

IT'S YOUR BUSINESS

January 2012

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Looking to start a business? Make visiting your local [SCORE chapter](#)

Does your business or group want to learn more about SBA's loan programs and our resource partners?

Call us today at (402) 221-7211 to schedule a speaker at your next event.

Our exciting one-hour presentation will set you on the road to leveraging SBA-backed financing and government contracting opportunities to business success and economic growth in your community.



NEW YEAR'S RESOLUTION TO START A BUSINESS? **TAKE THE MYSTERY OUT OF SBA LOANS AT FREE SEMINAR**

Small business entrepreneurs will have a chance to learn about the process of applying for SBA-backed financing at a free seminar Jan. 10 from 10-11 a.m. at the Nebraska District Office, 10675 Bedford Avenue, Suite 100 (northeast corner of 108th and Maple), in Omaha.

An important source of financing for entrepreneurs is the SBA guaranteed loan program. The SBA provides short- and long-term guaranteed loans to eligible, credit-worthy start-ups and existing small businesses that

cannot obtain financing on reasonable terms through normal lending channels. SBA provides a number of loan programs for most small business needs.

During this brief, both current small business owners and those already in business will learn the steps to SBA financing.

Among the topics planned for this seminar are an explanation of the importance of a strong business plan and what lenders seek in a small business customer, and our specific programs, including Small/Rural Lender

Advantage and our popular veterans' program, Patriot Express. Entrepreneurs also will discover how the SBA's resource partners—SCORE and the Nebraska Business Development Center—offer free mentoring and guidance on business planning.

There also will be a brief segment on the advantages of selling products and services to the federal government, and the resources available to get started.

Make your reservation now by [e-mail](#) or by phone at (402) 221-7211.

FIRST QUARTER OF FY12 SHOWS CONTINUED SUPPORT FOR SBA LENDING IN NEBRASKA

Following up on a record for SBA lending volume in the state's history, the numbers show continued strong support for small business lending in Nebraska.

The first quarter of Fiscal 2012, which wrapped up Dec. 31, saw Nebraska's small businesses approved for 112 SBA-backed loans for \$32.7 million for the first quarter.

The good news is that entrepreneurs throughout the state, from Beatrice to York, have received financing to start a new business, refinance existing debt, or find the capital needed to expand operations.

As a result of SBA loans in the first quarter, more than

360 new jobs are being created in Nebraska, and just as important, 1,450 jobs are being kept on company payrolls.

Of the small businesses which received SBA financing in the first quarter, 65 went to start-ups and 47 went to existing businesses, a promising sign. In a usual quarter, 33 to 40 percent of SBA loan activity goes to start-up firms; in the first quarter of 2012, that was 42 percent.

Digging deeper into the numbers, 26 loans went to rural companies while 86 went to urban ones; 21 went to women-owned firms, and seven went to veteran-owned small businesses.

Lincoln's First State Bank stood out in the first quarter with 16 SBA loan approvals for \$2.19 million in volume. US Bank made nine SBA-backed loans for \$851,000, while Centris Federal Credit Union made eight for a total of \$480,000 to its small business customers.

The largest SBA-guaranteed loan in the state this quarter was approved Dec. 13 for Great Western Bank, a \$3.6 million deal for a Cozad-based plastics manufacturing company.

The field with the most SBA loan approvals this quarter was specialty trade contractors, with 18 for \$2.89 million.

NORFOLK SHOPPERS FIND LATEST NAME BRANDS AT NEW CHIC SECOND-HAND KIDS' STORE, THANKS TO SBA FINANCING

Along the sparkling restored streetscape in downtown Norfolk is a gem of a store set within the shabby chic bricks and mortar of the old Pasewalk Building. Bright pastels for the up-to-date interior design and shiny hardwood floors make it hard to believe for a visitor this outlet offering the hottest brands in children's apparel actually is a second-hand clothing store.

"That's what we tried to accomplish," said Kookaburras Kloset co-owner Glenda Aschoff during an interview on WJAG radio's "Morning Coffee" shortly after the store opened for business Dec. 5. Aschoff, along with her daughter and co-owner Julie Weidner, and granddaughter Katie, run the store.

"My daughter actually came up with the idea after talking to a number of Norfolk residents and finding a need for a children's clothing store in the Norfolk area," Aschoff said.

Then there's the shop's name, taken from the old nursery rhyme of the Kookaburra sitting under the old gum tree, eating all the gum drops he can see. Drivers on Norfolk Avenue can't miss the gaily decorated sign outside.

