

COAST

COMMENTS

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WINTER 2004

PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION

PCR MAKES THE "SCORE"

PCR's staff and management are pleased to announce a new collaboration with the Small Business Administration's Service Corp of Retired Executives (SCORE). This collaboration enhances PCR's 20-year effort to provide professional one-on-one entrepreneurial counseling.

SCORE is a national volunteer association sponsored by the SBA to provide expert advice and counsel to current or aspiring entrepreneurs. Most SCORE volunteers are retired business owners with first-hand experience in the challenges of starting and operating a small business. The volunteers' backgrounds encompass the full spectrum of business ventures, and every

effort is made to match a client's needs with the proper business expertise.

Any prospective or existing small business can obtain help from SCORE. Whether the need is guidance on a business plan, help with a current business problem, counsel on a business expansion, or advice on a marketing plan SCORE can help; and the best part of it all, is that it's absolutely FREE.

A SCORE volunteer will be available at PCR beginning Monday, February 2nd, and each Monday thereafter. Appointments can be made by calling Maria Marroquin at (213) 739-2999, extension 221.

Entrepreneur At Heart? *by Kelli Gayford*

Ok, ok... every now and again we all have a slight urge to work for ourselves. To be our own boss, write ourselves pay checks and step into the dreamy world of being an entrepreneur.

Consider a few things before stepping out 'on your own'. There are a lot of principle differences between working for yourself and for an employer.

You can expect to:

- Potentially earn higher wages
- Create your own hours and work schedule
- Make decisions about the direction of your company and your career
- Have more responsibility
- Have potential for favorable tax benefits
- No unemployment insurance or worker's compensation, as an independent
- Income may be difficult to collect
- Cost of doing business may be more than you anticipate, so budget carefully
- If you're working at home it may be a challenge to define your work hours and manage interruptions and distractions

- Before you quit your day job you should go through some key planning steps

1. Create a business plan.

How will you do business?

How will you attract customers?

How does your competition measure up?

How much will you charge for your services or products?

Who will be your vendors?

How long will it take to establish yourself?

How long before you break even?

2. Construct a practical budget.

Do you have the necessary funds to get your business started and to keep it running through your break-even point?

Are you prepared to seek additional funding in the form of a loan or outside investment?

How long can you survive without an income?

3. Will you set up office in your home, or rent space?

Working at home can save you money, but might also pose other challenges such as space or the ability to concentrate. Consider whether your home space is appropriate for your

continued on page 2

Entrepreneur At Heart?

continued from page 1

business. Perhaps have an office line and email at home, but use a post box mailing address to receive mail and create the perceived image of an 'office'.

4. Select the legal form for your business.

(Sole Proprietorship, Partnership, Corporation, Limited Liability Company, etc.)

This decision is crucial as it may affect your tax liability and method, your privacy, and your personal liability for debts. If you choose to have a partner, consider having a legal partnership agreement drawn up to ensure that both partners are clear on the partnership terms.

With all the above considered, and a final decision to follow your dream, accomplish a few tasks in the early days of your new company.

1. Establish an accounting process, and pick a year-end date.

One approach is to purchase a desktop accounting software package. Another option is to hire or contract an accountant. Personally, I like Simply Accounting, but do your homework on what programs will best suit your needs.

2. Select your company name.

This involves verifying that the name is available, and registering it. If you would like a Web presence, check if your desired domain is available through a service such as Microsoft bCentral. If you plan to protect your name and/or logo with a trademark, you should check the ability to use your desired name.

3. Obtain the necessary business licenses and permits.

This will vary by your location and type of business.

4. Obtain the necessary insurance.

Together with your insurance agent, determine your business and property insurance needs.

5. Consider funding. Will you need a loan?

Don't assume that you can easily get a loan. Take the time and discuss your options with a professional financial advisor or your banker. Consider a personal loan or a business loan, and identify what type and for how much you will qualify.

