

COAST

COMMENTS

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PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION

HSBC Bank USA Makes Pioneering Investment for Entrepreneurial Excellence

On April 7th, 2003, PCR and HSBC Bank USA (HSBC) completed a pioneering effort in support of PCR's

Entrepreneurial Training Institute. On that day, HSBC furthered its commitment to the small business community, and to local economic development with a \$500,000 investment in PCR. The bank's investment is the first of its kind in support PCR's Entrepreneurial Training Institute where, since 1987, PCR had provided local small business owners with many of the technical tools they need to achieve business success.

Since inception, PCR has operated its Training Institute with little outside financial support.

The result has been reduced capacity to provide much needed training to local entrepreneurs. And while PCR's major focus over the years has been small business financing, we realized long ago that a loan is useless if business owners perish from the

"...we realized long ago that a loan is useless if business owners perish from the lack of business knowledge..."

lack of business knowledge. HSBC's generous commitment will make it possible for PCR to assist dozens of small business owners during the term of their 5-year investment.

HSBC's investment in PCR was made through the State Department of Insurance's, California



Mark J. Robertson, Sr., President/CEO Pacific Coast Regional accepts investment from Kayli Dang, Community Development Officer/Lender HSBC Bank.

Organized Investment Network (COIN). Through this program, and by virtue of PCR's designation as a State certified Community Development Institution (CDFI), HSBC received a 20%, one-time State income tax credit for its investment. In addition, and equally important, HSBC invested with the assurance that 100% of its principal will be returned at the end of the investment period. This is possible due to the "endowment" nature of the invested funds; where on a monthly basis, PCR receives the interest earned on the funds to

help defray the costs of its training activities. For further details see PCR's Investment Bulletin #37 at www.insurance.ca.gov/COIN/.

HSBC's investment represents a strong commitment to local economic development. This commitment is evident in the HSBC staff that carries the bank's mission of support into the community. Those bank staff members who were steadfast in their belief in this investment include Kayli Dang, Community Development Officer/Lender and Brian Gregson, District Executive Vice President. PCR's board and staff are ever-so grateful to these individuals for their hard work, diligence, and willingness to push forward with something that was new and untried. Their belief in PCR's mission of entrepreneurial excellence is truly manifested through this investment.

Customer Satisfaction Can Increase Business by Steve Weston

Customer satisfaction surveys have become an increasingly valuable tool for companies to measure their performance and improve their service to their clients. Even companies that have enjoyed longstanding relationships with a loyal base of core clients can benefit immensely from taking the time to ask their customers “how are we doing?”

There are several benefits of conducting a customer survey. The obvious reason is to gain valuable information directly from your customers about why they chose you, why they are satisfied (or dissatisfied) with your products or services, and how you can serve them better. There is also evidence of a “halo effect” in conducting a survey. In other words, a significant amount of goodwill can be generated just by asking customers how satisfied they are. (Of course, this goodwill can disappear quickly if proper attention is not given to following up on customer responses.) Finally, customer surveys have an important business development dimension, because they can be used to increase customer awareness of products and services and to identify opportunities for expanding business with existing clients.

Customer surveys can take a variety of forms - from written surveys mailed to thousands of customers, to face-to-face interviews conducted with a select number of key clients. The desired format will vary based on a particular company’s industry, customer base, and specific objectives. Often it can be advantageous to combine a widespread written survey with face-to-face follow-up interviews with key clients.

In undertaking a customer survey, you should strongly consider engaging the services of a consulting firm with significant experience in surveying customers in your particular field. Consulting firms can provide invaluable guidance with regard to the timing

and format of the survey, the proper questions to include, and appropriate protocol and follow-up steps. Also, such firms are often in the best position to interpret the survey data, and they can often compare a company’s results to a database of other companies for which the survey was conducted.



“I loved the part when you said I was a ‘valued customer’. Do it again!”

If properly planned and administered, a customer survey can help a company to build on its relationship with customers to generate greater satisfaction and additional business.


Steve Weston serves on the PCR Board of Directors. He is a founding partner at the law firm of Weston, Benshoof, Rochefort, Rubalcava & MacCuish LLP, where he is also chair of the firm’s Land Development Department.