"We wanted something catchy," Aschoff said, "and thought it would be something people would remember."

The store buys new to nearly-new kids' clothing, toys, shoes and many other items; they're not a consignment shop, so sellers can bring their goods to the store on

Mondays, Wednesdays and Fridays, and by appointment on Saturdays, and get paid immediately. The stuff goes right on the shelves and hangers, so Aschoff said, "our shop changes probably hourly, as fast as we get things in, recondition what needs it, and putting it out."

That encourages foot traffic just to check out the latest offerings. Kookaburras Kloset is a little selective, though.

"The merchandise they're trying to buy is typically stuff you can't get in Norfolk, Nebraska," said David Brunsing, vice-president at Frontier Bank in nearby Madison. "They've got clothes there from popular kids stores, like Gap, Old Navy ... some of the stuff they like to buy you can't get in this part of the state."

Aschoff's daughter, Julie, came to Brunsing last spring with the idea of a store that

"My daughter is tickled pink. She's nine, and she thinks this is great that she can find those name-brand jeans she wants."



Glenda Aschoff (*right*) poses with her daughter, Julie Weidner (*center*), and granddaughter, Katie (*left*), on the sales floor of Kookaburras Kloset, a jewel in the restored Norfolk downtown.

would re-purpose clothing—and an idea for a location in a re-purposed building downtown. The lender suggested she visit Loren Kucera at the Nebraska Business Development Center in Wayne for help with financial projections and a business plan.

"Like any retail business in a small town, the question is whether there's a market for this," Brunsing said of the town of around 24,000. "Would it be a viable business in a town this size? I guess the one thing they had going for them was there was no business in town like this."

But for the business to be more than a dream, Brunsing needed to call in some help to provide the funds to purchase inventory, make leaseholder improvements to the shop and have some working capital. He called on Holly

Quinn from the Northeast Nebraska Economic Development District and Juan Sandoval with the Rural Enterprise Assistance Project, who joined Loren at a conference room table, and "asked what can we do to make this work."

In addition to loans from NNEDD and REAP, and a small down payment by Weidner, the lender used the SBA's Rural Lender Advantage to cover the balance of the project.

"Without the SBA, this deal would have been more difficult," Brunsing said. "The SBA guarantee made it very easy to move forward with the financing."

The application was approved August 17, one of eight SBA loan approvals to small businesses in Norfolk, and one of 15 SBA loans made in the state by Frontier Bank in Fiscal 2011.

"At the beginning I was pretty skeptical, you know, retail stores come and go. But I credit the persistence of Julie," Brunsing said. "She never gave up, and we just kept looking for ways to make it work. I think we were all surprised that the projections were better than we thought for a kids' clothing store. I'm glad we all stuck with it, I believe it is a unique store in Norfolk and I think it can make it."

Brunsing also credited the work from NNEDD and REAP. "We're fortunate that they're here, that they want to see start up businesses come to town."

And the lender can add one more person happy to see the store open.

"My daughter is tickled pink," Brunsing said. "She's nine, and she thinks this is great that she can find those name-brand jeans she wants."

Rural/Small Lender Advantage is for You

Streamlined, simpler, and more user friendly 7(a) process for small loans (\$350,000 or less) for small lenders. One page application (two sided) for very small loans with key, but limited additional information required for loans above \$50,000. SBA guarantees 85 percent of loans of \$150,000 or less and 75 percent of loans greater than \$150,000. Expedited SBA processing with routine loans processed within 3-5 days.

Call (402) 221-4691 for details.

DON'T MISS OUT ON OMAHA'S PREMIER NETWORKING EVENT

Join other Omaha small businesses and area lenders at Omaha's Small Business Empowerment Breakfast.

The next event is scheduled for January 13 from 7-8:30 a.m. at the Regency Lodge, 909 South 107th Avenue, Omaha. The cost is \$15 per person, which includes a full buffet breakfast. Please register in advance [online](#), and make checks payable to Regency Lodge.

The Empowerment Breakfast is simple and effective. Each month, four businesses introduce their services and

omaha empowerment breakfast

products in a three-minute presentation. If you wish to be a presenter, please call Barb Foster at 221-7212.

During this event, everyone attending is introduced, so bring your business cards, make some contacts, and have some fun!

Don't miss this free workshop:

"Experts Discuss: Learn About the Government As Your Customer"

Winning Federal Contracts for Your Small Business

January 19

8:30-10 a.m.

