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SBA financing leads to new jobs in Nebraska

Since Oct. 1, 2009, almost **3,200** new jobs have been created as a result of more than 840 SBA-backed loans to small businesses in our state.

Get in on the ground floor of our new [Woman Owned Small Business Certification Training](#) **March 16 10 a.m.** Reserve your seat by calling [Michael Foutch](#) at (402) 221-7211.

Helping small businesses [start](#), [grow](#) and [succeed](#).



Your Small Business Resource

SBA REGIONAL ADVOCATE TO SPEAK AT MARCH OMAHA NETWORKING BREAKFAST

Becky Greenwald, the SBA's Regional Advocate for Region VII, will speak at the Omaha Empowerment Breakfast at the Regency Lodge, 107th and Pacific, March 11.

Greenwald, who was appointed in January, is the chief counsel for advocacy's direct link to small business owners, state and local government agencies, state legislators, trade associations, and small business organizations throughout Nebraska, Iowa, Kansas and Missouri.

"Becky Greenwald understands the importance of small business to our economy and the Midwest. Throughout her career, Becky has worked in business and professional associations that have served her community" said Chief Counsel for Advocacy Winslow Sargeant. "With over twenty years of experience in domestic and international sales and marketing, Becky is uniquely equipped to advocate on behalf of small businesses

throughout the region."

Greenwald has worked in the agricultural sector in the Midwest for over twenty years. As a services manager with Pioneer Hi-Bred International she promoted the change and adoption of critical new business initiatives for customers, field management staff and sales forces. She also worked in the insurance industry and with a commercial development company out of state before she returned to Iowa.

A native of State Center, Iowa, a town of around 1,200 people, Greenwald's father was a small business owner. "I grew up around small business," Greenwald said, "and saw first hand how they impact economic growth in our rural communities.

"I understand the importance of the jobs, goods and services small business owners provide," she added, "and the role they play in keeping rural towns viable."

(see GREENWALD, page 2)

A DEAL THE SBA COULDN'T REFUSE

FULL-SERVICE FRANCHISE COMES TO BEATRICE

People who want to put away a pizza in the southeastern Nebraska town of Beatrice soon will have the presence of a full-service local franchise thanks to an SBA-backed loan.

Three business partners – Roy and Rebecca Schwisow, and Duaine Arena -- opened One-Stop Country Store outside of town on U.S. 136 in Nov. 2007, financing the deal with an SBA loan through Wells Fargo. One of the attractions of the store besides the quick gas and go along the highway is a take-out express service featuring Godfather's Pizza, a franchise founded in Omaha almost 40 years ago.

Fast-forward to the present, and the three partners have formed a limited-liability company (ASA Holdings LLC of Beatrice) to open a new Godfather's restaurant in town later this spring. Schwisow, who also owns a construction business with his wife, who works for the postal service; and Arena, who also owns a flooring

business, once again have looked to the SBA to help with this joint project.

"With having three years' experience with the express counter, and we've heard from our customers that our county has been hungry for pizza," said Arena, who manages the One-Stop and the Godfather's inside. And the service's location far from town on the rural highway meant no delivery to customers in town.

"Where we are it would take a month and a day to get to somebody," Arena explained. "So we said to ourselves looking at the Country Store, you know, pizza is pretty good business, so let's see if we can't rub a couple of nickels together and expand it."

The three visited Marisol Rodriguez at the Nebraska Business Development Center in Lincoln for her help in compiling their loan application, while Tim Doyle, vice president with (see GODFATHER'S page 3)

SBA ANNOUNCES \$325K GRANT TO NBDC TO SERVE NEW MARKETS

Small businesses in Nebraska will soon have greater access to critical resources to help them start or grow their businesses and create jobs, thanks to a \$325,000 grant to the Nebraska Business Development Center (NBDC).

The funding was provided under a key provision of the Small Business Jobs Act of 2010 signed by the President last September to support job creation and retention within the small business community by providing in-depth business counseling and advice to entrepreneurs and small business owners.

The Jobs Act grants are one-time funding intended to meet the critical need for business expansion and job creation.

