

Small Business Advancement National Center
University of Central Arkansas
http://www.sbaer.uca.edu
SBANC Newsletter, January 6, 1998

LOOKING FORWARD TO A GREAT 1998!!!

The staff at the Small Business Advancement National Center hopes that 1998 got off to a great start for you! We are back and ready to serve you during our regular office hours (8 A.M. - 4:45 P.M., Monday through Friday). If we can be of any assistance throughout the year, please do not hesitate to call (501-450-5300) or e-mail us at one of the addresses listed in the SBANC Staff heading.

UPCOMING EVENTS

ELECTRONIC DATA INTERCHANGE CONFERENCE - JANUARY 24, 1998
REGISTER TODAY!!!

The Electronic Data Interchange (EDI) Conference is an event that you will not want to miss. Presenters at the conference will include The Electronic Commerce Resource Center, Sterling Software, The U.S. Small Business Administration, Ford Motor Company, and Kimberly Clark Corporation. EDI will help to improve your company's productivity, efficiency, lead-time, and product quality. The conference will be from 8 A.M. to 4:30 P.M. (CST) on Saturday, January 24, 1998 at the Burdick Business Building located on the campus of the University of Central Arkansas in Conway, Arkansas. This conference is being sponsored by the Arkansas Manufacturing Extension Network, Southwestern Bell, Purchasing Management Association of Arkansas, and the Small Business Advancement National Center.

Some of the topics that will be discussed during this conference are; the definitions, background and benefits of EDI Concepts; the standards, value added networks, hardware and software of EDI Components; and how to decide strategy and the level of the implementations of EDI.

EDI could reduce your acquisition and support costs, improve quality and timeliness, improve responsiveness, and reduce paper flow in your company. This concept will help you to stay competitive in the marketplace and increase your business opportunities. If you are already using EDI, this conference will help you to freshen your outlook on it and give you new ideas for the future.

The cost of the conference is only \$20.00 per person, which will include materials and lunch. YOU WILL NEED TO PRE-REGISTER because seating is limited. Also for those of you who are NAPM members, this conference will give you credit for several hours of teaching time. To register, or for more information on this spectacular event, please contact Netta Thomas at 501-450-5320 or Kim Stubbs at 501-450-5373.

RAISING MONEY FOR YOUR SMALL BUSINESS

Finding the money you need to start your small business can be difficult. The U.S. Small Business Administration has some ideas on this very topic. They believe that "one key to a successful business start-up and expansion is your ability to obtain and secure appropriate financing." In a segment put out by the SBA in "Focus On the Facts," there is detailed information about where to find the money you need, borrowing the money, and how to write a loan proposal.

You will need to consider several different sources before you make a decision on where your money will come from. Some of the options may be: personal savings, venture capital firms, friends and relatives, or banks and credit unions. If you do decide to borrow the money, it is important that you are properly prepared when requesting a loan. You will need to prepare a written loan proposal to show the lender that you are well-organized and assure them that their money will be repaid. A good loan proposal will include the following elements: general information, business description, management profile, market information, and financial information. To find out more detailed information on this subject visit our web site at: <http://www.sbaer.uca.edu/docs/Publications/pub00096.txt>

FORMATTING AND WRITING A BUSINESS PLAN

The quality of a completed business plan depends on the quality of the underlying business concept. A defective new venture idea cannot be rescued by good writing. A good concept may be destroyed, however, by writing that fails to communicate.

A business plan must be clearly written in order to give credibility to the ideas being presented. Factual support must be supplied for any claims or promises being made. When making a promise to provide superior service or explaining the attractiveness of the market, for example, the entrepreneur must provide strong supporting evidence. In short, the plan must be believable.

Skills in written communication are necessary to present the business concept in an accurate, comprehensible, and enthusiastic way. Although we cannot cover general writing principles, it may be useful to include some practical suggestions specifically related to the business plan. The following hints are given by the public accounting firm Arthur Andersen and Company in its booklet "An Entrepreneur's Guide to Developing a Business Plan:"

1. Provide a table of contents and tab each section for easy reference.
2. Use a typewritten 8 « x 11 format and photocopy the plan to minimize costs. Use a loose-leaf binder to package the plan and to facilitate future revisions.
3. To add interest and improve comprehension--especially by prospective investors who lack the day-to-day familiarity that your management team has--use charts, graphs, diagrams, tabular summaries, maps, and other visual aids.
4. You almost certainly will want prospective investors, as well

as your management team, to treat your plan confidentially, so indicate on the cover and again on the title page of the plan that all information is proprietary and confidential. Number each copy of the plan and account for each outstanding copy by filing the recipient's memorandum of receipt.

5. Given the particularly sensitive nature of startup operations based on advanced technology, it is entirely possible that many entrepreneurs will be reluctant to divulge certain information--details of technological design, for example, or the highly sensitive specifics of marketing strategy--even to a prospective investor. In that situation, you still can put together a highly effective document to support your funding proposal by developing an in-depth plan for internal purposes, and using appropriate extracts from it in a plan designed for outside use.

6. As you complete major sections of the plan, ask carefully chosen third parties--entrepreneurs who have themselves raised capital successfully, accountants, lawyers and others--to give their perspectives on the quality, clarity, reasonableness, and thoroughness of the plan. After you pull the entire plan together, ask these independent reviewers for final comments before you reproduce and distribute the plan.

"Small Business Management, An Entrepreneurial Emphasis," Justin G. Longenecker, Baylor University, Carlos W. Moore, Baylor University, J. William Petty, Baylor University, South-Western College Publishing, Cincinnati, Ohio, 1997, p. 122-3.

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

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