Welcome to Godfred Otuteye



The PCR Board of Directors is extremely pleased to welcome Mr. Godfred Otuteye to its ranks. Besides being educated at both Harvard and USC, Godfred brings many years of professional and practical experience to the board. That experience includes a successful banking career, and high level financial positions held at major Orange County Corporations. Presently, Godfred is President and CEO of Money


Mailer, Inc., where the success of his business, is a function of the success of the hundreds of small business franchisees that he is responsible for. Surely, Godfred’s broad and varied experiences will benefit the PCR board and PCR as a whole. And so we say welcome to Godfred Otuteye, PCR’s newest board member.



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New Employment Laws

With Governor Gray Davis' signing of 21 new employment laws, effective January 1, 2003, it is time to review your personal policies and procedures. This review is especially important if they have not been revised to reflect the plethora of employment laws that have been passed within the last two years.

Briefly outlined below are some of the most significant new laws and a few that were passed in the latter part of 2001.

1. Social Security Numbers and Privacy (SB 168)

SB 168 makes it unlawful for a California employer to publicly post or display an employee's social security number. An employer may not place the social security number on the employee's identification card or badges. Additionally, the employer may not print the employee's social security number on materials sent to them unless it is required by state or federal law. To avoid claims of invasion of privacy,

employers must have the employee's permission to disclose their social security numbers to outside agencies, such as the DMV or child care services.

2. Attendance Control and Kin Care (SB 1471)

Prohibits disciplining or demoting employees who take time off to take care of a sick child or family member. Employees may use one half of their annual sick leave to attend to a sick family member.

3. Privacy (AB700, SB 1386)

Requires employers, who maintain electronic files containing personally identifiable data on employees or customers (for example social security numbers), to modify the data if the security of the personal information has been violated.

4. Employee Records (AB 2412)

Requires employers to furnish payroll records to employees and former employees within 21 days of the date requested. Employers may charge for copies.

5. Mass Layoff WARN ACT (AB 2957)

Precludes mass layoffs, relocations or terminations without a 60-day advance notice. The law applies to any industrial or commercial facility that employs or has employed within the last 12 months, 75 or more employees.

6. Health benefits (AB 1401)

Extends continuation of Federal COBRA and Cal-COBRA health benefits coverage from 18 to 36 months.

7. Undocumented Workers (SB 1818)

Protects the employment rights of undocumented workers. All protection, rights, and remedies provided under state law are available to undocumented workers regardless of their immigration status.

8. Employee Discipline and Disclosure of Personal Wages and Working Conditions (AB 2895)

Prohibits an employer from disciplining or discharging an employee who discloses information about their wages and working conditions. It also prohibits employers from

requiring employees to sign a waiver document that denies them the right to disclose their wages. The new law is not intended to permit employees to disclose proprietary or trade secret information.

9. Worker's Compensation (AB 749)

AB 749 increases Worker's Compensation benefits.

Employers are required to post the updated Worker's Compensation Poster with the new rates and distribute the their updated pamphlet to all employees.

10. Sexual Assault Victims (AB 2195)

Extends to victims of sexual assault the same employment protections and temporary leave of absence rights currently provided to victims of domestic violence.

11. FEHA "Right to Sue" (AB 1146)

Complainants in certain situations, may have more time to file a lawsuit after receiving a "right to sue" letter from the California Department of Fair Employment and Housing ("DFEH") than the one year limitation now in effect. Where there has been a filing with both DFEH and EEOC, DFEH's one year limitation on bringing a lawsuit is tolled until EEOC has completed its administrative process.

12. Local Regulation of Wages-Hour Practice (AB 2509)

In the past the State of California could require local jurisdictions like cities to refrain from adopting "living wage ordinances" and other labor standards. AB 2509 allows local standards to take affect regardless of state standards and the former can be more stringent.

13. Occupational Safety (AB 2837)

This law creates new obligations and penalties for failure to report on a timely basis industrial accidents that result in serious injury or death. AB 2837 imposes a civil penalty of not less than \$5,000 for failure to report an on the job death or serious injury.

