

4-H Business Startup Guide

Working With Animals

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Ryan Gatton may not tell you that he has “the Midas touch,” but he does earn money doing something he loves – turning eggs into gold. Gatton, from Reeds Spring, raises chickens and sells eggs to his teachers, bus drivers, and neighbors.
<read more>

Amanda Carpenter started raising rabbits because she thought they were “cute,” but her focus changed as people started to ask her about purchasing them. She is now a budding entrepreneur and sells her stock to both local businesses and individuals.
<read more>

About this guide...

Ryan and Amanda are animal lovers who are in 4-H and have put their 4-H project experiences to work in earning an income. What do they have in common? They are “Cloverpreneurs” — budding entrepreneurs through 4-H! Both are animal lovers who are involved in 4-H and have put their 4-H project experiences to work in earning an income. (Read more of Ryan’s and Amanda’s stories on page 8.)

Are you also a young person who loves animals, and curious about what it would take to earn some money, and possibly even make a living, doing what you love? Do you have an idea for starting a business involving animals, but unsure if you have what it takes? Are you wondering what resources are available to you to help put your idea into action?

If you answered “yes” to any of these questions, then this guide is for you! You may be an aspiring entrepreneur, or a person with a dream to work for yourself and own your own business! At this point, your dream may be only that — a dream. Nevertheless, this guide will help you further explore your dream and determine how you can move it toward reality!

This resource guide is designed for use with the 4-H Entrepreneurship project literature, called Be the E, but you can also use it alone.

Be the E is a 4-H project for helping young people “Love It! Plan It! Do It!”

You already know what you love to do. Now you may be interested in making a plan to turn what you love into a job or career.

This is where this guide will help. Do you like to surf the Web? Great! This guide will point you to useful Web sites and reliable information as you consider your business options. Then, the doing part is up to you.

Good luck!

Steve Hennesch, Extension Associate

**Adam Loftin, Entrepreneurship Curriculum Specialist
(AmeriCorps*VISTA)**

Missouri 4-H Center for Youth Development



To learn how you can get started with the 4-H “Be the E” Entrepreneurship project, talk to your county 4-H staff person or visit the Missouri 4-H Center for Youth Development at: mo4h.missouri.edu/projects.

Suggested project areas for starting an animal business:

- Beef
- Dairy
- Goats
- Horses
- Poultry
- Rabbits
- Sheep
- Swine
- Cats
- Dogs
- Veterinary Science

Entrepreneurship

Check out the 4-H *Be the E* entrepreneurship project online at:

4-hcurriculum.org/projects/entrepreneur/



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Getting started

So you love animals and enjoy working with them and caring for them? That's super! One of the first things entrepreneurs will tell you is that they are in business because they love what they do! They are willing to work hard and often long hours to manage and operate their business because they enjoy what their business is about. For instance, Ryan didn't discover he loved poultry until age 7 when his mother bought him some chickens as a summer hobby. Later, he found he had a natural affection for animals. Amanda always thought rabbits were "cute" and that became her motivation for raising them.

So how do you get started in a business involving the animals that you love? Here are several Web sites where you can go to find help in starting a business around animals.

The U.S. Small Business Administration (SBA) is the federal agency that provides financing and assistance to new business owners, and maintains a Web site geared especially for teens.

sba.gov/teens

You may also find the SBA's small business planner tool useful.

sba.gov/smallbusinessplanner

The U.S. government also provides a complete list of links for small business owners and aspiring entrepreneurs.

business.gov

The Missouri Business Development Program is a program of MU Extension, like 4-H, and offers excellent information for planning and starting a business.

missouribusiness.net/startup

The Missouri Department of Economic Development is the state agency that provides assistance to people starting businesses right here in the Show-Me State. At this site, you can research business statistics, discover

business associations, and explore what startup services are available.

missouridevelopment.org

The state of Missouri provides an easy-to-use Web site for understanding what is involved in small business development and entrepreneurship.

www.business.mo.gov



Check out the 4-H *Be the E* entrepreneurship project online at mo4h.missouri.edu/projects

Animal production and agriculture

If you are looking for information and instruction on how to earn money from raising and selling animals or animal products, check out these Web sites.