The grant is intended to serve rural markets, foster commercialization and enhance Small Business Innovation Research. This one-time only grant to NBDC will allow it to serve new markets in central Nebraska by opening a satellite office at the Grand Island Chamber of Commerce that will provide direct counseling assistance in the areas of business expansion, business spin-offs, and business mentoring, targeting rural populations. In addition, the grant will allow the NBDC to provide a consultant at the University of Nebraska Lincoln to work with the technology transfer office and researchers to foster technology commercialization.



**Breakfast
March 4
7:30-9 a.m.
Mammel Hall,
Omaha**

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

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.

BALANCE SOUGHT FOR REGULATIONS, NEEDS OF BUSINESS

(from GREENWALD, page 1)

In her advocacy role, Greenwald intends to "focus like a laser" on what she can do to promote small business growth and new job creation throughout the region, and to work with government decision-makers to balance necessary regulation with promoting a healthy business environment.

"I could just pinch myself when I think about my new job, because I am passionate about the importance of small business to economic growth. The best way for me to do my job is to get out and talk with people," she explained. "I am very much looking forward to being the Chief Council's eyes and ears, and as a voice for small businesses I will carry their message to Washington, state and local officials. I expect to be traveling a lot, meeting with people throughout the four state region building relationships and listening so I understand the needs.

"I look forward to meeting small business stakeholders, the business owners, the community economic development groups, to understand what is working and what is burdensome, and then giving voice to that input so it is considered at the beginning of the regulatory rule-making process," she added.

The new regional advocate mentioned the Regulatory Flexibility Act, a law which seeks to balance the needs and capabilities of small businesses with the goals of federal regulation, as a means to ensure new rules will not be onerous.

"We need to recognize that small businesses pay more on a cost-per-employee basis to meet regulations," Greenwald said. "Regulations are necessary and we need effective regulations that are not an undue burden. For example, I know I want to breathe clean air and ensure clean water for future



generations and I'm convinced small business owners do as well. As we move forward together to meet society's goals and business goals, let's figure out the smart way to do it and find the right balance."

Greenwald is a member of the National Agri-Marketing Association, past president of the American Forage and Grassland Council, and has received two DuPont Volunteer Recognition Awards. Greenwald has a master's degree in business administration from Drake University and

a bachelor of science degree in family environment from Iowa State University.

The Office of Advocacy of the U.S. Small Business Administration is an independent voice for small business within the federal government. The presidentially appointed chief counsel for advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policymakers. Regional advocates and an office in Washington, D.C., support the chief counsel's efforts.

The Omaha Empowerment Breakfast, which often draws more than 100 entrepreneurs and economic development professionals, is a down-to-earth, convenient way for small business owners and operators to network with each other and connect with larger businesses and agencies in the community. For more details on the Breakfast, call Barbara Foster at the U.S. Small Business Administration's Nebraska District Office at (402) 221-7212 or e-mail Barbara.Foster@sba.gov. Reserve your seat at <http://www.omahaempowermentbreakfast.org/>. Please pay \$15 at the door on the morning of the breakfast.

PUTTING TOGETHER A DEAL FOR GODFATHER'S PIZZA

(from *GODFATHER'S*, page 1)

Pinnacle Bank in Beatrice, worked with Suzanne Stearman at the Nebraska District Office to complete the bank's 7(a) loan submission to the SBA.

Doyle said that the SBA guarantee was crucial as the partners wouldn't own the building. By leasing the building for the restaurant, they would be short on collateral. Besides, this would be a brand-new business, lacking an established history in the community, and requiring some speculation on how successful the business might be; never mind that many years ago a Godfather's restaurant in Beatrice failed to make a go of it.

Stearman visited the banker in his office Sept. 23, spending about an hour and a half taking Doyle through the 7(a) guarantee application loan process. Over the next three months, Stearman handled more than a dozen questions from the lender through phone calls and e-mails.

"She helped me find the forms and let me know everything I needed to submit," Doyle said. This loan was complicated by the need for obtaining financial reports on each partner's individual businesses, and completing a pro forma financial statement on the new business, which Stearman completed.

"She basically baby-sat me and held my hand, taking me step-by-step so that I got it right the first time," Doyle added.

Pinnacle Bank decided to use the appraised equity in the partner's country store as collateral for the new deal, the proceeds of which also would provide for leaseholder improvements. Stearman guided Doyle through an environmental assessment on the store, required by the SBA to save the government from assuming any liability coming from a potential cleanup.

