

NEWSLINE EIGHT

Volume 16 May 2010

SBA's Monthly
News Update
-SERVING-
COLORADO
MONTANA
NORTH DAKOTA
SOUTH DAKOTA
UTAH
WYOMING

Newsline Eight is circulated to our resource and lending partners by SBA's Region Eight Office

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Helping small businesses
start, grow and succeed.



Your Small Business Resource

Collecting overdue accounts should not frustrate small business owners

By Daniel Hannaher, SBA Regional Administrator



All small business owners know that collection overdue accounts is especially difficult during a down economy. It's not the most pleasant part of being an entrepreneur, but not handling them expeditiously will almost certainly endanger your business's cash flow and long-term viability. The following are six simple steps that may make the collection process less stressful, and more effective.

1. **Avoid late payments by your customers.** Establish a standard policy for payment and make your customers aware of them before starting work. If you don't have a formal contract, have your customer sign your "Terms and Conditions." Do you require a full or partial payment upfront or will you offer payment terms such as Net 30? Clearly state any surcharges for late payments.
2. **Loose credit terms can create bad debt.** If you provide goods or services on credit, develop qualification standards that are specific, yet fair (e.g., a good credit history from a credit bureau or good bank references). Put your credit policy in writing and make sure all employees understand it. You should also have the policy posted in your store, or available as a handout.
3. **Enforce your credit terms on all transactions.** Your collections policy will do no good unless you enforce it. You will be amazed what a personal phone call can do to encourage a timely payment. If you've met your obligation and a customer has not, you're entirely in the right.
4. **Keep communications channels open.** Don't assume the customer is entirely wrong. Always stay in touch, and make sure they are satisfied with your product or service. If they become delinquent ask politely for an explanation. It may well be that the invoice has been lost or is awaiting approval. A customer with cash flow problems may request extra time. Based on your experience with the customer, you may feel confident enough to allow extra time or installment payments. Make sure you and the customer clearly understand any compromise.
5. **Don't be afraid to take legal action.** If your collection attempts fail, it may be time to turn to an attorney or collections firm. Your course of action will depend on the situation. You may decide the amount of the overdue account does not justify the cost and effort to collect. If so, write it off as a bad debt and move on.
6. **Don't Make the Same Mistake Twice.** Should customers with poor payment histories approach you about working with them or restoring credit, don't immediately refuse unless you are absolutely certain they remain bad risks. Determine if the situation has changed and decide whether it makes sense to restore the relationship. As a precaution, insist on stricter terms such as advance payment or cash-only.

The SBA has a number of resources available to advise business owners on the right course to take when establishing a collection policy. For more information, visit www.sba.gov or call the SBA's Colorado District Office at 303-844-2607.

COLORADO DISTRICT OFFICE

SCORE May 2010 Start-Up Workshops

Turn your ideas into actions. Take the first step and get moving with the list of the Basic four workshops. The Business Plan workshop also includes an excellent workbook

(a \$25.00 value).

Smart Start - How to Start a Business

Wednesday, May 5, 2010

8:15am to 3:45pm / \$50.00

The first in a series to get you started in the right direction in your journey to...

Advice From the Experts

Wednesday, May 12, 2010

8:15am to 3:45pm / \$50.00

Get the straight information from 4 practicing professionals - An Attorney, Accountant, Banker, and an Insurance agent are available to answer all your questions...

Promoting Your Business

Wednesday, May 19, 2010

8:15am to 3:45pm / \$50.00

Dynamic marketing and advertising strategies, turning customers into fans, and getting connected with the internet and expert advice to...

Creating Your Business Plan

Wednesday, May 26, 2010

8:15am to 3:45pm / \$65.00

Learn to write a winning business plan that will get the results you want and...

For more information go to
www.scoredenver.org or call 303-844-3985

UTAH DISTRICT OFFICE

Free business seminar in SLC. On May 13th the SBA Utah District Office will hold a free seminar on "Doing Business with the Federal Government". This Seminar will be held at the Utah State Library, 250 North 1950 West, Suite A, Salt Lake City, UT from 7:30 a.m. - 12:00 noon. Breakout sessions will include SBA Surety Bonds, Marketing Tips, Utilizing the Federal Procurement Data System, how the PTAC can help your business, PCR Roles and Responsibilities, and Contracting at Hill AFB. For more information regarding this seminar please contact Nancy Byerly at (801) 524-6831 or nancy.byerly@sba.gov.

