

Small Business is Our Business...

Small Business Advancement National Center
University of Central Arkansas
<http://www.sbaer.uca.edu>

SBANC Newsletter, March 10, 1998

MARK YOUR CALENDAR!!!

Don't forget to mark your calendar for "Small Business Week," April 20 - 25, 1998! A series of small business workshops will be given throughout the week to help the small business owner, or anyone who plans to start a small business in the near future. Watch for more information on this event in upcoming newsletters.

INTERNATIONAL SMALL BUSINESS STUDENT EXCHANGE PROGRAM
THROUGH THE SMALL BUSINESS ADVANCEMENT NATIONAL CENTER

The Small Business Advancement National Center has been engaged in an international small business student exchange program since the fall of 1994. Small business and entrepreneurship exchanges have taken place with the University of Teesside (England), University of Luton (England), Universidad Politencnica de Balencia (Spain), Ecole Superieure de Commerce de St. Etienne (France), and the Haagse Hogeschool (Netherlands). The program established a framework for the exchange students to experience business studies with an orientation toward international marketing, small business, and entrepreneurship as well as learn about cultural differences between the United States and Europe. Students have also performed an internship which gave them real international business experience. The University of Central Arkansas was joined by its domestic partner, Texas Tech University, who also participated in the exchange the first year.

Linkages with other international universities and businesses started in September of 1996. The following institutions are our new partners from the receipt of our second FIPSE Grant: Universidade Do Minho (Portugal), Mikkeli Polytechnic (Finland), and Fachhochschule Bielefeld (Germany). The University of Limerick (Ireland) is a new partner for 1998. Relations with Mexico and Canada are also already underway with hopes for possible future exchanges or programs. Currently the United States partners include the University of West Florida, North Carolina State University, University of Central Arkansas, and Northern Michigan University. With business becoming global in nature, international partners are crucial and will become more crucial in the future. SBANC is open to any proposals or potential programs that could benefit small business. To find out more about our global opportunities visit our World Wide Web site at: www.sbaer.uca.edu

"The ABC's of Borrowing"

(Taken from U.S. Small Business Administration, Office of Business Development, "Management Aids," Number 1.001)

The following opening summary was said by the Small Business Administration(SBA)in their "Management Aids" article number

1.001.

"Some small business persons cannot understand why a lending institution refused to lend them money. Others have no trouble getting funds, but they are surprised to find strings attached to their loans. Such owner-managers fail to realize that banks and other lenders have to operate by certain principles just as do other types of business."

Many small business owners do not know how to go about getting a loan, nor do they understand the loop-holds that are involved. An aid put out by the SBA called "The ABC's of Borrowing," discusses fundamentals of obtaining a loan such as, credit worthiness, kinds of loans, amount of money needed, collateral, loan restrictions and limitations, the loan application, and standards which the lender uses to evaluate the application.

Some questions that may be asked by a bank of someone trying to get a loan include:

1. "What sort of person are you, the prospective borrower?"
2. "What are you going to do with the money?"
3. "When and how do you plan to pay it back?"
4. "Is the cushion in the loan large enough? In other words, does the amount requested make suitable allowance for unexpected developments?"
5. "What is the outlook for business in general and for your business particularly?"

Other suggestions that the SBA makes when trying to obtain a loan are:

- * Adequate financial data is a must.
- * It is important to know the kind of money you need from a bank or other lending institution. Will it be short term, term money, or equity capital?
- * You must know how much money you will be needing. Arrive at the bank prepared to give cost estimates on what you are needing the money for.
- * You will need some kind of collateral.
- * Sometimes the bank requires borrowers to get other people to sign a note in order to bolster their own credit.
- * Know the lender's rules.
- * Know what kinds of limitations are involved.
- * Ask to see the papers in advance of the loan closing.

The above suggestions are just a few of the ones that are made by the SBA in their article. To find out more about borrowing money and to read about the loan application process, visit our World Wide Web site at:

<http://www.sbaer.uca.edu/docs/Publications/pub00190.txt>

TIP OF THE WEEK

"Time Management"

(taken from "Small Business Management, An Entrepreneurial Emphasis," by Justin G. Longenecker, Carlos W. Moore, and J. William Petty.)

