



SANTA ANA DISTRICT NEWSLETTER

Educate · Inform · Connect

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In This Issue	SBA Administrator's Op-Ed Regarding Recovery Act
SBA Administrator's Op-Ed	<p style="text-align: center;">Stimulus working for small businesses <i>Six months in, Recovery Act puts nearly \$9.5 billion in hands of small businesses</i></p>
SBA Launches YouTube Channel	<p>Last October, small businesses were hit by a worsening economy that resulted in frozen credit lines and diminished access to capital. This included a major drop in loans backed by guarantees through the U.S. Small Business Administration (SBA).</p>
Seeking Small Business Week Nominations	<p>In February, President Obama took steps to address this crisis through the American Recovery and Reinvestment Act. Within weeks, the SBA activated more than half of the \$730 million it received in the Recovery Act to enhance the agency's two flagship lending programs to help get capital flowing again.</p>
Second Annual Faith Based Small Business Summit	<p>First, the SBA eliminated the loan origination fees for borrowers. This allowed small business owners to keep thousands of dollars in working capital that would have usually been spent on acquiring the loan.</p>
SBA Launches New Online Training	<p>To complement this, lenders benefited from some fee eliminations as well as an increased government guarantee of up to 90 percent in the SBA's largest loan program.</p>
BIZCON 2009 Recap	<p>Now, a little more than six months later, the SBA's average weekly loan volume has jumped more than 55 percent when compared with the two months preceding the stimulus. In all, the SBA has supported nearly \$9.5 billion in lending, with August volume (\$1.4 billion) topping that of the same month last year. Locally, since the Recovery Act was signed, average weekly loan volume has increased 38% in Orange County and 27% in Riverside and San Bernardino counties when compared to the two months prior to the Act's passage.</p>
Success Story	<p>Just as importantly, these actions have brought more than 1,000 banks and credit unions back to SBA lending. This reinvigorated network has created more points of access to capital for entrepreneurs and small business owners nationwide.</p>
Preparing for Flue Season and H1N1	<p>As a result, small businesses across the country are in a position to do what they do best: drive economic growth and, in turn, lead us out of recession and into recovery.</p>
SBA Welcomes Delegation of Chinese Lenders	<p>For example, Royal Window Films of Anaheim, which sells and installs energy-saving window films for commercial buildings, saved \$6,970 in fees on its SBA 504 loan when it bought a new space five times larger than its previous home. SBA's lending partners for in this particular loan were Southland EDC and California Bank & Trust. The savings will help owners John and Kimberly Henderson add three employees to their staff of 12.</p>
Insight & Inspiration: Breakeven Analysis	<p>The Administration has also reaffirmed its commitment to government contracting opportunities for small businesses. A few weeks ago, the President asked SBA and the U.S. Department of Commerce to lead a federal government-wide effort to ensure that small businesses have the opportunity to</p>
In Every Issue	

About the SBA

compete for contracting dollars, including those in the Recovery Act.

Santa Ana District Office

This is a win-win. Through contracting, small businesses are able to offer innovative products and services, while creating and sustaining jobs. Federal agencies benefit from the nimble and responsive nature of small businesses, often working directly with the CEO.

Press Releases

Overall, each SBA loan and government contract represents another business that is surviving, finding ways to grow, and laying the foundation for U.S. competitiveness in a 21st century, global market.

Lender Rankings

The bottom line is that taxpayers received a powerful bang for their buck with the small business provisions in the Recovery Act. Money is going to the place where it is needed most and has the greatest potential to drive recovery - the hands of America's entrepreneurs and small business owners.

Orange County SBDC

Karen Mills is the Administrator of the U.S. Small Business Administration.

Inland Empire SBDC

Tritech SBDC

SBA Launches YouTube Channel

Aim is to Reach Larger Audiences through Popular Site

Orange County SCORE

The U.S. Small Business Administration has begun posting informational videos on [YouTube](#) as it joins an increasing trend within the federal government to use the popular video-sharing web platform to reach a larger audience.

Inland Empire SCORE

Coachella Valley SCORE

YouTube is a highly popular Web site, especially among younger people. SBA is intent on reaching this audience with its message of entrepreneurship, the importance of small business to the nation's economy, and information on the agency's programs and services.