6. What about venture capital for your business?

Venture capital firms (VC) are an option if you are planning a high and rapid growth business in which your investors have potential to make five to ten times their initial investment. VCs usually invest between \$250,000 to \$2,000,000 in a company. In return they take considerable ownership of the company. They generally make their decision on the strength of the management team and the viability of the business model within the current market. If your company does not fit this profile, that is OK. It may be better to spend your time seeking funds in other ways.

7. What about the government funding?

Your business might qualify for a government loan or grant. Contact your local and federal government agencies to identify a fit with your business.

8. Select a bank and establish banking accounts.

Try to spend time with your new business banker.

Establishing a relationship early on will be important to his/her ability to help your business in the long term. Will you accept funds through VISA or MASTERCARD? If yes, go through the necessary application process to receive Merchant Accounts.

9. Legal Advice

You might find a lawyer helpful in establishing leases, client contracts, tax planning, trademark, copyright and patent issues.

10. Financial Advice

You might find an accountant helpful in setting up an accounting system, tax planning, preparations of tax documents, etc. It will cost a bit of money up-front to retain professional advisors, but it is well worth the investment to help guide you through this new territory.

Whether you work for an employer, or decide to venture out on your own, there are challenges. Before you make a decision, learn as much as you can. Talk to people in various disciplines and once you choose, give it your all and COMMIT to your dream.

Kelli Gayford is a Senior Associate with Korn/Ferry.

Source: wiredwoman.com

How To Know How Much Space You Need

By Mike Elford

If you know you need a physical space for your business, and you know what features you need in that space, then your next question is probably, how much space do I need? In typical office scenarios, you can estimate 175-250 square feet per employee. If you know, however, that you'll need a couple of large executive offices then you need to estimate more square footage for those. Typical presidential offices range from 150-400 square feet. Secretarial and administrative space, on the other hand, will range from 60-110 square feet.

Don't forget about meeting room space. Conference rooms should allow 25-30 square feet per person for a traditional conference room arrangement. If you are using it in a classroom (or theatre) style setup you can estimate 15 square feet per person.

Your reception area should accommodate your receptionist, as well as the average number of people you would expect to enter at any given time. If you expect to routinely have groups of 6-9 people arriving and waiting in your reception area, then make sure you have at least 300

continued on page 3

Purchasing An Existing Business *By John Thompson*

When you buy an existing business, you are assuming responsibility to an existing customer base. Buying a business this way, you are most concerned with the ability of the business to continue to earn profits.

The price you choose to pay for this business, therefore, is more related to the business past profit earning record. One commonly accepted way of evaluating this business is projecting its profits for the next three years based on its last three years and discounting the present value (using present value tables) to this year. This suggests that you expect to get your investment back within three years.

You may also choose to buy a business that is not doing well, believing that you can use your knowledge and talents to make it succeed.

Then the value you would place on it would have more to do with the replacement value of the assets of the business (plant, equipment and inventory) taken against what is shown on a current balance sheet, to be the book value of the assets and liabilities.

In some cases, you may wish to buy a business and sell it quickly; your success here would depend on your ability to identify businesses which can be turned around quickly and resold at a profit. You are particularly concerned with the balance sheet and the specific liquidity aspects revealed by it. This is what happens when the assets of a business are purchased from a receiver or a bankruptcy. Then you can either do a sort and a further liquidation sale, or you can pick up the pieces and attempt to build a new business from them.

Most people negotiating a buy/sell agreement for a business use the above methods in some combination. You negotiate for assets based on their worth to you. Beyond the asset value, you pay for inventory against cost figures (not retail dollars) and according to how current the inventory has been kept.

