

COAST

COMMENTS

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PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION

Wells Fargo's Investment in PCR is an Investment in the Small Business Community

December 2002 marked another milestone in PCR's 25 year history. This was the month that Wells Fargo Community Development Corporation (Well Fargo), in keeping with its commitment to support community and economic development, made a pivotal \$500,000 investment in PCR. The bank's very generous investment will support PCR's activities under the State of California Loan Guarantee Program.

Since 1977 PCR has issued guarantees backed by the State, in support of bank loans to small businesses that otherwise could not get desperately needed financing. Unfortunately, PCR has limited State funding to back the guarantees issued, and once those funds are fully utilized, PCR's ability to provide additional financial assistance ceases.

Wells Fargo to the rescue. Once PCR has depleted its capacity to issue guarantees using State funds, the bank's \$500,000 investment will allow PCR to guarantee another \$2 million in loans (due to statutory leveraging of 4 times) to a diverse and multi-cultural small business community. Given PCR's focus in recent years on smaller transactions, this \$2 million could assist another 50 to 100 local businesses.

Wells Fargo's investment in PCR was made

through the State Department of Insurance's, California Organized Investment Network (COIN). Through this program, and by virtue of PCR's designation as a State certified Community Development Financial Institution (CDFI), Wells Fargo received for its 5-year investment a 20%, one time State income tax credit. In addition, and probably more important, Wells Fargo receives the satisfaction of supporting a program that, since 1968, has proved to be one of the most viable tools for economic development in the State of California.

Wells Fargo to the rescue.

PCR's staff and Board of Directors are extremely grateful to several key individuals from the Wells Fargo team for making this investment possible; they include Brenda Ross-Dulan, Rene Bizer, Roy Jasso, and Lee Winslett. PCR and its constituency are the humble beneficiaries of their hard work, dedication, and tenacity to make this investment a reality.



A Message from the President to Our Stakeholders

Dear Friends and Supporters:



PCR has had much success in its 25 year history. That success has resulted from the help and dedication of our board of directors, staff members, loan committees, advisory board members, consultant team, bank partners, and our generous sponsors and investors. To all of you, a heartfelt thanks. Indeed, you represent the vital parts of the engine that has kept, and will keep PCR's wheels turning.

In addition, we most certainly recognize that our 25 years of service have been orchestrated by our retired president, Mr. R.D. Lottie, Jr. For one year as a board member and 24 years as president, he was a steadfast advocate for small business and local economic development. R.D.'s commitment to excellence and his insistence on only the best service from his staff, has positioned PCR as a model for economic development entities throughout the state. We are more than grateful for his legacy, and for the privilege and honor of having worked with him.

PCR's tenure may seem like a long one, but there remains much work to be done. Entrepreneurial spirit is the backbone of the California economy, and it will be this spirit from small business owners that will bring the state out of its current economic slump. PCR is ready to do its part; and to that end, a few things on our horizon include:

- *The establishment of a childcare facilities loan fund.*
- *The establishment of a business-premises loan fund for small business owners who presently rent their facilities.*
- *The acquisition of a PCR headquarters building to include permanent space for PCR's Center for Business Excellence (currently the Training Institute).*
- *Enhanced participation in the SBA Micro loan program, which is PCR's only service geared specifically towards women and minority business owners.*
- *The enhancement of PCR's consulting program, to include a larger staff of volunteer consultants for one-on-one entrepreneurial counseling.*

These endeavors and others are part of PCR's plan to ensure the ongoing development of our local economy; and while we have the energy and desire to go on for another 25 years, nothing would please us more than to one day look around and find that our work is complete.

Thank you again for the years of support and confidence.

Mark Robertson, Sr.

VALUED BOARD MEMBER SAYS FAREWELL



Recognizing Phil Quezada for his 14 years of service – pictured left to right: R.D. Lottie, Jr., Phil Quezada, Leighton Hull and Mark Robertson, Sr.



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How Law Affects Business Start-Ups

Every year millions of Americans begin their own businesses. It all starts with a good business plan, and continues with attempts to raise capital. Let's say you've taken these steps. Are you ready to open your doors? Not quite. You should dot some legal i's and cross some legal t's at this stage. Talking to your lawyer and taking steps now will make it far less likely that you'll incur trouble and expense later. Now is the time to look into

the legal status of your business name and the regulations that affect your business.

We'll look at other first steps, such as the various licenses and permits you might need and dealing with taxes and tax ID numbers, in a later article.

What's in a Name?

Of course, you want your business name to be catchy and compelling, hard to ignore and impossible to forget. We can't help you there, but we can suggest a few steps that will help you avoid hard-hitting letters from somebody else's lawyer or being forced to trash signs and stationary you can no longer use.

Do Some Research. There's no point in launching a business and finding out too late that someone nearby is using the same name, or one that's very similar. Your lawyer can help you by doing a search in business directories and checking with the county or city clerk in your area, who probably maintains a list of business names that have been filed.

Register Your Name. If you plan to do business under your name—and your full, legal name—then you may not need to register your business name with the authorities.

