

January 12, 2011

UTAH DISTRICT NEWSLETTER

INSIDE THIS ISSUE:

Jobs Act Supported More than \$12 Billion in SBA Lending	1
\$12 Billion in Lending Continued	2
John Hart appointed Region VIII Advocate	2
Time for A Business 'Extreme Makeover?'	3
Dan Hannaher	
'Extreme Makeover?' Continued	4
Pamela Okumura, Program Director for the Women's Business Center	5
FAREWELL TO GREG PENICHELLO UTAH SBDC	5
2010 HOLIDAY OPEN HOUSE CANDID PICTURES	6
LENDER LOAN NUMBERS FOR DECEMBER	7
	8

Save the Date:

January 20, 2011
Salt Lake SCORE LLC Workshop
Offices of Parsons Kinghorn Harris
111 East Broadway
Salt Lake City, UT
8:30 am to 4:30 pm
(801) 746-2269

January 21, 2011
Salt Lake SCORE Workshop
Salt Lake County Building Complex
Salt Lake City, UT
5:30 pm to 8:00 pm
(801) 746-2269

January 25, 2011
8(a) Orientation—SBA Office
125 South State Street, 2nd floor
Salt Lake City, UT
10:00 am to 11:30 am
Contact: (801) 524-6831



Your Small Business Resource

Jobs Act Supported More Than \$12 Billion in SBA Lending to Small Businesses in Just Three Months

Mills points to loan enhancements as critical to helping small businesses grow, create jobs

WASHINGTON – Today, SBA Administrator Karen Mills announced that as of Dec. 31 the agency had approved more than \$10.3 billion in loan guarantees which supported more than \$12 billion in lending to small businesses since President Obama signed the Small Business Jobs Act of 2010 on Sept. 27. The Jobs Act included an extension of reduced fees and higher guarantee loan enhancements in the agency's two largest loan programs.

In a statement, Mills noted that SBA moved quickly to get these critical loan dollars in the hands of small businesses and just three months later all of the \$505 million in subsidy provided in the Jobs Act to support the loan enhancements has been utilized by the agency's national network of lending partners. In light of that, the SBA has activated the SBA loan queue to ensure that any remaining funds that result from loan cancellations in the coming weeks are redirected to new Jobs Act loans.

Following is the full statement from Mills:

"In just three months since the Small Business Jobs Act was signed into law, SBA supported more than \$12 billion in lending to small businesses and entrepreneurs across the country. SBA is on the front lines with small business owners and our lending partners every single day. I'm very proud that as a result of those close relationships and partnerships we were able to quickly put this significant amount of capital into the hands of our nation's largest job creation engine.

"The loan enhancements of higher guarantees and reduced fees first implemented as part of the Recovery Act have been a vital resource for tens of thousands of small businesses at a critical time when lending markets had dried up. Beginning in February 2009, these loan enhancements engineered a significant turnaround in SBA lending, including driving record-high levels of SBA lending in recent weeks. The end result is that the agency helped put more than \$42 billion in the hands of small businesses through the Recovery Act and Jobs Act combined.

"These enhancements have been a key piece of the Obama Administration's efforts to help small businesses drive our nation's economic recovery. As we transition back to our standard guarantees and fee rates, SBA loan programs will continue to play an important role, as they have for decades, in helping entrepreneurs and small business owners start or grow their businesses and create jobs.

"The Small Business Jobs Act is the most consequential piece of legislation affecting small businesses enacted in more than a decade. While we are proud of how quickly SBA could provide \$12 billion in capital to small businesses, we remain focused on implementing other key provisions of this law that will continue to expand access to capital, help small businesses compete for federal contracting dollars, strengthen small business exports and provide other critical support."

During the quarter, SBA approved nearly 22,000 small business loans for \$10.47 billion, supporting a total of \$12.16 billion in lending. The amounts are greater than the volume for Jobs Act loans over the same period because they exclude some loans that were not eligible for one or more Jobs Act enhancements.

Background on SBA Loan Enhancements:

SBA expands access to capital for small businesses by providing government-guarantees on loans made by commercial lenders. The Small Business Jobs Act extended higher guarantees and reduced fees on its two most popular loan programs, enhancements first enacted in the American Recovery and Reinvestment Act of 2009.

From Feb. 17, 2009, when the Recovery Act was signed, through Sept. 30, 2010, the SBA approved more than \$22.5 billion in loan guarantees, which supported more than \$30 billion in lending to small businesses, due to the loan enhancements put in place by the Act. The enhancements were funded with approximately \$680 million in subsidy funds provided during the period.

