



# Small Business Beat

News from the Michigan SBA Office

Summer-Fall 2009

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## SCOREbizSUPPORT Provides Team Approach to Counseling

The SCOREbizSUPPORT program is a team approach to working with businesses. The purpose is to help small companies in SE Michigan who may be feeling additional pressures as they face a myriad of economic and technological uncertainties.

SCORE counselors can help business owners and managers attack challenges that may result from global competition, rising material costs and, in many cases, price and revenue reductions.

The SCOREbizSUPPORT team may include experienced executives in finance, marketing, engineering, materials management, production, IT and business

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## From the Director

### Small Businesses Helped by Recovery Act

Dear Colleague:

It has been over six months since The American Recovery and Reinvestment Act was signed into law on February 17, 2009. The changes made to SBA programs have helped to stimulate the credit market for small businesses.

The number of SBA loans in Michigan has more tripled since February 20. As of September 11, SBA has supported more than \$274 million in small business lending, \$175 million approved since February 20. Certainly, increasing the loan guaranty to lenders up to 90%, and the elimination of fees to borrowers has helped to increase the number of SBA loans.

Two other loan programs have been implemented since The Recovery Act was signed: America's Recovery Capital loan program, and Dealer Floor Plan Financing.

On June 15, **America's Recovery Capital**, a deferred-payment loan program to help small businesses make payments on existing debt was initiated. ARC is intended

development.

Here's How it Works:

- By e-mail, phone or in person, the client describes current concerns and types of business assistance needed.
- SCOREbizSupport will visit the client at their business and conduct a brief survey.
- After a review of the survey, a specific proposal of assistance is presented to the client.
- Upon approval, SCORE will gather a team and begin the counseling process.

Clients involved with SCOREbizSUPPORT find the experience very satisfying as do the counselors. The multi-disciplinary aspect allows for synergies that might otherwise not occur.

SCORE counselor Jay Stark coordinates the program. For more information, contact him at [Jay Stark](#)

### Profile of an e200 Detroit Business

#### Atlas Global Bistro

Nikki Barbour, proprietor of Atlas Global Bistro, is a participant in e200 Detroit, an intensive training

to give viable small businesses facing immediate financial hardship some temporary financial relief so that they can keep their doors open, and refocus their efforts for long term stability.

The features of **ARC** are as follows:

Deferred-payment loan of up to \$35,000.

Loans will be used to make up to six months of principal and interest payments on qualifying loans, which include mortgages, secured and unsecured loans, lines of credit and credit cards if the debt was used for eligible business purposes under the program.

Loans are 100% guaranteed and interest free to borrower. SBA pays interest to the lender.

In Michigan there have been 24 ARC loans made through August 31.

Through the **Dealer Floor Plan**, SBA offers government-guaranteed loans to finance inventory for eligible auto, recreational vehicles, boats, manufactured homes, motorcycles, and other dealerships. The DFP is a pilot program which was initiated to offset the decreased access to capital for floor plan financing owing to an inability on the part of floor plan lenders to sell loans on the secondary market.

The features of the **DFP** are as follows:

DFP will provide loan guarantees for lines of credit through SBA lenders using the 7(a) program.

DFP funds can be used only for inventory that can be titled.

The minimum loan amount is \$500,000 up to \$2 million.

Maximum advance rates are up to 90% of wholesale prices for new autos and light trucks, up to 80% on all other types of inventory.

The maximum SBA guaranty level on DFP will be 75%.

Borrowers receive the fee reduction provided under the Recovery Act.

We will continue to work with our lenders to educate them about SBA loan programs in order to increase the availability of credit to small businesses in Michigan during

program to accelerate the growth of small businesses located in America's inner-cities.

Barbour, along with 15 other Detroit-based business owners, has been immersed in the training since April, and will complete the program in November. Barbour, very pleased with e200, describes it as "a gift of time to focus." She is also finding the experience of working with other business owners invaluable. They talk about their coursework, businesses, and life in general, finding that they learn from one another. There are no direct competitors among the participants, encouraging open discussions about business issues.

Nikki Barbour recently stopped in to the SBA to talk with Constance Logan, the e200 Coordinator, about her business. She graciously agreed to be interviewed for our newsletter about her business and e200 experience.

Atlas Global Bistro was founded in 2004, by a group which included Barbour who holds a master's degree in fine arts from the Center for Creative Studies. The intention was to not only establish a fine restaurant, but to establish a community hub in its

these difficult times.

