Small Biz Day
Omaha

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Getting Your First Business Loan

Key Points & Rules to Remember

Central Construction

George’s Gourmet Foods

+ Planning & Financing to help make a business dream come true.
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 Enterprise Fund provides gap financing in partnership with banks and programs. It also leverages support, funding and advocacy for small and growing businesses and helps build the capacity of Nebraska Microenterprise Development Organizations to increase their effectiveness.

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

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

Neighborhood Omaha (NCDC) serves primarily north and south east Omaha - business, computer training, TA, loans up to $10,000. 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.osbnbtc.org

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

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

W - NEF Inc. serves Northeast Nebraska (24 counties) - micro loans up to $30,000, TA/training, plus loans up to $100,000.
www.nenedl.org or www.nefinc.org

ROW 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, training, TA, and networking, operates Hispanic and Women's Business Centers.
www.cfra.org/reap

EAP serves rural Nebraska (not Lincoln or Omaha) providing loans from $200 - $50,000, training, TA, and networking.
www.nebraskaef.org

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

Map locations noted are microenterprise program staff offices.

NEF is an Equal Opportunity Provider, Employer, and Lender.
Successful Strategies

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

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

Product or Service that is needed or wanted

Price – what should you charge? what will customers pay?

Place – Where will people buy it?

Promotion – 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 - Grows Rural Business

Owners: Adam & Steve Rief
Location: Cuming County
Business website: www.riefdesign.com
Programs - NEF CD Guarantee, NED Inc., First National Bank - NE
References:


- Nxbizsuccess.com

- Association for Enterprise Opportunity, aeoworks.org