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Small Business Outlook: Mary Overbey

Small Business Majority Missouri Outreach Manager



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Posted online December 31, 2018 | 12:36 pm

Mary Overbey has a pulse on small business, connecting local operators with resources, such as education, advocacy and training. In short, she's a conduit. And she runs her own small business, Meric Landscaping LLC.

2019 Projection: We're seeing that side hustle, the gig economy. People are starting up that second job, that thing they really want to do, and it's leading into full-time businesses.

SBJ: What's the biggest economic opportunity and threat on small businesses right now?

Overbey: Businesses large and small are really outsourcing a lot more. It really does drive up the opportunity for people to start those gig jobs. The downside is that it's still hard to get financing for a startup. Locally, we have multiple resources. Our banks are phenomenal and focused on small businesses. It's still difficult. We only have one [federal] Community Development Financial Institution that covers this area, and that's Justine Peterson, based in St. Louis. That funding is dispersed in microloans. If you go to a bank and ask for less than \$50,000, they're not going to lend to you. Because the underwriting costs the same for them to do a \$5 million loan or \$50,000 loan, the payoff is not there. If you only need \$20,000 or \$10,000, you don't have a resource. CDFIs fill that gap. Microloans are hot.

SBJ: How will the minimum wage increase impact small businesses locally?

Overbey: As an organization we did research on that multiple years ago. Originally, we talked to small-business owners who were proponents of it, because they wanted to be able to provide a good wage. When you find good employees, you want to keep them. That wage is really important. Payroll is the largest expense. You have a lot of

business owners who are right on the line, knowing that might take them over the edge. You see a pretty big split on that. Here, locally, I think I've heard more negative on it. That was a fearful thing for people.

A lot of those business owners already are paying a high wage, because they wanted to have a competitive edge. Now, as other organizations are mandated to bring their wage up, they'll be forced to bring theirs even higher. It could be precarious. It could decrease employment or their ability to add on an employee to grow their business. On the other hand, raising a minimum wage is extremely beneficial for a community, when you're looking at cost of living increases, and as people make more, they spend more. So, you have this dichotomy of what it's like on the bottom line, and on the other line, you have people more capable now of purchasing your goods or your services. Looking at other states, it has not hurt the businesses as much as they thought it was going to.

SBJ: Everybody's looking for a hack. What small-business hacks do you recommend?

Overbey: Wave accounting. It's an online accounting for invoicing, payroll and it was free. Well, the payroll was \$20 a month. That was my life-saving hack as a business owner.

SBJ: U.S. Small Business Administration data show about a third of new businesses fail during their first two years, half make it to five years and two-thirds hit the 10-year mark. What are the top things that bring down a business?

Overbey: Finances are No. 1, not having a plan in place. You really need to understand cost. The bottom line is there is much more behind running a business. You need to have your marketing plan and financial plan in place. You need to know where you want to be in two years, five years.