

Small Business Advancement National Center
 University of Central Arkansas
<http://www.sbaer.uca.edu>
 SBANC Newsletter, February 10, 1998

A Word About SBANC

The Small Business Advancement National Center was founded in 1990. We are located on the scenic University of Central Arkansas campus in Conway, Arkansas. The Center has evolved into a multi-faceted small business counseling and electronic resource information center. SBANC offers small businesses some of the newest, freshest information on advances in today's small business technology.

SBANC's purpose is to provide the following with the necessary resources to further their business and economic efforts and goals: small businesses, entrepreneurs, educators, students, lawyers, economic development officers, government agencies, small business counselors, international trade development officers, and state and federal legislatures.

If you would like further information on how SBANC can help you, please contact us at 501-450-5300 or email us at: (webmaster@sbaer.uca.edu).

WAYS TO JUMP START YOUR COMPANY'S CREATIVITY

(Taken from "16 Ways to Jump Start Your Company's Creativity, by Michael Michalko)

"Simply put, the key to increasing creativity in any organization is to make it start acting like a creative organization," says Michael Michalko, a creativity expert who specializes in providing creative-thinking workshops. Michalko believes that your organization will become creative only when you start acting the part. He lists several suggestions to encourage you and your colleagues to start becoming more creative every day.

1. "Ask each person to try to improve one aspect of their job each day, focusing on the areas within their control."
2. "Put up a bulletin board in a central area and encourage people to use it to brainstorm ideas."
3. "Have a monthly "idea lottery," using a roll of numbered tickets. Each time a person comes up with a creative idea, he or she receives a ticket. At the end of each month, share the ideas with the staff and then draw a number from a bowl. If the number on anyone's ticket corresponds to the number drawn, he or she gets a prize."
4. "Provide a special area for people to engage in creative thinking. Stock the area with books, videos on creativity, as well as learning games and such toys as beanbags and modeling clay."
5. "Ask people to display items on their desks that represent their own personal visions of creativity in business."

6. "Encourage weekly lunch-time meetings of three to five employees to engage in creative thinking."

7. "Present each person with a notebook. Call the notebook the "Bright Idea Notebook," and ask everyone to write three ideas in the notebook every day for one month on how to improve your business."

To find out more about this article on "WAYS TO JUMP START YOUR COMPANY'S CREATIVITY," visit our web site at:

(<http://www.sbaer.uca.edu/docs/bulletins/blt5.asc>).

You will find several more suggestions about this topic on that page.

TIP OF THE WEEK

The Challenge of Taxation

(Taken from "Small Business Management, An Entrepreneurial Emphasis, see below for credit)

Tax evasion accounts for a big part of underpaid federal income taxes, but some underpayment is unintentional and due to the complexity of tax laws. Even an honest mistake can bring the IRS to your business. "Nothing strikes the fear of God in people like receiving a letter from the IRS," says Thomas Sherman, a tax partner in the Coopers & Lybrand firm. Most audits are triggered by the IRS computers using a special "score" that is based on relationships of various items on the tax return. Also, certain deductions may be scrutinized in some years because of related court decisions. For example, a 1993 Supreme Court decision restricted the types of business activity that can qualify for home-office deductions. This will likely call attention to these expenses in future audit analyses. Because small firms are often accused of being major tax offenders, they need professional tax advice to endure that all taxes are paid properly.

Many issues have arisen since the passage of the Tax Reform Act of 1986 and, more recently, the Budget Reconciliation Act of 1993. A complete presentation of tax issues involving small firms would fill several books. The federal government provides Publication 334 each year as a tax guide for small businesses--a document that exceeds 200 pages in length!

It is easy to see how all these filing requirements can tend to depress and confuse a small business manager! In March 1994, the Commissioner of the Internal Revenue Service established the IRS Office of Small Business Affairs to serve as the national IRS contact with small businesses, to recommend changes to regulations and administrative practices that cause undue burden or inequity, and to address issues that are important to both small businesses and the IRS.

Several personal computer tax-preparation software packages, such as "Turbo Tax," are available to assist entrepreneurs who choose to prepare their own tax returns. These programs can be tremendously helpful to small business owners as they make their way through the complicated IRS forms. They virtually eliminate the math errors commonly associated with tax preparations. Most

of these programs also allow taxpayers to file returns electronically.

We have discussed only the tax burden on a small firm that results from federal taxation. Of course, state, county, and local governments also have taxing authority. In many situations, these taxes are more troublesome than the federal income tax. Even when a small firm has no taxable income, it will usually have taxes to pay. For example, each of the following taxes or fees is levied by a nonfederal agency:

- * Sales Taxes
- * School Property Taxes
- * Motor Fuel Taxes
- * Incorporation Fees
- * Business License Fees
- * State Income Taxes

Despite its laws and tax regulations, there is still no place like the United States for the entrepreneurial spirit. We expect you to be a part of that spirit. Best of luck.

"Small Business Management, An Entrepreneurial Emphasis," Longenecker, Justin G., Moore, Carlos W., Petty, J. William, South-Western College Publishing, Cincinnati, Ohio, 1997, pp. 588-91.

If you have any suggestions about our newsletter or if you have an upcoming small business event in your area, please contact Kim Stubbs (kstubbs@mail.uca.edu).

SBANC STAFF

Dr. Don B. Bradley III
Executive Director and Professor of Marketing
Phone (501) 450-5345 E-mail: Donb@mail.uca.edu

Jeannette Thomas
Project Coordinator
Phone (501) 450-5320 E-mail: Jthomas@mail.uca.edu

Kimberly Stubbs
Assistant Project Coordinator
Phone (501) 450-5373 E-mail: Kstubbs@mail.uca.edu

Celine Birre
Graduate Assistant
Phone (501) 450-5373 E-mail: CB9015@cub.uca.edu

Joanne Price
Student Assistant, Webmaster
Phone (501) 450-5377 E-mail: JLP9278@cub.uca.edu

Rhondi Redmond
Student Assistant
Phone (501) 450-5300 E-mail: RAR1014@cub.uca.edu

Molly Bass

Student Assistant, Webmaster
Phone (501) 450-5377 E-mail: MJB3263@cub.uca.edu

Jay Garrison
Student Assistant
Phone (501) 450-5377 E-mail: JKG9440@cub.uca.edu

Billy Wood
Student Assistant
Phone (501) 450-5300 E-mail: CWW3285@cub.uca.edu
