

# REGION VI NEWS

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September 2011

## Regional Success Story New Mexico District

### SBA's loan program helps small business

Bruce E. Reid and Cheryl A. Reid are managing members of Reid Enterprises, LLC dba Mesa Verde Resources (MVR), headquartered in Placitas, New Mexico. Since 1999, Bruce has built MVR from a small company to a major full-service humate mining and manufacturing company.

"What are humates," you ask. In short, humates are fossilized plants and animals mixed with rock and soil compounds. Using humates restores the natural balance in soil necessary for optimal plant growth.

Due to the 2009 recession, MVR employed 15 full-time employees and business was slow. The pressure was on to pay off high interest loans and to keep their current employees. The Reids secured a U.S. Small Business Administration (SBA) American Recovery & Reinvestment Act (ARRA) Loan with a 90% guarantee. With this loan they were able to refinance their high interest loans.

As business picked up, MVR secured another loan. This time it was an SBA Small Business Jobs Act loan disbursed at a 90% guarantee which was used to by a screener to keep up with demand. They were now able to service new customers; expedite delivery of orders and; to hire 2 more temporary employees that eventually became permanent and a highly skilled manager that had been out of work for over 1 year.

Ms. Reid has taken advantage of the tax credits associated with those loans.

MVR also exports to El Salvador, the Philippines, Australia, Brazil, Pakistan, Mexico, Canada, South Africa, Taiwan and New Zealand.

## Message from Regional Administrator

### Yolanda Garcia Olivarez



## The American Jobs Act Will Help Small Businesses Create Jobs

We all know that we are recovering from one of the worst recessions since the great depression. The health of our economy is critical and we have to create conditions where businesses can generate more jobs. It is time for us to invest in what will promote economic growth and encourage hiring.

That is why the American Jobs Act was proposed by President Obama. It is a plan for growing our economy and putting people back to work. It will put money back into the pockets of small business owners, and give them new tools to grow their businesses and create jobs. Over the long run, it will make investments in our nation's schools and infrastructure—creating more contracting opportunities for small businesses.

The American Jobs Act, which President Obama sent to Congress this month, builds on the 17 tax cuts for small businesses that the President has already signed into law. It will cut payroll taxes in half (to 3.1%) for 98% of businesses. It will also *eliminate* payroll taxes for small businesses that create new jobs. In addition, the American Jobs Act contains tax credits for small businesses who hire unemployed veterans, service-disabled veterans, and workers who have been unemployed for at least six months. These tax cuts are designed to have the maximum impact on job creation. They will give small business owners more money to invest in their business and hire new workers.

At the same time, the American Jobs Act makes long term investments in America's economy. It contains billions of dollars in investments in our roads, railways, and airports, including the creation of a National Infrastructure Bank. These investments will mean contracts that increase the bottom lines of small firms and give them the revenue they need to create jobs. To further benefit small contractors, the American Jobs Act will raise the limit on SBA-guaranteed surety bonds to \$5 million.

Meanwhile, the bill calls for modernizing 35,000 schools, which will provide work for small construction companies while also strengthening our education system and training the next generation of entrepreneurs. It will expand broadband access to 98% of Americans, which will make it easier for entrepreneurs to start businesses and find new customers, both at home and abroad. These investments will put Americans back to work today, while modernizing our economy and increasing our global competitiveness in the 21<sup>st</sup> century.

Of course, there are ways to support small businesses that don't require new legislation. That's why the President also ordered federal agencies to cut the time it takes them to pay small contractors in half, from 30 days to 15 days. This change will free up working capital and save small business owners billions of dollars.

Job creation is President Obama's top priority, and the American Jobs Act is a crucial step to putting all Americans back to work. The American Jobs Act contains bipartisan ideas that both parties have supported in the past, and it's completely paid for. The President has called on Congress to pass the bill, and pass it now.



U.S. Small Business Administration

## District News and Announcements

### Lubbock District Office

#### District recognizes SBDC winner

Enrique Romero, the Director of the University of Texas Permian Basin (UTPB) Small Business Development Center (SBDC) subcenter was surprised but yet elated when he was presented with the coveted "2011 State Star Award" during the Northwest Texas Small Business Development Center (NWTSBDC) staff development conference in Bastrop, Texas, on June 29, 2011.



Pictured: Enrique Romero

This prestigious award was presented to Mr. Romero by Craig Bean, Chief Operating Officer and Allen Carrigo, Executive Director of the NWTSBDC Network.