The SBA also required a careful examination of the restaurant's franchise agreement with Godfather's Pizza by the

Nebraska District Office's counsel, Gregg Stratman; Godfather's added a passage to the agreement to satisfy the agency.

The processing center also wanted more details, including resumes, to ensure the owners and operators had enough experience in restaurant management. The partners plan to have Terry Stake, a retired Nebraska state trooper, to manage the new franchise. Stake, who owns and manages a beauty salon in Beatrice with his wife, Dawn, has helped Arena make a few pizzas occasionally.

"He's a pleasure to work with," Arena said. "I've known him off and on for 15 or 20 years. When he was a trooper, he'd drop by the Country Store. One time, we discussed off-handedly his retirement plans, and he asked us to look him up. He'd do any job, deliver pizzas, even. So we offered him the chance to run the place."

Stake "didn't have any experience managing a restaurant," Doyle said, "but his experience with the Country Store got us over that hump." Stake and Arena will attend the Godfather's corporate management training program for its traditional restaurants.

As a result of Stearman's help, the SBA approved a loan Dec. 22. The partners plan to open in May and hire at least 25 people for the new restaurant, some of them for full-time employment, a big deal for this town of almost 13,000. The restaurant will be along the main highway bisecting Beatrice. The location also will be one of the first to boast the franchise's new architecture eventually rolled out to all their restaurants.

"It'll be more pleasing," Arena said, "more of a home environment where people will be comfortable to sit and relax," with hometown high school jerseys adorning the walls along with flat-panel TVs.

Godfather's, now in its 38th year of operation, believes the Beatrice restaurant may bring revenues as much as \$700,000 in the first year.

Don't miss this free workshop:
"Experts Discuss: Learn About the Government As Your Customer"
Winning Federal Contracts for Your Small Business
March 17
8-10:00 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](tel:402-221-7205) or [Michael Foutch \(402\) 221-7211](tel: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.

FREE SEMINAR TO TAKE THE MYSTERY OUT OF SBA LOANS

The Nebraska District Office will sponsor a FREE seminar designed to take the mystery out of the process of applying for federally-guaranteed small business loans. "Take the Mystery out of SBA Loans" is scheduled for **March 24th** from **11 a.m. to noon** in the District Office, 10675 Bedford Avenue, Suite 100, Omaha, Neb.

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, representatives from the SBA will explain the importance of a strong business plan, how the SBA's resource partners -- SCORE and the Nebraska Business Development Center -- can help, and why lenders use SBA guaranteed loans in their financing projects. To reserve your seat for this free seminar, please make your reservation now by [e-mail](#) at or by phone at (402) 221-7211.

SBA Announces \$90 million in grants available for Trade, Export Promotion

Beginning March 1, states, including Nebraska, can apply for grants from the SBA to support efforts to increase exporting by small businesses. The State Trade and Export Promotion (STEP) pilot grant initiative can provide up to \$90 million in grants awarded on a competitive basis to states over the next three years.

The STEP pilot grant initiative is aimed at achieving two goals: 1) increase the number of small businesses that want to export and 2) increase the value of exports for those small businesses that currently export.

The Jobs Act authorized up to \$90 million over three fiscal years, \$30 million each year, beginning with Fiscal 2011. Individual state project award amounts will vary based on each state's proposed project plan and budget.

Activities that can be supported with grant dollars under this initiative may include: participation in foreign trade missions, foreign market sales trips, subscription services provided by USDOC, design of international marketing products or campaigns, export trade show exhibits, training workshops or other export initiatives that are in line with the goals of the pilot grant initiative.

The STEP pilot grant initiative announcement will be posted [online](#), and deadline for applications is April 26. See more information on the SBA [website](#).

VINE STREET MARKET: KEEPING IT LOCALLY-OWNED

There's just one grocery store in this town of about 1,200 near the Platte River, and the long-time owners of Beck's Market in Yutan wanted to make sure it stayed in local hands when they sold it. When it came time for health reasons to sell, they found familiar faces to buy the store.

A farmer by trade, Dan Josoff figured he'd apply his experience working for the grocery and other stores in the area to run the place with the help of his wife, Jennifer, a local beautician. His sister, Suzi Egr, would contribute her marketing experience in the retail industry, while her husband, Darin, with his experience in sales, offered to help at the store.