Following the extension of the enhancements in the Jobs Act, the agency approved an additional \$10.3 billion in loan guarantees, supporting more than \$12 billion in lending to small businesses from Sept. 27 through Dec. 31, funded by just \$505 million in subsidy funds. The three-month extension of the loan enhancements under the Jobs Act financed the highest volume in a fiscal year's first quarter than at any time in the agency's history. During the week of Dec. 18-24, SBA supported a record-high \$1.95 billion in small business loans, the highest dollar volume since the agency began tracking its weekly loan volumes.

SBA Loan Queue:

Authority to continue the loan enhancements was extended through March 4 by Congress last month. While there is no additional appropriation of subsidy funds to support the loan enhancements, the extended authority does allow the agency to redirect, through the SBA Loan Queue, any dollars that come available from loan cancellations in the coming weeks to new loans with the enhancements.

It is typical that some previously approved loans are later cancelled by the borrower or lender and never disbursed for a variety of reasons. The queue takes this into account and will allow eligible small businesses, in consultation with their lenders, to choose to be placed in the queue for possible approval for a Jobs Act loan if funding becomes available. Small business owners and lenders will have transparent access to the queue via www.sba.gov and will be able to remove themselves from the queue at any time to be considered for a non-Jobs Act SBA-backed loan with all applicable fees and, for 7(a) loans, standard guarantee levels.

Small Business Jobs Act of 2010:

The Small Business Jobs Act included an array of provisions aimed at helping small businesses gain access to capital, compete for federal contracting opportunities, expand exporting opportunities and obtain other assistance to help them grow and create jobs. More information on the Jobs Act can be found at www.sba.gov/jobsact.

John Hart Appointed Region VIII Advocate



John Hart
Regional Advocate for Region VIII

WASHINGTON, D.C. –John Hart is the new Regional Advocate for the Office of Advocacy's Region VIII, covering the states of Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming. He will be the Office of Advocacy's direct link to small business owners, state and local government agencies, state legislators, trade associations, and small business organizations.

"John Hart's work in and understanding of the public and private sectors make him an outstanding choice for the Regional Advocate position," said Chief Counsel for Advocacy Winslow Sargeant. "Small businesses in Region VIII will benefit from John's dedication and his experience in business affairs and business development. He will make a fine addition to the Advocacy team."

"Throughout my career I have worked to promote growth and opportunity in both the public and private sectors," said Hart. "As the Regional Advocate I look forward to the opportunity to serve and represent small businesses throughout the region. Small businesses are the backbone of our economy, and I am fortunate to promote their issues and concerns to Washington."

Hart served as the director of asset management, planning, and development for the Housing Authority of Baltimore City, Baltimore, Maryland where he oversaw project management of city-owned housing and housing development. He was a business affairs coordinator, multimedia and bank financing analyst with Canal+/Studiocanal in Los Angeles, where he advised on over \$1.5 billion in current multimedia joint venture projects. He has served as a consultant in numerous small business start-ups focusing on venture financing, business plan development, and asset acquisition. Hart has a Juris Doctor degree from Loyola Law School in Los Angeles, and a master's degree in business administration from the University of California at Los Angeles.

For more information contact Michael Landweber, Senior Advisor and Director of Regional Affairs, directly at (202) 205-6945, or visit the Office of Advocacy website at www.sba.gov/advo



Time for a Business 'Extreme Makeover?'

New Year's Resolutions You Can Really Use

Dan Hannaher,
SBA Regional Administrator

Once the hustle and bustle of the holiday season subsides, many small business owners take a moment to reflect on both the results of the just completed year, and the prospects for the New Year. For some, such reflection may cause a twinge of concern and an ongoing degree of apprehension...especially if revenues are down and the business seems 'stale.'

While business owner malaise after the holidays can be a natural letdown from the extended-hours routine often associated with end-of-year operating schedules, now is not the time to retreat into the office and merely vegetate. Here are seven actions every business owner should annually undertake to 'tune-up' the company for the New Year. Just consider them your business resolutions...with staying power.

Re-validate Your Business Model. A company's business model may be compared to the foundation of the business, and the business plan is the structure. The business model constitutes the main premise upon which a company is built. For example, The RedBox business model focuses on a unique method of delivering their product – rental DVDs – to consumers through thousands of unmanned kiosk-like machines placed at popular multi-line or strategically targeted retailers.

