

# COAST

## COMMENTS

Volume 14, No.2

SPRING 2001

PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION

## PCR Hosts Second Annual Fundraiser

**P**acific Coast Regional Small Business Development Corporation (PCR) is proud to host its second annual fundraiser event to benefit PCR's Entrepreneurial Training Institute. This year's event is a Benefit Screening & Reception, featuring the 40-minute movie "Adventures in Wild California", at the IMAX Theatre/California Science Center on Thursday, May 3, 2001 from 5:00 p.m. - 7:30 p.m. Expected attendance is approximately 400 people which includes business and finance industry professionals, entrepreneurs, high school students and other invited special guests. Proceeds from the Screening & Reception help provide and maintain low cost business management classes and workshops to entrepreneurs for a fraction of the actual cost.

"We wanted to do something a little different this year with our fundraising event," says R.D. Lottie, Jr., PCR's President/CEO. "Our thought was that we all attend many luncheons and dinners which take a lot of time. Why not host an event that's quick and fun, that still gives PCR awareness in the community but more importantly, provides a forum to give appreciation to our peers in the small business community and recognize worthy entrepreneurs," he explains.

PCR's Director of Communications and Program Development, Angela B. Winston, readily agrees. "Our banking relationships are extremely important to PCR

both with our State Loan Guarantee Program on the financing end as well as in supporting our efforts to provide business management information through our Entrepreneurial Training Institute. Additionally, we gratefully welcome our new partners outside of the banking industry in this joint venture of business education," she adds.

Many thanks to the patron sponsors who helped to make this event possible:

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As seen in PCR's movie screening of "Adventures in Wild California", which features spectacular footage and photography of the state's most beautiful scenery and daring occupations.

We would also like to thank all of our volunteers who give their talents and time so generously in helping to make our event successful.

**To contact Pacific Coast Regional Corporation regarding the Benefit Screening & Reception, please call (213) 739-2999 ext. 228.**

## ESP Program Graduation- From Class Lesson To Business Practice

The most recent graduating class from the Entrepreneurial Strategic Planning (ESP) Program enjoyed the surprise experience of being participants in a classmate's marketing study. Putting into practice one of the marketing techniques mentioned in the "Marketing Your Business" segment, Evelyn McClendon of C-Mark Seafoods, LLC, a seafood brokerage company, prepared a product sampling demonstration and survey for her fellow classmates at the graduation class. Food was prepared at the class site with additional pot luck items.

Besides adding a special touch to the graduation class, Evelyn and her 10 other business partners received crucial feedback by compiling the survey questions on such areas as food taste, appearance, condiments, product availability and suggestions. C-Mark Seafoods, LLC, supplies seafood products to restaurants and retail stores. They have been in business since 1998.



Everyone enjoyed the graduation class and considered it a complete success.



C-Mark Seafoods, LLC representative, Evelyn McClendon describes the products to the class for sampling which included shrimp scampi, bacon-wrapped scallops, and catfish nuggets with various homemade sauces as condiments.

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Class #2

**"Alternative Financing: Understanding Venture Capital"**

(\$30) Saturday, May 12, 2001 9 a.m. - 1 p.m.

Class #3

**"Developing Your Business Plan"**

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*Corporate executives, both men and women, typically have the reputation of ~~being~~ a no-nonsense, all business, conservative posture. But everyone has a lighter side. This column is dedicated to sharing the more personal side- a hidden talent or secret hobby of corporate CEO's in the Los Angeles business community*

## My Children Are My Hobby



KRISTINE M. CHUNG  
Sr. V. P./Mgr OCCBC,  
City National Bank

A hobby is defined in Webster's dictionary as an activity or interest pursued outside of one's regular work and engaged in primarily for pleasure.

Kristine Chung, Senior Vice President and Manager of the Orange County Commercial Banking Center for City National Bank, will emphatically tell you that her hobby is being a very active "mom."

Kristine is the mother of

two boys, Daniel, 10 years old, and David, 8 years old. She also sits on the Board of Directors for two professional organizations and volunteers at her children's school once a week. "I pride myself on balancing a challenging career and two children. I try to participate in their lives not just stand on the sidelines. I don't go to sleep at night without checking their homework and making sure they understand what they learn at school. And I always kiss them goodnight and when I leave in the morning," she says.

