

Small Business: Enterprise Dispatch

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Start-Up Lets B-to-Bs

Get Their 'Groupon'

Call it Groupon for the business world.

Two-year-old networking site OfficeArrow.com is trying to replicate the success of group-buying sites with a twist: It lists only discounted products and services for businesses, not consumers.

OfficeArrow's "Deal of the Day" feature offers 50%-to-90% reductions on items such as training software, payroll services and toner cartridges, for one day only. The site, which launched in late August, is a way for small "business-to-business," or "B-to-B," companies to develop customized deals as an alternative to traditional advertising, says chief executive and co-founder Robert Ball.

So far, it's been slow-going. While OfficeArrow aims to have small businesses band together to get the best deals, much like their consumer-oriented counterparts Groupon.com, LivingSocial.com and others, it doesn't have enough of a following, says Mr. Ball. For this reason, there's no minimum sales requirement yet for its deals to become active.

OfficeArrow charges advertisers 50% of sales, which leaves little-to-no room for profit.

But Jesse Hopps, chief executive of Demand Metric Research Corp., a provider of marketing tools and templates, says participating in "Deal of the Day" is still worthwhile. Last Friday, his company sold 13 strategic-planning kits through it for \$39 each. Normally, he says his business sells only one of these kits every four or five days at their regular retail price of \$179.

OfficeArrow may be the first site to promote one-day-only discounts for just business products and services, says Paul Marsden, editor of a blog called Social Commerce Today. "I'm fairly sure there aren't any others yet."

-- Sarah E. Needleman

Angels Are Flying Away

From Seed, Start-Up Deals

Angel investment in seed and start-up deals declined as wealthy individual investors committed less money to more deals in the first half of this year.

The data from the University of New Hampshire's Center for Venture Research show angels invested \$8.5 billion in the first half of this year, a 6.5% decrease over the first half of last year. They backed 25,200 entrepreneurial ventures in the first half, 3% more than the same six months in 2009.

The number of active investors was 125,100 individuals, an 11% drop from last year's first half.

Angels' appetite for deals at seed and start-up stages continues to drop. In the first half of this year, these deals made up 26% of the total, compared with 35% in 2009 and 45% in 2008.

"Historically angels have been the major source of seed and start-up capital for entrepreneurs, and this declining interest in seed and start-up capital represent a significant change in the angel market," Jeffrey Sohl, the UNH center's director, said in a press release.

While angel investments in Internet companies are receiving considerable buzz on technology blogs, the largest area of focus for angels is actually health-care services/medical devices and equipment, accounting for 24% of investments. That's followed by biotechnology (20%), software (12%), industrial/energy (11%), retail (9%) and media (5%).

-- Russell Garland

Hiring Disabled Workers

Can Mean Tax Breaks

October is National Disability Employment Awareness Month, according to the U.S. Department of Labor. To that end, the nonprofit Health & Disability Advocates has spent the last few weeks trying to encourage small businesses to hire Americans with disabilities.

Barbara A. Otto, chief executive of the Chicago-based organization, says many are unaware of the tax benefits available to employers who hire disabled workers. For example, the federal government's Disabled Access Credit provides a credit of up to \$10,000 for qualifying small businesses to help with expenses incurred while complying with the Americans With Disabilities Act.

Small businesses typically don't have human-resources departments "so they don't have the resources at hand to look for disabled access tax credits," says Ms. Otto.

Small businesses employ more than half of disabled workers in the U.S., according to the Small Business Administration's Office of Advocacy. But this segment of the population is still struggling to land work, with an unemployment rate of 14.8% in September, compared with 9% for those with no disability.

Robert Stack, president of Community Options Inc., a Princeton, N.J., nonprofit that tries to help disabled workers find jobs, says small-business owners tend to assume such individuals require more time off for doctors' visits. Others are afraid of getting sued if they have to lay off an employee with a disability, he says.

-- Sarah E. Needleman

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