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Feature Paper

"Small Business Research Program An Alternative Financing Source"

This paper was presented by Kenneth M. Haggins of Metropolitan State College of Denver, Joseph R. Bell, University of Northern Colorado, and Russell E. Former, PBC Company at the 2003 SBI Annual Conference on February 13 - 15, 2003 in New Orleans, LA.

In the best of economic times small entrepreneurial firms have difficulty finding adequate funding. Under the current economic environment this program is exacerbated. The small business literature and the popular magazines frequently publish information about business capital. However rarely is there any information of the federal government program called "Small Business Innovative Research" (SBIR) the government will fund early stage companies that no one will touch. Or conversely, in today's economic times, what may have once been fundable companies, must now seek out alternative ways to fund their projects. That's night. Imagine, free money.

The purpose of this paper is to explain the details of the SBIR Program, where to obtain information in how a small entrepreneurial firm could apply for a Small Business Innovative Research award. In addition the paper will contain a case study in a small business that was successful in receiving both a phase I and phase II awards. The authors believe that the paper will highlight an additional source of funding for small business that is not widely known or utilized.

To read the entire paper on "Small Business Research Program An Alternative Financing Source", visit the SBANC Web Site at <http://www.sbaer.uca.edu/research/2003/SBI/Papers/23.pdf>

Tip Of the Week

"Due Diligence"

Once you and your prospective investors have reached a preliminary agreement, your investors will begin what is known as due diligence. Due diligence is the homework investors complete before a final decision is reached. The process includes background checks on the management team, industry studies, analysis of the competition, identification of major risks, and other reasons, often intangible, why the investments should not be made. In essence, due diligence is a detailed evaluation of your business plan. Expect at least two to three months to pass before the exercise is complete.

The most important variables in an investor's decision to finance a venture are the integrity, competence, and commitment of the entrepreneur and his or her management team. Be scrupulously honest about even the smallest details. One lie and it's over. One bluff and it's over. The key to raising capital is lowering risk, not hyping the upside.

But due diligence is a two-way street. Entrepreneurs should be equally concerned about the qualifications of their investors. your banker, accountant, and attorney should know the local venture capital players cold. They will be glad to steer you toward the good guys and away from the bad. If your prospective investors don't have impeccable reputations, you need to look further. If you are dealing with angels, ask for references and bio-sketches describing their professional and educational backgrounds. Talk to each of the references.

Remember that you will be living with your investors through stressful times. Finding the right investors is worth the effort! The most valuable home-work you can do is talk to other entrepreneurs bankrolled by you potential investors. Ask your investors for a list of their portfolio company CEOs, including those that struggled. If they won't provide you with references, you've learned all that you need to know-keep looking. Call all the CEOs and ask the following questions:

- Have your investors been of any assistance to you beyond their money? How?
- How have they reacted when setbacks and disappointments came?
- If you had it to do over again and had some choices, would you bring them on board?

Given the challenges of turning dreams, blood, sweat, tears, and money into market leaders, you should not be surprised to hear a story or two which gives you pause. Companies do fail. CEOs do under perform for extended periods of time and over the course of multiple rounds of funding, ultimately straining relationships with any investor. But you should be hearing vast preponderance of comforting stories-stories of support, contribution, patience, understanding, and mutual sacrifice, even friendship. If you do, you can be assured that your prospective investor is not a vulture capitalist.

These questions focus on the relationship between investors and the management they bet on. They are designed to help you decide whether your investors will make good partners. Satisfying yourself on these issues is part of the subtle distinction between buying capital and selling stock.

"The Portable MBA In Entrepreneurship" William D. Bygrave and Andrew Zacharakis, John Wiley & Sons, Inc., 2004, page 182-183.

Call For Papers

"ASBE 29th Annual Meeting"

The Association for Small Business and Entrepreneurs (ASBE) invites you to submit a competitive paper for the 29th Annual Meeting that will be held on March 24-26, 2004 in Albuquerque, New Mexico at the La Posada de Albuquerque hotel. This years focus is "Small Business & Entrepreneurship: Meeting the Challenges in a Changing World."

Submission Deadline: November 1, 2003

For more information on this conference, visit <http://www.sbaer.uca.edu/asbe/call2004.cfm>

Call For Papers

"2004 High Technology Small Firms Conference"

The 12th Annual High Technology Small Firms Conference is being held on May 24 - 25, 2004 at the University of Tewnte, Enschede, Netherlands. This international Conference will provide a unique opportunity for academics, opinion formers, policy makers and practitioners to discuss recent developments in the field of HTSF's.

