

IT'S YOUR BUSINESS

October 2008

INSIDE THIS ISSUE:

<i>Business Survival</i>	1
<i>E200</i>	2
<i>Economic Stimulus</i>	2
<i>Economic Hotline</i>	2
<i>Online Export Training</i>	3
<i>Upcoming Events</i>	3
<i>2008 Lender Ranking</i>	4
<i>New Loan Program</i>	4

It's Your Business
Volume IX
Number 3

*A publication by
the U.S. Small Business
Administration
Massachusetts District
Office*

*District Director:
Robert H. Nelson*

*Editor:
Elizabeth Moisuk*

Helping small businesses
start, grow and succeed.



Your Small Business Resource

FROM THE DESK OF MASSACHUSETTS SBA DISTRICT DIRECTOR, BOB NELSON

SURVIVAL RESOURCES FOR YOUR BUSINESS

Whether you are a small business in Portland, Oregon or Boston, Massachusetts or anywhere in between, all small business can benefit from the following piece on business survival tips shared with us by the SBA district director in Portland, Oregon. Thank you, Harry DeWolf!

-Bob Nelson

LEAD YOUR COMPANY THROUGH AN ECONOMIC SLOWDOWN

Harry L. DeWolf

During periods of economic decline entrepreneurs are most likely to bear the brunt economically. Do not bury your head in the ground waiting for things to get better. Look how your business can leverage this time to actually increase your opportunities to outsmart larger competitors who, during a downturn, carry on with business as usual or are unable to adapt quickly. Proactive small business entrepreneurs can actually thrive:

- A. Maintain a strong cash stream throughout the downturn, in contrast to other companies that may have liquidity problems.
- B. Become a leaner, more cost-effective and more efficient operation, better positioned to do well when the market improves.
- C. Gain market share by taking it away from competitors unable to adjust to shifting market conditions.

The challenge is to be aggressive and imaginative. Entrepreneurs who survive and prosper during hard times look beyond the present day to overcome the constraints of tradition. They see the firm from a new perspective, and to do business differently. A status quo attitude will assure a steady decline and possible failure.

1. Monitor your cash flow very diligently

- a. Create weekly, monthly, quarterly cash flow reports
 - i. Keep it simple
 - ii. Know where your money is going
- b. Don't rely solely on balance sheets and income statements
 - i. Balance and Income Statements report the businesses past not today and the future

2. Eliminate nonessential expenses as much as possible.

- a. Separate "nice to do" from "have to do"
- b. Look hard at capital spending - will it create profit?

continued on page 2

ECONOMIC STIMULUS BENEFITS FOR YOUR BUSINESS

As 2008 is nearing the end, there is only a limited amount of time left for your business to take advantage of the Economic Stimulus benefits for businesses.

The Economic Stimulus Act of 2008 contains two provisions that provide tax benefits for businesses, but unlike the economic stimulus payments that millions of individuals have already received, the tax benefits for businesses are not automatic; businesses must act to take advantage of the new provisions by purchasing qualifying property.

To find out more about economic stimulus benefits for your business, visit SBA's online tax savings resource center . You can find the center at:

<http://www.sba.gov/stimulus/index.html>



SBA MASSACHUSETTS SMALL BUSINESS ECONOMIC HOTLINE

Economic uncertainty creates challenges in credit markets that affect small

businesses nationwide. If you would like the chance to talk to someone directly about specific concerns for your business consider calling the Massachusetts SBA's *Small Business Economic Hotline* for free, confidential advice. SBA employees will listen to callers' concerns and respond directly or refer calls to professional business counselors at one of our many partner organizations. You can reach the hotline at 617-565-5627, Monday thru Friday from 8:30 a.m. to 5:00 p.m.



