



1st Quarter 2010 Newsletter

“Our Mission is Your Success”

Serving the Small Businesses in Sacramento,
El Dorado, and South Yolo Counties.

Message from Kristin Johnson, State Chair, California Small Business Development Centers

California SBDC builds small business tenacity through recession

SACRAMENTO – Despite enduring lulls in the national and state economy, the California Small Business Development Centers continue to leave an indelible impact on statewide economic development -- retaining 2400 jobs and building 3000 new ones in 2009.

The California SBDC, with 35 Small Business Development Centers throughout the state, provides free consulting to over 17,000 entrepreneurs and low-cost training to approximately 40,000 of California's 1.3 million business owners every year.

According to the annual report compiled by California SBDC, one key growth area in 2009 included a 7% increase in business consulting volume. Individual centers reported spending more than 82,000 hours assisting small businesses with business plans, loan applications cash-flow management, government contracting and other needs.

“The level of service provided to California's small businesses by the SBDC in 2009 is particularly noteworthy in light of significantly decreased state funding for our program over the same period,” said Kristin Johnson, state chair of the California SBDC. “The past two years have been incredibly tough for businesses and the SBDC's ability to assist struggling entrepreneurs at an even higher level during this time is a reflection on the dedicated business advisors of this program and a commitment of the SBDC to really be part of California's economic recovery.”

As a result of 2009 California SBDC services, small business clients increased sales by nearly \$118 million, and generated \$1.77 in annual tax revenue for every \$1 spent on the program -- up 34% over tax revenue generated in 2008. Equity capital invested in SBDC clients' businesses totaled just under \$60 million, and loans to these businesses total more than \$66 million. Further, clients attributed 640 new business starts to the assistance they received by the California SBDC in 2009.

Businesses assisted by the California SBDC ranged from one-person micro-enterprises up through employers with as many as 200 employees. Of the total population of counseling clients served, more than 55% were of an ethnic minority. In 2009 veteran-owned and service disabled veteran-owned businesses serviced by the SBDC comprised more than 12% of all clients --more than doubling from the prior year.

Increased numbers of veteran-owned businesses served is attributed in part to outreach efforts to target minority and veteran-owned businesses. One of those outreach efforts, the Stimulus Opportunities for Small Business program, took a road show approach to helping small businesses throughout the state access stimulus-generated procurement opportunities paid by federal American Recover and Reinvestment Act (ARRA) funds. The program was a collaboration of the California SBDC, the California Governor's Office of Small Business Advocacy and Business Matchmaking—a Los Angeles based nonprofit. So Far, Johnson said, more than 3,500 California entrepreneurs have participated.



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Elk Grove
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**SBDC PROVIDES
BUSINESS CONSULTING
AND TRAINING IN THE
FOLLOWING AREAS:**

Business Planning & Management

- Business Plan Development
- Business Start-Up Assistance
- Expansion & Growth
- Licensing and Permits
- Employee Management
- Buying & Selling a Business

Marketing

- Identifying Market Niches
- Advertising & Promotional Strategies
- Business Feasibility Evaluation
- Marketing Plan Development
- E-Commerce

Financial Management

- Cash Flow Management
- Funding Options
- Bookkeeping & Accounting
- Loan Application Assistance
- Financial Analysis & Projections
- Government Contracting
- Business Valuation & Strategies
- Tax Planning & Requirement
- Payroll Management

Resources

- Information
- Professional Consultants
- Business Counseling
- Business Training
- Business Library
- Computer Access
- Referrals

Intuit's Sacramento Small Business Event

Intuit, a resource for all small businesses, new or existing (www.intuit.com), hosted their first ever [Love a Local Business live event in Sacramento, CA](#) on March 12 and 13, and were so impressed with the energy and optimism of Sacramento business owners. More than a hundred small business owners came to the Midtown location to learn how to gain financial stability and grow their businesses. They also saw an outpouring of love from Sacramentans for their local businesses with more than 700 people logging nominations in our Love a Local Business Sacramento sweepstakes...