Submission Deadline: December 11, 2003

For more information on this conference, visit <http://www.utwente.nl/nikos/htsf>

Call For Papers

"2004 International Business Research Conference"

The 2004 International Business Research Conference will be held at the Caribe Hilton Hotel in old San Juan, Puerto Rico on March 15 - 19, 2004.

Submission Deadline: January 15, 2004

For more information on this conference, visit <http://www.wapress.com/abrcmain.htm>

Call For Papers

"2nd Annual Marketing Management Association 'Master Teacher Award'"

You are invited to submit a paper at the 2nd Annual Marketing Management Association "Master Teacher Award" the winner will receive a \$500 cash prize. Self-nomination & /or nomination of

Marketing professors/teachers who exhibit evidence of teaching excellence is being solicited. Four finalist will be notified by February 2, 2004. In the afternoon of Wednesday, March 17, 2004, the for finalist will present a 20 minute mini-teaching demonstration of their teaching activity to the attendees of the MMA Spring '04 Conference which will be held at Palmer House Hilton, Chicago, IL.

Submission Deadline: January 9, 2004

For more information on this conference, visit <http://ac.stephens.edu/mma/sprconfcallforpapers04.html>

All materials to be submitted to: Steve Corbin, Chair, Marketing management Association 'Master Teacher Award' Competition, 340 Curris Business Building, University of Northern Iowa, Cedar Falls, IA. 50614-0126, office 319/273-6204, fax 319/273-2922, steve.corbin@uni.edu

Conference

"6th Cambridge Enterprise Conference"

The 6th annual Cambridge Enterprise Conference will bring together entrepreneurs, investors, corporate ventures, academics, proccessional policy makers from all corners of the globe, to contribute and to learn from the latest thinking on the vital topic of enterprise. The conference is to be held on March 24 - 26, 2004 at the Churchill College, Storey's way, Cambridge, UK. Accommodations in single study bedrooms at Churchill college will be allocated to delegates who make a reservation prior to the conference.

For more information on this conference, visit <http://www.cambridgeenterprise.co.uk/2day.shtml>

Conference

"2003 Society For Marketing Advances Annual Conference"

The 2003 Society For Marketing Advances Annual Conference will be on November 4 - 8, 2003 at the Hyatt Regency Hotel in New Orleans, LA.

For more information on this conference, visit <http://mkt.cba.cmich.edu/sma/confernc/confernc.htm>

Conference

"2004 USASBE Conference"

The 2004 United States Association for Small Business and Entrepreneurship Conference will be held on January 15 - 18, 2004 in Dallas, Texas at the Westin Galleria. The theme for this year's conference will be "Deep in the Heart of Entrepreneurship Texas '04".

For more information on this conference, visit <http://www.usasbe.org/conference/2004/index.asp>

Announcement

"2nd Annual Transportation Conference"

The 2nd Annual Transportation Conference will be held on Tuesday November 18, 2003 from 9:00 a.m - 4:00 p.m on the campus of the University Of Central Arkansas at the Brewer-Hegeman Conference Center. The theme for this year's conference is "Transportation Role in Business Development and Cost Savings".

For more information on this conference visit the SBANC Website at <http://www.sbaer.uca.edu/Transportation.htm>

If you have any comments about the SBANC Newsletter, or if you know of an upcoming Small Business event to promote, please contact Lester W. Clements II at lestclem@hotmail.com

The SBANC Newsletter is provided as a service to the members of our affiliates: **Academy of Collegiate Marketing Educators (ACME), Association for Small Business & Entrepreneurship (ASBE), Decision Sciences Institute (DSI), Federation of Business Disciplines (FBD), International Council for Small Business Congress (ICSB), Institute for Supply Management, The International Small Business Congress (ISBC), Marketing Management Association (MMA), Small Business Administration (SBA), Service Corps of Retired Executives, Small Business Institute (SBI), Society for Marketing Advances (SMA), United States Association for Small Business & Entrepreneurship (USASBE), U.S. Department of Veterans Affairs and Western Decision Sciences Institute (WDSI).** If you are interested in membership or would like further information on one of our affiliates, please see our web site at <http://www.sbaer.uca.edu>

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