U.S. Small Business Administration
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Nevada Small Business Success

Helping Small Businesses Start, Grow, Succeed!

February, 2011 Issue

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Change: The process of becoming different
(Wikipedia)

From the District Director

Change is uncomfortable and most folks tend to resist it whether it's personal or business based. But it's been said that change is the only constant. So we all must get comfortable with being uncomfortable.

When you started your business, you probably didn't think you would be in the position you are today – that of managing change.

Change is often about fear of the unknown. It's something that affects you as a business owner and it can upset the people who work for you – yet nothing is more important to the survival of your business than change!

Your job as the leader of your business and your people is to hear their concerns, to communicate where things stand and to have a plan of action that addresses not only your company's needs but also how this impacts the people that depend on you.

So – what's the plan, you ask? You say that it's hard to think strategically when you're up to your ears in day to day operations. That's understandable. But you must carve out time to think, to strategize, to hear an objective view from someone you trust who knows business strategy, as well as someone who knows your industry. Don't waste time wishing things were different or in waiting for the economy to 'turn around'. Don't look back. As much as we wish things would stay the same, nothing ever does. Even when times are good, you must constantly be open to change. If you're not making changes, you're not leading your business and you're certainly not keeping up with your marketplace.

So, first manage your own fear, and then resolve to start on your future plan. Time is of the essence because you can bet that there's someone out there right now thinking about how to outsell your business.

Call us and we'll refer you to a business counselor who can help you get a 30,000 foot view. In this issue you'll read about some areas to explore and you'll read about a small business that is thinking outside the box.

Change doesn't come easily, but today you can make the choice not to resist change – but to embrace it.

Ed Cadena, District Director

SBA Resource Partners

SCORE provides free and confidential business advice to entrepreneurs working to start new businesses and grow existing businesses. SCORE counselors are experienced business professionals who work one-on-one with clients, and their services are free.

Nevada Microenterprise Initiative is a non-profit corporation that provides one-on-one free counseling to very small existing and start-up businesses, with an interest in women owned businesses. NMI administers SBA's microloan program which provides direct loans up to $10,000 for start ups and up to $35,000 for existing businesses.

The Nevada Small Business Development Center (NSBDC) is a statewide resource for business assistance with a network of facilities throughout the state providing an array of services, expertise and training in all areas including starting, growth, and development of a business.

Veterans Business Outreach Center The VBOC provides business counseling and training to veterans. VBOC connects veteran business owners and vet owned start-ups with business development resources, and links veterans with a broad range of

Are You Waiting for a Market Turnaround? Don't. Act Now.

By Arnold Sandness, SCORE

If you are waiting for the market to turn around, you are losing ground. Take control of your future. You can steer your business to accelerate your success. Take a deep breathe and take a hard look at your company. Right now, today is the time to act. Start planning how you can weather this storm and prepare for the good times when the recession recedes.

Get good advice. As an entrepreneur, you are a smart risk taker. My question is, "Do you have all the answers?" No. Well, no one person knows it all. Surround yourself with a variety of experts who can add to your knowledge and expertise. SCORE mentors offer free and confidential advice. They are business owners and corporate executives who have successfully run companies. Ask a mentor for advice or find a SCORE office in your community.

Pull in your horns. At this time, postpone plans for expansion. Reduce inventory orders to minimums and review existing contracts to determine the possibility of delays or cancellation. Also, suspend the addition of new products until demand is confirmed. These steps will help avoid unnecessary expenses.

Conserve cash. Collect accounts receivable and contact suppliers to extend accounts payable. Focus on delaying expenditures for new equipment and expanded inventory. To cover any additional work, use freelancers and contractors rather than hiring new staff. Also, do not add new employee benefits or pay bonuses. Employees are usually willing to forgo perks in order to keep their jobs. When necessary, consider reducing your staff.

Use time wisely. Think about contracting tax and payroll preparation to outside suppliers if you would use your time more productively for sales development or floor participation. Conversely, if these items can be handled more effectively and less expensively in-house, then transfer them to another employee. (Continued on p. 3)

Now is the time to take a hard look.

SBA Resource Partners

The **Rural Nevada Development Corporation** is a non-profit development corporation that serves rural counties and the Native American tribes of Nevada. RNDC is a certified Community Development Financial Institution which lends to small businesses in need of expansion or start-up financing, fixed assets purchases, and working capital in cities with a population of 50,000 or less.

USDA Rural Development It's mission is to support economic opportunity and improve the quality of life of rural residents. USDA Rural Development provides equity and technical assistance to finance and foster growth in business development in rural areas by providing up to 80% guarantees on quality loans which will provide lasting job creation and/or community benefits.