Re-validating your business model means a company owner looks at the basic premise he or she has for offering a product or service to the marketplace. The following three questions are addressed...and hopefully, are meaningfully and honestly answered: A) How does this company (and product/service) create value? B) How does the company deliver the value it creates? And, C) How well does the company monetize the value it delivers? These three seemingly simple questions can lead to deep, contemplative thought... but only if the business owner is honest about where the company stands right now. The answers that evolve from these three questions will provide the guide path for change in ways that may fundamentally re-shape how the business is structured, how it operates, what it sells, or how it sells.

Having the foundation of a strategically sustainable business model is a major key to ongoing business success. And without this foundation in place, all other considerations can be compared to trying to dress up a pig.

Refresh Your Value Proposition. The Value Proposition provides the business owner with the answer to three questions every consumer has when they are 'in the market' for goods or services: Why should I buy this? Why should I buy it from you? Why should I buy it now?

An effective value proposition will encompass the most important elements (i.e. features, benefits and attributes) of a company and/or its products that motivate consumers to make a purchase. Effective value proposition elements will generate both rational acceptance of, and emotional attraction to a product or company. Consumers who respond to good value propositions go from the 'I Want' stage to the 'I Need' stage, and then become customers.

Refreshing your value proposition involves re-examining each element (features, benefits and attributes) the business has been highlighting and communicating (see the marketing plan section) for the past year, and comparing those elements to what consumers are being attracted to, and are emotionally responding to.

Update Your Marketing Plan. The art and science of marketing is being able to communicate a business has the right product, at the right price, for the right consumer, at the right time (now!). The marketing plan is a reflection of the strategies and tactics a company plans to use to get the value proposition message out (right product, right price, right time) to the right consumers.

Reviewing the last year of marketing strategies and tactics, and then looking at how effective they were in generating revenues (both new and recurring revenues), is a crucial exercise that better enables a business owner to evaluate whether or not changes need to be made. And, if the value proposition is being adjusted in any meaningful way, the marketing plan and the communications component will also need adjusting to reflect the need to 'get the word out' to consumers about the company's new value proposition (why us, why this, why now).

Update Your Operating Plan. The beginning of a new year is a perfect time to look back and evaluate all the things that 'went wrong' in terms of day-to-day business operations. Whether it's a bad hire, the accounts payables or receivables getting out of hand, a supply chain delay, or any other operational issue, all should be examined.

An effective operating plan should enable the company to be efficient, effective and profitable. *Written* policies, procedures and protocols should be in place covering everything from an employee handbook to how inventory

levels are determined, to how cash is handled. No detail concerning the operation of a business is so insignificant that it shouldn't be covered by some sort of policy, procedure or protocol. But sometimes, situations arise that may not be covered. Taking a fresh look at the problems that cropped up each year, and revising the applicable policy, procedure or protocol to address these issues will help insure they are not repeated (or will at least have less of an adverse impact) in the future.

Re-Energize the Customer Experience. Once the Business Model, Value Proposition and Marketing Plans have been updated, the next logical place to look is the Customer Experience...because that's where the end result of these three major business components has the greatest impact.

A truly outstanding customer experience results in three major outcomes: A) It generates consumer feelings of goodwill toward the company that are evident before, during and after a sale is made, B) It turns a consumer into a committed customer, and keeps them there until someone or something causes the customer to seek a different source to meet their emotional and rational needs, and C) It results in customers telling others of their very positive experiences with emotional commitment and passion.

A major key to structuring and sustaining an outstanding customer experience is to look for ways to delight, surprise, reward and communicate with customers frequently and meaningfully. Find out what turns them on and turns them off...and then capitalize on those things. Remember: many small steps can be combined to make a very big difference.

Re-Engage Your Employees. Just as no two employees have the same talents, personality or abilities, they all are in various stages of motivation at any one time. And, after a long year of struggling to be a profitable, thriving business, employees can potentially feel a bit strung out. Just as it's important to re-energize the customer experience, it pays to also re-energize the employee experience as well.

Do something unexpected and unusual to shake up the routine. Perhaps a team building day away from the office, or gathering at a local getaway to discuss company strategy for the next six months. Management at some companies periodically hand out free movie ticket vouchers and restaurant gift cards to staff. A company in Florida had an annual 'mystery trip' once a year where employees would be told to meet at the airport on a designated Saturday morning and then be handed tickets for a surprise day trip of activities in a city within a 90-minute flight. The annual event was talked about for weeks afterward...and was anticipated for months.

