

The Center for Oklahoma Small Business Research & Analysis

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Scope of Work

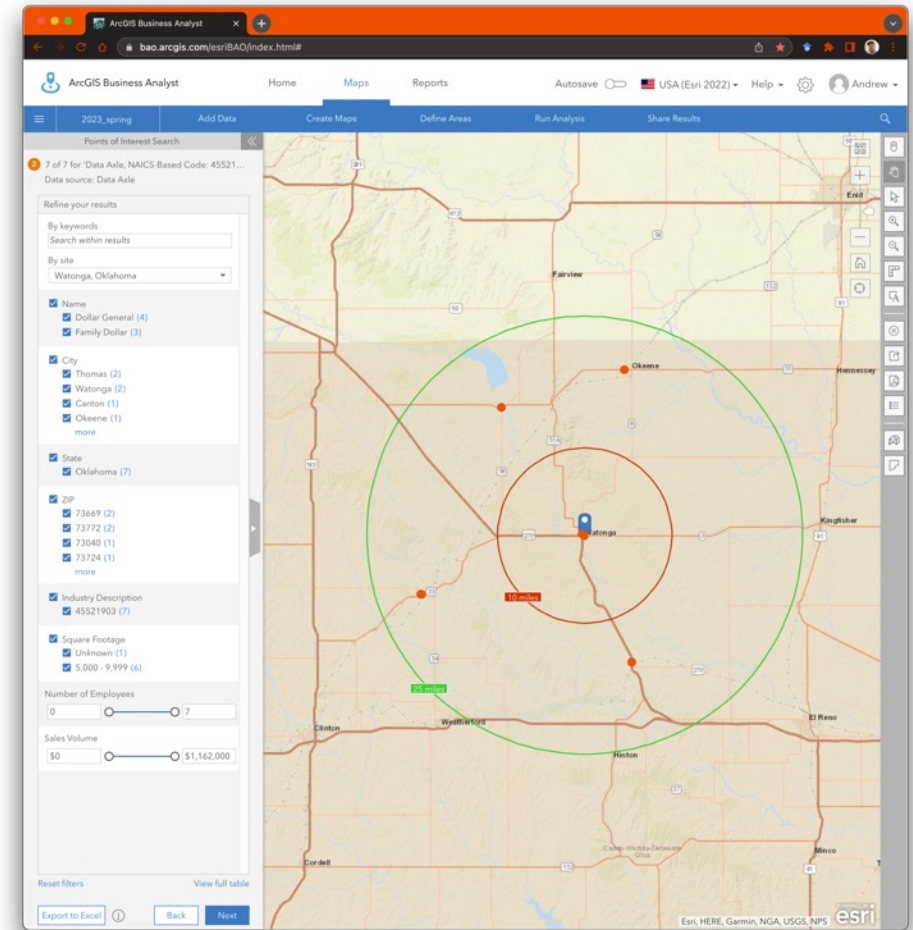
- The **Center for Oklahoma Small Business Research and Analysis** is responsible for providing the Oklahoma Small Business Development Center with research and analysis, helping prospective business owners (SBDC clients) make accurate business decisions.
- The center's main function includes providing advisors with market data and financial comparison data for whatever industry a particular client is interested in.

Data Services

- **ESRI Business Analyst**: best for anything geographic
- **Bizminer**: detailed industry financial and market reports
- **Vertical IQ**: newest service, still learning it

ESRI Business Analyst

- Useful for anything geographic.
- **POI Search:**
 - Find any business pertaining to a given NAICS code(s) or keyword
 - Search a geographic unit (a county or municipality) or a radius
- **Report:**
 - Information about a variety of topics
 - Traffic, demographics, restaurant demand, retail outlook, etc.
 - Also available by geography/radius



Bizminer

• Industry Financial Reports:

- Industry financials (available in either % or \$ terms)
- Financial ratios (cash flow, profitability, efficiency, debt risk)
- Valuation

• Industry Market Reports:

- Competitors
- Employment
- Market penetration
- Productivity
- Startups & more

- Available (usually) at US or OK level

Industry Financial Profile:
Industry: [722513.0623] Pizza Restaurants (Limited Service, Take, Out)
Sector: Accommodation-Food Services Market Area: State of Oklahoma
Sales Class: industry-wide