Institute for Women Entrepreneurs

"With millions of visitors, most of them under 35, YouTube offers a prime opportunity to use current technology and the appeal of a popular online platform to further promote the agency's programs and services," said SBA Administrator Karen G. Mills. "By expanding its outreach, SBA will be providing more current and potential entrepreneurs with the necessary tools to start, grow and succeed in their businesses."

Inland Empire WBC

Coachella Valley WBC

The SBA YouTube channel (www.youtube.com/sba) debuted with a 60-second introduction to SBA, its programs and services, and a 10-part "Delivering Success" series co-produced with the U.S. Postal Service.

Future content will include a variety of videos with more in-depth information about SBA programs and services to inform current and potential entrepreneurs. Topics will cover how small businesses can take advantage of the Recovery Act loan programs, government contracting opportunities, exporting to increase market share, counseling and training on how to start and grow a small business, and small business success stories.

It's That Time Of The Year Again- Small Business Week Nominations!

There are some constants in life- the tide of the ocean...the traffic on the 91 freeway...and Small Business Week nominations due every November!

There are many categories to choose from, with nominations accepted for businesses and champions. The Santa Ana District is known for producing district winners that move ahead and compete for regional and national recognition, and we expect this year to be no different! Plus, not only is the recognition great for the business or champion, but the nominators and their hard work are highlighted as well- so get your thinking caps on and nominate someone today!

Categories eligible for nomination include:

Small Business Person of the Year
Entrepreneurial Success Award
Exporter of the Year
Family-Owned Business of the Year
Home-Based Business Champion
Financial Services Champion
Minority Small Business Champion
Women in Business Champion
Veteran Small Business Champion

For more information and to receive a nomination package, contact Sylvia Gutierrez at 714.560.7454 or sylvia.gutierrez@sba.gov.

Second Annual SBA Tri-County Faith Based Small Business Summit To Be Held October 8th

The second annual SBA Tri-County Faith Based Small Business Summit will be held Thursday, October 8th, 7:30 a.m. - 2:00 p.m., at the Ontario Convention Center.

The event is presented by the [SBA](#), [AmPac Tristate CDC](#) and the [Inland Empire Women's Business Center](#).

The SBA is committed to carrying out a Presidential Executive Order to reach faith-based and underserved communities with resources for small businesses. The faith-based summit is one important way to reach groups like these in San Bernardino, Riverside and Orange counties.

For-profit business owners and non-profit organizations are encouraged to attend.

The summit's keynote speaker will be Robert Wolf, former Undersecretary of Business, Transportation and Housing for the state of California.

Workshops will be offered to provide information on how businesses can benefit from the Recovery Act and attendees will meet a variety of resource partners that can help grow their business.

To register, please contact AmPac TriState CDC at 909.915.1706 or www.tristatecdc.com

SBA Launches New Online Training Course

*'How to Win Federal Contracts' Online Course Part of
Federal Government-wide Initiative*

The U.S. Small Business Administration launched a new online training course to help strengthen access to contracting opportunities for small businesses, including those owned by women, minorities, disadvantaged individuals and veterans.

The training course, "Recovery Act Opportunities: How to Win Federal Contracts," is part of a federal government-wide initiative announced last month by President Obama and being led by SBA and the Department of Commerce.

"Government contracts can play a key role in helping small businesses turn the corner in terms of expansion and job creation," SBA Administrator Karen G. Mills said. "But make no mistake, the benefits the government receives are equally as impressive - working with small businesses allows the federal government to work with some of the most innovative companies in America, often with direct contact with the CEO."

"The SBA online training course can help businesses access the federal purchasing system and position themselves to compete for the commercial opportunities offered by government contracting," Mills continued.

In announcing the government-wide initiative, President Obama reiterated his Administration's commitment to providing "our Nation's small businesses with maximum practicable opportunity to participate in federal government contracting." As part of the initiative, federal agency procurement officers are participating in more than 200 events over the next several weeks to help connect small businesses with contracting opportunities. Additionally, SBA and Commerce are expanding their

outreach to contracting officials across the federal government to ensure they have the tools to meet their annual contracting goals and increase opportunities to small businesses, including those owned by veterans, women and minorities, as well as those in designated HUBZones.