Calvin Davis, District Director for the Lubbock - West Texas District Office of the United States Small Business Administration (SBA) was in attendance at the conference and provided training to the entire NWTSBDC Network professional staff. At the conference, Davis congratulated Romero for his leadership in turning around the SBDC Subcenter at the University of Texas Permian Basin. "Enrique's endeavors are definitely appreciated by SBA and his stellar efforts, and, the noted enhancements of his Subcenter have not gone unnoticed by the local small business community", said Davis.

The Association of Small Business Development Centers (ASBDC) annually awards a State Star to outstanding SBDC employees who display exemplary work performance that significantly contributes to the organization's economic development efforts; and, for demonstrating a strong commitment to encouraging the successful development of small businesses. One individual –"star"– from each state and region is chosen annually. This year Mr. Enrique Romero was selected, along with 60 fellow "Stars" out of more than 1,000 centers nationwide. Mr. Romero and the other 60 Star award winners will be honored at a special reception that will be held during the ASBDC's national conference in San Diego, California on September 6, 2011.

The energetic Mr. Romero has been serving in the capacity of UTPB SBDC Director since August of 2009. From his first day of service, he hit the ground running with a plan of action that included outreach to the rural areas, financial institutions, economic development organizations and local chambers of com-

merce in an effort to position the SBDC to support the area's community-level economic development initiatives. Enrique's goal was to establish the UTPB SBDC as the entrepreneurial "hub" in Odessa, Midland and surrounding counties. With Enrique's guidance and knowledge, the UTPB SBDC team has effectively helped numerous entrepreneurs obtain business financing, assisted aspiring entrepreneurs start new businesses, and ultimately led to the creation of new jobs for West Texans.

When asked about the award, Enrique commented, "I am receiving this award on behalf of our team at the UTPB SBDC. Our center always works enthusiastically for our clients and for our organization, which is why I believe the whole team deserves this recognition." He went on to say, "I truly believe that this award is a reflection of the efforts from every individual on the current team at the UTPB SBDC."

Enrique's commitment and dedication to small businesses and entrepreneurs is evident in the services his subcenter provides. The Lubbock - West Texas District Office of SBA is proud to have the UTPB SBDC as a valued and trusted resource partner, and we especially congratulate Enrique Romero for an award well deserved.

### Houston District Office

#### SBA staff outreach

The Houston District Office will be participating in HCC Corporate College's 9 week entrepreneurship curriculum. HCC Corporate College's philosophy is to empower the small business owner with knowledge. By collaborating with Subject Matter Experts (SME's) HCC can offer small business owners valuable and relevant information.

The Houston District has developed a SBA SME presentation on the 7a loan program and the 8a business development program. In addition, the SBA Procurement Center Representative will provide a presentation on federal contracting. Each presentation will last approximately two hours and will be included in the overall entrepreneurship curriculum.

The new program kick-off was offered in Spanish for the Camara de Empresario organization. The 9 week entrepreneurship curriculum covers finance, marketing, sales, contracting, business law, human resources, wage and labor, license and permits, cost accounting, risk management, and exit strategy.

HCC Corporate College will replicate this program for both the Vietnamese & Chinese Chambers of Commerce as well Houston Citizens Chamber and eventually offer this program to all community colleges in Texas.

### Arkansas District Office

#### "The Power of Your Pitch"

This is not about baseball or the slant of your roof – it is about "pitching" your business, whether it is to lenders, investors, partners, or

potential employees.

- Problems sell – clearly state the problem your product or service solves and how many would pay for your solution. It is not features you have to sell, it is solutions to problems.
- Use solid numbers rather than meaningless words such as tons or bunches or billions.
- Understand the cash flow cycles and movement through your business model. If I am going to pin my career on your business I want to know you can pay me the salary you state (on time) or, if I am going to invest money in your venture through a loan or equity, I want to know you have a solid financial plan to achieve the promises you are making. Be clear about the assumptions driving these numbers – inventory turnover, credit terms offered, number of products to sell or services to provide, etc.
- If using PowerPoint, K.I.S.S. – keep it simple. If it is too wordy, people may not be able to make out the words and it becomes useless. They have to be legible and memorable.
- Always leave time for questions and answers. I have sat through some of these (and have been guilty myself) when the presenter goes on and on about something I am either not interested in or I already get, waiting to ask a burning question about something I don't understand. If you leave them confused about a key concept, you wasted the pitch.

The Power of Your Pitch is your foot in the door. Practice your pitch.

### Dallas District Office

#### News from the director

On August 24, the Regional Administrator Yolanda Olivarez and District Director Herbert Austin visited Minton's Sportsplex in Texarkana. One of the three companies in the district that were recognized in the SBA100 initiative.

