

Small Business is Our Business...
 Small Business Advancement National Center
 University of Central Arkansas
<http://www.sbaer.uca.edu>
 SBANC Newsletter, September 15, 1998

 UPCOMING EVENTS!!!

SMALL BUSINESS DEVELOPMENT FOR WOMEN CONFERENCE
 OCTOBER 27, 1998

This exciting conference for women will be held on Tuesday, October 27, 1998, at the Conway Regional Medical Center Cafetorium in Conway, Arkansas. The conference entitled "Small Business Development for Women," will benefit not only women who already own their own small business, but also women wishing to start one. The day will begin with a continental breakfast during registration from 8:15 a.m. - 8:45 a.m. The program will begin at 8:45 a.m. with various speakers and topics throughout the day. Mary Ann Campbell, Money Magic, Inc. will be speaking on "Believing in the Magic in You," followed by Dr. Don B. Bradley III, Executive Director of the Small Business Advancement National Center, speaking on "Preparing a Business Plan." The conference will also feature a business loan panel with representatives from several area banks (Gayle Rogers, Mercantile Bank; Cathlyn Arnett, First Community Bank; and Tim Rogers, First National Bank), as well as Linda Nelson, a representative from the Small Business Administration. Other areas of interest will include "Creating a Professional Image," with speaker Thelma Moton, Prim 'n Proper Excel, Inc., and "Wellness and Stress in the Workplace," with speaker Kellie Turpin, Wellness Coordinator of Conway Regional Medical Center. The conference will conclude with Monecia West of Southwestern Bell Telephone speaking on the topic, "Fulfill your Dream," from 1:00 p.m. 1:30 p.m. This will be a spectacular free event in which seating is only available for the first 100 participants, so pre-registration is necessary. Lunch will be provided. To register or for more information contact Netta Thomas at 501-450-5320 or Kim Stubbs at 501-450-5373. Contact Ruth Ann Williams at the Conway Adult Education Center for childcare provision for this conference no later than one week prior at 501-450-4810.

SBIDA CALL FOR PAPERS DEADLINE EXTENDED

The Small Business Institute Directors Association (SBIDA) conference to be held in SAN FRANCISCO, CALIFORNIA, FEBRUARY 10-13, 1999, has extended the paper and workshop deadline from September 15, 1998 to October 2, 1998. SBIDA's 23rd Annual Small Business Consulting Conference is an opportunity to share your talent and experience. To find out more about the conference and to read submission guidelines visit our web site at:
<http://www.sbaer.uca.edu/docs/bulletins/99sbida.txt>

 DIVORCE CAN CAUSE FAILURE FOR A COMPANY
 (Source: September 1998 Issue - Inc. Online (www.inc.com), Staff Writer)

Divorce happens to the famous and to the obscure, and unfortunately the distress caused by the dissolution of a marriage does not begin and end with the unhappy couple. It descends to an individual's family, friends, and finances. One of the first casualties when business owners divorce is often the company that one or both of the spouses worked so hard to build.

"Breaking up your marriage doesn't have to mean breaking up the business," says an INC. Online staff writer in the September 1998 issue. Whether or not the marriage can be saved should be the first question asked. The next question should be how much your company's worth. Many different events can trigger the need for a business valuation--including a divorce -so make sure you know the answer to that question every day by keeping good records and watching your profit margins.

Visit Inc. Online at <http://www.inc.com/extra/stories/09019821.html> to find out more about this topic. "Inc. Online offers some gentle guidance on this tension-filled subject with a selection of stories from the archives of Inc. Magazine."

TIP OF THE WEEK

"DEBT OR EQUITY FINANCING?"

(Taken from "Small Business Management," by Justin G. Longenecker, Carlos W. Moore, and J. William Petty. See full credit below.)

Assume that a firm needs \$100,000 in outside financing. The firm can borrow the money (debt financing), issue common stock (equity), or use some combination of the two (debt and equity). The decision whether to use debt or equity financing depends to a large extent on the type of business, the firm's financial strength, and the current economic environment that is, whether lenders and investors are optimistic or pessimistic about the future. It also depends on the owner's personal feelings about debt and equity. Given identical conditions, one entrepreneur will choose debt and another equity and both can be right.

Choosing between debt and equity involves tradeoffs for owners with regard to potential profitability, financial risk, and voting control. Borrowing money (debt) rather than issuing common stock (owner's equity) increases the potential for higher rates of return to owners. Also, borrowing allows owners to retain voting control of the company. However, debt does expose them to greater financial risk. On the other hand, issuing stock rather than increasing debt limits the potential rate of return to the owners and requires them to give up some voting control in order to reduce risk.

"Small Business Management, An Entrepreneurial Emphasis;" Longenecker, Justin G, Moore, Carlos W., and Petty, J. William; South-Western College Publishing; 1997; p. 255.

If you have any comments about our newsletter or if you know of an upcoming small business event in your area, please contact Kim Stubbs by e-mail at: kstubbs@mail.uca.edu

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