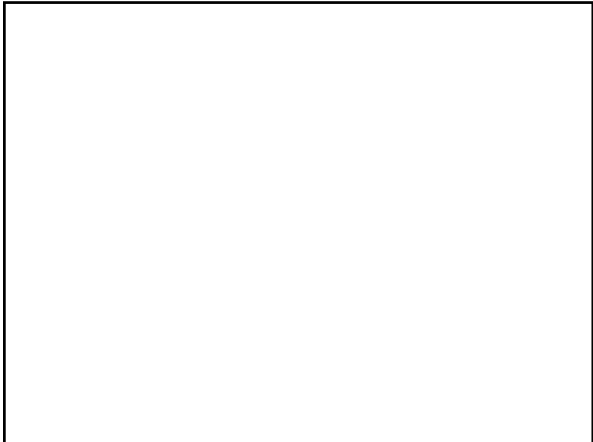


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**Start A Small Business
Grow A Small Business**

Fred Esposito
SCORE

SCORE

- SCORE, the Service Corps of Retired Executives, is a volunteer organization dedicated to helping small businesses.
- The nearly 400 chapters nationwide are partially funded by the U.S. Small Business Administration.
- Chapter 12 - Richmond, VA was named 2004 Chapter of the Year.

SCORE OFFERS

- Monthly workshops
- Free one-to-one counseling
- Veterans' assistance
- Sources for help on the Web and elsewhere and workshops

Workshops



Business Plans

- Why a business plan is so important
- The two primary types
- The major components
- Where do you start?
- Key information is the Cash Flow Statement

Loan Package

- Business plan
- Loan Application
- Credit report
- Personal financial statement
- Personal tax returns for past two years
- Résumé

Business Structure

- Proprietorship
- Partnership
 - General Partnership
 - Limited Partnership
- Corporation
 - S Corporation
 - C Corporation
- LLC
- Nonprofit



Business Records & Taxes

- Importance of good business records
- Kinds of records and what they do
 - Balance Sheet
 - P & L Statement
 - Control Records
 - Accounts Payable
 - Accounts Receivable

Business Records & Taxes

- Employees vs. independent contractors
- Avoiding tax schemes
- Business expenses
- Electronic tax filing and payment

Legal & Accounting

- Legal services considerations
- Selecting a lawyer...do you really need one?
- Role of the accountant or CPA
 - Initial
 - Ongoing
 - Annual
- Role of the small business owner

Insurance

- Liability
- Property
- Automobile
- Workers' Compensation
- Other

Regulatory Requirements

You may, probably will have to obtain:

- Employer Identification Federal #
- State Unemployment Tax Registration
- State Income Tax Registration
- Occupancy Permit
- Business License

Sources of Capital

- Equity Capital
- Borrowed Capital
- Commercial Banks
 - Good banking relationships
- SBA guarantee for a loan
- Trade Credit
- Financial Management

What SBA Looks for

- Good character
- Management expertise & commitment
- Personal contribution and/or business equity
- Feasible business plan
- Adequate equity or investment
- Sufficient collateral
- Demonstration that loan can be repaid

Key SBA Information

Maximum guarantee percentages

- Regular 7(a) loans of \$150,000 or less.....85%
- Regular 7(a) loans greater than 150,000....75%
- SBA Express (\$250,000 maximum).....50%
- SBA Export Express (\$250,000).....85/75%
- Export Working Capital program.....90%

Key SBA Information

Guaranty Fees on loans exceeding 12mos in maturity

- Loans of \$150,000 or less
- Loan amounts of \$150,000-\$700,000
- Loans greater than \$700,000

Commercial Leases

Building entity value

- ABCs of leasing business space
- Building future value to your business
- How to know what's best for you

Debt to Equity Ratio

DEBT

Obligation to pay to a creditor with interest.
Short term loans - less than one year (less than one year or line of credit).
Intermediate loans three to seven years (expansion).
Long term loans ten years or more (real estate).

EQUITY

Owner is granting the investor a share in the future profits of the company and share in the control of the business. The loss of control is permanent unless you have a buy out clause to buy back shares.

Debt to Equity Ratio

Pressure on business to make scheduled payment

Pressure on business to not lose control, to pay out profits while retaining enough capital to grow



Your Business Advisory Board



Marketing & Selling Tips

- Why marketing is critical for business success
- Identifying your market
- Sales promotion and advertising
- Building customer loyalty/brand recognition

One-on-One Counseling



Score Counseling

11,500 volunteer business mentors counseled nearly 300,000 people last year on:

- Financing options
- Business strategy
- Marketing tactics
- Cash flow
- Management
- And much more

Score Counsels

- For profit
- Nonprofit
- Examples:
 - Assisted a person that uses a wheelchair to start a business
 - Person bought a business and lost substantial funds because he didn't get assistance from SCORE

Other Sources on the Web



Other Sources on the Web

- www.emarketer.com
- www.entreworld.com
- www.expoguide.com
- www.inc.com
- www.ita.doc.gov
- www.irs.gov
- www.workingsolo.com

Other Sources on the Web

- www.uspto.gov
- www.sba.gov
- www.business.gov
- www.wsj.com
- www.nrf.com
- www.score.org
- www.census.org

2004 Chapter of the Year



Federal Building ▪ 400 North 8th Street ▪ Suite 1150
P.O. Box 10126 ▪ Richmond, Virginia ▪ 23240-0126
Website: www.richmondscore.org

E-mail: info@richmondscore.org

Tel: 804-771-2400, ext 131

National #: 1-800-634-0245