Richard Temkin  
District Director

### **Success Story - 7(a) Driving the Road to Success!**

When owners Don Lane and Keith Robinson started Greenfield Collision in 1983, they couldn't have predicted the severe economic downturn they would face 25 years later. The two became acquainted when they were coworkers at a combination junkyard and body shop in Holly, Michigan. Several years after meeting, they started their own body shop in Detroit and expanded to Macomb County nearly 11 years ago.

The business partners and friends received a \$463,500 (7a) loan guaranteed at 90 percent by the SBA to buy its 20-bay, 11,000 square foot building in Washington Township, which Robinson and Lane had been leasing. Greenfield also has a 40-bay headquarter employing 20 people in Detroit. CF Bancorp made the loan, one of the first under the new SBA Recovery Plan provisions. "The best part is that by taking it from a lease to a loan payment we're saving \$2,000 a month; it's a beautiful thing," said Lane, adding that the additional funds are being applied toward installing a waterborne paint system five years ahead of the technology becoming mandatory under Michigan law. The loan also enabled the owners to retain 10 positions at the shop.

"The landlord had to sell the building. If we didn't buy it, we might not be here anymore," Lane says. "That's why we went after it." Attempts at obtaining the required money via standard funding sources were unsuccessful despite a two to three month quest. "We were making the rounds trying to get loans before we went to the SBA."

For more information on SBA's Recovery Act loan programs, contact [Allen Cook](#), Lender Relations, SBA.

Detroit location. They wanted to create something positive, and make a contribution to the area. Situated on Woodward in the Brush Park Historic District of midtown Detroit, Atlas draws patrons from the theater district, the symphony, the medical center, Wayne State University, downtown businesses and the various sports venues in the area.

Atlas is an urban, style restaurant with "global" cuisine. The menu changes seasonally. In the summer Chef Christian Borden, uses fresh vegetables and herbs to complement his creations gleaned from the North Cass Community Garden, where Atlas manages a plot along with other businesses and residents of the area. The garden project is coordinated through the University Cultural Center Association.

So why would a successful business owner attend the e200 training? Barbour stated that initially she wanted to gain a better understanding of her financials, but she has achieved that and much more. She has realized an increased level of professionalism at Atlas. It has helped her to focus on a vision for what the future will look like for her business, and she is communicating that to her



## Maylong Group Globally Positioned for Success

Maylong Group, specializing in connected and mobile computing technologies, was formed by David Valade and Ming Wang in 2006 in Rochester, Michigan.

After a trip to China in 2006, where they were introduced to a portable navigation system, Valade and Wang returned to the U.S. and began work on their own portable navigation system. The two worked on product development and sought to identify software and map providers to engage in their concept. "During one of the many conversations I had with these folks I was told our product would be a perfect vehicle for the 'For Dummies' application that would soon become available. We put a bid into Wiley Publications, publishers of the Dummies© book series, and in May 2007 we were awarded the 'Navigation for Dummies' global license, enabling us to manufacture a navigation device that anyone could use," according to Valade. In the meantime, it was back to China to identify suppliers, with Wang successfully securing a manufacturing agreement with YFI, Inc. to produce Maylong's navigation system. Production of 'GPS Navigation for Dummies' began mid-year 2007.

Up to this time, the partners had been able to self fund their fledgling company, but they were now looking for outside financing. By the end of 2007, Valade contacted Automation Alley for assistance and was connected with business consultant, Tom Kelly at the Michigan Small Business and Technology Development Center. "Tom provided us with a wealth of information. He gave us solid information on what we could expect from venture capital and other funding sources. He steered us to the Small Business Administration, at that time a more appropriate source of financing, and we were successful in obtaining an SBA loan," Valade said.

team. A very tangible result of the training is that she committed to improving the Atlas Web site by the end of July. Check out the new and improved web site at:

[Atlas Global Bistro](#)

"While our engagement with the SBTDC, was limited, Tom could see the big picture and was invaluable in giving us a realistic view of the marketplace," stated Valade. "Our sales went from \$500,000 to more than \$10 million at the end of 2008."

Maylong is looking to expand into the European market, and will be introducing a navigation system that can be operated on a number of GPS enabled phones. "As we continue to grow our company, we would like to be part of southeast Michigan's transformation into a hub for navigation technology. We are grateful to Automation Alley and the SBTDC for the help and support of Maylong Group," said David. For more information visit:

[GPS Navigation for Dummies](#)

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