Procurement Outreach Program
The Procurement Outreach Program (POP) helps simplify the government contracting process and cut through the red tape, connecting Nevada businesses with bid opportunities. POP is a cooperative agreement between the State of Nevada and the federal government, assisting businesses statewide to initiate or expand marketing efforts of their products and services. Call 702-486-2716 in Las Vegas or 775-687-9900 in Carson City to schedule an appointment.

Are You Waiting for a Market Turnaround? Contnd.

Utilize marketing. Develop aggressive plans to improve sales volume. Consider special events to attract customers. To get free publicity from the media, look for newsworthy items about your business. Get to know reporters or publishers and keep them informed or offer story suggestions. Collect email addresses from clients & prospects and follow up with monthly messages. Consider personal visits to connect with existing clients and find out how their needs have changed and how your product or service can help.

Arnold Sandness of Dayton, Ohio is a SCORE District Director and national Marketing Advisory Council Member. During, his 33-year career as a corporate marketing executive Arnold has managed marketing & sales in times of economic prosperity and contraction. He provides real-world small business mentoring.

Click Here ***To find SCORE's 60-second Guide to Finding the Right Business Mentor***

WHAT'S NEW at SBA

New SBA Website Unveiled

As part of the S mission to ensure that small business owners and entrepreneurs have access to accurate, timely and helpful information, the SBA unveiled a newly re-designed SBA website. The new site features the launch of SBA Direct, a dynamic new web tool with a variety of personalization features that will help small businesses start-up, succeed and grow.
Your Nevada offices will be locating new links to help you find the information you need. To take a tour of the new site, click HERE.

Contracting for Women Owned Businesses (details on page 7)

The SBA is launching a new federal contracting program for women-owned small businesses.

- SBA said the Women-Owned Small Business Federal Contract Program will be implemented over the next several months. The first contracts are expected to be awarded in the fourth quarter.
- SBA said the new program allows federal contracting officers to set aside specific contracts for certified women-owned and economically disadvantaged women-owned small businesses.
- The SBA has provided instructions on how to participate in the program. The instructions can be accessed at www.sba.gov/wosb.

SCORE's 'Simple Steps for Starting Your Business' (Workshop Series)

Description:
A four part series of pre-business workshops designed to help people get to a "go or no go" decision for the business. Homework and counseling are a part of the workshop process.

Every Saturday for 4 weeks
9:30am to noon

Business Concept: Session 1, February 26, 2011

Marketing Plan: Session 2, March 5, 2011

Financial Projections: Session 3, March 12, 2011

Funding Sources & Next Steps: Session 4. March 19, 2011

Location: UNR Redfield Campus, 18600 Wedge Parkway Nell J. Redfield Bldg. A, Rm. 216

Fee: $100 for the series of 4
To Register: **(775)784-4436**

SCORE Counselors will present this Workshop Series developed by the National SCORE Organization.

SCORE Counselors to America's Small Business

Business Tip … Thinking Outside the Box?

A small engine repair shop, hit by the recession, was approached by a landscaper who was also slammed by the economy, and who was thinking about going out of business and selling his company due to a prolonged dip in revenue.

The small engine business owner (thinking outside the box) recognized that the two businesses shared a demographic of similar types of customers. He noticed a yard full of equipment sitting unused at the landscaper's business location due to a downturn in the number of customers requesting landscaping services.

The small engine repair shop owner offered to move the equipment to his repair shop location, fence it in and rent it out to customers. The landscaper had already purchased the equipment; and the small engine repair shop owner knew he could accomplish any necessary repairs to the equipment.

He and the landscaper came to an agreement about an appropriate revenue split, and both businesses will be enjoying an additional income stream.

Think about teaming with another company in a complimentary, non-competitive industry. It may take you outside the box, and into additional revenue.

Online Courses for Starting Your Business

Each year, three million people take the plunge and start a business. It's one of the most exciting endeavors that any person can undertake.

Several free online courses are offered by the SBA to help prospective and existing entrepreneurs understand the basics about starting a business and writing a business plan. These self-paced courses are easy to use and understand. They will take about 30 minutes to complete, and you may exit a course at any time. **Available Free Courses:**

How to Start and Grow an Online Business
How to Prepare a Business Plan
Franchising Basics
Technology 101: A Small Business Guide

Click **Here** to get started

Small Business Success Snapshot

PORT OF SUBS *Making a Name in the Sandwich Business*

Customers have been enjoying the great taste of Port of Subs sandwiches for over 35 years. In 1972, two brothers from New Jersey opened a modest submarine shop in Sparks, Nevada called the "Sub Shop". John Larsen, a Public Accountant who had been advising the Sub Shop owners, saw an opportunity and bought the business in 1975. After taking the helm, Larsen sponsored a community-wide contest to choose a name for the Sub Shop to differentiate it from imitators. In a review of more than 10,000 contest entries, Larsen chose the name..."Port of Subs".