Kristine doesn't just "participate" in her boys' lives mentally, but also physically. Both boys play on basketball teams and it is quite common to find Kristine

"shooting hoops" with them during basketball practice. The boys just recently went to Mammoth for their first ski trip. Mom enrolled

and joined them in ski lessons. "It's a good thing I love sports and am somewhat athletic," explains Kristine.

But the real challenge is when you are faced with a situation that puts you in direct conflict with being a mom versus being an executive career woman. Kristine tells this story. "Last year the bank I work for (City National) acquired another bank and I had a very important meeting up north with our clients to explain the transition. My travel plans were all arranged and confirmed. During the week before my trip, my son, David, participated in a spelling bee contest at school. I had no idea he would do so well. He made it to the semi-finals and the finals. Of course, the finals were on the morning of my meeting up north. I had to make a



Kristine and her family enjoys their first ski trip together at Mammoth.

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**"I can be a woman, be feminine and still compete in the working world."**

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really tough decision. My thought was that this might only happen once to David. I should be there. So I postponed my meeting by two hours and scheduled a later flight explaining the situation to my clients. Not only did they understand, they were rooting for my son. And guess what? He won the spelling bee. I was

so glad I was there for him. It was a long day for me but I accomplished both tasks and David will always remember that," she reflects.

Kristine also believes this sets a good example for her sons. She can take care of business and take care of them. She lets them know that she's human. "I show my feelings in front of my sons. I want them to care and be caring. If I had a rough day, they know and understand it because it impacts their life," Kristine explains.

Kristine is happy and says she has no regrets. Her philosophy is not to be a workaholic and value family time. "I can be a woman, be feminine and still compete in the working world. The biggest question for me will be what have I accomplished when I'm 50 or 60? I hope I can say that I made the right choices in balancing my life."

# Age 40-plus? NOW Is The Time To Plan

By: Gregory Spangler, Northwestern Mutual Financial Network

It's easy to understand why many business owners avoid planning for their retirement. The day-to-day operations of running a successful business often leave little time for planning far into the future. And for many, the subject is a difficult one to address.

Many owners have coddled and nurtured their businesses from the ground up, and the mere thought of stepping away can be emotion-filled. Often, so many physical, financial and emotional resources are poured into the business, that it's difficult to find a separate identity. The business becomes like another child, and the thought of abandoning it can be agonizing.

The owner who truly loves his or her work may want to think that the job can continue indefinitely. The rush of adrenaline after sealing a deal or the burst of pride upon seeing a new product move down the assembly line can be heady stuff. And for some owners, especially those whose businesses are so demanding they've had little time to develop other hobbies, there's nothing better than going to work each morning. The owner who finds confrontation especially difficult may even go one step further and decide it's best to do nothing at all, thinking that once gone, others can deal with the issues.

No action, however, can create tremendous problems and heartache for everyone involved. Dying without a succession plan can be costly from a tax standpoint. A business left without a successor often cannot succeed. Survivors and employees dependent on that income may need to make dramatic changes in order to continue current lifestyles.

Oftentimes however, the small business owner realizes the need before death occurs. For some a health problem like a mild heart attack, either personally or of a close friend, turns thinking inward. For others, a less dramatic chain of events, like paying the youngest child's last college tuition bill or finding a potential retirement home during a vacation, sets the wheels in motion.

The earlier this "awakening" occurs, the better. As a business owner, the best time to begin thinking about

retirement is in your 40s. At this age, time is on your side, and many steps can be taken now. The time needed because of the longer period of time needed because of the longer period

In the 50s, as you age, the time needed because of the longer period of time needed because of the longer period

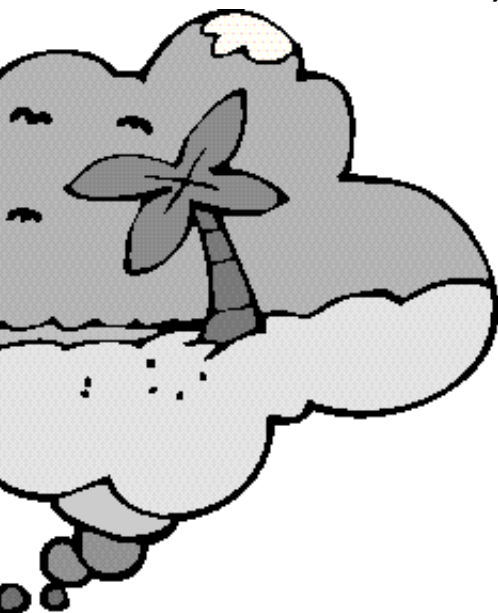
The owner who is in their 60s or 70s has even less time. If the owner has been growing the business, it might be difficult to find someone to take over. The owner may need to sell the business for retirement or other needs. However, it is better to plan now than to totally ignore the issue or wait until it becomes a more urgent measure that must be taken.