14. Investigative Consumer reporting Agency Act (IRCA) (AB 1068/AB 2868)

The legislation eliminates the employer's obligation to automatically provide job applicants background reports completed by third parties. It also repeals the rule that required employers to provide applicants the information received from former employers in response to job reference checks. The law contains new protection to employers who provide job references. Employers should revise IRCA forms and job application forms accordingly.

15. Family temporary Disability Insurance, July 1, 2004 (SB 1661)

Employees are eligible for family temporary disability insurance when they miss work due to family emergencies. The legislation limits FTDI benefits to six weeks. The changes apply to all employers regardless of size. It requires advance notice of absence whenever feasible. Employers should consider establishing specific notice requirements that employees must satisfy before taking time off.

Article submitted by Harold C. Hart-Nibbrig, Attorney and Board Member of PCR.

ACCOUNTING TIPS

If you're a receipts-in-the shoebox type, you need to get organized.

- **Keep it separate.** Those who opt for a home office should already be conscious of the need to separate personal space from business. Extend this principal broadly.
- **Install a second phone line** to be used exclusively for work. The setup costs and monthly fees can be deducted as business expenses, and your clients will avoid the annoyance of your 5-year-old "receptionist."
- **Establish a separate e-mail address** for your business, preferably with your own domain, which strikes a more professional tone than bob-smith3474@yahoo.com.
- **Apply for a business credit card.** It's the easiest way to tract your business expenses, and the interest is tax-deductible.
- **Keep it real.** Both Intuit's Quicken and Microsoft Money automate small-business accounting. For many people, the household versions will work fine, but growing businesses will want to upgrade to Intuit's QuickBooks. Here's how to decide:

Who's using it, for what?	Software package	Key feature
Just you, tracking incoming checks and paying bills	Quicken 2003 Basic (\$30, www.quicken.com) Microsoft Money 2003 Standard (\$30, www.microsoft.com/money)	Both automatically import transaction data from checking and credit card accounts; electronic bill paying, for a small monthly fee, is a cinch
Just you, tracking invoices, inventory, and simple payroll	Quicken 2003 Premier Home & Business (\$90, www.quicken.com) Microsoft Money 2003 Deluxe & Business (\$85, www.microsoft.com/money)	Both integrate with inexpensive payroll services (Money uses PayCycle, an online service available for \$8.25/month and up; Quicken uses QuickPayroll, which costs \$99/year)
You and an office manager, tracking a business with a few employees	QuickBooks Basic 2002 (\$180, www.quickbooks.com)	Performs payroll processing and payment tracking
You, an office manager, and an accountant	Quickbooks Pro 2002 (\$280, www.quickbooks.com)	Allows multiple users to enter data simultaneously, so you can send out invoices while your accountant pays the bills

Is Your Company's Employee Handbook up to Par?

Ah, the trustee employee handbook. It answers all the questions so you don't have to. Or does it? Maybe you should leaf through yours to make sure employees:

- **Can find relevant information.** Often employee handbooks are cluttered with information useful only to supervisors. If your handbook is poorly organized, provide workers a list of the pages they should read. You may even distribute tabs they can insert to make important information easier to access.
- **Understand the language.** Take time to read the handbook yourself to make sure you understand key policies and procedures. If you find the language confusing, chances are your employees will, too. Approach HR with your concerns and ask for someone to meet with your staff to explain anything you have difficulty grasping.
- **Are you aware of expectations and disciplinary procedures.** Perhaps the most important sections in any employee handbook are those dealing with codes of conduct and disciplinary procedures. Reassure employees that systems are in place to protect their interests should a problem arise.

– Adapted from "The Ten Commandments (plus one) of Drafting Effective Handbooks", in the Indiana Employment Law Letter

Inspire Employees to Change Their Ways

Have you jettisoned an old production system? Revamped your marketing plan? If so, you may be having little trouble getting staff buy-in for the new way of doing things. To motivate the change, you'll need:

- **Creative spark.** Sell the new system with an internal marketing plan. If you can afford something elaborate, go for colorful posters, T-shirts, and other visuals to remind workers what you're doing and why. But if money is an issue, your plan doesn't have to be pricey—a memorable slogan will be enough to get people thinking in the right direction.
- **Compelling facts.** Be sure to share the reasoning behind the change, and back up decisions with solid facts. But don't throw in everything but the kitchen sink. Serve data in digestible portions. And when possible, personalize it. For instance, explain that the time saved with the new process will speed up the launch of a pet project.