"I worked at the store back when I was a kid and I really enjoyed it," Josoff said. "My wife owns half of the beauty salon in town, and we really want to keep this town going. So we needed to buy it, since it's one of the few businesses here."

Josoff plans to make the store a family business; his two oldest daughters work with him at his feed lot and on the farm, and when

continue operating and serving the community of Yutan, creating jobs and providing a needed service."

Another reason the bank turned to the SBA: the loan to value of the collateral for the purchase exceeded the lender's normal loan policy. The bank based their valuation on county property values for the real estate, while the valuation for the equipment came from Affiliated Foods, a retailers' cooperative based in Norfolk, of which this store is a member; inventory values were based on the actual cost to the store.

"Because it was a term loan largely secured by real estate and equipment, we had an issue trying to determine the right amortization period to combine the expected life of the equipment with the real estate security," Cooper added. Instead of a 20-year term, which is routine for real estate financing, the lender settled on a blended 15-year term for the purchase.

In processing the loan, Cooper called Suzanne Stearman at the Nebraska District

"I GET A CALL OFTEN FROM MY LOAN OFFICERS ASKING ME IF A DEAL WILL FIT WITH THE SBA'S REQUIREMENTS, AND I SHOOT HER OFF AN E-MAIL, AND SHE ALWAYS GETS BACK TO ME QUICKLY, TELLING ME, YES, THIS WILL FIT WITH THIS PROGRAM, OR NO, THIS ISN'T WHAT THE SBA DOES."

—First State Bank's Bill Lastovica on Lender Relations Specialist Suzanne Stearman

school closes because of a snowstorm, they're down at the store stocking shelves. His sister's two oldest kids already expect to be at the store during the summer, working at the register.

"I think it's important for kids to work," Josoff added, "and I thought, what a great deal, I don't have to send them out of town for a job." The family visited Bill Lastovica, a loan officer at First State Bank's local branch, for help financing the purchase and to get a line of credit for inventory. One of Nebraska's highest volume SBA lenders, First State Bank processed the third-most in the state in Fiscal 2009; since Oct. 1, 2009, the lender has made 42 SBA-approved loans for \$7.6 million.

"What they wanted to do as far as the term and the rate was not something our bank would do in-house for them," said Debbie Cooper, an assistant vice president and loan operations officer for First State Bank. "In-house, we would offer a five- or seven-year balloon loan, and they didn't want that."

So Cooper turned to the SBA to provide the new owners a longer term and a lower interest rate; the bank used an Express loan and the SBA's 50 percent guarantee.

"We were comfortable with the new owners, since they've been customers for a number of years," Cooper said. "The SBA Express loan has provided a quick and easy way to help mitigate the risk for the local bank and to offer a main street business the opportunity to

Office several times. Stearman advised the lender on processing the Express loan, and when an internal bank error led to a mistake on the application for a line of credit, quickly worked with her so that the Sacramento processing center could correct it.

Cooper, who admits she's relatively new to packaging SBA loans, has leaned on Stearman often in the past year and half. "I get a call often from my loan officers asking me if a deal will fit with the SBA's requirements, and I shoot her off an e-mail, and she always gets back to me quickly, telling me, yes, this will fit with this program, or no, this isn't what the SBA does."

After six weeks of work, the new owners were approved for two SBA Express loans: Dec. 3 for a line of credit for working capital, and another on Dec. 28 for a term loan to purchase the store building and grocery equipment and fixtures. Over the next few months, the owners expect to hire one or two more people, a big deal for this rural community.

While the biggest change folks in town will notice is the new name – the grocery is now the Vine Street Market – over the months they can look forward to a deli and prepared food section, and the new owners are contemplating catering and other service. And Josoff, a cattle farmer, plans to someday have his beef USDA-certified so folks in Yutan can buy their beef locally produced in their hometown store.