Minton's Sportsplex was launched in 1987. In 1993, the company received an initial SBA loan of \$360,000 to purchase land. Some years thereafter, a second SBA 504 loan of \$7,000,000 was secured to assist in the expansion of the company.

Minton's Sportsplex has created over 200 jobs and has gained renown as the largest most comprehensive family-oriented health fitness and sports complex of its kind in Texarkana. The RA's visit was well received with many public officials in attendance. The visit was also well covered by the media.

**Staff News:** The district office welcomes Nancy N. Alvarez, Supervisor for the 8(a) Division. Nancy comes to us from the SBA Jackson office where she worked for many years. She brings a wealth of knowledge in the 8(a) program and we are glad to have her on our team.

## Oklahoma District Office

### RA Tours Eskimo Joe's

Regional Administrator Yolanda Garcia Olivarez traveled to Stillwater to tour Eskimo Joe's, an SBA 100 Business. Owner Stan Clark started the college-town bar and grill in 1975. Today he operates 3 full service restaurants, a 35,000-square-foot production facility and employs 550 with sales over \$18 million.

Pictured below, the RA, Oklahoma DD Dottie Overal and Stan Clark view t-shirts hot off the press. Eskimo Joe's is one of three Oklahoma businesses listed on the SBA 100 website.

Others are Leader Communications in Oklahoma City that has created over 200 jobs and Interim Solutions for Government in Oklahoma City that has created 190 jobs.

Since January 2008, SBA has provided loan guaranties to about 2,072 Oklahoma entrepreneurs who have gone one to create or retain over 24,000 jobs across the state. SBA backed-capital assistance to Oklahoma small businesses since January 2008 amounts to more than \$656.5 million.



Pictured L-R: Yolanda Olivarez, Dottie Overal, Stan Clark

## El Paso District Office

### RA addresses small businesses

SBA Region VI Administrator Yolanda Olivarez spoke at *Building Towards the Future* held on August 11 at the Camino Real Hotel in El Paso. This industry and Veteran Job Fair event is by the Greater El Paso Chamber of Commerce, Department of Labor in conjunction with the El Paso Small Business Consortium and Congressman Silvestre Reyes.

The purpose of this event was twofold – in addition to providing local businesses an opportunity to meet federal, state, and local agencies through one-on-one sessions and providing valuable forecasted contracting information, this event brought together agencies that have open positions and are looking to hire Veterans.

The Industry Day focused on contracting and provided an opportunity for one-on-one sessions with representatives from various agencies, including Fort Bliss, the U.S. Army Corps of Engineers, PRIDE Industries, Holloman Air Force Base, White Sands Missile Range, Kirtland Air Force Base, Ysleta Independent School District, and Region 19, among others. Businesses heard about some of the forecasted, or future, projects these and other agencies have in store and can also expect to gain an understanding of the next phase of projects coming up on Fort Bliss and throughout the region. Participants had an opportunity to network with federal agencies, prime contractors, SBA, and business development organizations that provide counseling and technical assistance.

The Veterans' Job Fair was organized by the Department of Labor with the assistance of the Upper Rio Grande Workforce Development Board, the Texas Veteran Commission, and the Veterans' Employment Training Service.

## Lower Rio Grande Valley District Office

### District staff helping veterans

The District Office Outreach Funding Initiative through the Office of Veterans Business Development has enabled district offices to assist veteran and service-disabled veteran small business owners, as well as self-employed members of the Reserve and National Guard. Having read that budgets were tight via the Notice, Veronica Padilla, Business Development Specialist and Rey Vasquez, Program Support Assistant, strategized to write a winning proposal and succeed in obtaining funding for this worthy cause. South Texas has a population of 1.2 million; a 14% growth over the past 4 years; and an unemployment rate of over 10%. According to the U.S. Labor Department, there is an 11.2% unemployment rate among recently discharged veterans. With over 100,000 veterans residing in the South Texas district, the opportunities for self-employment are plentiful among Vets. The area has two Naval Air Stations, one in Kingsville and one in Corpus Christi. The NAS in Ingleside, TX suffered a BRAC closure in February 2010, causing unemployment in the area to increase.

In March 2011 the district director was notified by Janet Moorman, Veteran's Affairs Specialist that indeed their proposal would be funded. Since receiving the news, both Veronica and Rey have been busy working with the local Veteran's Business Outreach Center (VBOC) in implementing and organizing two separate seminars within the district. Currently the target is the rural areas of Rio Grande City located in Starr County and Robstown in Nueces County. Both seminars, entitled Operation Patriot Salute-SBA serving our military community, are scheduled for the 4<sup>th</sup> quarter of FY 2011. They have also worked on a pre- and post-mobilization guide for reservists who have served on active duty and veteran business owners including service disabled veteran-owned small business (SDVOSB). The guide will provide information on the do's and don'ts of business operations, things to know-places to go, the how's, why's and what's necessary to keep their business running before, during and after returning from active duty.