Industry Financials

Income Statement | Balance Sheet | Sources & Uses Of Funds

% Percentages | Dollars | Charts

Dollars (All figures in USD)

	Trend	2017	2018	2019	2020	2021	2022
Business Revenue	▲	\$549,495	\$494,640	\$512,566	\$537,093	\$510,560	\$556,100
Cost of Sales	▲	\$207,327	\$187,658	\$187,919	\$191,595	\$179,519	\$166,000
Cost of Sales - Labor Portion	▲	\$30,996	\$29,315	\$30,618	\$26,534	\$24,862	\$23,000
Gross Margin	▲	\$342,168	\$306,982	\$324,646	\$345,497	\$331,041	\$390,100
Officers Comp.	▲	\$23,138	\$21,034	\$21,430	\$22,977	\$19,015	\$19,400
Salary-Wages	▲	\$103,972	\$91,126	\$100,952	\$108,840	\$101,837	\$127,000
Rent	▲	\$44,027	\$39,730	\$39,373	\$42,024	\$38,561	\$44,100
Taxes Paid	▲	\$23,585	\$21,189	\$19,784	\$20,743	\$20,062	\$23,200
Advertising	▲	\$11,416	\$9,731	\$10,619	\$11,416	\$10,626	\$9,600
Benefits-Pensions	▲	\$4,054	\$3,580	\$6,844	\$7,389	\$6,485	\$8,900
Repairs	▲	\$8,899	\$7,887	\$8,796	\$9,386	\$8,609	\$10,100
Bad Debt	▲	\$386	\$296	\$247	\$269	\$322	\$0
Sales General Admin & Misc.	▲	\$81,267	\$72,122	\$75,165	\$80,043	\$74,031	\$68,000
EBITDA	▲	\$41,424	\$40,287	\$41,436	\$42,410	\$51,493	\$78,000
Amortization Depreciation	▲	\$9,930	\$8,631	\$10,717	\$12,482	\$10,929	\$18,000

Industry Revenues
At 2022q2, industry revenues for the Pizza Restaurants (Limited Service, Take, Out) industry increased by 9.03% to \$556,654 at 2022q2 from \$510,560 at 2021. The reason for this increase should be considered in the context of the Pizza Restaurants (Limited Service, Take, Out) industry. Are consumers more willing to spend their earnings on these products or services, is the industry growing in acceptance, or are industry operating costs driving up Pizza Restaurants (Limited Service, Take, Out) companies' prices?

Cost of Goods
In 2022q2, total Cost of Goods Sold (COGS) were 166,367. Of this amount, 23,040 or 13.85 were from labor costs as opposed to inventory purchases or other COGS. At 2022q2, the industry Gross Profit Margin (390,286) improved to 70.11% at 2022q2 from 64.84% at 2021. An increase in the GPM means that the industry's cost of inputs (usually labor costs and inventory purchases) have decreased. The reader should consider why this is happening. For certain industries, this may mean greater activity which allows companies to charge more for their products and services without an increase in input costs.

Operating Expenses
Average industry operating expenses in 2022q2 were \$330,818 (59.43%). The largest components of total operating expenses were Salaries and Wages, \$127,685; Sales, \$101,837; and Rent, \$38,561. At 2022q2, the industry saw a favorable decline in operating expenses.

Vertical IQ

- Specifically caters to SBDC mission
- **Local economic profiles:** info about a county demographics, business dynamics (openings & closures), real estate, and more.