Between 1975 and 1985 the Larsens developed ten company-owned units. Throughout the years many people approached them asking for units in other cities because of the outstanding quality and taste of their products. So, with dreams of expansion, they began franchising in 1985 – and according to John Larsen, their timing couldn't have been worse.

Sub shops are typically located in shopping centers. In the late 1980's the country had just come through the savings and loan crisis. Shopping centers defaulted, folded and closed. Anchor tenants were gone and by the end of 1989, the future of Port of Subs was in jeopardy and they questioned whether it was possible to survive. They knew they were in big trouble.

In 1990, John contacted the counselors at the Nevada Small Business Development Center. An NSBDC counselor met with Port of Subs. His first question was, "Who is your customer". It was an 'aha' moment for John – he didn't know! NSBDC put together a team including UNR students to help John identify his customer profile and where he was losing money. They did a market survey of customers inside the stores. They determined which were the best performing stores and studied why customers came to Port of Subs, and why they came to successful stores and not to others.

They did a dot map analysis to identify best potential sites. And most importantly, according to John, they "tied him down" and made him think through his business plan. He realized he had 12 stores and 100 employees and – no plan. It was another 'aha' moment for John. They helped him create a marketing and advertising plan to draw customers, and how to be ready to grow again when the time was right. And they helped John identify what makes a good site for his restaurants.

John then sold a few franchises, but also opened several more company owned stores in Las Vegas – this time, based on the results of the NSBDC counseling and surveys. He now knew how to choose the right sites, how to market and advertise, how to manage his budgets – and right away Port of Subs turned the corner from losing money and questionable survival to profitability. In 1989, they lost $250,000, by 1991 they were making a small profit, and by 1992 had started a rapid growth cycle.

Most franchisees received SBA financing. Almost all of the early growth was through SBA guaranteed funding – no one had cash. Today SBA programs make up 50-60% of franchise funding.

Their success was so remarkable that in 1993, Port of Subs won the Nevada small business of the year award because they overcame adversity, received SBA help in attaining their goals and accomplished remarkable growth because of SBA and NSBDC assistance.

Videos! Strategies for Growth ...

SBA Delivering Success *Video*: Top 10 Business Tips

The U.S. Small Business Administration and the U.S. Postal Service bring you Delivering Success - video interviews with successful entrepreneurs who share the lessons they've learned about owning a small business. Click this link to see 10 quick tips to business success.

Salon Red *Video*: Establishing your Online Presence

Salon Red provides a creative and compassionate salon environment in Decatur, GA. It excels in the services industry because it uses a website and local listings to help customers find its locations and to book appointments. See their story here.

More *Videos* for small businesses

Go here to choose more videos you'd like to see and visit the SBA channel on YouTube.

Find your SBA Pacific Region team on Facebook and Twitter

www.facebook.com/sbapacific

www.twitter.com/sba_pacific

Financing Corner

New possibilities for funding will be available through new loan programs coming soon. More information is expected in the coming months. We'll be telling you more about these programs as details and implementation plans become available. Stay tuned!

Facts About Government Grants

Government grants are funded by your tax dollars and, therefore, require very stringent compliance and reporting to ensure the money is well spent. So, as you can imagine, grants are not given away indiscriminately. SBA does NOT provide grants for starting and expanding a business. SBA has authority to make grants to non-profit and educational organizations in many of its counseling and training programs, but does not have authority to make grants to small businesses.

Some business grants are available through state and local programs, nonprofit organizations and other groups. These grants are not necessarily free money, and usually require the recipient to match the funds or combine the grant with other forms of financing such as a loan. The amount of the grant money available varies with each business and each grantor.

If you are not one of these specialized businesses, both federal and state government agencies provide financial assistance programs that help small business owners obtain loans and venture capital financing from commercial lenders.

As an example, here is a link to the announcement of recent SBA grants that shows the type of grants that the SBA makes. SBA Announces Grants to SBDCs to Support Job Creation Programs

Women-Owned Small Business Federal Contract Program

February 2011

The Women-Owned Small Business Federal Contract Program provides equal access to federal contracting opportunities for women-owned small businesses (WOSB) and economically disadvantaged women-owned small businesses (EDWOSBs). The program allows contracting officers to set aside specific federal contracts for certified WOSBs and EDWOSBs.

