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New Entrepreneurs Get Help

By Kay Hagen



New businesses are cropping up all over Indiana. In 2003, the most recent year for which numbers are available, entrepreneurs started approximately 14,000 new businesses in the state.

Charlie and Glenda Ferguson's recipe for salsa not only has found a niche with customers, but it also has won awards in a prestigious national competition. Crazy Charlie's Gourmet Salsa is distributed in Indianapolis-area stores and also can be ordered online.

Charlie and Glenda Ferguson, owners of C & G Salsa in Fishers and creators of Crazy Charlie's Salsa, were bitten by the entrepreneurial bug. They opened a food product business in 2001 and started selling salsa in 2002.

The couple began growing peppers and tomatoes in their garden. For eight years they home canned 80 to 100 quarts of salsa and gave it away to friends.

The hobby turned into a business. "Finally, so many people told us that we needed to market this salsa that we decided to jump in," said Glenda. "It was quite a learning process. When we started we didn't have any idea of all the restrictions."

Charlie credits Purdue University and several other sources for getting them through the red tape. "Seek professional help in whatever industry you're going into," he said. "You need to be able to speak with someone. Purdue is a good resource, whether it's the food industry, engineering, or something else, they can give you some help."

From Kitchen to Commerce

Steve Smith, a processing specialist and advisor in Purdue's Department of Food Science Pilot Laboratory, said the university gets about 40 to 50 calls each year from people who want to put a new product on the market. The department helps budding entrepreneurs find co-packers, companies that manufacture and package foods for other companies to sell and turn recipes into formulas, taking them from the kitchen to a commercial facility.

"When a lot of people go to a co-packer, their recipe includes a pinch of this and that. Speaking with Purdue helped us know

that we needed to measure everything out,” said Charlie.

Starting out, the Fergusons also didn’t realize how much time the business would eat up. “When you start a company from the ground up like this, be prepared to put in a lot of time, energy, and legwork,” said Glenda. “We’ve spent countless hours going to stores. You really have to believe in your product.”

Putting It on Paper

Like many business people, the Fergusons jumped into their business without a written plan. “We did common sense things and went with our gut instinct.” said Glenda. They also were able to finance their business on their own. “If we had to go to a bank, we probably would have had to have a business plan, and we would have needed to do a lot of research on it.”

The Fergusons are fortunate.

“Approximately 24 percent of small businesses fail in their first two years, and 60 percent fail within the first six years,” said Maria Marshall, Purdue Extension agricultural economist. “Often this happens because of lack of planning. A good business plan can help you think about problems before they arise and avoid cash crunches.”

Reality Check

Marshall said it’s hard for entrepreneurs to think of all the details when they start a business. That’s why it’s important to ask for help from an expert.

Purdue has several resources for individuals interested in starting a new business. The Purdue Extension New Ventures Team helps entrepreneurs tackle all of the details.

“We help people evaluate the risks and avoid making bad decisions or just decisions that are too risky,” said Joan Fulton, Purdue Extension agricultural economist and co-chair of the team. “What can sometimes happen at the beginning of a new venture is a real euphoria, and that can lead to putting blinders on. We are the reality check.”

One of the tools the New Ventures Team uses is an online business planner, INventure. This Web-based tool, created by Purdue’s Agricultural Innovation and Commercialization Center (AICC), helps entrepreneurs write a business plan and define the fundamentals of their business.

“It breaks a business plan down into steps that make it less threatening than it might be to start with a blank sheet of paper,” said Mike Boehlje, Purdue Extension agricultural economist and co-director of AICC. “If you’re trying to write a plan and have a mental block, you click on a link, and it will show you examples of how to proceed. It doesn’t say, ‘Here’s the end; hopefully you get there.’ It really tries to guide people through the process.

"We've put together a significant number of resources. INVenture and our publications are structured so they're viable for any organization and any industry, not just agriculture."

The Fergusons are pleased with the help they've received from Purdue. The couple's award-winning products are in approximately 200 Kroger stores in the Midwest and recently went on the shelves in Marsh and Fresh Market Gourmet grocery stores. The couple are even expanding their product line, once again with help from Purdue.

"We've got a new product on the shelves now that they helped us develop," Charlie said. Crazy Charlie's Chili Sauce has already enjoyed success in stores in Indiana and surrounding states.

VISIT

INVenture

<http://www.agecon.purdue.edu/planner>

New Ventures Team

<http://www.agecon.purdue.edu/newventures>

Department of Food Science Pilot Laboratory

<http://www.foodsci.purdue.edu/research/labs/pilotplant>

C & G Salsa

<http://www.cgsalsa.com/>