

U.S. Small Business Administration



## Small Business Beat

News from the Michigan SBA Office

Summer 2010

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### Save the Date! Meet the Buyers September 1, 2010

A procurement matchmaking event is scheduled for September 1, 2010 from 8:00 a.m. to 1:00 p.m. at the VisTaTech Center at Schoolcraft College in Livonia.

Attendees will have the opportunity to meet with buyers from federal, state and local government agencies. It affords small businesses the opportunity to present their capabilities, products and services to buyers. Buyers will explain how to do business with

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We encourage you to forward this edition to interested colleagues by using the forward link at the end of the newsletter. To sign up for the Business Beat newsletter, please go to <http://web.sba.gov/list>

### From the Director

Dear Colleague,

We are coming to the close of fiscal 2010. SBA loan program activity has improved significantly compared to fiscal 2009. Recovery Act provisions including temporary elimination of fees and the temporary increase to a maximum 90% guaranty helped significantly. Legislation is pending to extend these provisions for the rest of the year, and to increase SBA's loan limits. Listed below are loan totals comparing fiscal 2009 to 2010 through the end of July.

	Fiscal 2009	Fiscal 2010 Ending 7/31
<b>Total 7(a) Loans</b>	<b>849</b>	<b>1,192</b>
<b>7(a) Dollars</b>	<b>\$169,589,000</b>	<b>\$340,452,700</b>
<b>504 Loans</b>	<b>105</b>	<b>167</b>
<b>504 Dollars</b>	<b>\$49,681,000</b>	<b>\$79,421,000</b>

The total number of loans is up 53% compared to last year, and the total loan amount is up 92%. That is encouraging news, but we know there is still much work to be done to improve access to credit for Michigan's small businesses.

their agencies, how to get on bid lists and describe what their agencies purchase.

Marianne Markowitz, Midwest Regional Administrator of the SBA, will provide opening remarks. The event is co-sponsored by CEED, MI-SBTDC, PTAC, SBA, and SCORE. There is a registration fee of \$25.00 per person. To register online visit: [www.ptacsofmichigan.org](http://www.ptacsofmichigan.org)

## Buy Michigan First

**Tammi Hart, Supplier Diversity Coordinator**  
Michigan Dept. of Technology, Management and Budget

Buy Michigan First is a program to increase the number of Michigan businesses, including under-represented vendor groups, to register as vendors and bid on more than 1,000 multi-year contracts worth billions of dollars.

As part of the Buy Michigan First initiative, the Michigan Department of Technology, Management & Budget offers free seminars to guide business owners in bidding and obtaining contracts with the state. These seminars provide business owners an overview of the state of Michigan procurement process for commodities, services, information technology, design and construction, and real estate leasing.

There are two types of

We will continue to work on building lender relationships to improve use of SBA loan programs. Our resource partners continue to provide excellent service working with businesses to improve their operations and to reach their markets. We encourage small businesses to take advantage of the many entrepreneurial development resources available to them, including:

Michigan Small Business and Technology Development Centers  
[www.misbtdc.org](http://www.misbtdc.org)

SCORE - Counselors to America's Small Businesses  
[www.scoremichigan.org](http://www.scoremichigan.org)

Women's Business Centers  
[www.sba.gov/localresources/district/mi/counselingt/MI\\_WBC.html](http://www.sba.gov/localresources/district/mi/counselingt/MI_WBC.html)

VetBizCentral  
<http://vetbizcentral.org/>

As we try to rebuild our state's economy, we are more aware than ever of the vital role of our small businesses.

Sincerely,

**Richard Temkin**  
District Director

## Affordable Care Act - Letter from SBA Administrator, Karen Mills

Dear Small Business Owner,

For decades, access to affordable health insurance has been the number-one concern of small business owners. To help you address that concern and provide quality, affordable coverage for your employees, the new Affordable Care Act gives you a number of new tools and benefits ([www.whitehouse.gov/files/documents/health\\_reform\\_for\\_small\\_businesses.pdf](http://www.whitehouse.gov/files/documents/health_reform_for_small_businesses.pdf))

The most immediate benefit you should know about is the tax credit to help you pay for up to 35 percent of your employee premiums starting this tax year. An estimated 4 million small businesses may qualify for these tax credits, totaling about \$40 billion over the next 10 years.