MU Extension publications on farm management offer insight for potential farmers, regarding the business side of both animal and crop production.

extension.missouri.edu/explore/agguides/agecon

The Missouri Department of Agriculture (MDA) provides information on opportunities and know-how needed to start an agricultural business.

www.mda.mo.gov/abd/abd.htm

The Missouri Alternatives Center is an MU information source you can consult on small farming and alternative agriculture enterprises.

agebb.missouri.edu/mac

The Missouri Business Development Program provides information that is specific for entrepreneurs considering animal production in the agriculture industry.

missouribusiness.net/iag

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The University of Missouri also offers numerous agricultural instruction manuals for instructors and students through the Instructional Materials Laboratory (IML).

iml.missouri.edu

Production animals: beef, dairy, goats, poultry, rabbits, sheep, swine

Learning as much as you can about the animals you want to raise will allow you to provide a quality product or service to your customers. For example, Ryan enrolled in the 4-H poultry project to learn more about chickens and egg production. Amanda credits the 4-H rabbit project and other workshops for enriching her knowledge of rabbits. Gaining and applying knowledge about your product or service before you start your business will only increase your chances for success!

Companion animals: cats, dogs, horses

If your interest is in raising and selling furry friends, or taking care of companion animals for others, check out these Web sites to get a leg up on the competition!

Missouri 4-H Center for Youth Development

mo4h.missouri.edu/projects

National 4-H Curriculum

4-hcurriculum.org/projectsonline.aspx

University of Missouri Extension pets and companion animals publications

extension.missouri.edu/explore/agguides/pets

Missouri Alternatives Center Link List

agebb.missouri.edu/mac/links

Pet-Sitters Link List

pet-sitters.biz/related_links.cfm

Want to try your hand at running a “Pet Spa” business? Step inside an entrepreneur’s shoes and call the shots at the Hot Shot Business Web site!

hotshotbusiness.com

Veterinary science

If your passion is taking care of sick animals or helping maintain good health in livestock or pets, check out these Web sites for more information on veterinary science, which is also a project you can participate in through 4-H!

Missouri 4-H Center for Youth Development:

mo4h.missouri.edu/projects

National 4-H Curriculum:

4-hcurriculum.org/projectsonline.aspx

American Veterinary Medical Association Care for Animals page:

avma.org/careforanimals

Leadership and networking

Entrepreneurs are recognized as leaders in their communities. By starting and operating their own businesses (and often creating jobs for themselves and others), entrepreneurs have chosen a path that is full of risks and rewards. For that reason, entrepreneurs have plenty of opportunity to develop and apply leadership skills.

Ryan, for example, exercised the leadership skills of responsibility and problem solving to overcome the threats of cold weather and predators to his chickens. Amanda also experienced setbacks to her rabbit herd due to summer heat, but used critical thinking and perseverance to solve the problem.

You too may have leadership abilities that will come in handy as you venture out on your dream. Or you may not yet consider yourself to be a leader. You may won-



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der if you really have what it takes to be an entrepreneur. Being involved in 4-H can help you acquire and build leadership skills to be successful in business, but more importantly, to be successful in life!



Check out these *Be the E* project activities! Level 1, p. 10-11, 18-21, 28-29

Leadership

The 4-H Leadership project offers learning experiences and resources that will make you a better leader as you work with others to improve your club, your community, your country, and your world!

mo4h.missouri.edu/projects

You can also discover your entrepreneurial abilities and how to enhance them by spending some time “off-roading” with activities at the “All-Terrain Brain” Web site.

allterrainbrain.org

Mentors, Ventures, and Plans (MVP) offers an online assessment to test yourself for entrepreneurial characteristics.

mvp.cfee.org/en

Networking

How many friends do you have in your network? In a generation of cell phones, instant messaging, social network Web sites, social networking is virtually limitless. Technology offers entrepreneurs some amazing tools for conducting business and maintaining business connections.

