

Testimony of Jonathan M. Johnson
Owner of SnapSeat

Summary

Great news – your wife shares the news that you are expecting your first baby! And one week later you walk into work and are laid off because your position has been eliminated. I am writing today to share how I went from laid off to living out a dream of owning a small business over the course of the last four years.

Seize an Opportunity, Limit Risk

My name is Jonathan Johnson and I am here to speak on behalf of individuals who have been able to start their own business and find success in the new economy.

My story started in October 2013 when in the same month, I found out the good news that my wife was pregnant with our first child and the less good news that I was being laid off from my full-time job as an accountant. It took a couple weeks for the initial shock of losing a full-time income for my family in a career I hoped to be lifelong to pass. But what I couldn't shake was a photo booth I had seen at an event just one month before.

I have been fascinated with photography since I was in high school. When I was laid off, I had the time to research what was happening in the photo industry and realized there was an entirely new market of people and events looking for photo booths. An idea I had for mobile portrait stations a few years earlier was now becoming mainstream. So I decided to take the risk and start my own photo booth business called SnapSeat.

I started SnapSeat with a partner and every spare dollar we could find – and no debt. To fundraise the venture, I sold a coin collection, sold items from around my house on eBay and took a good part of my personal savings. We were able to come up with about \$10,000 and that covered our basic equipment, software, website, graphic design.

One thing I learned from this business is that we didn't need a big loan, a fancy business plan, or the most sophisticated equipment to get a business going. We needed to have a minimum viable product and the determination to go out and find our first customers, learn along the way, and reinvest as we made money.

Finding Customers

We made the investment, we took the risk, and we built a photo booth that (mostly) worked. We attended our first wedding expo in January 2014 and we had only two brides interested. This was clearly not enough to start a business. So how did we find customers? It took me three months to discover what would lead us to our first real customers, and be responsible for eighty percent of our business in our first year. On a friend's advice, I checked out and registered for a profile on Thumbtack.com as a service provider.

Thumbtack is an incredible mechanism for both local customers and local service providers to create a market. For a customer, they can go on the website, create a request for a large array of services – plumber, website designer, photographer, landscaper, graphic designer, electrician, digital marketer, and more – and be contacted by local professionals with quotes for those services. For professionals like me, we receive real leads from real customers looking for our services in our area.

After registering and completing a profile, I started receiving leads the same day. Shortly after, I figured out a pricing and a communication style that landed me my first paying customer for a small birthday party about 40 minutes away that paid me \$300. It sounds cliché and funny, but I really did drive both ways in a snowstorm to that first event.

I was able to successfully complete my first job, get my first positive online review, and have some money to put into landing the next client. In that first year, I completed 47 events, invested back into my business, and grew a solid base of business. And most importantly, my wife gave birth to a healthy baby boy, Jeremiah, on May 16th, 2014.

Keep Growing

We had a plan when we started SnapSeat of growing into a large outfit with multiple photo booths, operating in surrounding cities, and being capable of handling hundreds of clients a year. In just three years, we now have a total of five photo booths and five employees. We've served over 600 clients in the last 40 months in three states.

One of the best parts of establishing a business is being able to create jobs. SnapSeat is a great part time job for someone looking for a night or weekend job to supplement an income, to pursue their entrepreneurial endeavors, or go to college and finish school. My business offers flexible hours, allows office roles to be performed virtually, and we utilize a co-working space in Hartford as our main office.

Starting a gig-based business has given me the flexibility to grow my business based on my schedule and be home for my family. I truly believe that the only limit on the amount of success of my business is how hard I'm willing to work.

Another great part of finding success in an entrepreneurial pursuit is being able to help others pursue their business dreams. I've been able to coach three other startup owners and share my experience to help them improve. I'm now passionate about seeing small businesses succeed and I see the impact they can have on an economy.

How the Government Can Support Entrepreneurs

Going from a traditional job to owning a business has shown me another side of the economy. I have also experienced starting a business from very humble beginnings. I would like to share a few areas where legislation and policy change would, in my opinion, help foster small business and create an environment that would increase opportunities for startups to succeed.

Registration & Formation Assistance: I would love to say that the Small Business Administration made a difference in my business, but my real world experience with the SBA

left me feeling like assistance to seek financing, e.g. loan readiness, was the only help being offered. Registering a business on the local, state, and federal level is extremely difficult. There are numerous tax, employer, and business formation filings and registrations to complete. The government can and should work to make these basic registration processes easier to navigate and understand if they truly want to support small businesses. A small startup or entrepreneur in the “gig economy” will most likely have less legal or financial resources to devote out of pocket to these areas, and a streamlined approach to helping these businesses succeed in this area will lead to a lower failure rate.

Taxes: In the case of the startup, I would submit that there is an opportunity to get more tax revenue from a business by asking for less up front. Taxes and tax law compliance is a huge undertaking, extremely hard to navigate, and even harder to afford for most new businesses. I would offer from my experience that if the government gave small businesses a two-year tax amnesty period on income, it would give startup entrepreneurs more money in their pocket, allow more of them to complete the registration process for their businesses to be a part of their income tax filings, and allow them to become more proficient and hopefully more lucrative taxpayers at later stages in their business cycle.

Health Insurance: Giving everyone, and in my case entrepreneurs, an opportunity to pay for and choose a right-sized health insurance policy for themselves and their family is a big safety net. The freedom of knowing that medical issues would be covered by our insurance has enabled us to continue this venture with one less thing to worry about. It’s also a viable option for my part time employees who are at different stages of life and needing insurance as they make ends meet. I know that giving small businesses more options for insurance allows more people to take risks to try to make their ideas work.

Conclusion

As an entrepreneur, I took a risk to make an idea work that would ultimately provide for my family’s needs. I’m living the American dream to work hard, to pursue my God given potential, and to be rewarded by serving others in the marketplace with a profit. Every great business started with an idea and someone willing to take a risk.

In today’s rapidly changing world, and in a new American economy and job market, it seems that more people are looking to make ends meet in this “gig economy.” I believe our public policy needs to reflect this with laws that help every person with an idea who is willing to risk their time, talent, and resources to succeed. The next great American corporation could be that startup in the basement, garage, spare bedroom, or co-working space.

Thank you for your time and allowing me to speak today. I am truly honored to be a part of this discussion and to be able to share my story.

Sincerely,

Jonathan M. Johnson