However, if you plan to use a business name that has no part of your name (“Comet Cafe”) or only a part of it (“Cory's Creations”) then you need to file what's known as a fictitious business name, or doing business as (DBA) name with the clerk in your county or city.

This filing—sometimes coupled with the requirement that you publish the fact that you are doing business under this name in a newspaper in your area—puts the world on notice that “Cory's Creations” is your company. This gives you the right to do business under that name—including advertising under that name, using it when filing for permits, billing customers, paying taxes, etc. In legal terms, it's your trade name.

But that doesn't mean you're totally off the hook. Even if your name really is Wendy, and there are no restaurants with “Wendy” in their name in your area, and you register “Wendy's Burgers” with the county clerk, you're still going to draw the attention of the Wendy's Corporation. That's because they own the trademark of “Wendy's” and can very probably force you to change your business name. If you want a trademark for your business name, which gives you protec-

tion for it all over the country, your lawyer can take care of the necessary filings.

You May Have to Register Your Name Several Times. If you take no steps to formally organize your business, you'll be a sole proprietorship, and probably face no other registration requirements. If, however, you organize your business as a corporation, you're required to formally incorporate. Incorporation involves going through a formal process whose difficulty varies by state. Part of the process is getting approval of the name of your corporation.

Once again, your lawyer will do a search to determine if your preferred business name is already being used, but this time the search will be with the official list of corporate names in your state. This is usually done through the Secretary of State's office. If the name you want to use has not been taken, you can move to register it. Sometimes registration is good for only a set number of years, after which you must renew the registration.

Rules, Rules, Rules...

It's impossible to know exactly what regulations might apply to your particular business. Regulations vary by state and locality. And they vary on the type of business. Some businesses, for example those that are involved in health care or food service, face complex regulation by many federal, state, and local agencies. Other businesses, on the other hand, may only be minimally regulated.

Businesses that face specific regulations because of particular products or services they offer usually need to get permits or licenses, so we'll discuss the special rules they must follow in a future article.

Other kinds of regulations affect—or potentially affect—all businesses.

Businesses open to the public must comply with the Americans with Disabilities Act. Your lawyer can explain the requirements, or you may be able to get information about them through your city or state's economic development office.

Many types of business might have to be concerned with environmental regulations, including rules on air and water pollution, disposal of toxic materials, use of certain products (i.e., the gas Freon, used in air conditioning systems).

Building codes set certain standards that construction must meet; they may also require you to get a permit if you do renovations. You can get information from your locality's Department of Building or Department of Safety.

Zoning ordinances regulate which types of business are permitted in certain areas. Your lawyer can help you determine if your business qualifies in the location you've chosen, or if you need a variance from the zoning board that will enable you to operate there.

Management Briefs

Don't overanalyze. It's easy to talk about problems. There's always another angle, another worry, another variable. But too much analysis can stymie your team. Instead, develop a menu of alternative solutions. Get feedback on each one. Then act. Being action-oriented will get everybody moving.

"What would you do if you won the lottery?"

Explore what motivates people by asking this hypothetical question. If they love their work, then money shouldn't matter much. Use the question in interviews and performance reviews to help you discover what people are passionate about—and clue you in on what their professional priorities would be if money worries weren't in the equation.

Think your instructions are idiot-proof? Even the simplest directions are subject to misinterpretation. For example, tell someone to get a sheet of 8 1/2 by 11 inch paper and fold it in half three times. You could get four possible outcomes: The paper could measure 2 3/4 by 4 1/4 inches, 2 1/4 by 5 1/2 inches, 1 by 11 inches or 1 3/8 by 11 inches. Make sure you clarify even the simplest instructions and encourage questions.

Run late all day and others will too. They'll assume you won't show up on time and keep you waiting: if you're five minutes late, they'll be 10 minutes late.

Check Before You Act!

Check decisions and planned activities for "rightness" before implementing them. Use the questions below (or similar ones supplied by your organization) as your litmus test. Answering "no" to one or more of the following would suggest the need to either develop an alternative strategy or to seek counsel and advice from appropriate sources:

The Ethical Action Test

- Is it legal?
- Does it comply with our rules and regulations?
- Is it in sync with our organizational values?
- Will I be comfortable and guilt-free if I do it?
- Does it match our stated commitments and guarantees?
- Would I do it to my family or friends?
- Would I be perfectly okay with someone doing it to me?
- Would the most ethical person I know do it?

Great Ideas:

Use Other People's Ideas Fairly

If you're like a lot of people, you hesitate to act on someone else's idea because you think it's a form of stealing.

Instead, you think of another idea that borrows from the first idea (just enough to "disguise" it) and then try to use the second-hand version—often with limited success.

This kind of hesitation and adulteration isn't necessary. Other people's ideas are not off-limits, provided you give credit fairly. In fact, using someone else's idea can become a positive, collaborative event if you observe some basic rules:

Ask permission. Say, for example, "That plan you just presented has elements that would work in a new sales campaign my boss is developing. If I give you credit as the co-developer—and let you see my version to be sure I've got the gist of it right—do you mind if I use some of your thoughts?"

