

## Deana Haworth: ‘Small business’ definition is complicated but matters

August 8, 2025

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OPINION/VIEWPOINT



What is a small business?

It sounds like an easy question, but the answer is far from simple.

If you ask officials at the U.S. Small Business Administration, they'll say it varies by industry. For some fields, the SBA defines a business as "small" by the number of employees.

For example, if you're in the logging industry, the SBA considers your enterprise a small business if you have 500 or fewer employees. For new-car dealers, that number is 200.

For some industries, it's revenue that defines the cutoff between large and small for SBA.

Advertising agencies are defined as small businesses at about \$25 million, public relations agencies at \$19 million and media-buying agencies at \$32 million. This is especially difficult for me as the CEO of Hiron, because we perform all three of those functions and a lot more.

These classifications aren't just distinctions without a difference. Meeting SBA's criteria for a small business determines a firm's eligibility for many government contracts and loan programs. And considering that nearly half of all Hoosiers in the workforce are employed by companies SBA considers "small," these definitions have a big impact.

That's why the National Association of Women Business Owners has made defining a "microbusiness" as a separate category one of their top advocacy priorities.

In their study of female-led businesses, the association found that a large portion of women-owned businesses have 10 or fewer employees, with specific needs that aren't met by the current legislative framework, specifically regarding health care costs, regulatory compliance and—most important—access to capital.

I was proud to help advocate earlier this summer in Washington, D.C., for creating this "microbusiness" category. For a Main Street small business, access to capital can often be the difference between thriving or closing up shop.

The needs of small businesses are very different from those of their larger counterparts. That's why I'm glad Gov. Mike Braun has created the Office of Entrepreneurship and Innovation, focused on supporting these local entrepreneurs and meeting their unique needs. Led by Indianapolis entrepreneur Brian Schutt, this office will be a great resource to help our local entrepreneurs access the resources they need to excel.

When I started my entrepreneurial journey in my teens selling Beanie Babies at flea markets during the summers and weekends, I knew exactly what a small business was. It was the local entrepreneurs in the booths around me turning their passions into extra income or making a living for their families one sale at a time.

As my career progressed, the line between small and large companies became less and less clear.

Hirons began in 1978 as a small, founder-led team, and we've managed to keep that small-business spirit through all the changes the firm has seen over nearly 50 years. I attribute a big part of that to our decision to become an employee-owned company through an employee stock ownership plan, known as an ESOP. After all, what better way to create a sense of individual ownership of the final product among team members than to give them a genuine ownership stake in the success of the product?

In a small business, every employee has a large impact on the ultimate product and customer experience, and with that comes a greater sense of ownership. I believe that's what really defines a small business: the mindset. It's a culture of agency, ownership and commitment to your community, not a certain number of employees or revenue.

More than ever, consumers want to know what a company's core values are, and many corporations are embracing their small-business roots when telling that story. Establishing what those principles mean in your company can really make a difference.

Whether a company has five employees or 5,000, I believe we can all embrace those small-business values: taking pride in our work, cultivating a real sense of ownership and the responsibility that goes with it, and serving our local community with everything we do.

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Haworth is CEO of Hirons.