General Program Details:

The WOSB Program becomes effective on February 4th, 2011. On that date, women owned small businesses may begin taking steps to participate in the Program. The goal is for WOSBs and EDWOSBs to be ready to compete for contracts awarded in the fourth quarter of fiscal year 2011, which is when the largest percent of small business contracts are awarded.

Eligibility Requirements for the Program

To be an eligible WOSB, a company must be:

- A small business that is at least 51% percent unconditionally and directly owned and controlled by one or more women who are United States citizens.
- A woman must manage the day-to-day operations, make long-term decisions for the business, hold the highest officer position in the business and work at the business full-time during normal working hours.
- Qualify with NAICS codes in which SBA has designated that WOSBs are substantially underrepresented.

To be an eligible EDWOSB, a company must be:

- A WOSB that is at least 51% owned by one or more women who are “economically disadvantaged”. SBA may waive the requirement of economic disadvantage for industries in which WOSBs are “substantially underrepresented.”
- A woman is presumed economically disadvantaged if she has a personal net worth of less than $750,000 (with some exclusions), her adjusted gross yearly income averaged over the three years preceding the certification less than $350,000, and the fair market value of all her assets is less than $6 million.

Please note that for both WOSB and EDWOSB, the 51% ownership must be unconditional and direct.

There is much more to know about this program. Please go to the following link for more information and additional details:

www.sba.gov/wosb

FINANCIAL WATCH – FISCAL YEAR 2010 (OCTOBER 2009 – October 2010) SBA

Lender Name	Values # of Loans	Loan$
2010		
AMERICAN BANK OF THE NORTH	1	$250,000
BANK OF AMERICA, NATIONAL ASSOCIATION	3	$612,500
BANK OF LAS VEGAS	1	$35,000
BANK OF THE WEST	1	$378,000
BORREGO SPRINGS BANK, N.A.	19	$946,500
CDC SMALL BUSINESS FINANCE CORPORATION	6	$11,283,000
CELTIC BANK CORPORATION	1	$350,000
CENTER BANK	1	$35,000
CHARTWAY FCU	1	$20,000
CITY NATIONAL BANK	5	$730,000
COMPASS BANK	3	$1,904,000
EDF RESOURCE CAPITAL, INC.	2	$989,000
EXCEL NATIONAL BANK	4	$2,445,000
FIRST ALLIANCE BANK	1	$245,000
FIRST INTERNATIONAL BANK	2	$3,666,600
FIRST SAVINGS BANK	1	$805,000
FIRST SECURITY BANK OF NEVADA	1	$47,000
FLATHEAD BANK OF BIGFORK	1	$200,000
GROW AMERICA FUND INC	1	$160,000
HANA SMALL BUS. LENDING INC.	1	$250,000
HARRINGTON BANK, FSB	1	$250,000
HERITAGE BANK OF COMMERCE	1	$1,400,000
HERITAGE BANK OF NEVADA	22	$3,368,000
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	13	$803,800
MEADOWS BANK	7	$5,574,000
MORTGAGE CAPITAL DEVELOPMENT CORPORATION	14	$5,579,000
MOUNTAIN AMERICA FCU	4	$65,000
MOUNTAIN WEST SMALL BUSINESS FINANCE	8	$3,199,000
NEVADA COMMERCE BANK	10	$6,435,200
NEVADA NATIONAL BANK	4	$440,000
NEVADA STATE BANK	29	$4,998,000
NEVADA STATE DEVELOPMENT CORPORATION	27	$14,253,000
PLUMAS BANK	1	$1,115,000
SOUTHLAND ECONOMIC DEVEL CORP	1	$262,000
SUPERIOR FINANCIAL GROUP, LLC	25	$225,000
U.S. BANK NATIONAL ASSOCIATION	38	$7,629,500
UNITED MIDWEST SAVINGS BANK	1	$1,600,000
UNITED WESTERN BANK	1	$993,000
UPS CAPITAL BUSINESS CREDIT	1	$409,000
WELLS FARGO BANK, NATIONAL ASSOCIATION	48	$17,273,300
VECTRA BK COLORADO NATL ASSOC	9	$735,500
WILSHIRE STATE BANK	2	$730,000
ZIONS FIRST NATIONAL BANK	5	$338,000
2010 Total	**328**	**$103,026,900**
Grand Total	**328**	**$103,026,900**