## San Antonio District Office

### SBA staff at quarterly lenders meeting

Preferred Lender Prosperity Bank held its Quarterly Lenders Meeting on July 26 at the Austin Airport Hilton. Forty lenders from all branch locations attended the interactive meeting. Featured speakers were Beverly Layne, Prosperity Bank - SBA Division; Kathy Kyriash, Capital Certified Development Corporation; and Deputy District Director Ron Dear and Lead Business Development Specialist Mary Alice Blanco, SBA. The meeting focused on the advantages of SBA lending on the standard 7(a) and 504 loan programs, both, for the lender and borrower. Ron and Mary Alice were asked to clear up several misconceptions and myths of the loan process. Building upon confidence in SBA lending as a way to increase their loan portfolio and help small business communities to create jobs; we are not the same old SBA!

**Myth:** Takes too long to process a loan. **Response:** SBA has centralized the processing of the loans and a complete 7(a) package can be processed in 7-14 business days. If you use E-Train, you can receive a loan number in a matter of minutes.

**Myth:** Too much paperwork. **Response:** There are only few additional SBA forms that are required above of what you already require on your non-guaranty loans.

**Myth:** Do not know which forms to use or where to locate them.

**Response:** Go to the SBA banking website [www.sba.gov/for-lenders](http://www.sba.gov/for-lenders) and select the loan program, i.e. Preferred Lenders Program and a list of forms will appear to prepare the loan package.

**Myth:** Standard Operating Program (SOP) is too long and you cannot find anything. **Response:** SBA listened to lenders' complaints and has made some changes to the SOP, such as, it went from almost 800 to 410 pages. It also has a search/find function to assist lenders in locating information by using a key word.

## Louisiana District Office

The New Orleans District Office staff was an exhibitor at the Louisiana Minority Supplier Development Council's 2011 Gateway Opportunity Conference

This two-day conference allowed maximum opportunities for networking, discussion and face-to-face exchanges between corporate buyers and minority business enterprises (MBEs).

This network serves to promote procurement opportunities among the national Council's minority suppliers and nurture relationships between buyers and sellers that increase the number of minority firms actively engaged in corporate supply chains.

SBA staff was there to provide MBEs with procurement information and to guide them to resources that can assist them in contracting.

Approximately 500 MBEs were in attendance at the event, and it provided a great forum for networking.

Region VI Loan Numbers		
FY 2011 ending 9/30/11		
Amts. Rounded to nearest \$1,000		
	#Loans	\$Approval
All Loans	6,308	\$2,749,436
7(a)/ARC	5,695	\$2,335,179
504	613	\$ 414,257

## News from Headquarters

### STEP Initiative Will Help Small Businesses Export

The U.S. Small Business Administration is providing \$30 million in grants to states, territories, and the District of Columbia, to help increase exporting by small businesses during the next 12 months. The grants were authorized by the Small Business Jobs Act of 2010, under the State Trade and Export Promotion Program (STEP).

The STEP program, launched in March, aligns with President Obama's National Export Initiative. The President's initiative calls for doubling U.S. exports in five years – and in so doing, supporting two million jobs. The program provides federal government funding for 65 to 75 percent of program costs, with states supplying the remainder.

SBA Administrator Karen Mills announced the awards at an event in Raleigh, N.C., at Raleigh Denim, a small business that produces and exports denim products. Forty-seven states, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, and the Virgin Islands received STEP grants.

"Strengthening the nation's economy through a substantial increase of U.S. exports is a top priority for the Administration and the agency," said Mills. "This is a unique partnership between the federal government and the states. Sharing responsibilities and resources will help new small exporters across the country enter and succeed in the global market."

The funding will support participation in foreign trade missions, foreign market sales trips, subscriptions to services provided by the Department of Commerce, website translations fees, design of international marketing media, trade show exhibitions, participation in training workshops, and other critical export initiatives.

Small businesses that want to receive assistance under the STEP program should contact the organizations serving the states in which they are located. For a list of these organizations and more information about the STEP program, visit <http://www.sba.gov/about-offices-content/1/2889/resources/14315>.

The SBA anticipates it will conduct a new competition for STEP program grants during the winter of 2011. Awards will be made in September 2012 for export support services by states over the following 12 months.