

History

You may recall that the country went through a similar deep recession in the early '80s. All industries declined, save one; the legal profession and in particular, bankruptcy attorneys, prospered. Unemployment was severe and demonstrated itself in prolonged negative job growth. There were simply no jobs to be found in any sector.

To ease the plight of the unemployable, congress allocated hundreds upon hundreds of millions for small business development centers across the nation. Although nobly intended and a good thought, it didn't produce the desired results. Why? Unfortunately, as with most large government funded projects, there was very, very little oversight. Consequently, the money was not efficiently used and a host of unqualified personnel were hired, in a typical bureaucratic manner, to "help" small businesses get started to no avail. The staff hired had no hands-on successful business experience. You can't teach what you can't do.
http://www.servicesca.org/failed_incubators.htm

We need not repeat that mistake. Our country simply can't afford it.

However, during this period an interesting correlation was observed; sales of all products and services associated with starting a business increased in all sectors. For example, while mainframe and servers declined in the computer industry, the sale of personal computers increased. Platform software declined while sales of individual licenses for business software increased. Office buildings decreased occupancy, yet executive suites and small office leases increased. Sales of residential furniture went down. Office furniture sales went up. Corporate telephone service, down. Individual business lines, up. The IRS reported that C-corporate filings were way down with Sub-chapter S-corporations way, way up. There were record numbers of applications for assumed name certificates and record numbers of networking groups formed. The list goes on and on. (The reader is invited to independently verify these data.)

Treated as a related industry, "Startup Businessing" thrived. Services Cooperative Association, the first business and professional co-op in the nation, was created in 1983 in response to the need for new business owner support and training. In 1985, the Entrepreneurial Development Center, Texas' oldest business incubator, was founded to put all the resources in one place. Both entities were formed entirely without public funding and worked together to produce http://www.servicesca.org/incubator_clients.htm

The SCA and EDC perfected the process of accelerating business startup by placing all the essential support services in one location, along with the associated business products: furniture, office space, computers, telephones, software, etc.

Most importantly, the co-op supplied experienced business owners to train the new ones. It takes experienced, entrepreneurial business owners to teach entrepreneurship to new business owners, not bureaucrats, bottom feeders or those without hands-on successful business experience.

Tell your congressperson that private sector has demonstrated that it is capable of the task and will repeat the process around the nation. Let's discontinue use of tax dollars to compete with private sector capabilities. Let's use our tax dollars elsewhere. http://www.servicesca.org/C_Dean_Kring_bio.htm

<http://www.servicesca.org> - http://www.servicesca.org/entrepreneurial_development_center.htm