**SBA Nebraska District Office & SCORE
10675 Bedford Avenue,
Suite 100, Omaha**

Speakers include representatives from:

- SBA Office of Government Contracting
- SBA Office of Business Opportunity
- NBDC Procurement Technical Assistance Center
- In cooperation with
- 55th Contracting Squadron, Offutt Air Force Base
- U.S. Army Corps of Engineers, Omaha District

To register:

Call: [Kathleen Piper](#) (402) 221-7205 or [Michael Foutch](#) at (402) 221-7211

Learn: Is this market for you? An overview of selling to Local, State and Federal government

What to do: Registration on [Central Contractor Registration](#).

Where and how to find bidding opportunities on the Internet: Learn about [Federal Business Opportunities](#).

U.S. Small Business Administration certifications: HUBZone and 8(a) Business Development.

Coffee provided.



January 6
7:30-9 a.m.

Each month, veteran-owned businesses introduce their services and products in five-minute presentations. A special speaker will present a topic of concern to veteran business owners. Bring business cards, brochures, flyers to exchange. Join us for business promotion and networking opportunities. Get to know your fellow veterans.

Mammel Hall
Room 117
67th and Pine
Omaha

ADVANCE REGISTRATION
REQUIRED

Registration is required to receive parking permit to park at Mammel Hall.

To be a presenter at future events, call Andy Alexander at (402) 554-6253.

ORTHO MEDICS

A LITTLE ROOM ON THE BALANCE SHEET MEANS A LOT TO THE PATIENTS THEY HELP

A chance meeting one day with a new lender in their Kearney strip mall led to better cash flow for their small business and the resources to hire a new technician to continue to provide much-needed orthotic and prosthetic services to their neighbors.

One day last year, Jeff Kreycik of the State Bank of Riverdale dropped by to introduce himself to Darren Wiens and Jake Sikes, and visit their business, Ortho Medics. The lender just opened a branch in the nearby strip mall, and was scouting for new business. As it happens, Wiens and Sikes had been tossing around some financing ideas – to start Ortho Medics in 2007, they both had to mortgage their homes and were eager to get out from under that.

How the business came to be, Wiens said during a recent interview on Kearney's KGFW-AM, "is actually kind of a funny story.

"I remember starting the business with Jake and telling my wife, we're going to use the house as collateral," Wiens explained, "and she gave me that look like, 'oh, good God, what am I getting into.' We were real confident, though, we had a good business plan and everything, and we thought it would work well, as long as we worked hard. Fast forward a few years, we had a couple of different loans for the business, and we wanted to bring everything together."

That's where the visit by Kreycik came in.

"So I said, you know, if you had the ability to give us a loan that would take our house off as collateral and combine everything into one

loan, give us a lower interest rate so we're paying less a month, we'll do it," Wiens said during. "And it was kind of a shot in the dark, we really didn't think it would actually happen."

Kreycik was determined to get the business the financing it needed, and after getting some guidance from the lender relations specialists at the Nebraska District Office, got an approval Oct. 18, 2010, for an SBA-backed loan under the Rural Advantage Program.

In this case, the small business' assets were enough to fully collateralize the loan.

"When we started the business we really focused on the patient part of it, working with the doctors, the hospitals," Wiens said. "So with us, we did really well on the patient side then learned on the back end how the business side worked. And that's where we learned a lot about that, going through the loan process."

Wiens also explained from his point of view the SBA loan process wasn't much different than the work going through a regular commercial loan.

"I think a lot of people have this image that you're going to be sitting down with a banker and you're gonna be filling out tons of paperwork, with all your tax returns, your accounts receivable," he said. "Well, if you sit down with a banker, they're going to want all the paperwork anyway."

"If you want to get your house off as collateral, if you want to use just your business assets as collateral, why not take the extra couple of weeks, because you're going



Darren Wiens, who started Ortho Medics in 2007 with his partner Jake Sikes, used SBA financing to free up collateral.

to fill out the paperwork anyway for the bank," he added. "So do a little extra for the SBA, get yourself free and clear, and that will allow you to do so much more through the business."

The \$150,000 loan was approved by the SBA using the provisions of the Jobs Act; the banker got a 90 percent guarantee, and the borrower fees were waived for Ortho Medics. More than getting his house out from under the collateral requirements, the business also improved its monthly cash flow.

"That was a huge win for us," Wiens said. "It allowed us to bring on another person as a technician, and we ended up buying out another company in town," and which ultimately meant they could handle more patient needs.

