

# Los Angeles District Office

# SBA SMALL BIZ NEWS

## Resources for America's Small Businesses



SPRING 2010, VOL. 1

## SBA Recovery Lending Extended Thru May 31

President Barack Obama recently signed legislation that will support about \$2.8 billion in small business lending, extending through May 31, 2010 the U.S. Small Business Administration's ability to provide enhancements in its two largest small business loan programs.

The enhancements, first made available under the American Recovery and Reinvestment Act, include a higher guarantee on some SBA-backed loans and fee relief.

The SBA estimates the extension will assist thousands of small businesses across the country during these tough economic times.

SBA Administrator Karen Mills said, "The increased guarantee and reduced fees on SBA loans helped put more than \$25 billion into the hands of small business owners and brought more than 1,200 lenders back to SBA loan programs. As a result, average weekly loan approvals by SBA have climbed by 90 percent compared to the weekly average before passage of the Recovery Act."

Under the new extension SBA may continue to waive loan fees and provide higher guarantee levels on 7(a) loans through May 31, 2010, or until the funds provided under the bill are exhausted.

This extension does not affect other SBA Recovery Act programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. Recovery Act funding still remains available for both of those programs.

## 2010 Small Business Week Award Winners



Igor Pasternak, CEO, Worldwide Aeros Corp., 2010 Small Business Person of the Year.

The U.S. Small Business Administration, Los Angeles District Office and the Los Angeles Area Chamber of Commerce have announced the winners of the **29th Annual Small Business Awards**.

This year's competition presents awards to 13 entrepreneurs and small business champions in the Los Angeles area who are helping to power the regional economy and accelerate economic recovery. The luncheon, awards presentation and networking reception is scheduled for **Thursday, June 17, 2010 from**

See 2010 SBW on page 4

## Take Your Business Global

Many small businesses think they aren't large enough to compete in the world marketplace. In fact, 97 percent of all exporters are small businesses. To grow your business, you need to think outside the box and outside the borders.

Today, nearly 96 percent of the world's population lives outside the U.S. Two-thirds of the world's purchasing power is in foreign countries. Luz Hope-well, director of the U.S. Small Business Administration's Office of International Trade, said "Small businesses have a great opportunity to boost sales and profit by exporting, and that will lead to more American jobs and growth."

The advantages of exporting include the competitive edge for high-quality, innovative U.S. goods and services; an increase in purchasing power in foreign markets resulting from a decline in the exchange rate; reduced dependence on the domestic market; stabilized seasonal market and sales fluctuations; and a reduction in trade barriers.

The U.S. Small Business Administration and other government agencies provide specific export counseling and training programs; will help you identify foreign markets; and can assist with export financing and credit insurance. SBA, the U.S. Commerce Department and the U.S. Export Bank are co-located in many local communities at the one-stop U.S. Export Assistance Centers.

For more information on how SBA and our government partners can help you take your business global, go to [www.sba.gov](http://www.sba.gov), [www.export.gov](http://www.export.gov) or call 1-800-USA-TRADE.



For ticket information: Small Business Week Awards Event, Los Angeles, June 17, 2010, contact: Michelle Attebery, Director of Events, Los Angeles Area Chamber of Commerce  
Ph: (213) 580-7585 - Email: [mattebery@lachamber.com](mailto:mattebery@lachamber.com)  
Patrick Rodriguez, Public Information Officer, Los Angeles SBA District Office  
Ph: (818) 552-3222 - Email: [Patrick.Rodriguez@sba.gov](mailto:Patrick.Rodriguez@sba.gov)

**Disaster Preparedness**

The natural disasters of the last few years have destroyed thousands of small businesses across the country. But many times it isn't the mega-disaster, like Hurricane Katrina, that levels a small business but a worn-out pipe bursting that can shut down your business for days.

The cost of recovering—which includes replacing the damaged or destroyed inventory, structural losses, lost revenue—can cripple a small business and cause it to shut down for good.

And while you have worked on a plan to create a successful business, it is equally important to develop a business continuity and recovery plan, to ensure the survival of your business.

According to the Institute for Business and Home Safety, 25 percent of businesses that close after a disaster never reopen. The loss of even one small business has far-reaching effects, impacting the economy of the community.

Now for some sobering statistics. After Hurricane's Katrina, Rita and Wilma in 2005, the SBA approved more than 23,000 disaster loans to businesses for \$2.7 billion. Many of those business owners had no continuity plan, and they are facing many challenges as they rebuild.

Yet some companies had a plan in place. These businesses struggled for months to bring their operations back to capacity, but they stayed open, quickly relocated staff and were able to recover without a devastating financial hit.

Here are some things to think about when developing your own



See Preparedness on page 4

# The 2010 Small



**Igor Pasternak**  
Small Business Person of the Year  
Worldwide Aeros Corp.  
(Montebello, CA)



**R. Christine Hershey**  
Women in Business Champion  
Hershey/Cause  
(Santa Monica, CA)

**John Krikorian**

Small Business Journalist of the Year  
Business Life Magazine  
(Glendale, CA)



**Women's Business Center**  
**Valley Economic Development Center**  
Women's Business Center of Excellence Award  
Marlen G. Bello, Director  
(Van Nuys, CA)