continued from page 1

Survival Resources for Your Business

3. **Watch your inventories carefully**
 - a. Reduce inventory levels
 - b. Sell off slow moving inventory at a discount
 - c. Do not reduce so tight that you lose sales
4. **Build up your capital reserves**
 - a. Reduce or stretch out debt payback
5. **Get aggressive with collections**
 - a. Reduce you Accounts Receivable (AR) aging – call your slow payers
6. **Strengthen banking relationships**
 - a. Let lenders know the company's financial position
7. **Look for opportunities to reduce rented space**
 - a. Sublease if possible
8. **Be aggressive in the marketplace**
 - a. Avoid reducing advertising and promotional expenditures
9. **Don't skimp on service and quality by being understaffed**
 - a. Use Part-time and subcontractors to fill gaps
10. **Call your current customer base and induce additional sales**
 - a. Communicate your confidence during the down times
 - b. Good service cannot be overstressed
11. **Avoid reducing training budgets**
 - a. Take advantage of the slow times
 - b. Create in-house training opportunities
 - c. Cross train staff in different rolls – turn “specialists” into “ multi-taskers”
12. **Involve employees in methods and implementation of cost reducing ideas.**
 - a. Job sharing
 - b. Completing more work in-house

While economic downturns are admittedly difficult and increase the obstacles small businesses face during challenging times, it is not an automatic that companies slash earnings and compress their market share to survive. Slashing and compressing occurs when a leader takes too long to see the downturn and they fail to strategize on what must be done. Ignoring reality and lack of planning from owners and managers who resist change cause reactive decisions that may be difficult to recover from. Resourceful entrepreneurs take advantage and capture opportunities, they take advantage of the extra time to develop action plans and take steps during today's hard times to lay the groundwork for tomorrow's prosperity.

© 2008

Mr. DeWolf is the District Director of the United States Small Business Administration (SBA) Portland District. Harry holds an MBA in International Business from National University and a Bachelors Degree in Business Management from Oregon State University.

You can find additional resources on this subject at:

http://www.sba.gov/idc/groups/public/documents/ma_boston/ma_businessstips.pdf.

EMERGING 200: SBA'S NEW INITIATIVE TO CREATE JOBS AND SPUR GROWTH IN BOSTON'S INNER CITY CALLS UPON LOCAL ENTREPRENEURS

In the face of economic challenges and low growth rates in many of America's inner cities, the SBA has taken swift, concerted action - where it's needed most - by unveiling a bold new strategy to revitalize and transform America's inner city business communities. The initiative, called *Emerging 200*, or e200, is sharply focused on helping leaders and owners of small businesses in Boston's inner cities achieve their full potential.

The e200 initiative is focused on 200 small companies nationwide with high potential for rapid expansion and job creation. SBA officials say the companies that will most benefit from the initiative are those that have achieved thresholds of \$400,000 in annual revenue and have been in operation for at least three years.



continued on page 3

SBA OFFERS NEW ONLINE TRAINING FOR EXPORTERS

A new online course will help small businesses explore exporting opportunities in international markets. **Global Enterprise: A Primer on Exporting** is a free, self-paced course that provides practical guidance on exploring international markets.

The new course is available from the Small Business Administration training Web site at www.sba.gov/training. To access the course, click on "Free Online Courses," and then select the first course listed under International Trade.

The course is a comprehensive training module using script and audio to provide fundamental information about selling in global markets. It illustrates how to identify international markets, develop an export strategy, make and receive international payments, and finance trade operations, plus guidance on determining a firm's readiness and suitability for exporting.

Course participants completing the 30-minute online training programs can earn a certificate of completion from the SBA, with their name, date and course title. The Export Primer course is one of nearly 30 online tutorials offered by the SBA on its virtual campus, the Small Business Training Network (www.sba.gov/training).

In addition, the SBA's partnership with the U.S. Department of Commerce and the Export-Import Bank offers federal export programs and services through the U.S. Export Assistance Centers. Small businesses can receive a full range of business export assistance under one roof to makes it easier to get the help needed to compete and succeed in the global marketplace.