- **Face-to-face communication.** Don't distribute information packets, then leave workers to figure things out for themselves. Call an all-hands meeting to explain the changes and invite questions from the floor. Follow up with additional meetings and be available for one-on-one discussions until the new system becomes old hat.
- **Enticing incentives.** Chart your employees' progress as they adapt to the new system. Look for ways to celebrate each milestone, and publicly recognize and reward workers who embrace the new attitude or adopt the behaviors you're trying to reinforce.
- **Frontline support.** Ask frontline workers for their thoughts on implementing the changes. They'll be more amenable to participating in something they've helped to craft.
- **Personal examples.** By all means, practice what you preach. How can you expect workers to adapt if you don't?

– Adapted from “Motivating Employees to Change Old Habits,” on the website of the California Integrated Waste Management Board

PCR is one of Los Angeles' oldest non-profit business development organizations, providing finance, consulting and training to businesses throughout Southern California.

Financing

- State Loan Guarantee Program Maximum Guarantee \$500,000
- SBA Micro Loans up to \$35,000
- Economic Development Administration (EDA) Financial Restructuring Assistance Program
- State Bond Guarantee Program
- State Disaster Assistance

Consulting

- One on one professional consulting on business challenges, Expansion, Finances, Business Planning
- Business Resource Materials

Training

- Classes on core business topics
- ESP-Entrepreneurial Strategic Planning - A dynamic nine week, all-inclusive course designed to help business owner's kick-start growth and achieve success.



Pacific Coast Regional
Small Business Development Corporation
3255 Wilshire Boulevard, Suite 1501
Los Angeles, CA 90010
(213) 739-2999 • www.pccorp.org

Is that YOUR Domain Name?

By Beverly A. Williams, Attorney at Law

The internet is the future and the future is now! It is probably in your best interest to be aware of the many benefits it has to offer you, the individual and the business owner. Remember that your internet business is subject to most of the same laws that regulate the brick and mortar business. So you are thinking about registering a domain name (your address of a site on the Internet). You, or your attorney should conduct a domain search to find out if someone else is using the same domain name. You may have already registered a domain name for yourself or your company. You should know, however, that registration does not equal ownership of the name. The first question you should ask yourself is who really owns the name?

What if you are using Someone Else's name? Stop! It is your responsibility to determine whether your domain name registration infringes or violates someone else's rights. In fact, usually when you register a domain name you are representing that, to your knowledge the registration of the name that you have chosen will not infringe upon or violate the rights of any third party. Under California law, it is unlawful for a person, with bad faith intent, to register, traffic in or use a domain name that is identical or confusingly similar to the personal name of another living person, or deceased personality. "Bad faith" is determined by the Court's consideration of several factors, including, but not limited to, the trademark or other intellectual property rights of the person alleged to be in violation, the extent to which the domain name consists of the legal name of the person alleged to be in violation of the statute, and whether the person alleged to be in violation of this statute has offered to sell the domain name to the rightful owner- the latter practice referred to as "cyber squatting". (See below.)

The Internet Corporation for Assigned Names and Numbers, an international organization with responsibility for establishing global procedures for resolving disputes over Internet domain names, has adopted the Uniform Domain Name Dispute Resolution Policy ("UDRP"). This policy requires all registrars of the ".aero", ".biz", ".com", ".coop", ".info", ".museum", ".name", ".net", and ".org" top-level domains to follow certain guidelines regarding domain name disputes.

What if you know someone is using Your name? Among the options that you may have is writing a letter requesting the user's return of the domain name registration. Another option is UDRP arbitration, a more formal proceeding, for resolution of domain name disputes. Many times a domain name dispute may be resolved by agreement; other times, court action or arbitration will be required before a register of domain names will take any action, such as the cancellation, suspension or transfer of a domain name. Should the dispute end up in a UDRP proceeding, the successful complainant would have to show four things:

- (1) that the domain name is identical or confusingly similar to a trademark or service mark in which the complaining party has rights;
- (2) that the domain name holder has no legitimate interest in the domain name; and,
- (3) that the domain name was either registered or is being used in bad faith.

