



NEWS RELEASE

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SBA's CLASS OF 2001 SMALL BUSINESS WINNERS KICKS OFF NATIONAL SMALL BUSINESS WEEK

WASHINGTON – Despite the hard work, long hours, stress and anxiety that is part of starting and growing a small business, all 53 state Small Business Persons of the Year say they would do it all over again.

“This is a testament to the rewards, both financial and personal, that come from owning a small business,” said Acting SBA Administrator John Whitmore. “But let no one think for a moment that the job of entrepreneurship is easy. That’s why once a year the nation celebrates National Small Business Week and the men and women who are the heart and soul of American free enterprise – America’s small business owners.”

The U.S. Small Business Administration (SBA) “Class of 2001” winners arrive in Washington, D.C., today at the start of National Small Business Week to receive honors from the SBA, their peers and President George W. Bush. One of the 53 winners from each state, Guam, Puerto Rico, and the District of Columbia will be named the National Small Business Person of the Year by the President in a White House ceremony Tuesday afternoon.

In addition to sharing a conviction that starting a business was the right thing to do, the winners have another common bond – each is technology-savvy and uses a personal computer in business. Seven of every eight businesses have an Internet Web page. Over half are involved in e-commerce.

The winners are selected in a rigorous nomination and nation-wide review process involving all 70 SBA district offices. The nominees are judged by a panel of their peers in each state. They are reviewed based upon their record of stability, growth in employment and sales, financial condition, innovation, response to adversity, and community service. Involvement with SBA is *not* a selection criteria, though more than half the winners received financial or management assistance from the SBA at some point.

An SBA survey of the winning businesses reveals a mix of products and services as diverse as American society and culture. The winners include: a florist, an educational software developer, a car battery manufacturer, an amusement/theme park operator, a boxed chocolate manufacturer, a fitness club owner, a sapphire jewelry manufacturer, a custom iron works products designer, a tropical fish dealer, and a luxury linen manufacturer.

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One of every four winners is in manufacturing; one of five is in a retail business. Nine percent of the businesses are in computer technology, 7 percent in construction and 17 percent in some kind of professional service – real estate, engineering, accounting or the like.

Women own 28 percent of the winning businesses and 25 percent are minority-owned: 6 percent by African Americans; 8 percent are by Hispanic Americans and 4 percent by Asian Americans. Veterans own 17 percent.

More than half of the winning businesses are family owned and operated. Among these, 22 percent employ their spouses, 18 percent employ siblings – 9 percent brothers and 9 percent sisters – 4 percent employ their mothers and 6 percent employ their fathers. Children are also an important part of these operations, with 13 percent employing their daughters and 28 percent employing their sons.

Of the state winners, 28 percent sell to the federal government and reported median sales of more than \$850,000 last year. Their combined total sales to the federal government amount to \$57 million for an average of 28 percent of their total sales. The most recent year's total sales for all the businesses amounted to \$460 million. Median sales were \$5.5 million (\$9 million average). The winning businesses have been in business for an average of 15 years. Of the winning businesses, 41 percent were started in the 1990s, 26 percent in the 1980s, and 17 percent started in the 1970s. The oldest business was founded in 1907.

Twenty-two percent export goods and services representing 20 percent of sales. Additionally, 17 percent of those who currently do not export anticipate doing so within two years. Countries receiving exports include: nations of The United Kingdom, Canada, Mexico, Australia, Germany, China, Switzerland, Japan, Cypress, Israel, Norway, France, Singapore, Russia, Argentina, Central America, Kazakhstan, Belgium, Brazil, Chile, Egypt, Greece, Indonesia, Iran, Italy, Poland, Romania, South Africa, Saudi Arabia, Spain, Thailand, Turkey and Venezuela.

Together the winning businesses employ 3,628 full-time and 1,028 part-time employees. The smallest business employs three people full-time and the largest business has 350 full-time employees. Although more than a quarter (28 percent) of the businesses started out as home-based, only a handful (4 percent) are still home-based.

About a quarter of the winners indicated that financing and managing a growing business was their biggest challenge. Other hurdles cited included hiring and managing employees, managing customer service, dealing with uncertainty, handling tax and regulatory issues, facing gender discrimination, wearing multiple hats, handling competition, and balancing personal and work life.

For more information on National Small Business Week and a complete list of state and other award winners, visit the SBA's Small Business Week Web site at <http://smallbusinesssuccess.sba.gov/>.

Additional information about SBA programs and services is available at SBA's Web site:
<http://www.sba.gov/>. *Or call the **SBA Answer Desk** at **1-800-U-ASK-SBA**.*

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