SBA's Ready-SET-GO
Community Workshops

Learn about SBA's programs & services.

10/28/2008

SBA, 10 Causeway Street, Room 265, Boston, 10:00 a.m.—12:00 p.m. Call 617-565-5590 to register. Also on: 11/25/2008

11/6/2008

Haverhill Career Center, 80 Merrimack St., Haverhill 10:00 a.m. — 12:00 p.m. Call 617-565-5588 to register.

11/15/2008

SBA Counseling, and Education Programs for the Military Community Westover AFB, 439th Airlift Wing Base Conference Center, Chicopee 11:00 a.m.—1:00 p.m. Call 413-557-3024 to register.

11/19/2008

Career Works, 34 School St., Brockton 2:00 p.m.—4:00 p.m. Call 508-513-3400 to register.

11/20/2008

Plymouth Career Center, 36 Cordage Park Circle, Ste. 200, Plymouth 10:00 a.m.—12:00 p.m. Call 508-732-5399 to register.

For a complete listing of our upcoming events as well as events being conducted by our resource partners go to: www.sba.gov/ma and click on "Events Calendar" link on the right-hand sidebar.

2009 SMALL BUSINESS WEEK NOMINATIONS

It's that time of year again! We are searching for the 2009 Small Business and Champion Award Winners shortly. If you would like us to consider you or someone you know for one of these awards please contact Elizabeth Moiskus at 617-565-5569 or email her at: elizabeth.moiskus@sba.gov.

continued from page 2

Emerging 200

Emerging 200 participants in Boston include the following:

- A.J. Cleaning – Alvera Payne, owner
- Ameri-Print Network, Inc. – Vincente Lozada, president
- Audissey Guides - Robert Pyles, president
- Balloon City of Boston, Inc. – Christine Bernstein, president
- Boston Green Building, Inc. – Eric Johansmeyer, office manager
- Chan Insurance Agency, Inc. – Frank Chan, president
- Cliff & Sons Electric Contractors, Inc. – Tresa Owens-Powell, vice president
- Cottonfield, LLC – Yeumei Shon, president
- Fire Code Design, LLC – Ronnette Taylor-Lawrence, president
- Fortunato & Associates – Arlene Fortunato, president
- Massachusetts Local Telephone Co., Inc. – Dexter Miller, president
- MSS Business Management, Inc. – Pat Shelton, president
- Onyx Spectrum Technology – Adrienne Benton, president & chief executive officer
- Peninsula of Boston, Inc. – Joseph O'Neill, vice president
- Rare Find Contracting, Inc. – Becky Hobbs, president
- Signal Graphichs – Gregory Salvucci, president



e200 session in Boston

The comprehensive e200 curriculum provides winning expansion strategies to help qualifying businesses explore options for capital investment and take advantage of contracting opportunities. Cambridge-based InnerCity Entrepreneurs has been selected to conduct the executive training aspect of e200. SBA's initiative uses InnerCity Entrepreneur's unique StreetWise Steps to Small Business Growth curriculum.

The CEO's and small business owners who graduate from the program will have produced a three-year strategic growth plan with benchmarks and performance targets. They will be trained further to target their business strategies to accelerate growth, explore financing, diversify markets and expand their networking. More information about InnerCity Entrepreneurs can be found at www.innercityentrepreneurs.org.

Boston's Small Business Administration District Office has taken the lead by forging a cornerstone coalition of key business leaders, government organizations and professional business associations. This group of committed individuals and organizations is sponsoring the e200 initiative to encourage the lasting success of its participants.

Locally, the City of Boston, The Hispanic American Chamber of Commerce of Greater Boston, Massachusetts Small Business Development Center (MSBDC) State Office and MSBDC Boston Regional Office/Minority Business Center will be assisting the SBA in this initiative.

