself:

- Local suppliers supported
- Expanded local tax base
- Strengthened the region's mfg. ecosystem
- Created higher-skilled jobs and opportunities for worker advancement





The image features a white background with a large, thin light blue circle centered on it. This circle is partially enclosed by a thicker, solid blue border at the top and bottom edges of the frame. In the center of the composition, the text "YOU are the *strongest* RESOURCE *for a* Small Business" is displayed. The word "YOU" is in a large, bold, black sans-serif font. To its right, the words "are the" are in a smaller, dark blue sans-serif font, followed by the word "strongest" in a bold, italicized, dark blue sans-serif font. Below "strongest", the word "RESOURCE" is written in a light blue, bold, sans-serif font with a thin dark blue outline. To the right of "RESOURCE", the words "for a" are in a small, italicized, dark blue sans-serif font. Finally, the words "Small Business" are in a bold, dark blue sans-serif font at the bottom of the text group.

YOU are the ***strongest***
RESOURCE *for a*
Small Business

*Encourage small businesses to **stay connected** to hear about upcoming events, workshops, grant opportunities, and technical assistance.*

Thank You!

VICKY ROWINSKI, CECD

Director

vicky.rowinski@macombgov.org

(586) 469-5285



**Planning and Economic
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