



NEBRASKA
ENTERPRISE FUND

Connecting Businesses to Resources

Small Biz Day Omaha

December 8, 2012

Glennis McClure

NEF Program Manager

www.nebbiz.org

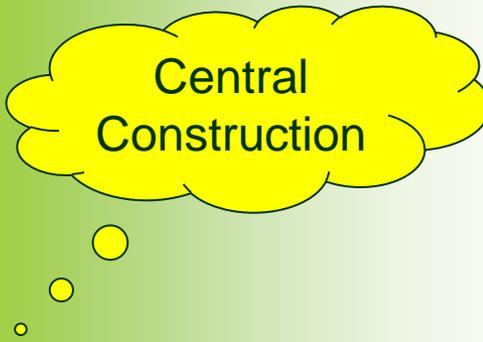
402.645.3096

Getting Your First Business Loan



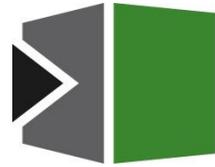
George's
Gourmet
Foods

Key Points & Rules to
Remember



Central
Construction

+
**Planning & Financing to help
make a business dream come
true.**



NEBRASKA
ENTERPRISE FUND

Supports Micro /Small Business Development





WHY Entrepreneurship?

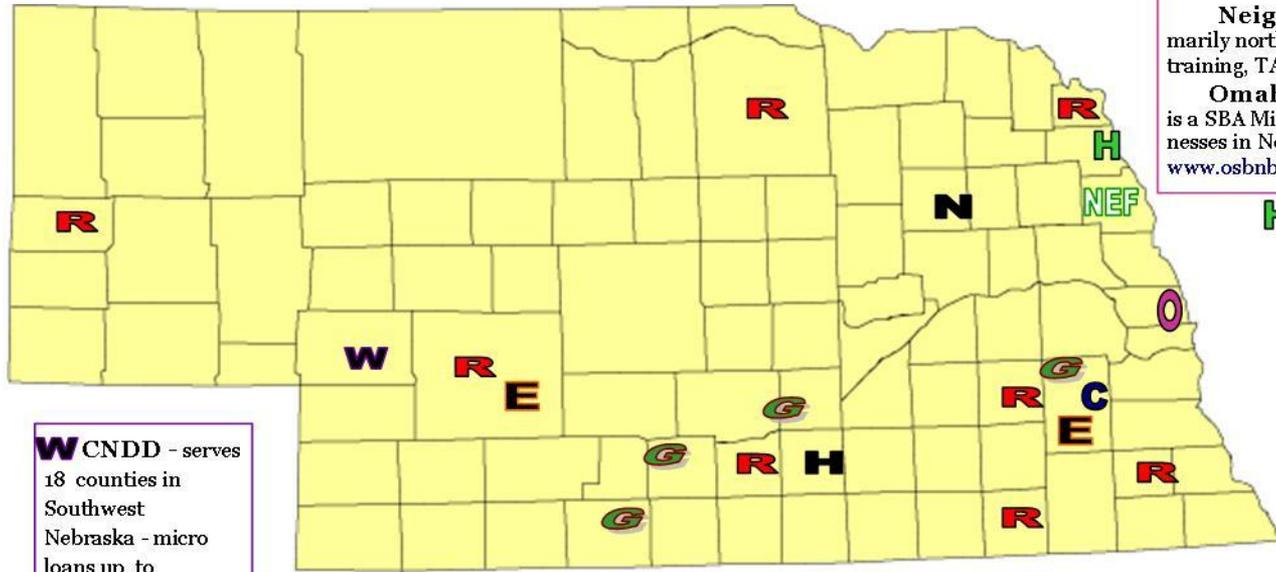
- 85% of businesses are microenterprise (factoring in non-employers).
- In Nebraska, if 1 in 3.5 micro businesses (0 to 4 employees) hired one employee the state would be at full employment. (Association for Enterprise Opportunity, 2011)
- Owning and growing a business is an asset building strategy for individuals and families.