The rewards of hard work should go beyond merely more hard work and a paycheck. There has to be enough variety, spontaneity and unpredictability to encourage the staff to want to come back every day for more!

Recharge Your Life Away From the Business. While this last resolution cannot really be classified as a 'business resolution,' it can make a profound difference in a business owner's outlook, perspective and effectiveness. While there may be selective times that the owner may need to eat, sleep and breathe the business, doing so for extended periods of time is not conducive to productivity, personal morale, or to creating a desirable personal or company lifestyle (i.e. culture).

No one wants to greet the boss on a Monday morning knowing he or she had been toiling all weekend and would be in a foul mood for any of a dozen reasons. By the same token, no business owner's family or friends want to deal with someone who is so one dimensional they can't have a normal life away from the business. The point of diminishing returns often engulfs company owners without them even realizing they may be taking two or three steps backwards with every perceived step forward.

Learning to keep things in perspective, finding a reasonable balance between personal and business demands, and taking time to smell the roses away from the company on a regular basis fosters a better mental outlook, improves creativity and problem solving, renews optimism, and increases productivity.

Effective business makeovers don't necessarily require hiring an expert to come in and undertake extreme measures that may generate as much chaos as good. Typically, an annual 'tune-up' of some key success factors like the ones discussed here is all that is needed to prepare the business...and the owner...to successfully navigate the next year. A little time and effort spent at the close of a year to set positive change in motion can pay big dividends going forward.

Dan Hannaher is Regional Administrator for the U.S. Small Business Administration's Region VIII in Denver, Co. He can be reached at (303)844-0505 or Daniel.Hannaher@sba.gov.

Pamela Okumura has been appointed the Director of the Women's Business Center



**Pamela Okumura, Director
Women's Business Center**

The Salt Lake Chamber has named Pamela Okumura as the program director of the Women's Business Center. The announcement was made at the Women & Business Conference where the Chamber honored the contributions women make to the Utah economy.

"Pam has been such an amazing addition to the Women's Business Center staff and it was clear her passion for helping others succeed was exactly what we needed in this position," said Lane Beattie, president and CEO of the Salt Lake Chamber. "The Women's Business Center fills an important role in our economy and I'm confident we have strong leadership in place to lead the organization going forward."

Okumura has served as a business consultant with the Women's Business Center where, since September 2009, she has provided over 400 hours of free, one-on-one counseling to aspiring entrepreneurs. During her time with the WBC, she has played a role in

launching 20 businesses while serving over 300 minority and socio-economically disadvantaged clients through various trainings.

"There's nothing I love more than helping someone make their dream a reality," said Okumura. "As I help our clients, I feel like I'm making an important contribution to the economy and the community. I couldn't ask for a more richly rewarding opportunity."

Formerly the director of sales and marketing for UtahBrides.com, she increased web traffic by 300 percent, increased the bridal registration database from 400 brides to over 1,500 and secured a top 25 ranking among e-commerce websites according to Utah Business Magazine.

An active volunteer and networker, Okumura has served on the board of the Salt Lake Homebuilders Association and was the chairperson for the 2006 Salt Lake Parade of Homes. She currently is involved with several organizations including the American Heart Association, YWCA, Business Women's Forum, WNET, the Utah Asian Chamber of Commerce, Multi-Cultural & Diversity Committee and The March of Dimes.

**Greg Panichello, State Director of the Utah Small Business Development Center
has accepted a position with the Kansas SBDC network**

Greg Panichello has resigned as the State Director of the Utah Small Business Development Center to take a similar position with the Kansas SBDC network. Greg's last day was January 4th, marking the end of a six-and-a-half year tenure. A reception for Greg was held at Salt Lake Community College's Sandy campus on January 3rd. Sherm Wilkinson will serve as the acting State Director until Greg's replacement is found. The Utah District Office would like to express its appreciation to Greg for his service and dedication to the SBDC program here in Utah, and wishes him much success in his new endeavor.