Successful entrepreneurs will tell you they owe a great deal of their business success to networking. They rely on networking with others in order to gain and share information with others, and to solve problems. Your

business network is made up of more than those in your cell phone directory. It includes everyone that you know – your friends, family members, classmates, coaches, 4-H volunteers, etc. Ryan’s business network included his parents, relatives, teachers, bus drivers, and neighbors – people he already knew and interacted with on a daily basis. Amanda tapped into to her business network to hire part-time workers to care for her rabbits at times when she was unable.

As you start down the road to planning your business, you will make new connections and see your network grow. The key is being aware of who is in your network, how they can assist you, and what you can offer them in return. For instance, you may hire friends to handle certain business tasks. You might interact with other young entrepreneurs to trade ideas or form alliances. You may even establish partnership agreements with businesses that become your suppliers or customers. Ryan and Amanda have both expanded their networks and maintained regular interaction with like-minded youths through their 4-H clubs. As you can see, being an entrepreneur is as much about “who you know” as it is about “what you know.”

Check out the NS Teens Web site to learn about social networking that is both safe and effective.

nsteens.org

Visit the Youth Venture Web site to meet young social entrepreneurs from around the globe who are following their vision to change the world.

genv.net

Youth Venture also offers some networking basics and specific tools for mapping your business network.

genv.net/en-us/do_it/networking

Entrepreneur U. highlights entrepreneurship networking opportunities that may be available to you through high school and college.

entrepreneuru.org/student

Mentoring

Entrepreneurs have more success when they seek advice and help from others who have wisdom, skills, and experience. Many entrepreneurs are quick to tell you they would not be where they are if it were not for their mentors, or those who voluntarily coached them along the way.

As you consider starting a business, think about who you know who has encouraged you. Who do you know who could “coach” you through the process? A business mentor may be someone who is already a big part of your life — a parent, older sibling, relative, 4-H volunteer, or another caring adult who takes a special interest in you and your business. Ryan’s mentors included his aunt, who helped him learn about chickens, and his father, who helped him build a larger coop and install a water line. Ryan’s mentors have helped him do things that have made his business more successful! Amanda credits her parents for their help, and her gifted teacher for plenty of inspiration!

Mentors, Ventures, and Plans (MVP) is a Web site that can help you identify a mentor that is right for you.

mvp.cfee.org/en

SCORE is a voluntary organization that specializes in mentoring entrepreneurs on all aspects of business startup and operation. See the “how-to” section for free online counseling and advice.

score.org/learning_center.html

The Idea Café Web site includes a “Cyberschmooze” section where you can get some free mentoring and advice online.

businessownersideacafe.com/cyberschmooz

Marketing

Marketing involves how you present yourself and your business to potential customers and to the community in general. You may have a wonderful product or

service, but unless you plan how to market, it will be difficult for you to earn an income. Ryan marketed his product first by approaching the people around him who he knew wanted fresh eggs. By providing them with a quality product at a reasonable price, he built up a loyal customer base that now refers his eggs to others. Amanda used advertisement ideas from a fourth grade class project to actually market her business in the local newspaper. Brilliant marketing, Ryan and Amanda!



Check out these *Be the E* project activities! Level 2, p. 46-47, 50-57; Level 3, p. 76-77, 82-83

MU Extension offers this article on marketing basics for home-based businesses.

extension.missouri.edu/xplor/miscpubs/mp0596.htm

The U.S. Small Business Administration provides free tools for marketing your business.

sba.gov/tools/resourcelibrary/publications

The Idea Café provides marketing ideas and resources for entrepreneurs.

businessownersideacafe.com/business/marketing.php

The Youth Venture Web site assists youths with marketing the ventures they have started.

genv.net/en-us/do_it/marketingcommunication

Frugal Fun offers some affordable ideas for getting your business name out there.

frugalfun.com/22waysmarketing.html



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Financing and money management

Financing and money management is about how you initially get the funding you need to start your business and then how you manage your money once it is up and running. This topic is perhaps the most critical to how well your business will perform.