**EXCITING NEW
SBA LOAN
PROGRAM—SMALL/
RURAL LENDER
ADVANTAGE**

Small/Rural Lender Advantage, part of SBA's 7(a) loan program encourages smaller lenders to offer SBA loans by streamlining the loan application and approval process. Lenders in Massachusetts that have made less than 60 SBA loans over the past three years qualify for this program.

The key features of Small/Rural Lender Advantage include:

- A shorter, simplified application for loans of \$350,00 or less;
- An expedited SBA loan processing time of 3-5 days for routine loans;
- Only limited, key financial documentation is required;
- An SBA guaranty of 85 percent is available for loans of \$150,000 or less; 75 percent if the loan is larger;
- Loan applications may be faxed or e-mailed to SBA;
- A simplified loan eligibility questionnaire is provided to help small or occasional SBA lenders understand SBA's eligibility criteria; and
- Specialized assistance to small/rural lenders on complex eligibility issues.

For more information on Small/Rural Lender Advantage, contact Anne Hunt at 617-565-5577.

Thank you, Cape Anne Savings Bank for being the first lender to approve a S/RLA loan in Massachusetts!

2008 LENDER RANKINGS

	Top Ten SBA 7(a) Loan Guaranty Lenders	GROSS AMOUNT	LOANS
1	CITIZENS BANK	\$11,370,300	256
2	SOVEREIGN BANK	\$9,752,000	128
3	TD BANK, NATIONAL ASSOCIATION	\$15,781,800	87
4	ROCKLAND TRUST COMPANY	\$8,926,000	87
5	BANK OF AMERICA, NATIONAL ASSOCIATION	\$1,557,100	54
6	ENTERPRISE BANK AND TRUST COMPANY	\$3,967,300	46
7	CAPITAL ONE BANK	\$1,620,000	37
8	MIDDLESEX SAVINGS BANK	\$6,093,000	35
9	EASTERN BANK	\$4,842,000	34
10	GREYLOCK FCU	\$4,171,500	27
TOTAL:		\$197,414,790	1349

CERTIFIED DEVELOPMENT COMPANIES - 504 LOANS

LENDER NAME	GROSS AMOUNT	LOANS
GRANITE STATE ECONOMIC DEVELOPMENT CORPORATION	\$42,374,000	89
SOUTH EASTERN ECONOMIC DEVELOPMENT CORPORATION	\$16,326,000	34
NEW ENGLAND CERTIFIED DEVELOPMENT CORPORATION	\$20,672,000	31
BAY COLONY DEVELOPMENT CORPORATION	\$13,126,000	27
CAPE & ISLANDS COMMUNITY DEVELOPMENT, INC.	\$2,686,000	9
WORCESTER BUSINESS DEVELOPMENT CORPORATION	\$2,151,000	2
OCEAN STATE BUSINESS DEVELOPMENT AUTHORITY	\$271,000	1
TOTAL:		\$97,606,000 193

THIRD PARTY LENDERS - 504 LOANS

THIRD PARTY LENDER	GROSS AMOUNT	LOANS
COMMUNITY BANK (THE)	\$9,208,500	17
TD BANK, NATIONAL ASSOCIATION	\$8,346,000	9
MIDDLESEX SAVINGS BANK	\$7,404,497	9
SOVEREIGN BANK	\$6,356,825	9
SALEM FIVE CENTS SAVINGS BANK	\$4,715,300	9
ROCKLAND TRUST COMPANY	\$4,096,500	9
BANK OF AMERICA CORPORATION	\$4,145,050	7
CITIZENS BANK	\$5,495,000	6
BENJAMIN FRANKLIN BANK	\$3,102,500	5
CAPE COD FIVE CENTS SAVINGS BANK	\$2,101,500	5
ENTERPRISE BANK AND TRUST COMPANY	\$1,748,500	5
TOTAL:		\$131,084,722 193

For the complete lender ranking for fiscal year 2008 go to:

http://www.sba.gov/idc/groups/public/documents/ma_boston/ma_08loanvolume.pdf