As part of the outreach to small businesses, the comprehensive online course uses both audio and script to provide information about the federal marketplace, contract rules and, most importantly, how to sell to the government and where to find contract and Recovery Act opportunities. The new training portal is a free online training course designed to assist entrepreneurs during this period of economic recovery. This self-paced, instructional guide provides an overview of the federal procurement process.

The Recovery Act Opportunities course is available on SBA's Web site at www.sba.gov or directly at www.sba.gov/fedcontractingtraining. The course is indexed by subject matter to allow ease of use, and it includes multiple direct links to additional contracting resources.

The Recovery Act Opportunities course includes direct links that highlight the best contracting resources and engages small business owners in the contracting process. The course also includes practical and fundamental steps to engage business owners in the federal contracting arena.

It is one of more than 24 online tutorials offered by the SBA, and is available 24/7.

For more information please visit www.sba.gov.

BIZCON 2009 Recap

SBA participated in last week's BIZCON 2009, held in Anaheim. Deputy Director Rachel Baranick sat on a panel to point out opportunities for small businesses during the tough economy. She also discussed Recovery Act provisions that impact the small business community. Deputy Baranick was joined by officials from the IRS, OCTA and California's Department of General Services.

The Santa Ana District Office also honored two area firms as Minority Enterprise Development Week (MED Week) honorees.

The honorees were David Cheng, president of Santa Ana-based Accord Engineering, Inc., named the Minority Small Business Person of the Year, and Henry C. Rhee, CEO of Acepex Management Corporation in Montclair, the 8(a) Graduate of the Year.

National MED Week commemorates the contribution of the nation's minority entrepreneurs and firms. MED Week was first initiated by Presidential Proclamation by President Reagan in 1983 and now stands as the premiere national conference for the minority business enterprise community. MED Week is hosted by the Minority Business Development Agency in collaboration with the U.S. Small Business Administration and other partners from the public and private sectors.

BIZCON 2009, attended by over 400 current and future business owners, was the sixth annual business conference & expo event of Orange County Presidents Council. BIZCON's goal is to promote and develop the multicultural diversities of small businesses to help strengthen the regional economy. BIZCON 2009 offered a day of networking with business & government supplier diversity managers, seminars with panel discussions, products/services exposition to help understand the market and an opportunity to meet with community business leaders to explore business opportunities locally, nationally and in foreign markets.



BIZCON 2009 Committee members pose for a shot with Rep. Ed Royce

SBA's Institute for Women Entrepreneurs Burps Up Another Success!

Babies spend most of their time doing three things- eating, sleeping and...burping. Having a supply of wipe cloths to clean up the baby burp-up is an essential item in any parent's diaper bag.

When Erin Riddle gave birth to Rylynn, Erin's mom, Lynda Drake, knew just what to do. Having been a seamstress for over 30 years, it was natural to sew burp cloths for her first granddaughter. Erin, following in the entrepreneurial fashion of her family, wanted to be a stay-at-home mom, so they came up with a plan. Together, they decided burp cloths, blankets and bibs could be a good online business that Erin could operate from home. [Baby U R Precious](#), or BURP, was born in March of last year.

Baby U R Precious is a unique boutique business that uses only bamboo velour fabric rather than bamboo cotton to create items for babies and toddlers. Bamboo velour is an excellent fabric to be used directly against the skin and that is why Baby U R Precious uses it exclusively for their hooded bath towels, bibs and burp cloths. Bamboo fabric is a natural textile made from the pulp of the bamboo grass. It's been growing in popularity because it has many unique properties and is more sustainable than most textile fibers. The company says the velour is three times more absorbent than any organic/woven knits currently on the market. "Bamboo velour is used for diapers, burn victims and feminine products- so this shows it wins on absorbency," said Riddle. BURP's website lists other advantages as well, pointing out that bamboo plants are quick growing and do not typically require the use of pesticides and herbicides to thrive.

Starting a business is sometimes challenging; starting one while one of the founders is still working and the other is tending to a newborn is seemingly impossible. Besides the obstacle of finding the time to operate the business, funding it is challenging as well. While it's great that BURP has been self-funded since its inception, it has been taxing on Erin and Lynda. The great thing is that both ladies excel in customer service, product quality control and creativity, important traits to compete in an industry as crowded as the baby/toddler/infant market.