**Jay Kim**  
Entrepreneurial Success Award  
Tornado Air Management  
(Temecula, CA)



**Shen Yen, CEO**  
Women in Business Champion  
Sansonic Electronics (USA), LLC  
(El Monte, CA)

# Business Award Winners



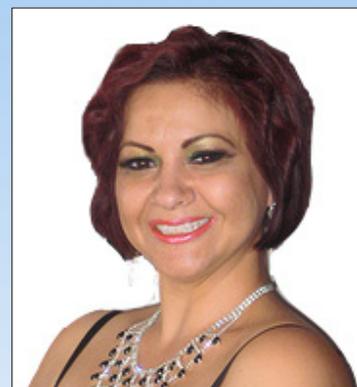
**Huntsinger Ranch, Inc.**  
Family-Owned Business of the Year  
Pete F. Huntsinger and Family  
(Santa Clarita, CA)



**International Checkout, Inc.**  
Innovation Through Technology Business of the Year  
Saskia Strick  
(Van Nuys, CA)



**Viken K. Momdjian**  
Small Business Exporter of the Year  
Vitamec USA, Inc.  
(Van Nuys, CA)



**Patricia Gracia**  
Minority Small Business Champion  
Power Media Group  
(Santa Clarita, CA)



**David M. Mellman**  
Financial Services Champion  
USC Credit Union  
(Los Angeles, CA)



**El Camino College SBDC**  
Small Business Development Service  
Excellence and Innovation Award  
Star Van Buren, Director  
(Hawthorne, CA)



**William M. Connell**  
Veteran Small Business Champion  
All American Surf Dogs  
(Carpinteria, CA)

# (cont) 2010 Los Angeles Small Business Week Award Winners

11:00 A.M. to 1:30 P.M. at the Millennium Biltmore Hotel at 506 South Grand Avenue in downtown Los Angeles.

Entrepreneurs and small business owners from various industries competed from Los Angeles, Ventura and Santa Barbara counties and were nominated by local trade associations, chambers of commerce and business organizations.

Local winners continued on to the regional and national level with the finalist honored at the White House with President Obama and SBA Administrator Karen Mills. A full listing of the 2010 award winners with bios is available at: <http://www.sba.gov/ca/la/index.html>.

"The SBA commends the 2010 winners for their hard work and dedication," said Adalberto Quijada, Los Angeles SBA acting district director. "Their success is a testament to what can be achieved in the face of adversity and to the innovative spirit of entrepreneurs everywhere. These local small businesses are pointing the way to our economic recovery."



"Small businesses are a key driver of our economy," said Gary Toebben,

President & CEO, Los Angeles Area Chamber of Commerce. "The L.A. Area Chamber is proud to serve small businesses, and we applaud this year's award winners for their contributions in helping to accelerate economic recovery."

Preparedness: Cont. from page 2

## **FACILITIES/OPERATIONS**

What if your place was partially or totally destroyed?

Develop a plan to remain in operation if your office, plant or store is unusable. For instance, could you operate out of your home? Could you store your inventory, equipment and supplies off-site?

Assess how your company functions, both internally and externally, to determine which staff, materials, procedures and equipment are absolutely necessary.

Keep extras of hard-to-replace inventory or supplies in a secure off-site location. You should also store a list of the inventory, equipment and supplies, as well as the names of suppliers, offsite. These lists will come in handy as you deal with the insurance claims. Buy a backup generator to maintain full operation of critical functions such as refrigeration, lighting, security systems and computers.

## **INSURANCE**

Having adequate insurance is crucial. Do you understand your insurance policy. Can you pay your suppliers and employees when you have to shut your business down for days, or weeks?

The majority of disaster loans made by the SBA go to cover losses caused by flooding. Most insurance policies don't cover flood damage. The

National Flood Insurance Program provides coverage to property owners. For more information, go to the NFIP Web site at [www.floodsmart.gov](http://www.floodsmart.gov).

When shopping for insurance, think about property damage as well as the loss of revenue and extra expenses that arise while the business is shut down.

Business owners should consider business interruption insurance, which covers operating expenses, lost income and profits you would have earned if the disaster had not occurred.

It may also help you meet payroll, buy inventory and pay vendors until your business is fully operational.

It's a good idea to photograph or videotape the facility to document your company's assets, and update those records regularly.

## **PROTECTING VITAL INFORMATION**

Business owners should arrange for offsite backup of vital records and information, like payroll, leases, employee records, contracts, financial and bank records, proprietary information.

Computer data should be backed up routinely, including every server and hard disk.

Information protection and storage companies like Iron Mountain and Unicom provide data protection solutions. Another good idea is to send backup data to a trusted third party, who can

make sure you have the information when you need it.

## **COMMUNICATIONS**

If you can't communicate, you can't recover.

A communications plan is an important key to a post-disaster recovery strategy. Phone numbers and e-mail addresses for your insurance carrier, suppliers, creditors, employees and customers, the local media, utility companies, and the appropriate emergency response and recovery agencies should be updated regularly. Copies of the contact list should be stored at an off-site location.

This list should be maintained by a key employee and a backup person. Arrange for an out-of-region point of contact to serve as a Message Center (phone and e-mail), and inform employees, key clients, suppliers, partners and the employees' families of that contact.

## **OTHER RESOURCES**

More preparedness tips for businesses are available on the SBA's Web site at [www.sba.gov/services/disasterassistance/disasterpreparedness/index.html](http://www.sba.gov/services/disasterassistance/disasterpreparedness/index.html).

The Institute for Business and Home Safety [www.ibhs.org](http://www.ibhs.org) also has information on protecting your home or business.

Community Emergency Response Team course information at: <http://www.citizencorps.gov/cert/>.

To learn more about developing an emergency plan, visit [www.ready.gov](http://www.ready.gov) or call 1-800-BE-READY to receive free materials.



Natalie Orta, business development specialist at the Los Angeles district office and Community Emergency Response Team course graduate.