

KENTUCKY DISTRICT OFFICE

Spring 2011



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Helping small businesses
start, grow and succeed.



Your Small Business Resource

Small Business Week May 18-20

SBA Salutes Small Businesses that Drive Economy; Kentucky Small Business of the Year Announced

Entrepreneurs will be honored in events from May 18–20 at the U.S. Small Business Administration’s National Small Business Week in Washington, D.C. The theme is “Empowering Entrepreneurs,” and a series of events and educational forums will mark the 58th anniversary of the agency and the 48th annual National Small Business Week event.

Over 100 outstanding small business owners from across the country will receive awards while gathering for three days at the event. Top officials from the Obama administration, as well as representatives from the U.S. Congress and key national business leaders, will be present, and the **National Small Business Person of the Year** will be announced.

Small business leaders will also be recognized for their involvement in disaster recovery, government

contracting, and their support for small businesses and entrepreneurship, and awards will be presented to SBA partners in financial and entrepreneurial development, including the year’s top Small Business Development Center, SCORE Chapter and Women’s Business Center.

SBA Administrator Karen Mills said, “Small business owners and employees across America are proving their resiliency as they continue to drive the nation out of recession through economic growth and job creation. National Small Business Week gives us an opportunity to honor their achievements and the spirit of entrepreneurship, innovation and determination that makes them the engine of our economy and our nation’s economic recovery.”

More information is available online, including a webcast, at www.NationalSmallBusinessWeek.com.

KY Small Businesses for 2011 Announced

The Kentucky Small Business Person of the Year is David G. Sevigny, the President and Founder of **DMD Data Systems, Inc.**, located in Frankfort, KY. The company provides information sales and services throughout Kentucky and some nearby states. DMD Data Systems, Inc. has earned Premier Partner status with IBM and distributes Oracle products. More information about the company is available at www.dmddatasystems.com. Congratulations to DMD Data Systems, Incorporated!

Tierra Kavanaugh Turner, CEO, TKT & Associates, Inc., Louisville, is the Kentucky SBA Minority Small Business Champion of the Year, and Terry Spears, Community Trust Bank, Inc., Pikeville, is the Kentucky SBA Financial Services Champion of the Year. Congratulations!

8 (a) Rule Revisions Offers Clarification

The SBA published a package of final rules that will revise regulations to strengthen its 8(a) Business Development program to ensure that the benefits reach the intended recipients and prevent waste, fraud and abuse. The rules cover a variety of areas of the program, ranging from clarifications on determining economic disadvantage to requirements on Joint Ventures and the Mentor – Protégé program.

For more information about the revised 8(a) regulations, a compliance guide and the 8(a) program, visit www.sba.gov/content/revise-8a-regulations or send an email with questions to 8aBD2@sba.gov.

Online “Lender Toolkit” Launched by SBA

Small business lenders now have access to more in-depth information and resources on U.S. SBA loan programs through the new Lender Toolkit on the agency’s recently redesigned website.

The new site strengthens SBA collaboration with its lending partners, making it easier for them to identify the points of contact, loan programs and financing options that will best expand access to capital for local small businesses to help them grow and create jobs. Elements of the streamlined Lender Toolkit include useful tools, like the ability to download and submit loan packages, updates on interest rates and important lending news, all at www.sba.gov/for-lenders.

Women’s Business Center Opens First SBA Center of This Type in Kentucky

The first Women’s Business Center in Kentucky is being opened by Community Ventures Corporation. Funded in part by the SBA, the WBC is committed to developing leadership, entrepreneurship and independence for the women of Kentucky.

The center will strengthen the state economy by assisting women in starting and expanding businesses and by fostering a healthy business environment. Ms. Sharron Johnson, formerly with the Louisville Enterprise Group, is the founding director.

The WBC is located at 811 South Second Street at the CVC office in Louisville, KY. The Grand Opening is from 3–5 pm on April 18, 2011. For more information, go to www.cvcky.org/womens-businesscenter.html or call 502-566-6076 or toll-free 800-299-0267.

FINDING YOUR NEXT CUSTOMER

If you are a lender that is focused on helping small businesses, you know that your customers increasingly are exporting to the global marketplace. You are not alone to notice this trend. In fact, 70% of the companies that export have 20 or fewer employees.

How can you profit from this movement, reduce risk and provide a financing solution that does not swamp you and your customer with any additional paperwork and lengthy delays?