CONGRATULATIONS TO OUR RECENT LOAN APPROVALS (JAN. 25 TO FEB. 24)

| Approval Date | MajPrg | Business location | Net Gross | Lender Name | Created Jobs | Delivery Method |
|---------------|--------|-------------------|-----------|--------------------------------|--------------|-----------------|
| 1/25/2011 | 7A | BENNINGTON | 28800 | WELLS FARGO BANK NATL ASSOC | 5 | PLP |
| 1/25/2011 | 7A | LAUREL | 1,600,000 | SECURITY NATIONAL BANK | 0 | Other 7(a) |
| 1/26/2011 | 7A | NORTH PLATTE | 7500 | FIRST NATIONAL BANK | 1 | SBA Express |
| 1/26/2011 | 7A | LINCOLN | 63000 | UNION BANK AND TRUST COMPANY | 2 | SBA Express |
| 1/26/2011 | 7A | FALLS CITY | 10000 | RICHARDSON CNTY BK & TR CO | 1 | Comm. Express |
| 1/31/2011 | 504 | Papillion | 438000 | NEBRASKA ECONOMIC DEVEL CORP | 5 | 504 |
| 2/1/2011 | 7A | WHITECLAY | 305000 | 1ST NATL BK - GORDON | 7 | Other 7(a) |
| 2/1/2011 | 7A | Springfield | 136500 | NORTHWEST BANK | 0 | SBA Express |
| 2/1/2011 | 7A | Springfield | 25000 | NORTHWEST BANK | 0 | SBA Express |
| 2/1/2011 | 7A | OMAHA | 145000 | CENTRIS FCU | 20 | SBA Express |
| 2/4/2011 | 7A | KEARNEY | 546000 | FARMERS AND MERCHANTS BANK | 0 | Other 7(a) |
| 2/7/2011 | 504 | Lincoln | 967000 | NEBRASKA ECONOMIC DEVEL CORP | 15 | 504 |
| 2/9/2011 | 7A | OMAHA | 5,000,000 | AMERICAN NATIONAL BANK | 99 | CLP |
| 2/10/2011 | 7A | PENDER | 100000 | PENDER STATE BANK | 0 | Comm. Express |
| 2/10/2011 | 7A | PENDER | 40000 | PENDER STATE BANK | 0 | Comm. Express |
| 2/10/2011 | 7A | OMAHA | 80000 | SECURITY NATL BK - OMAHA | 0 | RLA |
| 2/11/2011 | 7A | GRAND ISLAND | 60000 | EQUITABLE BANK | 0 | SBA Express |
| 2/14/2011 | 7A | HOLDREGE | 239000 | HOME FED. S & L ASSOC - NEBRAS | 2 | RLA |
| 2/14/2011 | 7A | BLOOMFIELD | 10000 | SUPERIOR FINANCIAL GROUP, LLC | 4 | Patriot Express |
| 2/14/2011 | 7A | OMAHA | 110000 | ACCESS BANK | 0 | Other 7(a) |
| 2/15/2011 | 7A | ELKHORN | 86300 | CENTRIS FCU | 5 | SBA Express |
| 2/15/2011 | 7A | SPENCER | 886000 | BUTTE STATE BANK | 11 | Other 7(a) |
| 2/16/2011 | 7A | LINCOLN | 108000 | CORNHUSKER BANK | 2 | RLA |
| 2/16/2011 | 7A | OMAHA | 125000 | UNITED REPUBLIC BANK | 13 | RLA |
| 2/16/2011 | 7A | FREMONT | 152000 | EQUITABLE BANK | 0 | SBA Express |
| 2/17/2011 | 7A | OMAHA | 48800 | CENTRIS FCU | 1 | SBA Express |
| 2/17/2011 | 7A | OMAHA | 40000 | SECURITY NATL BK - OMAHA | 0 | RLA |
| 2/18/2011 | 7A | HARTINGTON | 1,089,200 | BANK OF HARTINGTON | 0 | Other 7(a) |
| 2/22/2011 | 7A | OMAHA | 75000 | CENTRIS FCU | 2 | SBA Express |
| 2/22/2011 | 7A | OMAHA | 300000 | FOUNDATION FIRST BANK | 34 | Other 7(a) |
| 2/22/2011 | 7A | GRETNA | 472000 | WELLS FARGO BANK NATL ASSOC | 2 | Other 7(a) |
| 2/23/2011 | 7A | ELKHORN | 60000 | SECURITY NATL BK - OMAHA | 3 | Patriot Express |
| 2/23/2011 | 7A | BELLEVUE | 80000 | CENTRIS FCU | 10 | SBA Express |
| 2/23/2011 | 504 | Chambers | 64000 | NEBRASKA ECONOMIC DEVEL CORP | 2 | 504 |