Nebraska Micro Partners include:

Microenterprise Development Organizations, Regional Development Districts, Community Economic Development Organizations, Community Colleges, State Colleges and Universities, Nebraska Business Development Center, Banks

NED Inc. serves Northeast Nebraska (24 counties) - micro loans up to \$50,000, TA / training, plus loans up to \$100,000.
www.nenedd.org or www.nedinc.org

Omaha Programs:
Catholic Charities -Microbusiness Dev. Serves primarily south Omaha Hispanic businesses with training, computer lab, technical assistance and micro loans . www.ccomaha.org
Midlands Latino-CDC is focused in Child Care Development and micro-loans for Latino businesses in Greater Omaha. www.midlandslatinocdc.org
Neighborworks Omaha (NCDC) serves primarily north and south east Omaha - business, computer training, TA, loans up to \$40,000. www.nwomaha.org
Omaha Small Business Network (OSBN) is a SBA Micro-lender providing financial assistance to businesses in North and South Omaha (east of 72nd Street). www.osbnbt.org



WCNDD - serves 18 counties in Southwest Nebraska - micro loans up to \$50,000, TA/ training, plus loans up to \$100,000.
www.wcndd.org

GROW Nebraska is statewide, providing marketing, TA and training with Quick GROW loans up to \$10,000 in collaboration with REAP.
www.grownebraska.org

Hastings Economic Dev . Corp. - micro loans up to \$50,000, plus loans up to \$100,000.
www.hastingsedc.com

REAP serves rural Nebraska (not Lincoln or Omaha) providing loans from \$200 - \$50,000, training, TA, and networking, operates Hispanic and Women's Business Centers. www.cfra.org/reap

Ho-chunk CDC serves Native Americans and Thurston County - micro loans up to \$35,000, operates Woodland Trails art retail and learning center.

EDGE serves Nebraska communities and organizations statewide with business planning courses and training workshops.
nebraskaedge.unl.edu or nxbizsuccess.com

CDR provides training, TA, and micro loans up to \$50,000 and is a SBA 504 lender.
www.cdr-nebraska.org



Successful Strategies **Top Ten**

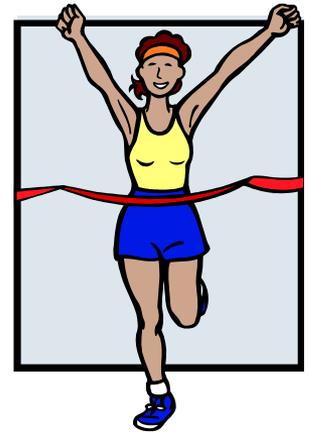
- 1) Do it for the RIGHT Reasons!
- 2) Do it at the RIGHT time – RIGHT place.
- 3) Be ready to invest yourself & time.
- 4) Be ready to invest time & money.
- 5) Be ready for bumps in the road.



Successful Strategies **Top Ten**

- 6) Know your market!
- 7) Business is business – it's not YOU!
- 8) Be financially savvy!
- 9) Keep focused!
- 10) Be realistic!

Are your personal finances in order?



- Personal financial track record must be good.
- Personal finance skills can translate to good business finance skills.

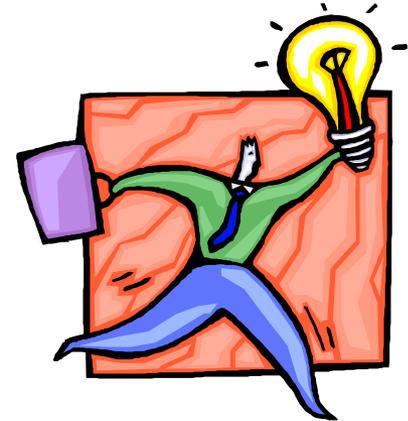
Saving for your dream

- Examine personal income and expense
 - Set a Spending Plan
- Learn how to save
 - Pay Yourself First
- Individual development accounts
 - Matched savings



Are you ready to start a business?