Go here to learn more about the tax credit ([www.whitehouse.gov/sites/default/files/rss\\_viewer/health\\_reform\\_small\\_business\\_guidance.pdf](http://www.whitehouse.gov/sites/default/files/rss_viewer/health_reform_small_business_guidance.pdf)) including new information that explains how this federal credit is in addition to state-level credits you might receive and how dental and vision coverage are also eligible for the federal credit.

seminars to prepare a business owner to become a state of Michigan vendor, including:

- ***Contracting 101***

These seminars provide general information to guide business owners in bidding and obtaining contracts with the state.

- ***Elements of a Quality Proposal***

This seminar is best for those who have already participated in a "Contracting 101" session. It provides a more detailed presentation to help a prospective vendor understand purchasing language and understand the components of a quality proposal. Information is also provided on common mistakes that vendors make when they submit bids to the state.

Some seminars are held in partnership with the Procurement Technical Assistance Centers. PTACs ([www.ptacsofmichigan.org](http://www.ptacsofmichigan.org)) are not-for-profit organizations, funded by the Defense Logistics Agency, the Michigan Economic Development Corporation and local funding partners. The mission of the PTACs is to assist Michigan businesses in obtaining federal, state and local government contracts.

To learn more about Buy Michigan First, including the most up-to-date schedule of seminars, please go to: [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst) or contact: [BuyMichiganFirst@michi](mailto:BuyMichiganFirst@michi)

The Affordable Care Act also included reporting requirements if you pay another business \$600 or more starting with 2013 filings. Small business groups have voiced concerns about the possible burden this places on people like you. That's why the IRS is already planning to exempt from this requirement your transactions that use credit and debit cards. Also, the IRS, SBA and others in the Administration are looking for additional ways to minimize burdens and avoid duplicative reporting. We welcome your comments and input as we move forward together to address implementation issues under the new law.

Over the last 16 months, this Administration has taken steps to provide tax relief that put more money in the hands of small business owners like you - including write-offs for new equipment, credits for hiring unemployed workers and capital gains exclusions for small business investors. We know that sensible tax relief like this will help you grow your business, create new jobs, and continue drive America's economic recovery.

With warm regards,

Karen Mills  
SBA Administrator

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## **Export Conference Date Set - October 24-27**

The annual International District Export Council Conference will be hosted for the first time in Detroit at the Renaissance Center Marriott from October 24 to 27, 2010. This year's conference is entitled "Capitalizing on America's Export Advantages: Green and Innovation" and will feature world-renowned businesspersons and high-level government officials. Billed as the largest North American conference in 2010 devoted to exporting, the conference is expected to attract over 500 attendees.

Among the unique aspects of the conference will be a private briefing in Windsor, Ontario for attendees by the Canada Border Services Agency, as well as opportunities to meet with Canadian businesses. Invited speakers include country and industry experts representing Better Place, Defense Advanced Research Projects Agency, Export-Import Bank, Ford Motor Company, Google, Research in Motion, Walmart, and the U.S. Department of Commerce.

To register, visit the conference Web site: [www.deconference.com/](http://www.deconference.com/)

gan.gov.

## IRS updates

The following links to the IRS provide information pertaining to employers and employees through provisions of the HIRE Act, the Affordable Care Act, and the American Recovery and Reinvestment Act.

### ***Form to Claim Payroll Tax Exemption for Hiring New Workers Now Available***

IR-2010-64, May 18, 2010  
Exemption applies to wages paid from March 19 through December 31, 2010.

### ***IRS Offers Details on New Small Business Health Care Tax Credit***

IR-2010-63, May 17, 2010 -  
Small businesses that receive state health care tax credits may still qualify.