- **Industry profiles:** include a variety of insights, such as

Current Conditions

Industry Structure

How Firms Operate

Global Perspective

Industry Trends

Credit Underwriting and Risks

Industry Forecast

Working Capital

Capital Financing

Business Valuation

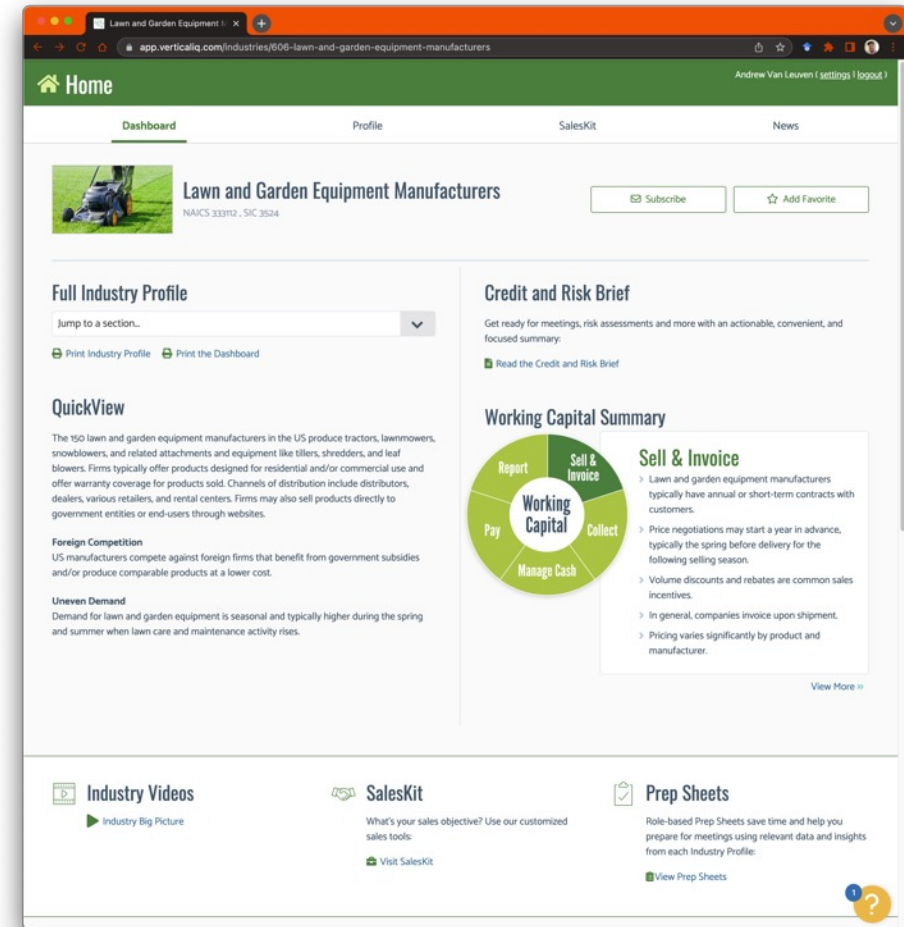
Financial Benchmarks

Banking Solutions

Bank Product Usage

Quarterly Insight

Call Prep Questions

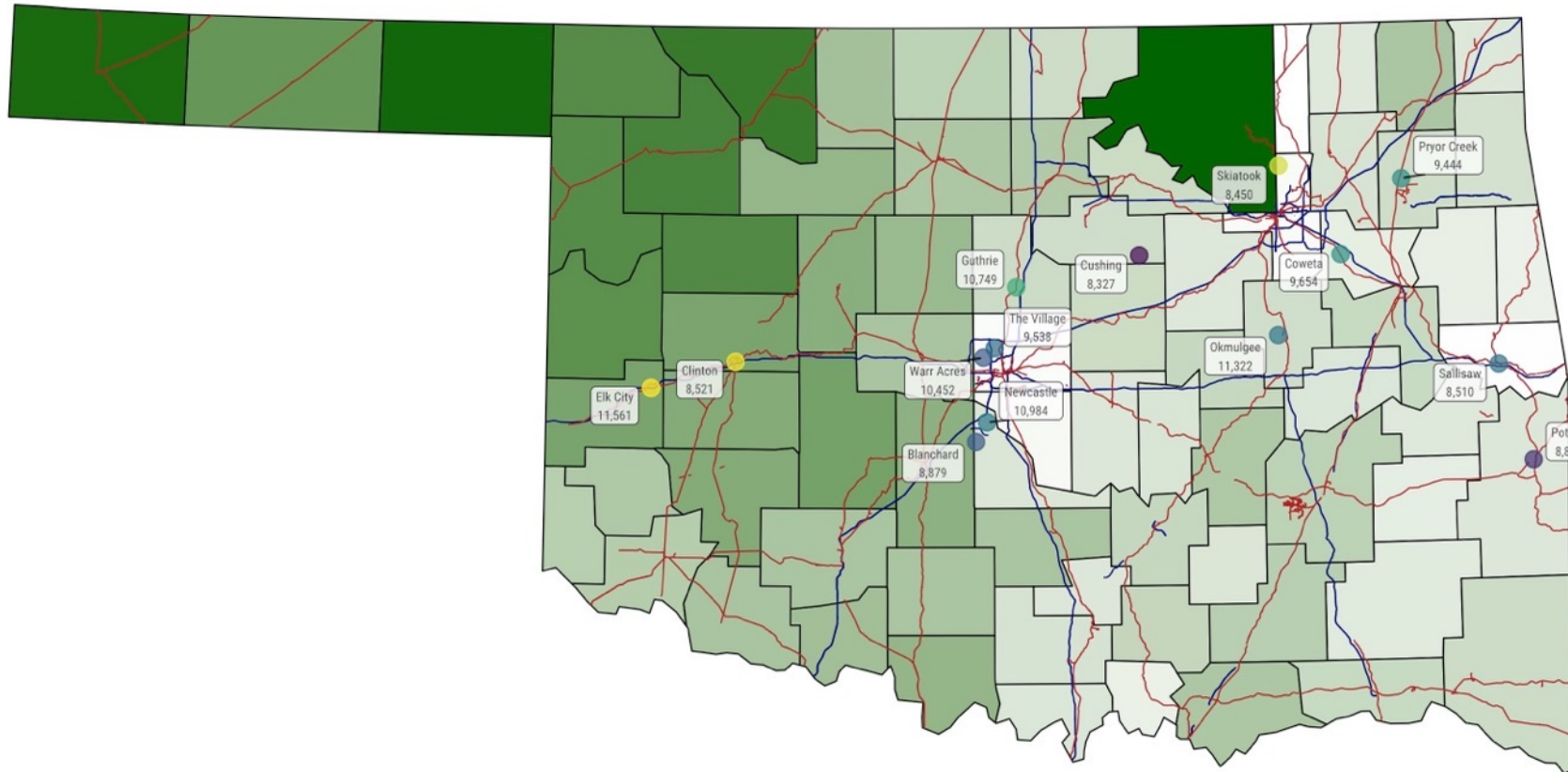


Other Data Sources

- I'm happy to look elsewhere for the information your client needs
- Mergent & IBISWorld are still available to me via Oklahoma St. University, but PDF exports should *not* be given to clients.
- If I can't readily use the tools at hand to answer your question, it most likely fall outside of the scope of the research center.



Recent Example



Rail Line 
Highway 



Client wanted:

- Rail proximity
- Highway proximity
- Population around 10,000
- High acreage of grazing land

Best Practices

- **Specificity + Brevity = SUCCESS**
 - Be as specific as possible while also being concise!
 - *“Client wants to do something with welding or manufacturing, somewhere in Oklahoma. Can you find information about that?”*
 - *“Client wants an industry financial report about NAICS 332311: Prefabricated Metal Building and Component Manufacturing. They are primarily interested in rural counties south of I-40 and west of I-44/Lawton. Can you also find a list of competitors in that region?”*
- When possible, specify what data service you’re hoping to get research information from. If not, make sure to at least describe what you’re looking for. For example, if you don’t mention ESRI but mention *“a list of pizza parlors in Pontotoc County,”* I will still know what you want 😊

Best Practices, continued

- If you want information about human behavior or preferences (e.g., “*What brand of seat cushions do truck drivers prefer?*” or “*What flavor of ice cream helps teenagers get off their phones?*”), that data costs millions of dollars and requires focus groups/extensive testing.
- If you want internal information from a particular firm (e.g., “*What is the most profitable flavor of Rooster Booster?*”), chances are you should be reaching out to that firm.
- What we do at the **Center for Oklahoma Small Business Research & Analysis** is provide information about:
 - Regional market characteristics & demographics
 - Industry financial conditions & benchmarks
 - Existing entrants (i.e., competitors) in a region/industry

Goals for the Center

- **Volume:** goal is 10 requests fulfilled per month, totaling 120 for the year (all depends on advisor demand for research) *(49 fulfilled so far...)*
- **Timeliness:** 95% of research requests fulfilled within 5 business days of request *(100% timeliness so far...)*
- **Outreach:** posts in the quarterly OK SBDC newsletter; columns/posts will highlight aspects of economic & community development that tie into small business development
- **Training:** presentations/emails that highlight data & research capabilities of the center; increase awareness about the center and/or instruct advisors how to use data in their role *(2 presentations so far...)*

Thank you!

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