How To Do It

1. As a first step, learn about the process by seeking out books which explain how to buy a business. Pay special attention to the reason why the person is selling the business.
2. To find businesses available for purchase:
 - *check newspapers for classified ads under Business Opportunities or similar headings;*
 - *contact commercial real estate agents;*
 - *read ads in trade publications; attend trade shows; talk to people in the trade;*
 - *visit businesses which interest you, to observe their operations; and*
 - *talk to business professionals (lawyers, accountants and bankers) to see if they know of any firms that might be for sale.*

3. Check out businesses you would like to operate looking for owners who want to retire or sell for other reasons such as boredom, partnership disagreements, divorce or poor health.

4. Look for businesses which are not doing well, and which your talents, knowledge and energy could make successful. Beware of businesses which are in a shrinking marketplace (e.g. typesetter printer businesses).

5. Identify and talk with potential customers to determine their needs for your product.

6. Before entering into negotiations to purchase a business, talk to your banker, accountant and lawyer.

Key Questions To Ask:

What existing businesses could I buy and operate?

What types of business am I interested in?

What types of businesses would I enjoy operating?

What businesses could I run, based on my previous experience?

What funds are available to me for the purchase of a business?

How Much Space You Need

continued from page 2

square feet. For smaller groups of 3-5, you need at least 200 square feet.

Other space requirements, like filing areas, library space, break rooms, mail rooms, and general storage should not be left out either. The space requirements for these types of areas will vary depending on your use and needs. Here are a few more guidelines:

- For filing cabinets, allow 7 square feet per cabinet.
- In your library, remember to account for people as well as your media shelving.
- People-space can typically be estimated at 15 square feet per person for sitting at tables for break rooms, libraries and meeting rooms.

Remember to plan accordingly for telecommuters and other transient workers. If a large portion of your workers telecommute, or are out of the office for a majority of their time then set up non-assigned workstations that they can use when they come in. In most cases, designated office space is not necessary for employees who work from many locations. You can save tremendously on your square footage by using this type of system. It may mean that more filing cabinets, printers, etc. are necessary in employee's homes, but you'll still come out better in the long run.

For Small Business Owners

Scholarships Made Available By Institute Sponsors

Offers



Costs & Requirements



- Low cost business assistance training through the Entrepreneurial Strategic Planning (ESP) Program. (*valued at \$800 per person enrolled*).
- Intimate, personalized instruction in key areas of business management including financing options, computerization, new business strategies, new ways of organizing work, and other changes in the business world especially designed for the small business owner.
- Based on a nine-week 50-hour class curriculum. (Turn over to see schedule). Certificate awarded to each participant upon completion of the program.
- \$125 Registration fee.
- Open to existing and potential entrepreneurs.

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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CURRICULUM FOR JANUARY 20, 2004 – MARCH 18, 2004

Quantum Leap to Success <i>January 20 and January 22, 2004</i>	6 hours (2 three hour sessions) 7:00 p.m. – 10:00 p.m.	Vernon Webb
Financial Intelligence <i>January 27, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Faculty
Developing Your Business Plan <i>January 29, February 3 and February 5, 2004</i>	9 hours (3 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Teke Negus
Marketing Your Business <i>February 10 and February 12, 2004</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Shelley Warren
Employee Development/Customer Relations <i>February 17, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Rosita Odom
Small Business Employee Relations <i>February 19, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Emmit Willis
Small Business Legal Issues <i>February 24, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Steven J. Coté
Small Business Resources On The Internet <i>February 26, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Elizabeth Ghaffari
Recordkeeping/Accounting <i>March 2 and March 4, 2004</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Jeffrey Hill
Analyzing Your Financial Statements <i>March 9, 2004</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Farid Haqq
Financing Your Business <i>March 11 and March 16, 2004</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Farid Haqq
Business Strategies and Projections <i>March 18, 2004</i>	2 hours (1 two-hour session) 7:00 p.m. – 9:00 p.m.	Teke Negus

**For more information call
(213) 739-2999 ext. 228**

Limited Attendance... Enroll Now!