### ***COBRA Subsidy Eligibility Period Extended to May 31***

IR-2010-52, April 26, 2010  
Workers who lose their jobs during April and May 2010 may qualify for a 65-percent subsidy on their COBRA health insurance premiums.

## Constance Payne-Logan Named Director of Minority Enterprise Division

Constance Logan was recently appointed as the Assistant District Director for Minority Enterprise Development. In her new position she will lead the 8(a) and HUBZone business development programs in the SBA Michigan District Office.

## Steve Feinman New District Director for SCORE

Michigan SCORE announces Steve Feinman as its new district director for the state of Michigan. Feinman will lead and support local SCORE offices in providing small business counseling and workshops across the state.

Feinman, a volunteer mentor with Ann Arbor SCORE, has more than 30 years of experience in management, operations, strategic planning, business development, and marketing for small and medium-sized companies. He currently serves as a federal development business consultant, providing services to small businesses pursuing federal government IT and service contracts.

Previously, Feinman served as senior vice president for a Louisiana-based government services corporation, where he was responsible for program management and business development activities for a growing government services contractor. Feinman also has held senior level positions with high-tech and telecommunications firms.

SCORE CEO Kenneth Yancey said, "Feinman has an outstanding business and management background. He is a champion for the role of small business in our economy." SBA District Director Richard Temkin said, "We look forward to working with Steve to support the valuable guidance provided by Michigan's SCORE counselors to small businesses."

Michigan SCORE includes nine local offices that reach thousands of entrepreneurs each year through face-to-face and online mentoring and business workshops. SCORE chapters are located in Ann Arbor, Detroit, Grand Rapids, Holland, Kalamazoo, Ludington, Muskegon, Petoskey and Traverse City. Michigan has over 400 volunteer counselors who donate their time and expertise to assist business owners to start and grow their businesses. In fiscal 2009, SCORE counselors in Michigan served 4,025 clients in face-to-face counseling sessions and provided online counseling to 2,515 clients. Workshops held onsite served 1,710 attendees, and 1,240 people participated in SCORE online workshops.

For more information about SCORE in Michigan, visit [www.scoremichigan.com](http://www.scoremichigan.com)

## SCORE Leadership Meets In Lansing

Steve Feinman, District Director for SCORE, held the first district meeting for SCORE's leadership in Lansing on July 21, 2010. As part of the meeting, the group attended a session of the Michigan House of Representatives where Pam Byrnes, Speaker Pro Tempore, talked about SCORE and introduced the SCORE members by name and chapter affiliation.

She will also help small businesses navigate the federal government's procurement processes to take advantage of the billions of dollars available in the federal marketplace.

Prior to her appointment, Constance served as a member of the District Office executive staff leading many key small business initiatives focusing on markets designated as underserved and economically distressed.

Constance also has over 10 years experience in government contract administration, negotiations, acquisition planning, procurement policy and technical program management in federal agencies, including the Department of Defense and SBA central office in Washington D.C.

Since coming to Michigan in 1996, she has been twice recognized as the SBA Michigan District Office federal employee of the year by the Detroit Federal Executive Board. She has been honored by the International Black Expo as "Government Representative of the Year" and is a recipient of the Spirit of Detroit Award.

We congratulate Constance on her new position, and extend a thank you to Thomas Vargo, Business Development Specialist, for his hard work and dedication while serving as interim Assistant District Director.



Left to right: Ed Krupa, John Hanson, Jim Martin, Cheryl Gracie, Don Hasselbring, Terry Grover, Norm Kelly, Judy Stouder, Steve Feinman, Michelle Webster, and Ernie Birge.

## Rachel St. James Joins SBA District Office

Rachel St. James has joined the SBA Michigan District Office as a Lender Relations Specialist. Rachel's career as a finance professional includes over five years experience in banking as a commercial credit analyst and business banking officer.

She holds a masters degree in finance and a bachelor's degree in business administration with a major in finance. Rachel has extensive knowledge of SBA loan programs. She closed the first SBA Patriot Express loan in Michigan, and had several SBA loans as part of her portfolio as a loan officer.