On the other hand, courts have taken a slightly differ-

ent approach when dealing with alleged trademark infringement. The courts have found in some cases that neither registering, nor warehousing, nor trafficking in domain names that incorporate a protected trademark is alone sufficient to support claims of trademark infringement. For example, a recent court decision held that the use of a trademark in a car enthusiast club domain name would create a low likelihood of confusion with the well-known car company. Therefore, the Court found no trademark infringement. It was significant that this club was not an enterprise for commercial gain derived from the car company name, nor did the site dilute or tarnish the image of the car company.

There are also federal laws that one may be subject to where a person who registers a domain name is not the rightful owner of that name. He/she may be in violation of the federal "Anticybersquatting Consumer Protection Act" (ACPA). The rightful owner of the disputed name may have grounds to pursue a claim in federal court. Similar to the UDRP proceeding, a person may face civil liability to the owner of a trademark or a personal name if the register of the domain name (i) has a bad faith intent to profit from the mark; (ii) registers, trafficks in, or uses a domain name that is strikingly similar to a distinctive trademark...a famous trademark; or (iii) infringes on a specially-granted trademark such as "AMERICAN RED CROSS", for example.

You may investigate your options with respect to the availability of a domain name or the unauthorized use of your domain name by using the Internet. Obviously, sound legal advice is also a viable option.

Beverly A. Williams is Lead Counsel of The Law Offices of Beverly A. Williams and Associates, located at 8615 Crenshaw Blvd., Inglewood, CA for over 25 years.. The firm specializes in Business Transactions and Entertainment Law. You may contact her at (310) 677-8700. This article is presented for general information only and is not meant to provide legal advice or an opinion of law. You are advised to seek legal counsel.

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Waste of time is the most extravagant of all expense.

THEOPHRASTUS (PHILOSOPHER)

Close the door on the past. You don't try to forget the mistakes, but you don't dwell on it. You don't let it have any of your energy, or any of your time, or any of you space.

- JOHNNY CASH (MUSICIAN)

Just as no one can be forced into belief, so no one can be forced into unbelief.

-SIGMUND FREUD

In the end, what affects your life most deeply are things too simple to talk about.

-NELL BLAINE (ARTIST)

An optimist is a person who looks forward to enjoying the scenery on a detour.

-ANONYMOUS

Since the early bird catches the worm, it's a good idea to begin your day as soon as you can, unless, of course, you happen to be a worm.

-EDWIN BLISS

No one is useless in this world who lightens the burden of it for anyone else.

-CHARLES DICKENS

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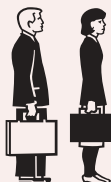


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Pacific Coast Regional
Small Business Development Corporation
3255 Wilshire Boulevard, Suite 1501
Los Angeles, CA 90010
(213) 739-2999

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- **Budgeting**
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TO SCHEDULE AN APPOINTMENT CALL

Maria Marroquin or Amina Almeida at
(213) 739-2999 ext. 221/242

Pacific Coast Regional Corporation (PCR)
3255 Wilshire Boulevard, Suite 1501
Los Angeles, California 90010
or Fax (213) 739-0639
www.pccorp.org

PCR

Pacific Coast Regional Corporation Mission Statement

PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION (PCR) IS A PRIVATE, NON-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF ENHANCING THE GROWTH AND WELL-BEING OF THE SMALL BUSINESS COMMUNITY, THEREBY CREATING AND SUSTAINING EMPLOYMENT OPPORTUNITIES.

THROUGH A HIGHLY PROFESSIONAL STAFF, IT IS PCR'S EXPRESSED GOAL TO MAXIMIZE THE DELIVERY OF ITS FINANCIAL, EDUCATION, AND MANAGEMENT ASSISTANCE PROGRAMS FOR THE BENEFIT OF THE STATE OF CALIFORNIA.

Your PCR Team...



Top Left to right: Kenneth C. Smith, Teke Negus, Selena Davis, Peter D.Barash, Ellis Gordon, Jr., Nathaniel Jemison. Bottom Left to right: Lydia Nalls, Amina Almeida, Mark J. Robertson, Maria Marroquin and Constance Anderson.

COAST COMMENTS

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