The SBA’s Export Express is the answer. Designed for loans and lines of credit up to \$500,000, the SBA Export Express program delegates the credit decision to the lender.

Participating lenders can use their own procedures and forms, negotiate either a fixed or variable interest rate and get a 36 hour turnaround from the SBA on all Export Express submissions. Banks in the SBA Express program automatically qualified as Export Express Lenders.

So how does the small business exporter benefit?

The business gets speedy approvals, increased access to capital, a flexible line of credit financing, term loans, a revolving line of credit for exporting purposes and many other benefits.

For more information, go to www.sba.gov/international or contact Patrick Hayes at the U.S. Export Assistance Center at 216-522-4731.

STATE SMALL BUSINESS PROFILES

The U.S. Small Business Administration’s Office of Advocacy state small business profiles show detail about the makeup of each state’s small businesses and the country as a whole.

Small firms are a critical part of each state’s economy, as they comprise anywhere from 92.7% to 99.2% of a state’s businesses and from 42.8%

to 69.3% of each state’s employment.

These profiles give a snapshot of business ownership, demographics, industry break-out of firms and employment, employment turnover and lending. Standardized profiles are presented for the U.S. as a whole, the District of Columbia and each of the 50 states. Limited information is also available for four U.S.

territories.

The profiles are online at www.sba.gov/advocacy/848. In addition to informative one-pagers on all states, including Kentucky, the raw data file is also online, which makes state-by-state comparisons possible.

This year’s profiles also show changes in ownership by women and minorities.

New SBA Advantage Loan Program

SBA is committed to expanding access to capital for small businesses and entrepreneurs in underserved communities so that we can help drive economic growth and job creation. In line with that, SBA rolled out two new initiatives on February 15, 2011, aimed at increasing the number of loans in these communities.

SBA and U.S. Department of Commerce studies have shown the importance of lower dollar loans to small business formation and growth in underserved communities. With that in mind, and building on the agency's "Advantage" platform, both **Small Loan Advantage** and **Community Advantage** will offer a streamlined application process for SBA 7(a) loans up to \$250,000.

Small Loan Advantage is structured to encourage larger, existing SBA lenders to make lower-dollar

loans, which often benefit businesses in those underserved markets.

Community Advantage is a pilot initiative aimed at increasing the number of SBA 7(a) lenders who reach underserved communities, targeting community-based, mission-focused financial institutions which were previously not able to offer SBA loans.

We at the SBA Kentucky District Office are proud to announce that Kentucky Highlands Investment Corporation, which serves 22 counties in southeastern Kentucky, is the SBA's first Community Advantage lender in the U.S. Learn more about Kentucky Highlands at www.khic.org. For more information about the SBA Advantage Loan programs, go to <http://www.sba.gov/advantage>.

Kentucky SBA Lender Rankings

By Loan Count as of March 31, 2011

National/Regional Lenders

The Huntington Nat'l Bank	37
U.S. Bank N.A.	19
JP Morgan Chase N.A.	18
Fifth Third Bank	9
Branch Banking & Trust	9
Superior Financial Group	7
PNC Bank, N.A.	4
Grow America Fund, Inc.	1

Community Lenders

Community Trust Bank, Inc.	54
Traditional Bank, Inc.	19
Stock Yards Bank	17
Commonwealth Bank	13
Live Oak Banking Co.	11
Republic Bank	11
South Central Bank, Inc.	10
PBI Bank	9

Certified Development Cos.

Capital Access Corp – KY	9
Community Ventures Corp.	9
Southeast KY E.D. (SKED)	2
Purchase ADD	2

Micro Lenders

Community Ventures Corp.	99
KY Highlands (KHIC)	20
Southeast KY E.D. (SKED)	6
Mountain Ass'n. (MACED)	6

At mid-year, we have 468 loans in Kentucky, totaling over \$115 million. The 2011 year-to-date is 132% of loan dollars compared to the same period in 2010, and we are on the way to another record year!

BUSINESS DISASTER PREPARATION

In the aftermath of the recent earthquake and tsunami in Japan, many business owners have questioned whether they are prepared for a disaster.

Floods, tornadoes, wind storms, man-made disasters and even earthquakes can occur in Kentucky, but most businesses are ill-prepared to deal with the disaster or the

business recovery.

The U.S. Small Business Administration has partnered with Agility Recovery Solutions to offer business continuity strategies for entrepreneurs via a "PrepareMyBusiness" website. Visit the website, www.preparemybusiness.org to access previous webinars and get more tips for disaster

planning and assistance.