The actual retirement plan will differ markedly depending on the status of the business, the company and the number of owners involved. Nevertheless, for all owners, the process of developing that plan requires the same basic process. Those steps include:

**1. Envision the future and create a dream for yourself.** Do you envision totally walking away from the

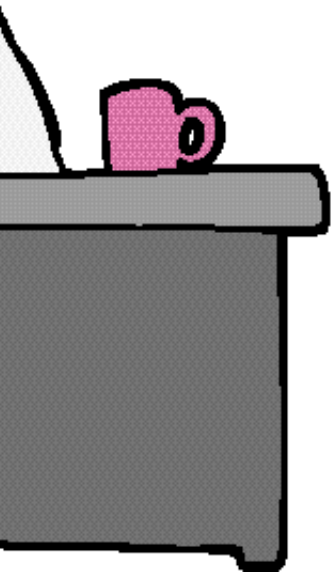


# For Retirement



business some day, or would you like to be involved in the decision-making? Does the idea of serving as a consultant on a regular basis or as an advisor arise, appeal to you? Do you want to remain in your current location, or would you like to move, year-round or part time, to another area? Are you more frequent, longer-term goals?

**3. Exercise realism to those** How would you like to spend your money? Do you need more capital as it is to imagine, if you or a spouse



with other professionals of dealing with regulatory services, the Chamber of Commerce, forums for talking to others with similar situations. You want to know more of what you can advise on the formal sources of information can be found at, through seminars, departments and agencies.

**4. Bring in the experts.** Ask your accountant, lawyer and insurance agent for advice. Develop a team that can help you plan ways to achieve your goals.

**5. Formalize the plan.** Put your strategy in writing and address other issues regarding the business, including the succeeding management team. Inform key players about your plan and, if possible, involve them in its development.

**6. Remember that no retirement plan is ever cast in bronze.** A solid plan should be flexible enough to accommodate changing wishes and needs.

**7. Put the plan to work and enjoy your retirement years!** A well thought out retirement plan can give you wings. By freeing capital and finding ways to make your money work for you, a retirement plan can give you the freedom needed to make your Golden Years truly golden.

*Gregory G. Spangler is a Financial Representative with the Northwestern Mutual Financial Network based in Los Angeles for Northwestern Mutual Life Insurance Company, Milwaukee, Wisconsin.*

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## “Putting Together An Advisory Board” By: Kenneth W. Keller



Kenneth W. Keller  
Keller & Associates

Every business owner needs advisors. The reason is clear: there are areas of business management that the owner cannot possibly know enough to do a good job. Human resources and tax issues, as examples, have become so complex as well as highly subject to litigation that a business owner needs some specialized assistance just to stay out of trouble.

I recommend that every business owner establish a “board of advisors” to help him or her manage the business. The advisory board is not a formal board, it has no ownership or fiduciary responsibility to the company, other than to provide guidance to the business owner.

The truth is that most owners have a board in place, but they never think about it as such. What they see are a loose confederation of service advisors that provide counsel when the owner needs it. I suspect that if the advisory board were formally established, it would help with decision making and follow through of the business owner. Let me give you some thoughts on who needs to be on your board of advisors.

**The first person on your advisory board should be a tax professional.** This advisor may perform tasks other than tax preparation during the year, such as payroll and handling employee benefits. The essential function is to serve as a financial advisor throughout the course of the year, not just during tax season.

Many business owners will readily admit that the entire tax “thing” scares them. One local CPA told me that the most common mistake a new business owner makes is not to set aside funds for self-employment taxes during the first year. Come April 15, the new business owner finds themselves in a little hot water with the good people at the IRS. Having a good tax professional on the advisory board will not make money appear, but the business owner will at least know in advance the price they will pay for their mistakes.

**The second person on your advisory board should be an attorney.** I am not talking about an immigration or divorce attorney. A business owner needs to have the confidence of a solid business attorney who can provide advice on legal matters such as contracts, incorporation, and partnership agreements. In addition, the attorney should have some knowledge about bankruptcy, just in case that happens.

**The third person on your advisory board should be your insurance agent.** Having a business opens serious

insurance issues, much more than auto and homeowners. How about errors and omissions for advice provided that made your clients business head south? Alternatively, business liability insurance should you do damage at a customer site?

