

## **Interview with Liz Stewart, Owner of Lush Beads**

In May 2004 Liz Stewart opened Lush Beads, a full service bead shop located at 120 Merrimack Street in downtown Lowell, Massachusetts. Liz came to the Lowell Small Business Assistance Center to take Right Start, our six-week entrepreneurial training program. She was also awarded a federally funded Technical Assistance Program Grant through the Center and the City of Lowell's Division of Planning & Development. Following is an interview with Liz on her motivations for starting a business and what she has learned from the experience.

*Q: Why did you decide to start a business?*

Liz: I was looking to make a career change. I was in the high tech industry for about nine years and I was burnt out on the industry. I had started making jewelry as a side business, as a way to relax, and when I was laid off I started selling jewelry at shows. Through the process of buying supplies I ended up getting part-time jobs at two separate bead stores and I really enjoyed it, to my surprise. I had never worked retail before.

I think it would have been a huge disadvantage if I hadn't done that work. I learned the business. I learned how to deal with customers and I learned what customers are looking for. Working at the two stores really gave me an idea of how I wanted the business to run. I think it's invaluable for someone to go into the type of business that they're trying to open and work there for a while. First, you can see if you like it and second, you can get an idea of how you want your business to be. What the other businesses do that you like, what do they do that you don't like. Plus you can get contacts for suppliers and find out where to buy your inventory.

*Q: What have you enjoyed the most about owning your own business?*

Liz: I like being my own boss. I like that everything I do benefits me, my business. At the same time, however, anything I don't do can be a detriment to my business, which can be a challenge. I love the people that I work with. Very rarely do I deal with an irate customer. And I get to be creative all day!

*Q: What has been the most challenging?*

Liz: In my job, if I slack off for a day, the one person I'm hurting is me because I am the breadwinner for my family. This is my business; this is my livelihood. The other thing that I found to be a challenge is that I didn't expect to spend nearly as much time on the business end of things as opposed to the creative end. I am doing paper work, ordering merchandise for the store, getting the merchandise together. I probably spend 75% of my time on business-related things

I think the financial aspect is challenging, too, especially if you're planning to support yourself with your business. Make sure you have at least a year's worth of money in the bank so you don't have to take anything from the business. That's what I did and that worked out really well for me but it was still a shock to start taking money out of the business after that year and realize how much I actually need for my own personal expenses. I wish I would have sat down or someone had sat me down and said OK, in 3 months the business has to support you and itself - can it do it - and forced me to actually do the numbers.

Since I was financing it myself I didn't really focus on the financial aspect of it and I wish I would have done a lot more in that arena, to give myself more of a goal, things to go for, pitfalls to look for. Since I was financing it I didn't have to justify how much I was bringing in a month I didn't have to try to prove myself to a bank in order to get a loan. I paid more attention to my competition and what I wanted my market to be. And I really wish I had focused more on how much I wanted to make the first month, the second month so I had goals to work for instead of it being vague and nebulous.

*Q: Knowing what you know now, would you have done anything else differently?*

*Liz:* I think I would have been a little more organized in the beginning. One thing I did not do at the very start was to have a point of sale system. Other than that, the path that I followed and research I did really served me well. I did a lot of research on my competitors to see where they were, what they were selling, what can I do to make myself different. My experience was invaluable working in the other bead stores.

*Q: Any other advice?*

Liz: Be prepared to spend a lot of time in your business. Don't think that because you can make your own schedule and that you can go home in a reasonable hour. You will be putting in lots of time and you need to have people you can bounce ideas off of, whether it's family members or friends or people at the Lowell Small Business Assistance Center, to help you focus when you're mired in the day-to-day. Sometimes you need someone to pull you back and say, you need to look more at the broader picture in terms of long-term marketing, in terms of where you want this business to go because it's very easy to get stuck in the day-to-day, especially if you are the only one.

Another suggestion would be to either get an accountant or get something like QuickBooks accounting software which is something that I just recently got and I'm going to start using in earnest. Just to have it all available when you need it, to be able to run reports. I can run a report to see when am I making my sales what am I selling, when am I selling it and then I can adjust my prices, my store hours whatever it is I need to do – my inventory – to suit whatever it is my customer's looking for. I would definitely say either get an accountant and just pay them; honestly, if you don't know what you're doing it's worth it, in your time, to pay them to handle it or get a computer and software to help you with your accounting.

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Many small business owners face the same issues raised by Liz. Having experience in the type of business you are starting is critical, not only for the reasons cited by Liz, but because banks strongly weigh experience if you are applying for a loan. A well thought out business plan is also critical since it will force you to really think through your business idea and look at it more objectively. The financial statements are one of the most important parts of your business plan. They will help you assess your business's viability and give you a good picture of just how your business will work from a financial perspective. You can then compare your projections to how your business actually does, and adjust accordingly. Having a good accounting system is invaluable in keeping you on track and spotting problem areas before they get too big.

To learn more about Liz and her store, go to her website at [www.lushbeads.com](http://www.lushbeads.com).