An owner-manager of a small firm spends much of the working day

on the front line -meeting customers, solving problems, listening to employee complaints, talking with suppliers, and the like. She or he tackles such problems with the assistance of only a small staff. As a result, the owner-manager's energies and activities are diffused, and time is often her or his scarcest resource.

The Problem of Time Pressure

Many managers in small firms work from 60 to 80 hours per week. The hours worked by most new business owners are particularly long. A frequent and unfortunate result of such a schedule is inefficient work performance. Managers are too busy to see sales representatives who can supply market information on new products and processes. They are too busy to read technical or trade literature to discover what others are doing and what improvement might be adapted to their own use, too busy to listen carefully to employees' opinions and grievances, and too busy to give instructions properly and to teach employees how to do their jobs correctly.

Getting away for a vacation also seems impossible for some small business owners. In an extremely small firm, the owner may find it necessary to close the business during the period of his or her absence. Even in somewhat larger businesses, the owner may fear that the firm will not function properly if he or she is not there. Unfortunately, keeping his or her nose to the grindstone in this way may cost the entrepreneur dearly in terms of personal health, family relationships, and effectiveness in business leadership.

Time-Savers for Busy Managers

Part of the solution to the problem of time pressure is good organization. When possible, the manager should assign duties to subordinates who can work without close supervision. For delegation to work, of course, a manager must first select and train qualified employees.

The greatest time-saver is effective use of time. Little will be accomplished if an individual flits from one task to another and back again. The first step in planning the use of time should be a survey of how much time is normally spent on various activities. Relying on general impressions is unscientific and likely to involve error. For a period of several days, or preferably several weeks, the manager should record the amounts of time spent on various types of activities during the day. An analysis of these figures will reveal the pattern of activities, the projects and tasks that use up the most time, and the factors responsible for wasted time. It will also reveal chronic time wasting due to excessive socializing, work on trivial matters, coffee breaks, and so on.

After eliminating practices that waste time, a manager can carefully plan his or her use of available time. A planned approach to a day's work or week's work is much more effective than a haphazard do-whatever-comes-up-first approach. This is true even for small firm managers whose schedules are interrupted in unanticipated ways.

Many time management specialists recommend the use of a daily written plan of work activities. This plan may be a list of activities scribbled on a note pad or a formal schedule entered into a laptop computer, but it should reflect an establishing of priorities. By classifying duties as first, second, or third level of priority, the manager can identify and focus attention on the most crucial tasks.

Effective time management requires self-discipline. An individual may easily begin with good intentions and later lapse into habitual practices of devoting time to whatever he or she finds to do at the moment. Procrastination is a frequent thief of time. Many managers delay unpleasant and difficult tasks, retreating to trivial and less threatening activities and rationalizing that they are getting those items out of the way first in order to be able to concentrate better on the important tasks.

Some managers devote much time to meeting with subordinates. The meetings often just happen and drag on without any serious attempt by the manager to control them. The manager should prepare an agenda for these meetings, set starting and ending times, limit discussion to key issues, and assign any necessary follow-up to specific individuals. In this way, the effectiveness of business conferences may be maximized and the manager's own time conserved, along with that of other staff members.

"Small Business Management, An Entrepreneurial Emphasis," Longenecker, Justin G., Moore, Carlos W., Petty, William J., South-Western College Publishing, Cincinnati, Ohio, 1997, pp. 385-7.

If you have any suggestions about our newsletter or know of an upcoming small business event in your area, please contact Kim Stubbs at: 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

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

Adam Lites
Student Assistant
Phone (501)450-5300 E-mail: aml5025@cub.uca.edu

Sherryl DeVries
Student Assistant
Phone (501)450-5300 E-mail: sld9087@cub.uca.edu

Marta Bacelar
Student Assistant - Intern
Phone (501) 450-5300 E-mail: mb2623@cub.uca.edu