- Clear Idea
- Experience
- Motivated & Determined
- Realistic
- Good communicator
- Self-confidence



Business plan is a blueprint

Business Description

- Explain what the business will do or make.
- How will this business be unique?
- Is there a need for this business?
- How many customers and who will be my customers?
- When and where will I do business?
- Why am I going into business?
- Is this a realistic idea?



Business Feasibility -

Do benefits of offering your product or service outweigh the costs?

Do the pro's outweigh the con's? SWOT

Is there sufficient demand for your product or service?

Can the product or service be provided profitably?





Market Blueprint

Analyze the market -

Describe the demand or need for your product or service

Consider competitors

Understand customer needs

Economic implications

☺ UNK Center for Rural Research

Market Blueprint

Prepare a marketing plan -

How will you attract and keep customers?

Consider the 4 P's



Four P's of Marketing

- **P**roduct *or Service* that is needed or wanted
- **P**rice – what should you charge?
what will customers pay?
- **P**lace – Where will people buy it?
- **P**romotion – marketing to your target, to those that are likely to use the product or service

Revenue Projections



Projecting Sales

- Forecast sales for the best case scenario
- Forecast sales for the most likely case scenario
- Forecast sales for the worst case scenario
- Include explanations of factors that lead to each case scenario.

Business Plan Financials

Financial projections are important.
3 years – historical and pro-forma

- Cash Flow (month to month)
- Break-Even Point
- Balance Sheet (business & personal)



*Include plans to keep accurate and timely records
as a business owner!*

Business Assistance – Omaha Programs



- Local microenterprise agencies provide training and technical assistance (see Nebraska Enterprise Fund directory)
- Small Business Development Centers (NBDC's) www.nbdc.unomaha.edu
- SBA Networking Breakfasts, SCORE



Business Assistance – Omaha Programs



- Incubators - OSBN
- Community colleges and universities
- Private consultants
- Government agencies, i.e. licensing permits, tax assistance

Loan or Investor Request

- Amount needed
- Uses of the fund\$
- Terms – Type of loan or request
- Collateral
- Financial performance measures

Understand lending /investor policies and requirements





The 6 C's

that Lenders /Investors Consider

- Credit & Financial History
- Character
- Capacity – ability to repay
- Collateral
- Conditions - future economic trends
- Capital – time & money

Financing your dream



- ❖ Family & Friends
- ❖ Banks (can use SBA & USDA guarantees & others)
- ❖ Non-profit business development entities
 - ❖ OSBN, CC-MBTD, ML-CDC, NeighborWorks Omaha, NEF
- ❖ Community or Economic Development Agencies (local revolving loan funds)
- ❖ Angel or Venture Funds

What is your “skin in the game”?

- I can give up _____
- I could sell this _____
- I could borrow against this

Earn it
Share it



Rider Chiropractic

Young Professional Starts New Business
after Assessing Need for Service in the
Community

Owners: Rachelle & Dana Rider

County: Lancaster

Program: NEF provided CD Guarantee to
back line of credit portion of start-up loan
package with Pinnacle Bank. SBA
Guarantee was also utilized by the bank.





Rief Design & Manufacturing, LLC

**UNL Mechanized Systems Grad Stays in State -
Rural Business**

Grows

Owners: Adam & Steve Rief

Location: Cuming County

Business website: www.riefdesign.com

Programs - NEF CD Guarantee, NED Inc., First
National Bank - NE



References:

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- Abrams, Business Plan in A Day, 2005, The Planning Shop.
- Nxbizsuccess.com
- Association for Enterprise Opportunity, aeoworks.org
- Rule of Thumb – A Guide to Small Business Basics, M Kaiser and M Mitilier, WriteLife, 2010