

The Birmingham News

Birmingham entrepreneurs are dreaming to sprout their own business during one of the worst economies

By [Michael Tomberlin -- The Birmingham News](#)

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Charlie and Cindy Thigpen started The Gardener's Gallery after they took buyouts from Southern Progress. (The Birmingham News / Linda Stelter)

Charlie Thigpen's life has been spent bringing things to life and watching them grow. That's why it came as a shock when the job he cultivated for 29 years was pruned away. Thigpen was the gardens editor at Southern Living magazine and the man responsible for the award-winning landscaping at Southern Progress Corp.'s campus in Homewood. Then the jobs started to wither at Southern Progress.

Thigpen, 48, took a buyout. So did his wife, Cindy, who had spent 20 years at Southern Living.

Then Thigpen did what he has always done -- he brought something new to life: Gardener's Gallery, a business idea he had never had time to act on.

The Thigpens are not alone. In 2009, a dark year in worst economic downturn since the Great Depression, the number of business licenses granted in the city of Birmingham increased 2.5 percent from the previous year.

Parts of the city saw much sharper spikes, figures show. In downtown and Birmingham's Southside, the number of business licenses rose by 29.3 percent and 22.7 percent, respectively. Some areas saw steep declines.

All together, the city of Birmingham issued 1,110 business licenses last year, officials said. Another 641 business licenses were issued to addresses outside the city limits, a figure not tracked in 2008.

After the buyout, the Thigpens didn't consider searching for another job at a big company.

"We had been in the corporate world for a long time and we decided we wanted to control our destiny," Thigpen said. "I think a lot of people are like that now."

There are signs that what has dubbed "The Great Recession" has begun to spur entrepreneurship across the state and nation:

Start-up activity among jobless managers and executives in the U.S. reached a four-year high in 2009, according to Chicago-based consulting firm Challenger, Gray & Christmas Inc. Last year, the percentage of unemployed workers starting their own business rose to an average of 8.6 percent, the firm said.

New business development is considered critical to a sustainable recovery, according to Challenger.

Many new businesses are not being captured in the business license figures. Those who start consulting or service-oriented businesses are not required to get a license under state law, meaning many of the businesses being started are not being counted, officials said.

While Birmingham saw an increase last year, Jefferson County issued 9 percent fewer business licenses than in 2008, while Shelby County officials said the number of business licenses issued there was flat. Hoover doesn't have totals yet.

The U.S. Small Business Administration says its lending to small businesses in Alabama spiked 59 percent in the fourth quarter of 2009. The dollar value of those loans doubled in the period, the agency said.

"It's like seeing green shoots in an area ravaged by a wildfire," said Tom Todt, director of the SBA's Alabama District.

The Thigpens, who know all about green shoots, got an SBA loan to start the Gardener's Gallery at 2805 Second Ave. South in the Pepper Place complex, and they also poured in their life's savings.

"It's all on the line. We've got everything invested," said Mrs. Thigpen, 50. "It's scary. I wake up at 3 a.m. lots of times and talk myself out of panicking. But if you don't jump, you're never going to fly." The flight can often start with a shove instead of a jump, according to Franz Lohrke, entrepreneurship professor at Samford University's Brock School of Business.

"The difference between entrepreneurs and non-entrepreneurs is the entrepreneurs are the ones who make the leap," he said. "Sometimes it's not so much that you're making the leap as you are pushed." Lohrke said that push -- known in academic terms as negative displacement -- can come in bad economies or good, such as when Birmingham bank merger layoffs spurred many to start banks and financial services firms.

He said there some people have started a business on the side out of fear of losing their primary job, a sort of professional diversification to hedge their bets.

Working longer hours

Thigpen has learned that starting a plant in a pot is much easier than seeing your business dream transferred to a piece of paper. He and his wife had to put together a business plan, secure financing and find a location. That's before settling on inventory and then buying, receiving, displaying and pricing products.

"I know plants very well, but the retail is a different story," he said. "I feel like I need to prove myself again now."

While they share a nagging worry that they will be like so many small businesses that fail, the early results have been encouraging. They also have found unexpected satisfactions from leaving the insulated corporate world.

"We work longer hours and harder hours. But it's not a burden," Mrs. Thigpen said. "We know we have to do it and we really want to do it."

"We are learning something every single day," Thigpen added.

"My friends and my family have supported me so much, they make me feel like I've got to succeed," he said. "They have so much confidence in me I feel like this has got to work."

LOOK BEFORE YOU LEAP

Samford University entrepreneur professor Franz Lohrke said these are the seven things to consider before hanging your shingle:

1. **Focus on providing value.** "Remember, benefit is what the customer perceives, not what the business owner thinks it is."
2. **Learn about your industry before opening.** "Determine who your direct and indirect competitors are and why they are or are not successful."
3. **Understand your business model.** "Know exactly how you will generate sales and which expenses are most critical in your business."
4. **Manage cash constantly.** "Know when it is coming in and going out. Even profitable, growing businesses can go bankrupt because they can't pay their bills on time."
5. **Minimize fixed costs.** "Higher fixed costs like rent and equipment mean more sales are needed just to break even."
6. **Use low cost, "guerrilla" marketing tactics.** "Using social media or hosting an event, to inform customers about your new business."
7. **Try to find partners.** "Others can help access resources that you can't afford."

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