Chances are your current insurance agent will serve you well. If for whatever reason, they do not carry commercial lines of insurance, ask them for a referral. They will be glad to provide a name or two for you to consider.

**The next part of your advisory board should be your business consultants.** I use the word in a plural sense, because chances are you will need to seek advice from several specialists. Consultants can provide knowledge about areas that are probably unfamiliar: *graphics, web marketing, research, pricing, sales, marketing, and public relations.* While any one consultant can provide you with some knowledge in all of these areas, chances are your business will need more in depth assistance, which is why you will need more than a single consultant on your advisory board.

**The final person on your advisory board should be your banker.** Of course, the standard line is that you should not go see your banker when you need money, because than you surely will not get it. However, if you can build a relationship with a banker, they can do things for you like drop any hold time on checks that have come in from out of town. They can provide you with guidance on what their own bank and other lenders look for when lending money. Bankers are also good at connecting people. That alone makes it worthwhile to put a banker on your advisory board.

The advisory board never meets as a group They do not have the time and neither do you. Instead, you meet with them one-on-one, as you need to. You can call them, email them, have telephone conversations (brief ones), and see them at various functions around town. I also suggest that you take these individuals to lunch, as they, like anyone else, loves a “free lunch”. Only, it isn’t free for you!

The big question facing most business owners is **“How do I pay for all this free advice I am getting?”** The answer is you cannot get something free. The business world does not work that way. What do the people on your advisory board want? They want more business, and you are in a position to provide them with referrals to help them achieve their goals. However, not just any referrals, because anyone who has been in business for more than a month will provide referrals. They just are not likely to be good. If you can provide quality referrals to people on your advisory board, they will be grateful. How do you

*Continued on page 8*

*“Every year it takes less time to fly across the Atlantic, and more time to drive to the office.”*

- ANONYMOUS

*“The first problem for all of us, men and women, is not to learn, but to unlearn.”*

- GLORIA STEINEM

*“A wise man hears one word and understands two.”*

- YIDDISH PROVERB

*“The dictionary is the only place where success comes before work.”*

- ARTHUR BRISBANE

*“No one ever listened himself out of a job.”*

- CALVIN COOLIDGE

*“Traditional thinkers say, “If it isn’t broken, don’t fix it.” But breakthrough thinkers say “Fix it before it breaks.”*

- GERALD NADLER

*“When your work speaks for itself, don’t interrupt.”*

- HENRY J. KAISER

*“You can’t plant a seed and pick the fruit the next morning.”*

- JESSE JACKSON

*“One meets his destiny often in the road he takes to avoid it.”*

- FRENCH PROVERB

*“Don’t ever take a fence down until you know why it was put up.”*

- ROBERT FROST

*“A truth that’s told with bad intent- beats all the lies you can invent.”*

- WILLIAM BLAKE

*“He who wants the rose must respect the thorn.”*

- PERSIAN PROVERB

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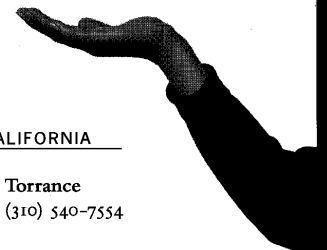
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## Marketing Tips


*continued from page 6*

determine what will be a good referral? Go to each person that you have identified to be on your board of advisors and ask them for the perfect referral. Then, ask them for the kind of referral that they are not looking for. From that moment on, you will be in a position to know exactly what kind of business they want you to refer them.

The one thing that each member of your advisory board must have is integrity. They must be willing to provide you with candid, honest advice. They have to be ready, willing, and able to tell you the truth, even if you do not want to hear it. If they can handle that responsibility, then, ask them to serve.


Your advisory board can be invaluable to your business, if you take the time to establish one. However, it cannot be a "paper tiger." You, as the business owner, have to be willing to listen to the advice and counsel given to you. You do not have to follow it, but it should be considered. After all, that is why you established your board in the first place: for advice and counsel.

*Marketing Tips are provided by Kenneth W Keller (AKA "Marketing Guru"). Ken is Principal Consultant of Keller & Associates, a marketing, sales and management consulting firm for growing businesses. You can reach Keller & Associates by telephone at (661)254-3642, by fax at (661) 254-2338 or by email at [mktingguru@aol.com](mailto:mktingguru@aol.com) or . Visit <http://www.keller-associates.com> for a comprehensive overview of the company on the web.*



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