

Cute Little Store 2

What ever happened to that cute Little store?

Adeena Mignogna

**Outskirts Press, Inc.
Denver, Colorado**

Introduction

“Business is always personal. It’s the most personal thing in the world.” - Michael Scott, “The Office”

It’s January 22nd, 2008. I just left two voice mails for a potential buyer of my business. Actually, he’s more than a potential buyer – we currently have a signed contract, complete with a non-refundable deposit. He should be *the* buyer. But last week he told me that the 6th bank he applied for a loan with just turned him down. I offered to lower my price if he still wanted to go with his backup plan of using funds from his retirement account. Unfortunately, he’s in the same boat everyone is in now – his retirement funds are worth about 20 percent less than they were three months ago when he came up with that backup plan. It’s a Tuesday and I’m waiting for a call or email back from him. I was supposed to hear by the end of this past weekend. This does not look good.

Now picture the time in which this is happening. We all woke up this morning to the top headline on the news: “Global stocks plunge

on recession fears.” The economy is not in fantastic shape right now. This is largely what is preventing him from getting a loan and is responsible for all our 401(k)s losing a ton of value.

The economy hasn’t been helping sales at the store recently either. Add to that, today I received three letters in the mail from random companies I’d never heard of who want to “help you solve your financial problems.” All of them begin with the sentence: “As you are probably aware, a Federal tax lien was filed against The Pot and Bead LLC on December 26, 2007 in the amount of \$7,932.” Actually I wasn’t aware of that at all!

Today hasn’t been a good day. If this sale doesn’t go through (and I’m not optimistic), I’m going to need to close my business.

How did it get to be this bad? We’ll go through the ups and downs in this book.

I’m not a negative person. While I’ve had a very bad day and a not so fantastic month so far, things really aren’t that bad. As a business owner, you’re going to have ups and downs. And they could be major ups (from being a finalist for a small business award) to major downs, like today. Through all my downs I’ve constantly reminded myself that I’m healthy, I have a roof over my head, plenty to eat, and I could work my way out of this bad situation one way or another.

The purpose of this book, like *Cute Little Store*, is not to depress you. It is written with the intent that you, as the owner or soon to be owner of a small business, have the ability to benefit from my mistakes. My hindsight is your foresight. In 2008, The Pot & Bead became one of the more than half a million businesses that close each year. Yours doesn’t have to.

I started writing, and wrote most of, *Cute Little Store* in early 2004. At that time, The Pot & Bead had been open for a year and a half. I wrote that book after trying to buy a second business which failed miserably, after a burglary, and after I’d started the process of buying my absentee partner out – a lot had happened in that first year and a half. It was also after I tried very hard to seek financing for additional Pot & Bead stores, with zero success. I was very depressed and decided to do something productive with my energy - to write about the experience so I could hopefully help others.

I finished *Cute Little Store* at the beginning of January 2006. In the two years since I'd started writing that book, a lot had changed in my life and with the store, but it didn't fit within the context of starting a new business. Everything that was happening was about maintaining or exiting from a business. This book, *Cute Little Store 2: What ever happened to that cute little store?* is about maintenance and exit strategies. It's about controlling cash flow. It completes the story of the business.

The changes for me and The Pot & Bead started in late 2004. I spent most of 2004 depressed and deflated. I didn't have the chain of paint-your-own-pottery stores that I'd planned, my marriage was effectively over (but because I was taking no income from the store, I was unable to separate and support myself), and I was missing some aspects of my engineering career. As much as I loved my store, it wasn't providing anything to satisfy my geeky, techy nature. Although I didn't realize it at the time, I was also missing the office environment. As the owner of a small retail business, you're by yourself a lot. The personal interaction is minimal, other than interacting with individuals for the sole purpose of trading goods and services for money, and you have no colleagues. Employees don't provide the same kind of interaction as colleagues. It's surprisingly lonely.

I knew I had to change things in October 2004 when Burt Rutan and his company, *Scaled Composites LLC*, won something called the X Prize. The X Prize was a competition that I'd followed since it began ten years earlier when I was in college. It challenged individuals and companies to push the limits in aerospace. Around that time I also saw a therapist/social worker who was able to figure out very quickly that I was unhappy. She immediately picked up on the reason, too – I was unhappy mostly due to dissatisfaction with my career.

So after thinking about it, I decided I wanted to go back and work for someone else 40+ hours a week again.