Stress the benefits. Say something like, "This is the type of thing our president is always looking for, you know—cost savings that give extra value to the customer."

Return the favor. Wait until you have an idea or piece of information that would help your colleague, then offer it without being asked.

Source: The Art of Selling Your Ideas, National Institute of Business Management, 2002.

HOW DO YOU MAKE HARD DECISIONS?

"I'm careful about checking the evidence. I'll get independent corroboration from others and check written documentation such as copies of correspondence or notes I've made in phone conversations. Having good records helps me make tough decisions."

*Nella Barkley, co-founder,
Crystal-Barkley Corp., New York*

"First, I'll take a deep breath. Then I ask myself, 'What needs to be done by when?' You need to have a fixed date and time—Tuesday at 3, for instance—so that you prioritize all the decisions you have to make."

*Jana Kemp, owner,
Meeting & Management Essentials,
Boise, Idaho*

Need a Loan?

The Six C's of Obtaining a Loan

Character: the degree to which a borrower feels a moral obligation to pay his/her debts, measured by their credit and payment history.

Capacity to repay: a determination made by a lender based upon an analysis of the borrower's financial statements and other information.

Capital: the amount of capital in a business is equal to the total of capital from debt and equity. Lenders prefer low debt-to-asset and debt-to-worth ratios and high liquidity ratios. These indicate financial stability.

Collateral: an asset owned by a borrower, but promised to a lender against non-payment of the

loan. The amount of collateral varies from lender to lender. The closer the collateral value is to the loan amount, the more comfortable the lender will be that the loan will be repaid.

Conditions: general economic, geographic and industry.

Confidence: A successful borrower instills confidence in the lender by addressing all the lender's concerns about the other 5 C's. Their loan application sends the message that the company is professional, with an honest reputation, a good credit history, reasonable financial statements, good capitalization and adequate collateral.

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.



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INTERNET RESOURCES

Ace-Net (Angel Capital Network)*	www.sba.gov/advo
Business Law*	http://businesslaw.gov
Catalog of Federal Domestic Assistance	www.cfda.gov
Chambers of Commerce Directory	www.chambersofcommerce.org
Commerce Business Daily	www.ld.com/cbd/today
Consumer Information Center	www.pueblo.gsa.gov
Defense Link	www.dtic.dla.mil/defenseink
Dept. of Veterans Affairs	www.va.gov
Employee Retirement Plans*	wwwselectareirementplan.org
EntrepreNet	www.entreprise.org
Entrepreneurial Edge	www.edgeonline.com
ExpoGuide (trade show info)	www.expoguide.com
General Services Administration	www.gsa.gov
Home Office Assoc. of America	www.hoaa.com
Internal Revenue Service (IRS)	www.irs.gov
MapQuest	www.mapquest.com
Minority Business Development Agency	www.mbdba.gov
National Foundation for Women Business Owners	www.nfwbo.org
Outside Resources Hotlist*	www.sba.gov/hotlist
SCORE	www.score.org
SmallbizNet (small business document database)	www.lowe.org
Social Security Administration	www.ssa.gov
The U.S.. Securities & Exchange	www.sec.gov
The White House	www.whitehouse.gov
Thomas Register	www.thomasregister.com
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“The truth is that there is nothing noble in being superior to somebody else. The only real nobility is in being superior to your former self.”

-WHITNEY YOUNG

“No matter what you’ve done for yourself or for humanity, if you can’t look back on having given love and attention to your own family, what have you really accomplished?”

- LEE IACocca

“Keeping score of old scores and scars, getting even and one-upping, always make you less than you are.”

-MALCOLM FORBES

“While we have the gift of life, it seems to me that only tragedy is to allow part of us to die-whether it is our spirit, our creativity, or our glorious uniqueness.”

-GILDA RADNER

“What I do best is share my enthusiasm”

-BILL GATES

“True success comes when you hit a crisis or rough spot, and people don’t revert to their old behaviors.”

-LYNN MERCER

“Make no little plan, they have no magic to stir men’s blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble logical diagram- once recorded -will not die.”

-DANIEL BOONE

“Take the time to deliberate; but when the time for action arrives, stop thinking and go in.”

- ANDREW JACKSON

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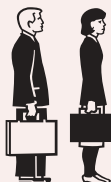


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Pacific Coast Regional (PCR)
Small Business Development Corporation
Small Business Consultants Program

Come Visit with Small Business Consultants at PCR

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First Session is \$30

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All Follow-Up Sessions are Absolutely Free

Appointments are scheduled for **Wednesday mornings only**. After the first session you can come in as often as you like at no additional cost. Consultants meet with you one-on-one and answer questions on various subjects including:

- **Budgeting**
- **Business Planning**
- **Insurance**
- **Licenses**
- **Loan Packaging**
- **Taxes**

TO SCHEDULE AN APPOINTMENT CALL

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

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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...



Standing from left to right: Teke Neges, Constance Anderson, Kenneth Smith, Lydia Nalls and Nestor Correa. Sitting from left to right: Maria Marroquin, Mark Robertson, Sr. and Amina Almeida.

COAST COMMENTS

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