And that's where the story of this business really begins. Wiens first got the idea

for his business more than 10 years ago after competing in a decathlon against a top-ranked paralympic athlete training for the 2000 Olympic Games in Australia. Not only was Wiens amazed at his competitor's ability to compete, but beat most of the able-bodied athletes. Determined to do something different with his life, Wiens saw a career doing just that by providing prosthetics and orthotics to get people back and active again.

Visit their web site and you'll learn Ortho Medics takes "great pride in finding innovative, creative solutions to provide our patients and community with the highest quality care available." They mean it, from prefab orthopedic and prosthetic limb braces and supports for spinal trauma patients, to

unique casting and custom fabrication the competition doesn't offer. They'll visit their patient to take measurements and get to work; Wiens admits sometimes being up past all hours in the lab just to make sure a patient can get a device the next morning and take that first step toward a new life. And they're always seeking out emerging technology to help even more.

Wiens said its important his business takes the time to listen to their patients, to learn their expectations for their activity level and lifestyle, so they can design something that fits. "If you really listen to what motivates a person, it's easier to explain to them what we're trying to accomplish together."

He's also helped two of his colleagues start their own Ortho Medics facilities in

Norfolk and Omaha, "because they share the same patient care philosophy."

That alone sets Ortho Medics apart. But then there's the story of how they spent thousands of dollars of their own money and traveled more than 2,200 miles just to help cast and fit prosthetic arms and legs for desperately poor amputees victimized by civil war in Nicaragua. Sikes and his uncle started a charity three years ago, Step Global, to enlist the help of like-minded volunteers like Wiens to rework secondhand prosthetics that can't be re-used in this country for dozens of grateful souls in the Central American nation.

"You see these people that haven't taken a step with their leg in five years," said Wiens in an interview with the Kearney Hub. "Then, they get up and take a step."

"So I said, you know, if you had the ability to give us a loan that would take our house off as collateral and combine everything into one loan, give us a lower interest rate so we're paying less a month, we'll do it, And it was kind of a shot in the dark, we really didn't think it would actually happen."

NEW BUSINESS OWNERS IN NEBRASKA INTERESTED IN A FRANCHISE ARE FINDING FINANCING OPTIONS

While the number of loan approvals by the SBA for franchise businesses has fallen in Nebraska over the past three fiscal years, there is a strong and encouraging sign within the overall data for entrepreneurs seeking to open a new franchise in Nebraska.

Typically, new businesses make up 33 to 40 percent of total loan volume in any given fiscal year; yet with franchises, the Nebraska District Office has seen a much higher percentage of loans and loan volume going to new businesses than existing franchise operators.

That percentage of new versus existing franchise operators securing an SBA guaranteed loan moved from 53 percent in Fiscal 2009, to 48 percent in FY '10, back up to 64 percent in FY '11.

That larger percentage for new franchises is seen as good news, because when it

comes to franchises, entrepreneurs that have been able to get SBA financing are encouraged enough by the direction of the economy in Nebraska to take the plunge.

Most importantly, those franchise owners who use SBA loans are creating jobs and keeping existing employees on the payroll: since Oct. 1, 2009, all franchises using SBA financing have created nearly 600 new jobs in Nebraska and kept more than 700 additional people employed.

The numbers themselves tell a positive story for new franchise operators:

In Fiscal 2009, there were 100 loan approvals to franchises, with 53 of those to new franchise businesses, for a total of \$30.3 million in loan volume. These loans helped create 433 new jobs statewide, and keep 749 jobs on payrolls.

In Fiscal 2010, as the

economic downturn deepened, the number fell to 45 loan approvals to franchises, but 22 of those went to new franchise businesses. The total of \$17.8 million in loan volume that year directly led to the creation of 359 new jobs and kept 426 existing jobs on payrolls in the state.

Twenty-eight loan approvals went to franchise businesses, with 18 to new operators, for a total of \$9.09 million. SBA-backed financing helped create 167 new jobs and were responsible for keeping 267 jobs in the state.

For the first quarter of Fiscal 2012, the Nebraska District Office saw similar rates of activity. There were five approvals for franchise businesses; three went to new ones for a combined \$612,000 in loan volume. These efforts helped to create 31 jobs and keep 15 in the state.

BUYING A FRANCHISE

Franchising can be a [great business idea](#) if you are an entrepreneur with limited resources.

Franchising can give you instant recognition of your business and the ability to obtain ongoing support from your franchiser, but be careful: [Purchasing](#) a franchise does not guarantee success.

You need a [strategy](#) before investing in a franchise. Doing your homework about the franchise first will help you gain a solid understanding of what to expect as well as the risks that could be involved.