Was I crazy? Was I going to wind up the same burnt out engineer I was when I left? I made two lists. One was the pros and cons of taking on a full-time job. The second was the pros and cons of sticking it out as a retail business owner. In the end, the pros of

taking a full-time job far outweighed the cons and outweighed the pros of not taking the job. So that's what I did. In December 2004, I became a "work-for-someone-else" person again. But I went back with a completely different attitude towards work and what was important in life.

Could this be done? Full-time career and manage a retail shop open 7 days a week? I had to try. At that time, I had a full-time store manager and it was working out well. She was there during the weekdays so I could be off someplace else.

The other way I knew it was possible was if I sold the business. When I took that engineering job at the end of 2004, it was with the belief and intent that by the following summer, I would have sold The Pot & Bead.

Unfortunately, by early 2006 – when *Cute Little Store* was sent to the publisher and I started writing the material for this book – I still had a day job, still had The Pot & Bead, without a manager, and had no end in sight to my double life.

This book talks a little about managing two completely different careers at the same time – engineer by day, business owner by night. It talks about trying to sell the business, trying to close the business and all the little things I know now that I wish I knew then. It talks about managing cash flow and controlling spending.

This book is written for anyone who owns a "Cute Little Store" or other business and isn't sure they're in the right place anymore. Just like my first book, *Cute Little Store*, this is also written for the person who is thinking about starting their own business. Exit strategies might not seem important when you're starting out – I certainly shrugged them off – but they need to be an integral part of planning from the beginning. You never know how and in what direction your life might change.

Other changes in my personal life had a major impact on my career and business. The biggest change was my divorce. This affected my business because when I was married my then-husband had to sign papers like leases and loans. When we divorced, it took some effort to remove him from the lease and loan. Afterwards, a man named Dave came into my life and while we weren't married, the fact that we lived together meant that he became involved in my

business. There was no way to prevent that from happening. He did everything from taking out the trash and being my Mr. Fix-It, to acting as a sounding board and source of advice, as you'll see throughout this book.

Whether you're just starting out, planning your new venture or already in the middle of it, this book includes a complete picture of a business from start to end, with a timeline and financial data.

Chapter 1: A Double Life

As if quitting one's career to start a business wasn't a big enough change in one's life, in 2004, while continuing to run my business, I went back to that career.

Chapter 2: Exit Strategy Part I: Getting the Business Ready To Sell

In this chapter, I write about making the decision to sell and getting the business on the market.

Chapter 3: Money Mistakes We Make

I thought that I was done making significant mistakes with money when I wrote about a business purchase gone awry in *Cute Little Store*. If only!

Chapter 4: Exit Strategy Part II: Take My Business, Please!

This chapter tells the story of the first buyer I thought I had for the business.

Chapter 5: Money In, Money Out

Yes – it is all about managing your money.

When you're starting a business, what's the one thing you can never get? Real financial data from a real business. Well, here is our financial data to use as a source or guide.

Chapter 6: Exit Strategy Part III: At Leases End...

Selling isn't the only exit strategy. With a lease expiring soon, I had to consider alternatives!

Chapter 7: More On Employees

Next to money, your employees are your most valuable resource.

This chapter contains more information about hiring and managing them.

Chapter 8: Exit Strategy Part IV: For Sale, By Owner

With a new lease on life, I wanted to try selling the place again. This time, no broker.

Chapter 9: The Internet – It’s For Businesses Now!

It’s more complicated than ever to navigate the increasing number of options for marketing and sales that the internet provides.

Chapter 10: Exit Strategy Part V: Closing the Business.

Yep – closing did become the answer. This is how we managed the process and got through it.

Chapter 11: The Final Word – Why Exactly *Are* You In Business?

Remember why you’re here. It’s about making a profit. I look back at the good and the bad over the life of The Pot & Bead and attempt to relay some final advice regarding goals and profit.

Appendix A: Timeline

Here I provide a timeline of all the events discussed in this book and in *Cute Little Store* that are relevant to the business.

Appendix B: Business Plan

This appendix contains the complete text of the business plan that was used to obtain the business loan and lease for The Pot and Bead, LLC. Only names have been changed or removed.

Appendix C: Lease Clauses

This is the entire lease that I held for five years, with my notes sprinkled in. The purpose is to show you a real, fairly common commercial lease.

Appendix D: The Reading List

A pile of books that I highly recommend reading and why. This is a different set of books than the list presented in *Cute Little Store*. I still recommend reading those, too.

Read the rest!

**Purchase [Cute Little Store 2: what ever happened to that cute little store?](#)
from Amazon.com**