First, to make wise financing choices, entrepreneurs need to understand all the options available to them. Financing your business may require getting a bank loan, depending on the startup costs associated with your business. Another option is investing your own money, or waiting and saving up enough money to start it on your own. Borrowing money from a parent or family member is another common way young people get started.

Money management involves the flow of money into and out of your business. How you manage your money depends a lot on your knowledge, values, and assumptions. Successful entrepreneurs do not spend all of their profits on themselves. They reinvest some of the money they make back into their business to keep it healthy and growing. By putting his egg sale earnings back into savings and into buying feed, Ryan demonstrated good money management. As a result, he will be better able to meet his goal of enlarging his chicken house and buying more birds for his operation. Likewise, Amanda set a reinvestment goal to upgrade her rabbit facilities and equipment.

TIP!
Check out these “Be the E” project activities! Level 2, p. 64-65; Level 3, p. 84-89

The Mentors, Ventures, and Plans (MVP) Web site contains a *Startup Money* section on basic financing options.

mvp.cfee.org/en

The Idea Café Web site contains basic information on business financing options and considerations.

businessownersideacafe.com

Teen Consumer Scrapbook is a Web site developed by teens for teens about personal financial literacy and consumer issues.

atg.wa.gov/teenconsumer

Want to put your “money smarts” to the test? Money Smart is an online learning tool available from the Federal Deposit Insurance Corporation (FDIC).

fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html

Entrepreneur U. lists some youth financial awards and programs you may wish to consider in getting started.

entrepreneuru.org/student/financialhelp.php

The U.S. Department of Agriculture’s Farm Service Agency has a youth loan program. Search for “youth loans.”

www.fsa.usda.gov/FSA

Writing a business plan

Entrepreneurs who are serious about seeing their dream into reality know that a solid business plan is essential. A business plan serves as the “blueprint” for your business, much like a blueprint tells a contractor how to build a house. Once your business is up and standing, the business plan serves as the DNA to guide your decision-making and operation of the business. If your business startup will require applying for a bank loan or receiving financial support from others, a business plan is a must.

TIP!
Check out these *Be the E* project activities! Level 2, p. 40-41; Level 3, p. 104-113

The Mentors, Ventures, and Plans (MVP) Web site has a “Venture Planning” section that contains a simple description of what goes into a business plan.

mvp.cfee.org/en

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The U.S. Small Business Administration (SBA) Web site for teens provides an excellent example of what a finished business plan looks like.

sba.gov/teens/myplan.html

The SBA small business planner Web site features a series of tools to assist the entrepreneur in preparing and writing a business plan.

sba.gov/smallbusinessplanner/plan/writeabusinessplan

The Idea Café Web site includes sample business plans for a variety of business types.

businessownersideacafe.com/starting_business/sample_plans.php

The National Sustainable Agriculture Information Service offers business planning resources specific to agricultural businesses.

attra.ncat.org/attra-pub/agriculture_planning.html



The 4-H *Be the E* Entrepreneurship project activities are designed to help you prepare a plan for your business. Once you have completed the three levels of the 4-H project, you will nearly have a draft business plan in place!

Laws and licensing

Anyone who is considering starting a business should be aware of certain rules that are in place to protect both the business owner and the customer. Entrepreneurs should investigate the responsibilities they have by law. Keeping your business activities legal and in good standing with the government ensures you stay on the road to success! Below are a few of the stops you should make to explore the legal responsibilities that go along with starting your business.