BURP is receiving a pat on the back from an SBA Resource Partner, the Orange County Institute for Women Entrepreneurs (IWE). The IWE, funded in part by the SBA and hosted by the Rancho Santiago Community College District Foundation, provides its clients with no-cost, personalized business consulting, mentoring and support. "Lynda and Erin are a great example of the true spirit of entrepreneurship," said Sallie Salinas, IWE's director. "They take full advantage of SBA resources, commit their time and capitalize on the strength of their partnership for Baby U R Precious to be a successful venture. Most importantly, they are a role model to anyone in business. They remain fluid in a changing economy, are tenacious business women and never waver in their enthusiasm for their product line. IWE is very proud of BURP and are pleased to be part of their winning formula."

BURP has completed the IWE's Right Start business series, taken a QuickBooks course through the SBA and continues to meet with IWE counselors on a monthly basis for guidance and wisdom. This effort is paying off- BURP was featured in OC Register's Jan Norman's blog on small business and nominated by the Orange County Business Journal for a Family-Owned business award.

Baby U R Precious involves themselves in the community by their BURP Ministry. Both Lynda and Erin conduct and host monthly sewing parties that sew burp cloths for less fortunate moms and babies around the globe. They work with Saddleback Church's global PEACE trips that distribute the burp cloths to Africa, Argentina, Chile, Camp Pendleton and Casa Teresa in Orange. Baby U R Precious also gives 10% of the proceeds of each product sold to Casa Teresa.

For more information about SBA, visit www.sba.gov

For more information about IWE, visit www.ociwe.org

Preparing for Flu Season and H1N1

This time of year, we're reminded that flu season is approaching. It's important that small businesses have plans to prevent the spread of flu, including H1N1.

This year, the SBA worked with the Department of Homeland Security and the Department of Health and Human Services to create a [useful guide](#) for small business owners and employees. It's full of practical tips, including how to write a pandemic flu preparedness plan.

Feel free to share this link with your contacts in the small business community. Having a good plan in place helps to keep workers healthy and doors open - critical elements for strengthening our economy and keeping people safe.

It is very important to be prepared and each of us can take proactive measures. Now is a good time to remember the importance of handwashing, hand sanitizer, flu shots, and overall workplace hygiene. Also, take a look at the CDC website, "[What to do if you get flu-like symptoms.](#)" which tells you when to seek medical attention.

SBA Welcomes Delegation Of Chinese Lenders

A delegation of lenders from the Chinese province of Jiangsu dropped in to the district office recently to learn more about

how the federal government helps entrepreneurs.

The visit was organized by California State University, Dominguez Hills and SADO was one stop of many during the delegation's month long stay in the U.S.

SADO's Paul Smith and Stephen Leung served as hosts during the visit and explained the various SBA lending programs available to assist the small business community.

The Jiangsu Province is located on the east coast of China, has been a hot spot for economic development, and is now one of China's most prosperous provinces.



SADO's Stephen Leung speaks to delegation about SBA's loan programs



SADO's Stephen Leung, Cheryl Lawrence and Paul Smith with lender delegation

Insight & Inspiration: Breakeven Analysis

Breakeven analysis is a tool used to determine when a business will be able to cover all its expenses and begin to make a profit. For the startup business, it is extremely important to know your startup costs, which provide you with the information

you need to generate enough sales revenue to pay the ongoing expenses related to running your business.

A startup business owner must understand that \$5,000 of product sales will not cover \$5,000 in monthly overhead expenses. The cost of selling \$5,000 in retail goods could easily be \$3,000 at the wholesale price, so the \$5,000 in sales revenue only provides \$2,000 in gross profit. The breakeven point is reached when revenue equals all business costs.

To calculate your breakeven point, you will need to identify your fixed and variable costs. Fixed costs are expenses that do not vary with sales volume, such as rent and administrative salaries. These expenses must be paid regardless of sales, and are often referred to as overhead costs. Variable costs fluctuate directly with sales volume, such as purchasing inventory, shipping, and manufacturing a product. The formula for determining your breakeven point requires no more than simple arithmetic.

Additional information on determining your breakeven point:

[Will Your Business Make Money](#)