Becoming a member of a [franchising association](#) can open the door to a wealth of information. With access to association resources and members who have expertise, you can learn all you need to know about franchising before you start.

CONGRATULATIONS TO OUR RECENT LOAN APPROVALS (November 28 to December 30)

Approval Date	Major Program	City	Dollar amount	Lender Name	Created Employment	Delivery Method
11/29/2011	7A	OMAHA	150000	CENTRIS FCU	2	SBA Express
11/30/2011	7A	OSMOND	200500	SECURITY NATIONAL BANK	0	SBA Express
11/30/2011	7A	OMAHA	350000	FOUNDATION FIRST BANK	0	SBA Express
12/1/2011	7A	LINCOLN	25000	U.S. BANK NATIONAL ASSOCIATION	0	SBA Express
12/5/2011	7A	OMAHA	54000	EQUITABLE BANK	0	SBA Express
12/5/2011	7A	LINCOLN	20000	U.S. BANK NATIONAL ASSOCIATION	0	SBA Express
12/6/2011	7A	OMAHA	114100	FIRST NATIONAL BANK OF OMAHA	2	SBA Express
12/7/2011	7A	RULO	80000	RICHARDSON CNTY BK & TR CO	2	SBA Express
12/8/2011	7A	LINCOLN	100000	FRONTIER BANK	0	SBA Express
12/8/2011	7A	OMAHA	101700	FIRST NATIONAL BANK OF OMAHA	6	PLP
12/13/2011	7A	Cozad	3666000	GREAT WESTERN BANK	0	Other 7(a)
12/13/2011	7A	Fremont	350000	VISION ONE CU	1	PLP
12/13/2011	7A	Omaha	450000	FIVE POINTS BANK	14	Other 7(a)
12/14/2011	7A	TEKAMAH	616000	U.S. BANK NATIONAL ASSOCIATION	10	PLP
12/14/2011	7A	Lincoln	2100000	FRONTIER BANK	0	Other 7(a)
12/15/2011	7A	ELKHORN	100000	FOUNDATION FIRST BANK	1	SBA Express
12/19/2011	7A	OMAHA	65000	GREAT WESTERN BANK	0	SBA Express
12/19/2011	7A	OMAHA	1071000	PREMIER COMM. BANK NATL ASSOC	0	PLP
12/19/2011	7A	Pender	138400	PENDER STATE BANK	0	RLA
12/19/2011	7A	Pender	74100	PENDER STATE BANK	0	RLA
12/20/2011	7A	YORK	10000	U.S. BANK NATIONAL ASSOCIATION	0	SBA Express
12/21/2011	7A	OMAHA	82400	CENTRIS FCU	4	SBA Express
12/21/2011	7A	Columbus	283200	BANKFIRST	2	RLA
12/21/2011	7A	OMAHA	26500	FIRST NATIONAL BANK OF OMAHA	10	SBA Express
12/22/2011	7A	FRIEND	110900	FIRST STATE BANK	0	SBA Express
12/22/2011	504	Lincoln	468000	COMMUNITY DEVEL RESOURCES	11	504
12/22/2011	7A	OMAHA	300000	ACCESS BANK	0	SBA Express
12/23/2011	7A	LINCOLN	350000	FRONTIER BANK	0	SBA Express
12/27/2011	7A	Beatrice	198500	FIRST STATE BANK	0	RLA
12/27/2011	504	Lincoln	1869000	NEBRASKA ECONOMIC DEVEL CORP	30	504
12/27/2011	504	Grand island	325000	NEBRASKA ECONOMIC DEVEL CORP	6	504
12/29/2011	7A	GRAND ISLAND	350000	PLATTE VALLEY ST. BK & TR CO	0	SBA Express
12/29/2011	7A	LA VISTA	100000	U.S. BANK NATIONAL ASSOCIATION	0	SBA Express
12/29/2011	504	Plattsmouth	220000	NEBRASKA ECONOMIC DEVEL CORP	6	504
12/29/2011	7A	OMAHA	97000	SECURITY STATE BANK	1	SBA Express
12/29/2011	7A	OMAHA	40000	SECURITY STATE BANK	1	SBA Express
12/30/2011	7A	North Platte	226000	FARMERS STATE BANK	2	Other 7(a)
12/30/2011	7A	North Platte	217000	FARMERS STATE BANK	2	Other 7(a)
12/30/2011	504	Norfolk	297000	NEBRASKA ECONOMIC DEVEL CORP	5	504