Rachel has frequently served as a guest speaker for the TEAM SBA Financing Roundtable, training business owners on how to prepare to apply for a business loan. As a banker, she also connected with the SBTDCs by referring her clients for assistance in preparing their business plans.

SBA District Director Richard Temkin, said, "We welcome Rachel to the SBA team. Her banking experience and dedication to small business development will greatly enhance our ability to assist small businesses in our state."

## Small Business Seminar Hosted by Congressman John Dingell and EMU

A free small business seminar will be held on September 7 at Eagle Crest Conference Center in

## Proos Manufacturing - Positioned for Growth with SBTDC Help

Amy Engelsman, CEO owner of Proos Manufacturing, a third generation family-owned business, is working to ensure stability of the firm for future generations. She is guiding the company to build on core capabilities and to further diversify its product line and customer base.

Ypsilanti from 9:00 a.m. to 1:00 p.m. Receive advice on how to grow your business from:

Department of Commerce  
Department of Homeland Security  
Internal Revenue Service  
Small Business Administration  
Michigan Economic Development Corporation & the Defense Contract Coordination Center  
Michigan Small Business and Technology Development Center  
Michigan Procurement and Technical Assistance Center  
Ann Arbor Spark

RSVP to Jeremy Keeney at 313.278.2936 or [Jeremy.keeney@mail.house.gov](mailto:Jeremy.keeney@mail.house.gov)

### ***Our Belief...***

***SBA is the entry point to help you start, grow, and prosper. We offer customized counseling, specialized financing, and contract opportunities. Through our unique resource network, we provide the tools to help you succeed. We are your Small Business Resource.***

### **How to Subscribe**

The Michigan Business Beat Newsletter, is a quarterly newsletter that helps you stay connected to the latest news regarding SBA's small business issues, articles, business resources, special events, programs and services, statistics, and much more.

Founded in 1919 by Neal Proos, Proos Manufacturing produced casket hardware in Grand Rapids. As the business expanded, Proos transitioned into a full tool and die shop. Today, it provides manufacturing and engineering solutions for customers in a variety of industries, including automotive, industrial, office furniture, medical, government and alternative energy.

Amy Engelsman joined the company in 1987 as a temporary summer employee while attending college. After the first summer, she was hooked and she began working her way up in the company. Engelsman worked in a variety of different areas giving her integral knowledge of all aspects of the business. She became the first woman CEO in the company's history, and formally purchased the manufacturing operations from her father in 2004, acquiring the rest of the business in 2010.

When Engelsman became CEO, Proos was heavily dependent on the automotive industry, as it accounted for 70 percent of sales in 2005. The recent downturn in Michigan's automotive sector demonstrated the need for diversification. She wanted to build on the knowledge and technology Proos gained in the automotive sector and translate it to other industries.

Based on a referral, Engelsman contacted the Michigan Small Business and Technology Development Center for assistance where she worked with Stan Pruski, a SBTDC Growth Group consultant. Together they identified the strengths and weaknesses of the business and how Proos could capitalize in certain areas.

"It felt great working with someone who was like a partner for us, helping us identify problems and bringing them to the surface," said Engelsman. "It was very educational and really provided another perspective for us." In addition, she updated the company's business plan which helped her set goals and refocus the company. "The SBTDC helped us get back to the basics."

With the help of the SBTDC's Manufacturing Assistance Team, Engelsman also began looking closely at the company's financial information. MAT consultants, Theresa Sickles and Tom McFadden guided her through the process of restructuring its costs and coming up with formal sales forecasts and cash flow statements. Composing these statements has allowed Engelsman to better budget the company's financial allocation.

In the future, Engelsman wants to continue to push the business. "We are going to be the leader going forward and we want to be at the forefront of our industry," explains Engelsman. "Most importantly, we want to continue to make our customers successful." She recommends the resources

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of the SBTDC... "Our experience with the SBTDC has been great."

For more information on Proos Manufacturing, visit its Web site [www.proos.com](http://www.proos.com)