



Your Small Business Resource

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Washington Metropolitan Area District Office (WMADO)

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All SBA programs and services are provided on a nondiscriminatory basis.

Welcome to the Metro DC SBA Newsletter!

Fellow members of the Washington Metro small business community,

Hello to you all, and a happy, healthy, and prosperous New Year! We've got lots of news to share this month.

In February, the Women-Owned Small Business Federal Contract Program, often called the 8(m) program, goes into effect. This program is intended to help women who start and run businesses get their fair share of federal contracting dollars. It is the most significant change in government contracting in at least a decade. Your District Office staff, along with our resource partners, are scheduling events throughout the area to educate our community about the details of this new program.

The stakes are particularly high in our DC metropolitan area. The US Census recently released a report that identifies this region as having the highest percentage of businesses owned by women in the entire country! That means that if we succeed in increasing the federal contract awards to women-owned small businesses our area has the most to gain.

As you may know, our District Office oversees the largest group of firms in the 8(a) Business Development Program compared to the other 67 districts of the SBA. My staff works hard to do everything they can to nurture and encourage firms while they're in our 8(a) program. Ever since I joined the Washington Metro Office as District Director I've recognized the need to continue supporting these companies after their 8(a) graduation so they continue to grow, prosper, and contribute to our community. We've found a way to do just that.

This month, the Washington Metro

L to R: Barbara Williams - VP at RCW Communications Design and Vanessa Ali - President/CEO of All-U-Need Personnel talking with Bridget Bean, District Director, at the 8(a) Alumni Association launch.



Office launched an 8(a) Alumni Association, the first of its kind in the nation. This Association will provide a way for our former 8(a) firms to meet and network with other business owners, to find potential partners and customers, to share information about the latest developments affecting your businesses, and to give something back to the 8(a) program by helping us build a community of people who understand the challenges and rewards of starting and running a business in the Washington D.C. area. The first meeting was Friday, January 21, and it was clear from the start that this is the beginning of something big. If you are now or have been in the SBA 8(a) business development program then we look forward to seeing you at one of our upcoming meetings.

With greetings from your SBA Washington Metro District Office,

Bridget Bean District Director



## ***8(a) Contracts Provide Success to Proud Business Owner***

DSFederal's President, Sophia Parker, founded the firm on July 12, 2007. By the end of that year, DSFederal had 1 full and 2 part-time employees focused on the Food and Drug Administration (FDA) and National Institutes for Health (NIH), with sales totaling \$42,000. They are a consulting firm specializing in IT consulting, Training and Development, Management Consulting, and Organizational Development.

DSFederal became an SBA certified 8(a) firm in August 2008. Ms. Parker remarked at a recent event that the second proudest day in her life was when she became certified. Everyone was of course curious as to what ranked number one. Her answer? The day she became a US citizen.

DSFederal is also a Small Disadvantaged Business (SDB) and Woman Owned Small Business Concern and have been awarded a GSA Schedule 70 Blanket Purchase Authorization (BPA) from NIH. Ms. Parker states, "These awards allow us to provide a more flexible approach to doing business, one that gives our customers and teaming partners better value for their time & money."

In partnership with Alion Science and Technology, DSFederal has developed a mobile e-learning, training and skill set solution for the iPod® Touch. The first product is Street Smart, a mobile eLearning application designed for the US Army. A video demonstration of this application is available on their website.

The District Office is proud to have DSFederal in their portfolio of firms. They are a true success story, with 56 employees and seven 8(a) awards totaling over \$32 million by the end of FY 2010! Ms. Parker adds, "We accomplish our corporate mission by leveraging more than 45 years experience in local and international business, as well as Federal contract bidding and project management connecting people and institutions. We specialize in relationship building, strategic thinking, and brokering deals."

## ***A. John Shoraka named SBA Administrator for Region III***



At the end of last year, the U.S. Small Business Administration announced the appointment of A. John Shoraka (*pictured above*) as the Regional Administrator in Region III, to oversee the SBA's programs and services in Pennsylvania, Delaware, Maryland, West Virginia, Virginia, and the District of Columbia. Formerly Vice President at the Aries Group, a management and financial consulting firm in Silver Spring, Maryland, and Chair of the Small Business Association for International Contractors, he has collaborated with USAID officials and Congress to promote equity in small business contracting.

"With his background in business development, international trade, government contracting, and management, John will be a tremendous asset for small businesses and entrepreneurs across the region as they turn to the SBA for the tools they need to grow and create jobs," said SBA Administrator Karen Mills when welcoming Shoraka.



## *Choosing a Business Lender*

The process of selecting a lender for your business is as important and requires almost as much work as preparing a business plan. It involves research, conducting informal interviews, and knowing what you want from each lender.

If you currently keep accounts with a lender and have maintained a relationship with them, then consider that lender for your business' credit needs: the lender is already familiar with you and your financial history and a good track record is likely to help you.