Utah District Office 2010 Holiday Open House Candid Pictures



LENDER	December Loan Numbers	December Total Dollars	YTD Loan Numbers	YTD Dollars
ALLIANCE COMMUNITY FCU	4	\$305,000	6	\$380,000
AMERICA FIRST FCU	4	\$115,000	8	\$220,000
AMERICAN BANK OF COMMERCE D/B/A AMBANK	4	\$3,613,400	5	\$5,264,500
AMERICAN BANK OF THE NORTH	0	0	1	\$180,000
AMERICAN NATIONAL BANK	0	0	1	\$193,400
BANK OF AMERICAN FORK	7	\$1,795,000	12	\$3,433,000
BANK OF THE WEST	0	0	1	\$504,100
BANK OF UTAH	1	\$279,000	1	\$279,000
BEEHIVE CU	0	0	0	0
BRIGHTON BANK	1	\$180,000	2	\$430,000
CACHE VALLEY BANK	0	0	0	0
CAPITAL COMMUNITY BANK	1	\$225,000	1	\$225,000
CELTIC BANK CORPORATION	18	\$18,743,500	33	\$32,266,800
CENNTENNIAL BANK	0	0	0	0
CENTRAL BANK	21	\$3,018,100	23	\$3,272,500
CHARTWAY FCU	2	\$117,900	4	\$152,900
COMMUNITY W. BANK NATL ASSOC	0	0	0	0
COMPASS BANK	0	0	0	0
CYPRUS FCU	0	0	1	\$35,000
EASTERN UTAH COMMUNITY FEDERAL CU	0	0	1	\$248,000
EXCEL NATIONAL BANK	0	0	0	0
FIRST BANK & TRUST CO.	0	0	0	0
FIRST NATIONAL BANK OF LAYTON, THE	4	\$2,678,500	5	\$3,078,500
FIRST UTAH BANK	6	\$4,152,700	6	\$4,152,700
FRONTIER BANK, FSB	0	0	0	0
GOLDENWEST FCU	1	\$30,000	1	\$30,000
GRAND VALLEY BANK	2	\$125,000	2	\$125,000
GRANITE FCU	0	0	0	0
HORIZON UTAH FCU D/B/A HORIZON CU	0	0	1	\$25,000
JORDAN FCU	3	\$282,500	3	\$282,500
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	13	\$6,423,800	18	\$6,858,800
KEYBANK NATIONAL ASSOCIATION	5	\$854,000	7	\$1,051,000
LEWISTON STATE BANK	0	0	0	0
LIBERTY BANK, INC.	0	0	1	\$230,000
LIVE OAK BANKING COMPANY	0	0	1	\$1,840,000
MEADOWS BANK	1	\$58,500	2	\$510,500
MOUNTAIN AMERICA FCU	15	\$811,700	44	\$4,292,600
MOUNTAIN WEST SMALL BUSINESS FINANCE	25	\$13,915,000	45	\$24,876,000
NATIONAL BANK OF ARIZONA	0	0	1	\$12,500
NEVADA COMMERCE BANK	0	0	0	0
NUMERICA CU	0	0	0	0
PRIME ALLIANCE BANK	0	0	0	0
PROFICIO BANK	0	0	2	\$1,297,000
SPIRIT OF TEXAS BANK, SSB	0	0	1	\$204,800
STATE BANK OF SOUTHERN UTAH	4	\$258,400	16	\$1,266,400
SUNFIRST BANK	1	\$2,000,000	1	\$2,000,000
SUPERIOR FINANCIAL GROUP, LLC	1	\$15,000	5	\$55,000

LENDER	December Loan Numbers	December Total Dollars	YTD Loan Numbers	YTD Dollars
U.S. BANK NATIONAL ASSOCIATION	10	\$10,665,500	14	\$11,265,600
UNITED CENTRAL BANK	0	0	0	0
UNITED MIDWEST SAVINGS	0	0	0	0
UNIVERSITY FIRST FCU	3	\$655,000	6	\$1,090,000
USU CHARTER FCU	0	0	0	0
UTAH CERTIFIED DEVELOPMENT COMPANY	8	\$4,842,000	18	\$8,508,000
UTAH COMMUNITY FCU	0	0	0	0
UTAH FIRST FCU	0	0	0	0
VECTRA BANK	1	\$250,000	2	\$636,100
WELLS FARGO BANK, NATIONAL ASSOCIATION	8	\$4,887,300	19	\$8,175,000
WESTERN COMMUNITY BANK	1	\$67,000	1	\$67,000
YELLOWSTONE BANK	0	0	1	\$5,000,000
ZIONS FIRST NATIONAL BANK	103	\$21,624,700	92	\$32,054,300
TOTALS	278	\$102,988,500	519	\$166,068,500