NORTH DAKOTA DISTRICT OFFICE

SBA workshop to beheld in West Fargo. On May 11th, from 12:00 p.m. to 1:00 p.m., the SBA's Eric Giltner will present a workshop titled "How to Get Your Business Noticed for Free." The workshop will be held in the Training Room at the Police Department, 800 4th Avenue East in West Fargo. Eric will offer practical, low/no cost ways to increase the awareness and visibility of your business in today's highly competitive world. For more information or to register, contact the West Fargo Chamber at 701-282-4444 or julie@westfargochamber.com.

SOUTH DAKOTA DISTRICT OFFICE



Small Business Week celebration to be held May 13th in Sioux Falls. In honor of Small Business Week, the Sioux Falls SCORE Chapter will be hosting a Small Business Week Celebration event on Thursday, May 13th at the Sioux Falls Museum of Visual Materials from 4:30 to 6:30 p.m. SCORE recognitions, Small Business Week and Lender Awards will given during the program which will begin at 5:00 p.m. For more information, contact the SBA's Jean Rogers at (605) 330-4243, ext. 29.

Thank You Newline Eight Readers!!

This is our 16th year of providing critical small business news to our readers.
180 editions, 1,400 different columns, 8 Regional Administrators, 415,000 words
Newline Eight is the SBA's Longest Continuously published Regional Newsletter
— Chris Chavez, Regional Communications Director

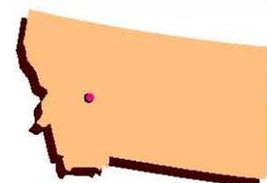
WYOMING DISTRICT OFFICE



Women’s Network for Entrepreneurial Training (WNET) meetings are opportunities for women to network, share business expertise, and identify potential small business resources in their community. Come to the Buffalo, Wyoming roundtable program on Thursday, May 13th at the Sagewood Gifts & Café, 15 North Main Street in Buffalo at 7:00 a.m. and enjoy a free breakfast and begin networking. At 7:15a.m. the speaker will be Travis Lawrence, First National Bank-Buffalo who will be presenting “NEED A LOAN!” what to expect when you visit your banker. Then finish up at 7:45am with 15 minutes of networking. For more information, please contact the SBA’s Susan Rezanina at 307-261-6520 or email susan.rezanina@sba.gov.

MONTANA DISTRICT OFFICE

SBA Director of the Office of Native American Affairs to address Economic Development and Procurement Opportunities Conference. The Native American Development Council is hosting the NADC Economic Development and Procurement Conference on May 19th – 20th in Billings. This conference will provide an opportunity for conference attendees to learn how to form strategic partnerships, obtain government contracts & develop financial resources. Federal and State leaders will be available for consultation with Tribal Leaders and Native American-Owned Small Businesses, as well as provide general session lectures and break-out presentations. Keynote address will be given by Clara Pratte, Director of the Office of Native American Affairs, U.S. Small Business Administration. The Conference will be held at the Holiday Inn Grand in Billings and registration is \$150.00. You can find more information as well as register by visiting www.nadc-nabn.org or call the SBA Office at (406) 441-1081.



5th Annual Veteran Small Business Conference in Colorado May 13—14th in Colorado Springs, Colorado!

This year’s event will be held at the Cheyenne Mountain Resort in Colorado Springs. There will be two full days of workshops, 24 separate sections that will help veteran-owned businesses get the information they need on contracting with the federal, state and local government. For more information on this event, the cost to attend, and list of training classes, please go to www.coloradosbdc.org.

SBA SMALL BUSINESS ECONOMIC HOTLINES REMAINS OPEN



All six district offices in Region VIII have launched their first-ever **Small Business Economic Hotlines** in response to the concerns raised by the nation’s small business community during these uncertain economic times. The purpose of this hotline is to give small business owners a single phone number they can call with business related questions. Calls to these phone numbers will be promptly returned by SBA staff in the different district offices. “Small businesses across our region have raised concerns about how they can survive given today’s economic situation,” states Dan Hannaher, Region VIII Administrator. “I believe it is critical that the SBA in each state provide a single phone number for our small business community to get the answers they need on questions relating to surviving in this environment. Our business experts from the Small Business Development Centers, SCORE, and other education organizations can advise them on ways to enhance their marketing plans, re-evaluate their business plans, and look for new sources of financing. Many of these services are “free of charge.” The hotline numbers are as follow: Colorado (303) 844-2607 X 401; Montana (406) 441-1095; North Dakota (701) 239-5131; South Dakota (605) 330-4243 Ext 10; Utah (801) 524-3204; Wyoming (307) 261-6505.