Keep in mind that it may be prudent to consider other lenders in the selection process, especially if they demonstrate they want your business. Loan officers who attend seminars and call on customers in your industry are demonstrating their employer generally has the knowledge and desire to lend to businesses in your industry. Also ask other small business owners with whom you network to recommend a lender, a loan officer, or a financial broker that has produced a favorable result for someone in your industry.

Finally, consider asking for a lender recommendation from an industry trade group in which you are a member. Many industry sectors have trade organizations that actively keep track of lenders who work well in their industry. Some trade organizations can even make direct referrals to loan officers who have expertise in financing specialized loans.

You can get a lot of information about the lender and its programs by making a phone call. Once you narrow down your list of potential lenders, start making phone calls to each lender's commercial loan division and spend five to ten minutes asking a commercial loan officer questions about how the lender does business.

If you can gain information about the process before you submit your application, then you will know what to expect during the due diligence and approval process. Consider the following questions as you begin your search for a lender:

Is this lender/loan officer more of a consumer lender or a commercial lender? The knowledge and experience re-

quired to process and approve commercial loans is very different from that needed for consumer loans. Your lender should be trained in commercial lending, be able to recognize your credit needs, and know something about your business.

Does this lender typically lend to small businesses? Or, are its main customers established mid-sized and large corporations? Small businesses, especially start-ups, are generally less likely to produce results that can be considered stable when compared to established mid-to-large size businesses. If a lender is not familiar with the fluctuations inherent in a small business' financial statements, then (s)he may be less likely to view the loan request favorably.

What are the industries this lender prefers? Does the organization or individual loan officer have expertise in your line of business? A lender should have a good idea of how your industry operates. If (s)he knows how that a (for example) Christmas tree farmer obtains most of the company's revenue in September thru December, then this seasonality can be accounted for in the structure of any credit to the business. The more the lender knows about your business, the more valuable a resource (s)he becomes to you.

How long is the loan process? What can you expect in terms of service from this organization? You are operating a business and should expect a reasonable level of service from the commercial lender. Remember this is a give-and-take process. The lender can only be responsive when the documents requested from you are provided in a reasonable period of time.

Which types of business loans are available that might be useful for your business? A loan officer might love your business and know all about it, be very responsive to you, and really want to work with you. But if you want a long term commercial real estate loan and the bank does not offer these, then the lender cannot help your business.

Does the lender seem genuinely interested in talking to you about your business? Or are they just answering your



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questions? Take the answers to all of the questions into account before you make your final decision.

The information you learned from your research and your informal interviews should assist you in narrowing down your prospects. Once you make your decision, keep in mind that there may be several lenders that fit your business plan: you could cultivate relationships with them for the future.

Some things to keep in mind before making your final decision are: Make sure that the bank demonstrates a sincere interest in you and your business; Confirm that the bank has the services available that you need for your overall business plan, not just for your credit (loan) options; Confirm fees, services, and requirements for deposit accounts and other products that will be needed to service your business needs; Choose the lender that “feels” the most right in everything it can offer you and your business.

Commercial lenders, especially those who are SBA approved, are eager to earn your business. But keep in mind it is your responsibility to determine the bank with the best fit for you.

(The Metro DC SBA welcomes Joanne Steiger, a former commercial real estate lender from Chicago. Joanne authored the article above and is the newest Lender Relations Specialist in the office, joining Bob Carpenter.)



*Congratulations to NIH Federal Credit Union who just completed their first ever SBA loan to Capital Area Transport Service!*

## Top 5 Lenders by Type

Statistics for 1 Oct 2010 thru 31 Dec 2010

### All Lender types, ranked by number of loans

1. Business Finance Group	27
2. M&T Bank	27
3. Access National Bank	23
4. BB&T Bank	21
5. Superior Financial Group	16

Community Banks	# of Loans	\$\$
1. Access National Bank	23	\$23,919,500
2. EagleBank	5	3,915,000
3. SonaBank	5	1,260,000
4. Mid-Atlantic FCU	4	872,000
5. Cardinal Bank	3	560,000

### Regional Banks

1. Sandy Spring Bank	2	\$ 1,065,000
2. United Midwest Savings	1	861,000
3. Wilmington Savings Fund	1	250,000
4. Sovereign Bank	1	23,500

### National Banks

1. M&T Bank	27	\$3,512,000
2. BB&T Bank	21	3,132,000
3. Superior Finance Group	16	170,000
4. Suntrust Bank	13	2,373,000
5. Wells Fargo/Wachovia Bank	12	3,891,500

### Certified Development Companies process fixed-asset 504 loan 2<sup>nd</sup> trust loans

1. Business Finance Group	27	\$15,733,000
2. Mid-Atlantic Business Fin.	1	1,014,000

### Microlenders: non-profit community development groups providing loans up to \$50,000

1. EDG	84	\$1,326,657
2. LEDC	12	167,930
3. WACIF	2	16,500
4. Wheeler Creek	1	5,000