Since 1953, the SBA has provided more than \$48 billion in disaster recovery assistance to 1.9 million homeowners, renters and businesses of all sizes in the form of low-interest loans. For more information about the disaster loan program, visit www.sba.gov/disaster.

SBA Application Deadline for Economic Injury Loans in Kentucky is April 25

The U.S. Small Business Administration is reminding businesses in Kentucky that Economic Injury Disaster Loans are still available to any small businesses and non-profit organizations of all sizes affected by the severe storms, flooding and mudslides that occurred from July 17 – 30, 2010.

In Kentucky, these loans are available in the following counties: Bath, Boyd, Bracken, Carter, Clark, Elliott, Estill, Fayette, Fleming, Floyd, Garrard, Greenup, Jackson, Jessamine, Knott, Lawrence, Letcher, Lewis, Madison, Mason, Martin, Menifee, Morgan, Pike, Robertson, Rockcastle and Rowan.

To obtain disaster loan information and application forms, call the SBA's Customer Service Center at 800-659-2955 (800-877-8339 for people with speech or hearing disabilities) Mon–Fri from 8 a.m. to 6 p.m. EDT, or send an e-mail to disastercustomerservice@sba.gov. You can download business disaster loan applications from www.sba.gov/taxonomy/term/99.

U. S. Small Business Administration

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SCORE Volunteer Celebrates 30 Years

August "Auggie" Drufke, a SCORE Chapter 75 member, recently received SCORE's **Platinum Award** for 30 years of uninterrupted volunteer service. Mr. Drufke joined the local chapter in 1981 and held many positions during his tenure, including Vice Chair of Chapter 75, Kentucky District Representative to Region 4, SCORE Board of Directors, National SCORE Marketing Chairman, National Membership Committee Chairman, Region 4 Training Director of Chapter Chairs and, of course, SCORE Counselor. Mr. Drufke has assisted untold numbers of small business owners and aspiring entrepreneurs during his time at SCORE-75, and all who have come into contact with him greatly appreciate his dedication and service to small businesses in Kentucky.

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Your Small Business Resource

KY District Office Adds New Business Development Specialist

Michael Ashcraft joined the Kentucky District Office team in a marketing role as Business Development Specialist and Public Information Officer. Michael covers the Western Kentucky Territory. Prior to joining the SBA, he worked almost 10 years with the Louisville Small Business Development Center, an SBA resource partner. The Louisville SBDC, along with SCORE, another SBA resource partner, provide no-cost consulting services to business owners and aspiring entrepreneurs, as well as low-cost educational programs to help businesses prosper.

Ashcraft comes from a family of entrepreneurs and started three businesses in the past. His passion is to help small business clients and aspiring entrepreneurs, so his new role at the SBA is a logical extension of his career focus. He received his BBA from the University of Kentucky and an MBA from Bellarmine University. Michael is married and has two college-age sons.

Southeast Kentucky Economic Development SKED Establishes SBA Micro Loan Fund



SBA Kentucky District Director Steven Ayers, left, and Phil Danhauer, chief of the finance division for the SBA Kentucky District, right, present SKED Executive Director Greg Jones with the grant award.

Did you know that some of the most successful businesses in America, such as Dunkin Donuts and Curves for Women, started with a SBA Micro Loan? The Southeast Kentucky Economic Development, in partnership with the U.S. Small Business Administration, is now offering entrepreneurs in Southeast Kentucky low-interest loans to turn their dreams into job producing small businesses. SKED now offers loans from \$500 to \$50,000 to aspiring entrepreneurs and small business owners seeking working capital and equipment financing to start and grow their businesses. The program is expected to create 10 new small businesses in the next year.

"We at the SBA are delighted to have SKED on board as a micro lender. SKED is a very successful economic development organization in the region. Just last year they became a certified SBA 504 Loan lender and already a strong player in the Kentucky market. SBA's Microloan Program is an extremely viable product for start-up companies with loans up to \$50,000 and technical assistance provided. We look forward to SKED's success with the SBA Microloan Program."

Mr. Steven Ayers
SBA's Kentucky District Director

Partners: U.S. Small Business Administration (Micro-Loan)
Southeast Kentucky Economic Development Corp.

Total Project: \$381,000

Jobs Created: 50



To learn more about SKED and how we can assist you grow and expand your business, obtain low cost financing or receive free professional site selection services, visit us at: www.southeastkentucky.com or call (606) 677-6100.