

Small Business is Our Business...
 Small Business Advancement National Center
 University of Central Arkansas
<http://www.sbaer.uca.edu>
 SBANC Newsletter, March 2, 1999

 UPCOMING EVENTS!!!

THERE IS STILL ROOM FOR YOU AT THE
 "DOING BUSINESS IN WESTERN EUROPE" CONFERENCE!
 MARCH 7-9, 1999

You will be given vital information about exporting/importing in Western Europe at the "Doing Business in Western Europe" Conference to be held at the University of Central Arkansas (note the change from the Holiday Inn Airport in Little Rock). The program will include topics such as: "Using the Correct Terms for the European Market," by Maybelline Corporation, Logfret, Inc., and Panalpina, Inc.; "Export Matters in France," by Professor Georges Exbrayat of Ecole Supérieure de Commerce de Saint-Etienne, France; "The Single European Currency as it Pertains to Exporting/Importing," by John Pheby, University of Luton, England; "European and Global Competition," by Dr. Peter Durniok, Fachhochschule Bielefeld, Germany; Business Panels with companies such as Alliance Rubber and White River Hardwood -- Woodworks, Inc.; "U.S. Portugal Trade Relations," by Dr. Helena Guimaraes, Universidade do Minho, Portugal; and "Socio Economic Policy in the Netherlands," by Anne-Marie Willebrands, Rotterdam College for Economics and Business, the Netherlands. Featured lunch speakers will be Frank Frankfort, U.S. Department of Education and Winthrop P. Rockefeller, Lt. Governor of Arkansas. Representatives from England, Finland, Germany, Portugal, and the Netherlands will be present. This conference will focus on how American businesses can do business with the countries mentioned above. In order to enhance attendees' learning experience, please plan to participate in a panel discussion. To pre-register please email your name, company name, address, and phone number to kstubbs@mail.uca.edu or call 501-450-5373. The conference fee will be \$100 per person in advance and \$125 per person at the door. This includes two lunches. For hotel reservations call the Ramada Inn in Conway at 329-8392. Specify that you will be with the "Doing Business in Western Europe" Conference for special rates (\$49 double or \$45 single). The conference will begin on Sunday, March 7, 1999 at 1:00 p.m. and will end on Tuesday, March 9, 1999. See tentative schedule for this event at the end of this newsletter.

REGISTER NOW FOR THE VETERANS PRE-BUSINESS WORKSHOP
 March 27, 1999

There will be a "Veterans Pre-Business Workshop" held on the campus of the University of Central Arkansas (Conway) in the Burdick Business Administration Building, Saturday, March 27, 1999, from 8 a.m. to 1:15 p.m. This workshop will be sponsored by the Service Core of Retired Executives and the Small Business Advancement National Center. Topics that will be discussed include: Business Planning, Marketing Strategies for the Future, Record Keeping, Legal Structures, Evaluating a

Business, Loan Programs and the Small Business Development Center, and Information Concerning Veterans. This workshop is open to any and all individuals who have a small business or are interested in starting one. There will be a section focused on Veterans, however all individuals are invited to attend. The cost of the workshop will be only \$20 per person.

Pre-registration is necessary, because seating is limited. To register please contact Netta Thomas or Kim Stubbs at 501-450-5300 or email: kstubbs@mail.uca.edu

COST OF PROVIDING HEALTH BENEFITS BY EMPLOYERS EXPERIENCING SIGNIFICANT INCREASE

"During the last three decades, the cost of providing health benefits by employers has experienced significant increase," say Fathi Sokkar, of the College of Business at Eastern Michigan University and Debra L. Bechel of The MEDSTAT Group in Ann Arbor, Michigan. The two wrote a paper entitled "Design of Health Benefits Plans: Incorporation of Employees' Needs While Containing Employer's Costs" which brings out that some of the contributing factors to the cost increase in health benefits include an aging population, increasing availability and demand for sophisticated medical technology, unnecessary use of medical services, and excessive prescription of expensive medications. Some strategies to consider in developing a new benefits plan are brought out in the paper. To find out these strategies and to read the entire paper by Sokkar and Bechel visit our web site at: <http://www.sbaer.uca.edu/docs/proceedingsII/98dsi0229.htm>

TIP OF THE WEEK

"Business Analysis"

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

Business analysis is the second stage in the product development process. Every new-product idea must be carefully studied in relation to several financial considerations. Cost and revenue are estimated and analyzed with techniques such as break-even analysis. Any idea failing to show that it can be profitable is discarded during the business analysis stage. Four key factors need to be considered when conducting a business analysis:

1. Relationship to the existing product line. Some firms intentionally add very different products to their product mix. However, in most cases, any product or product line added should be consistent with, or somehow related to, the existing product mix.
2. cost of development and introduction. One problem in adding new products is the cost of their development and introduction. Considerable capital outlays may be necessary, including expenditures for design and development, market research to establish sales potential and volume potential, advertising and sales promotion, patents, and the equipment and tooling that must be added. One to three years may pass before profits are realized on the sale of a contemplated new product.
3. Personnel and facilities. Obviously, having adequate skilled

personnel and production equipment is better than having to add employees and buy equipment. Thus, introducing new products is typically more logical if the personnel and the required equipment are already available.

4. Competition and market acceptance. Still another factor to be considered when conducting a business analysis is the potential competition facing a proposed product in its target market. Competition must not be too severe. Some studies, for example, propose that new products can be introduced successfully only if 5 percent of the total market can be secured. The ideal solution, of course, is to offer a product that is sufficiently different or that is in a cost and price bracket that avoids direct competition.

"Small Business Management, An Entrepreneurial Emphasis;" Longenecker, Justin G., Moore, Carlos W., and Petty, J. William; Southwestern College Publishing; Cincinnati, Ohio; 1997; pp. 294-5.

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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webmaster@www.sbaer.uca.edu and we will remove your name from the
list. We apologize for any inconvenience.