5 winners of \$1000 grants:

1. L Wine Lounge
2. French Cuff Consignment
3. Cybertary
4. Two Mom's Catering
5. McConnell Music Therapy

The Small Business Development Center – Greater Sacramento was given an award “In Appreciation for Your Leadership to the Proliferation of Sacramento Business.”

The Power of Small Business

Small businesses and Entrepreneurs are an increasingly vital force in California's economy - comprising 98% of all business in the state. More than 50% of all California's employees work for the state's 3.6 million small businesses. Regarded as the heart of California's economy, small businesses annually generate over \$150 billion in sales. Governor Arnold Schwarzenegger firmly believes that this important and dynamic sector continues to be the key to the future of the state's economy.

Governor's Conference Small Business & Entrepreneurship II May 6, 2010

www.californiasbdc.org/governorsconference

Featured Consultant: Mike Saccomano SBDC Internet Solutions Consultant

Mike has been involved in the computer industry for over 30 years and with the internet since 1996. Mike focuses on assisting businesses in understanding and using the internet as part of their overall marketing strategy. He counsels, teaches workshops on website design and development and the feasibility of selling products and services on the net. Mike owns a web development and marketing company and an online sales business. He is available by appointment in Sacramento SBDC office, at client's business office, and by phone.

SBA Updates

Administration Announces New Small Business Commercial Real Estate and Working Capital Programs

1. Temporary Small Business Owner-Occupied Commercial Real Estate (CRE) Refinancing

- Expand SBA's existing 504*/Certified Development Company (CDC) program temporarily to support refinancing for small business owner-occupied CRE loans that are maturing in the next few years and help refinance over \$20 billion each year in commercial real estate that might otherwise be foreclosed and liquidated.

2. Temporary Expansion of Working Capital Loans

- Temporarily increase the cap on SBA Express loans from \$350,000 to \$1 million to expand access to much-needed working capital and allow more small businesses to take advantage of the streamlined approval process.

*SBA 504 loans can be used to:

- Purchase land and construct new buildings
- Purchase and renovate existing buildings
- Acquire and install machinery
- Expand existing facilities

For more information on 504 loans, to go www.SBA.gov and type in 504 loans in Search

SBA 7(a) loans can be used to:

- Establish a new business
- Assist in the operation, acquisition or expansion of an existing business

For more information on 7 (a) loans, to go www.SBA.gov and type in 7 (a) loans in Search

What type of collateral do I need for a loan?

Repayment ability from the cash flow of the business is a primary consideration in the SBA loan decision process but good character, management capability, collateral, and owner's equity contribution are also important considerations. All owners of twenty percent (20%) or more of the business are required to personally guarantee SBA loans. The SBA does not deny approval for a SBA Guaranty Loan solely due to lack of collateral; however, it can be used as a reason, in addition to, other credit factors.

For more information on requirements on a SBA Guaranty Loan, as well as, our guaranty loan programs available, please visit us at

<http://www.sba.gov/financialassistance/borrowers/guaranteed/index.html>

Los Rios
COMMUNITY COLLEGE DISTRICT

SBA
Your Small Business Resource



In our search for interesting information for business owners, we came across this great communication from the Merit Advisor Group.

Short, Efficient, Effective Communication

Hemmingway's 6-word story format forces both the communicator and the receiver to focus on each word, their meaning and the specific sequence each word falls in. When done correctly, 6-word stories become a guidebook to follow and philosophy to absorb for business management, leadership and stated business process.

The word "story" according to Webster's Merriam Dictionary means: *"A statement regarding the facts pertinent to a situation in question"*

Here are eleven 6-word Stories.

1. **Selling** – Value, Communicate, Demonstrate, Negotiate, Contact, Commission
2. **Management** – Listen and Lead, Achieve and Succeed
3. **Marketing Research** – Gap found, Strategy Developed, Execution Delivered
4. **Strategy** – Strategy in important, execution is better
5. **Business Success** – Hunt Now or Be Eaten Later
6. **Prospects** – Value First, Brand Second, Revenue Third
7. **Prospects** – Find Now, Qualify Now, Sell Now
8. **Financial Management** - Manage and Improve
9. **Training** – Investment made, Skills Improved, Performance Enhanced
10. **Customers** – Value Understood, Lifetime Value Generated

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