Website www.pccorp.org

PCR HOLDS OPEN HOUSE

On November 19, 2003 PCR opened its doors to welcome 75 of its clients, bank partners, investors, grantors, and volunteers. Company president Mark Robertson explained that “the purpose of the event was certainly to allow those who haven’t done so the chance to visit our offices, but it was also a chance to show our appreciation and gratitude to those who are dedicated to PCR’s mission of providing excellent small business assistance”. To that end, community economic development awards were given to Washington Mutual Bank, Wells Fargo Bank, HSBC Bank, and Comerica Bank for their direct financial support of PCR’s small business programs. Further, Hanmi bank was recognized for its un-matched participation in the State Loan Guarantee Program.

In addition, PCR used the opportunity to recognize the most recent graduates of its Entrepreneurial Training Institute, each of whom received a Certificate of Completion for PCR’s nine-week, 50-hour Entrepreneurial Strategic Planning course. Finally, numerous board members, loan committee members, consultants, instructors and advisory board members were recognized for their vital contributions to PCR’s ongoing economic development efforts.

The event was elegantly catered by Dulan’s Catering service, and it was a wonderful way to start the holiday season.



Photo above: Entrepreneurial Training Institute Graduation class of Sept. 2003



Photo left: Scott Suh, Mayor’s Office, City of Los Angeles, Suki H. Murayama, Sr.VP, Hanmi Bank and Kenneth Ota, SVP, Pacific Commerce Bank



Photo left: Lorenzo J. Flores, Assistant District Director, Economic Development US Small Business Administration; Mark J. Robertson, Sr. President/CEO, PCR; and Alberto G. Alvarado, District Director US Small Business Administration



PCR Staff members: (left to right) Lydia Nalls, Constance Anderson, Mark J. Robertson, Sr., and M. Selena Davis



Mark Robertson, Sr., President/CEO Pacific Coast Regional and Suki H. Murayama, Sr.VP, Hanmi Bank



Rene Bizer, Regional Mgr., Community Dev., Wells Fargo; and Mark J. Robertson, Sr., President/CEO, PCR



Art Resendez, Vice President, Mizuho Corporate Bank of California; Elizabeth Ghaffari, President Technology Place; and Michael Upton, VP, Marketing and Planning, Mizuho Corporate Bank of California



(Left to Right): Peter Barash, Ellis Gordon, Jr. of Gordon/Barash Associates, Inc., consultants to PCR; Mark J. Robertson, Sr., President/CEO PCR; and Harold Hart-Nibbrig, Attorney, PCR Board Member

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CANDID COMMENTS

"The most difficult part of getting to the top of the ladder is getting through the crowd at the bottom."

ARCH WARD

"If you cannot do great things, do small things in a great way."

J. CLARKE

"It is evident that many great and useful objects can be attained in this world only by cooperation."

THOMAS B. MACAULAY

"Every step toward improvement builds the energy that contributes to a winning mentality."

JAMES M. COSTELLO

"When you talk, you repeat what you already know; when you listen, you often learn something."

JARED SPARKS

"Leadership begins with the enjoyment of what you are doing. If you don't enjoy it ...it is very difficult to display the kind of positive leadership people are looking for."

CEDRIC W. DEMPSEY

"Fix what's broken, whether it's a machine or a process. People don't need to be burdened by problems that could be corrected."

JOANNE G. SUJANSKY

"Motivation is what gets you started. Habit is what keeps you going."

JIM RYUN

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

Call to Schedule a Meeting with a SCORE Counselor

Got a question about starting your own business? Need advice on writing your business plan? Or just want to discuss a business related **QUESTION** or **IDEA**? PCR's Small Business Consultants can be of service to you.

This Service is Free

Which includes a free small business start-up guide and other available materials

All Follow-Up Sessions are Absolutely Free

Appointments are scheduled for **Mondays from 9:00 a.m. to 1:00 p.m.** 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 at
(213) 739-2999 ext. 221

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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...



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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