

## Where to Find Statistics on Startups

**There are a slew of resources on costs, employees, and profits, but aspiring entrepreneurs should note that most figures are averages gleaned from many disparate companies**

By Karen E. Klein

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**I'm researching new businesses and would like to find out more about successful startups with original concepts. I want to know how much they cost to start, how many people they employ, how much profit they make, how long they've been operating, and other statistics. Can you tell me where to find this information? —A.A., Tokyo**

The information you want won't be available at your fingertips, but if you're willing to do some research you can find a good deal of it online. Because startups are private companies, and many of them don't survive long enough to grow, getting accurate data on them is tricky. That's particularly true when you're talking about profitability, a statistic that many entrepreneurs are reluctant to disclose.

"There is no one-size-fits-all answer" to your question," says Thom Ruhe, director of entrepreneurship at the nonprofit Kauffman Foundation. "As for cost to start, that varies dramatically by the type of business being started. Online businesses, for example, require very little capital to start, owing to the many affordable tools that make creating and hosting a Web site a relatively easy thing to do. By comparison, a manufacturing startup could require hundreds of thousands of dollars to get off the ground."

There are a number of surveys done on small business and entrepreneurship that may prove useful to you. The Kauffman Firm Survey, started following a group of businesses founded in 2004. It covers their early years of operation, asking about funding, survival rates, revenues, and other details.

Kauffman recently released another study you might look over, the "Making of a Successful Entrepreneur." It asked 549 entrepreneurs what was important to their success, from prior experiences to education to their management teams to dumb luck.

## **Census Data and Trade Publications**

Government agencies do their own small business research. Gwen Martin, interim executive director of the Center for Women's Business Research, suggests that you pore over the reports done by the U.S. Small Business Administration's Office of Advocacy. "There is usually a composite look at various businesses which may be useful," Martin says.

State and local economic development organizations may also collect data on startups in their area, Martin says. For a broader perspective, the U.S. Census Bureau releases a study of small-business owners every five years. The results of the 2002 survey are available here, and results for the 2007 survey are scheduled to be published in mid-2010.

If you can narrow your search to a particular industry or type of business, you might find good data provided by the trade publications and professional associations that serve that industry, says Drew White, CFO at Sageworks, a software information services company that collects data on private companies. "Trade publications and associations do surveys and publish their statistics. Franchise operations also have all that data collected and figured out," White says.

Only a small minority of startups attract private outside investors, but those that do may turn up in research done by the National Venture Capital Assn. The group's Web site offers a great deal of information, as does the MoneyTree Report, a collaboration between the NVCA and PricewaterhouseCoopers. The report provides information on emerging companies that receive financing and the venture capital firms that provide it.

## **Global Information Sources**

As you do your research, remember that the figures you come across are likely to be averages that apply over large numbers of disparate companies. They do not necessarily reflect what you will be able to do with a business you start, says Rhonda Abrams, CEO of The Planning Shop.

When you focus on original concepts, you should also remember that it is more challenging and usually more expensive to introduce a new product or service to the marketplace. "It's easier to have the second than the first of something, because somebody else has worked out the kinks, the operations issues, found the suppliers, and educated the market," Abrams says. "Unless you have a huge marketing and advertising budget, it's very hard to help consumers realize a need they haven't felt yet."

Since you're in Japan, you might be interested in global entrepreneurship. There are a couple of international reports you might examine, including "Measuring

Entrepreneurship, a Digest of Indicators 2009" produced by the Kauffman Foundation and the Organization for Economic Cooperation & Development.

Also international in scope is the Global Entrepreneurship Monitor. The 2008 National Entrepreneurial Assessment for the United States of America, produced by Babson College and Baruch College, concentrates on U.S. companies, while the larger Monitor report measures entrepreneurial attitudes, aspirations and activity in 43 countries.

Karen E. Klein is a Los Angeles-based writer who covers entrepreneurship and small-business issues.