Check out these *Be the E* project activities! Be the E: Level 2, p. 60-61, 66-67; Level 3, p. 90-91

The U.S. Copyright Office and the U.S. Patent and Trademarks Office Web sites maintain information for new businesses.

copyright.gov and uspto.gov

The Federal Trade Commission (FTC) Web site on consumer protection is a good resource for new entrepreneurs.

ftc.gov/bcp

The Internal Revenue Service Web site includes resources for students and new businesses and information about paying taxes to Uncle Sam.

www.irs.gov/individuals/students/article/0,,id=177689,00.html

The Missouri Secretary of State's Office Web site contains information on obtaining a business license in Missouri.

sos.mo.gov/business/corporations/startBusiness.asp

The Missouri Department of Revenue Web site is the source for information about filing and paying state taxes in Missouri.

dor.mo.gov



Most youths starting a business and earning an income will be considered "self-employed" for Federal and state tax purposes. However, you should consult with an accountant or tax preparer about your obligations.



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Turning eggs into gold

Ryan Gatton may say he doesn't have the Midas touch, but he does earn money doing something he loves to do — turning eggs into gold. Gatton, from Reeds Spring, raises chickens and sells eggs to teachers, bus drivers and neighbors. His regular customers enjoy getting the fresh eggs he provides.



Ryan Gatton

Ryan started keeping chickens when he was 7 years old, after his mother bought him some birds for a summer hobby. Initially, he knew little about chickens, but through a natural affection for animals, enrollment in the 4-H poultry project, and practice at caring for the birds, he learned how to nurture fowl. Ryan is now a member of the Wire Road Wranglers 4-H Club. With his father's help, he built a large coop and installed a water line. He wanted to earn some money and realized that he could make a profit by selling eggs.

Twice each day, Ryan harvests eggs, cleans them and feeds and cares for the chickens. His flock has numbered as high as 70 birds, but damage from hawks, opossums, dogs and severe winter temperatures have brought the numbers down to 50. Despite these problems, he still produces between 10 and 15 dozen eggs a week. He reinvests his money into feed and savings. Ryan plans to expand his operation this spring by enlarging the chicken house and getting more hens.

Ryan has been involved in other 4-H projects as well, winning ribbons at the Ozark Empire Fair for showing cattle. He credits his aunt, a 4-H worker, for helping him learn about chickens. Ryan is grateful for his parents' help in paying half of the feed cost, and helping with some of the work while he's at school or playing sports.

Bunnies Galore

Amanda Carpenter started raising rabbits because she thought they were cute, but her focus changed as people started asking her about buying them. She is now a budding entrepreneur and sells her stock to both local businesses and individuals through her own enterprise, Bunnies Galore. Amanda and her family live on a farm near Shelbina. She is a member of the Lentner Pioneers 4-H Club.



Amanda Carpenter

Amanda learned about raising rabbits through 4-H projects and workshops provided by MU Extension and Purina Foods. She also built several cages during 4-H activities. Her projects recently brought her Grand Champion honors for rabbits and showmanship at the Shelby County Fair.

Amanda has been raising rabbits for 6 years and selling them for 3. She began her business with eight rabbits, and her herd has decreased to as low as three individuals, due to problems with summer heat. But since her initial challenges, she has grown the business into a viable operation. For example, she has hired part-time workers to take care of her stock when she is unable to do so. She turned a fourth-grade class project in which the students created advertisements for a fictional business into real advertisements in the Shelby County Herald. With her earnings from Bunnies Galore she plans to expand and upgrade her equipment and purchase all-season facilities for the rabbits.

Adult mentors are important to Amanda's success. Her parents provided funding to get her started, and now help with some of the work and record keeping. Amanda also credits her gifted teacher, Mrs. Gingrich, as being an inspiration to running her own rabbit business. "Start slow and plan it out before you go," Amanda advises other young entrepreneurs. "Make sure you can deliver what you promise."