

New Financial Assistance Process for Targeted Small Businesses (TSBs)

A certified Targeted Small Business (TSB) may apply for a low-interest loan of up to \$50,000 to start a new business or expand an existing business through the TSB Program. The TSB Program does require an injection of 10 percent cash into the total project budget. For example, if the project budget totals \$25,000, the applicant would need to provide 10 percent or \$2,500 towards the business start up or expansion. If approved, the TSB Program would provide a loan for the balance (\$22,500).

The following is an overview of the terms of a TSB loan:

- Five years to repay through monthly installments
- The interest rate may range from zero to five percent, averaging around two to three percent
- Funds may be used for equipment, inventory, supplies, marketing, technology, etc.

Funds may not be used for travel, training, to re-finance an existing debt, or for the purchase of real estate.

NOTE: The TSB program will only loan 50 percent of inventory needs. For example, if \$25,000 worth of inventory is required to open a clothing store, the TSB Program would only loan up to \$12,500 for the purchase of inventory.

Good credit is important, perfect credit is not required.

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Patton's Restaurant & Catering – Another TSB Success Story!

From catering to full-service restaurateur

When Pam Patton was working full time for the Principal Financial Group, she had tremendous passion for her job as a diversity recruiter. Excellence is a personal standard that Pam aspires to no matter what she is doing. Even though corporate America appreciated her talent, Pam's heart was telling her it was time for a change. She was coming down with what we call "entrepreneurial fever" and really, there is only one cure for it: start your own business!

Pam loves to cook and she is excellent at it. Pam kept her job at The Principal while starting her catering business, Southern Drawl Catering. After landing some great contracts and many social engagements in the city, business was constant and good. She began to plan to her next move: opening a full-service restaurant. Early in 2011, Pam opened Patton's Restaurant & Catering to the delight and anticipation of many of her loyal customers.

We were able to steal a few minutes of Pam's time to ask her a few questions:

How was the TSB program helpful in launching your business?

First, I received lots of advice and support and the technical assistance was invaluable! I was encouraged to develop my marketing plan. The TSB program helped with much-needed financial assistance, but the business advice and



guidance was also important. When you start a business, you just don't have all the answers. You don't even know what you don't know. However, there are people and organizations that can help and mentor, as the TSB program did for me.

What advice would you give to someone planning to open a business?

It's important to educate yourself. I would recommend the business planning classes offered by ISED (Iowans for Social & Economic Development with offices in Des Moines and Waterloo). Also, I would encourage anyone interested to get advice from current business owners, and to do your own research! Yes, you can pursue your dream, but don't just jump in without doing the research. Also, make sure you get your credit rating and capital together. You also have to prepare for the lean times because YOU, the owner, are always paid last, if at all. Be prepared for those days.

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Finally, when you make money, don't spend it all. Invest in yourself and your business through ongoing training, product development, etc.

What is your favorite part about owning your own business?

To tell the truth, I love helping people. This has allowed me the opportunity to help others. We have 11 part-time employees. We view them and we want them to view themselves as professionals. If we continue to grow and revenue grows, we will hire more. Owning Patton's Restaurant presents me with the opportunity to provide good jobs, train people, and help them develop, grow and learn the restaurant profession. We want to promote our staff to more challenging positions and challenge them to be better than ever!

How has your opening gone so far?

I think it has gone at least as well as we expected—even better than expected without marketing. We planned to open slowly because we wanted to make sure the kitchen staff was up and running.

Patton's Restaurant received a great deal of media coverage which helped to spread the word about the restaurant without advertising. There have been five articles written in major print and online media about the new eatery since it opened on Martin Luther King, Jr. day this year.

Restaurant reviewer Joe Lawler (*Metromix*) wrote in a February 2nd article "Patton's looks great, but the restaurant's wonderful flavors and affordable prices really make it a winner. This is good motivation to keep driving a little east of the East Village."

The "Food Dude" (*Des Moines City View*) said, "Several of Patton's southern dishes were the best I have ever sampled in Des Moines! Bottom line—Patton's is the first great new restaurant of 2011. Its southern dishes are its strong suit." (02/17/11).

We're proud of the success of Patton's Restaurant & Catering and happy that the Targeted Small Business Program of Iowa shared in making a dream come true. (www.pattonrestaurant.com)

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If an applicant has a lower than average credit score, bankruptcy in the last two years, or multiple delinquencies on account, it would be wise to improve his/her credit history before applying for a TSB loan.

THE APPLICATION BEFORE THE APPLICATION

Effective immediately, certified TSBs need to complete a pre-qualification application before completing the FULL TSB Loan application. Once you submit the pre-qualification application, TSB Program managers will review it to determine, among other things:

- applicant's credit score is at or above the qualifying level
- that applicants are CERTIFIED (or conditionally certified) as a Targeted Small Business
- whether applicant appears on the State of Iowa Debt Offset list, meaning the applicant owes the state or federal government money for unpaid taxes, defaulted student loans, back-due child support or unpaid traffic tickets

Once the pre-qualification application is satisfactory, the TSB program will assign the applicant with a Technical Assistance (TA) provider to help complete the full TSB loan application. Technical Assistance providers are experienced with the full application and will work with applicants to ensure everything is complete and accurate. TA providers will also review and analyze business plans and assist with preparing financial statements including the two-year cash flow projections. The services of this TA provider are free of charge to certified TSBs.

For more information, or to download the pre-qualification application, visit the TSB website at www.iowalifechanging.com/business/tsb.aspx or call 515.725.3196 with any questions about the TSB program.

Mark Your Calendars:

The John Pappajohn Iowa Business Plan Competition is now accepting entries for the 2011 competition. New and start-up businesses (in business for less than four years) are eligible to enter the competition for the chance to win up to \$25,000. The deadline to enter is April 30. Applicants are required to submit business plan information via AngelSoft at the competition website www.IowaBusinessPlanCompetition.com.

After several rounds of reviews and interviews, the three winning business plans will be announced at the Iowa Entrepreneurs Conference and Venture Forum to be held in Des Moines in October 2011.

CHECK HERE FOR UPCOMING EVENTS

www.iowalifechanging.com/business/tsb.aspx



GET BID OPPORTUNITIES EMAILED TO YOU!

You have the opportunity to register for future State of Iowa, Department of Administrative Services bid opportunities and receive notification electronically when a bid posting aligns with the goods and/or services your business can provide. Our new electronic tool will allow you to respond on-line and eliminate paper. Register at <http://das.gse.iowa.gov/DASeBid/> to receive notification and respond on-line.



The Department of Administrative Services began to post bids to this site at the end of December 2010. All bids should be posted electronically by summer of 2011. Contact Lois Schmitz at lois.schmitz@iowa.gov if you have questions on how to get registered for the DAS ebid system.

The TSB 48-Hour Procurement Website

The Iowa Code states all state agencies must post bid opportunities on the TSB 48-Hour Procurement website, 48 hours before the bids go public for all businesses to see. Take advantage of this two-day lead in responding to bids! The TSB 48-Hour Procurement website is a secure website and is only accessible by certified TSBs with a unique password assigned to them. To request a password, send an e-mail to Lori.Young@iowa.gov. Then check the TSB 48-Hour Procurement website daily to put your business at a competitive advantage.

Marketing Your Small Business to the Federal Government

AN SBA (U.S. SMALL BUSINESS ADMINISTRATION) WORKSHOP PRESENTED BY STOVER & ASSOCIATES

At this FREE workshop, you'll learn:

- How the government makes purchases and who are its buyers
- Identify marketing tools and opportunities to market their business
- Gain an understanding of marketing concepts
- Be able to develop a Capabilities Summary and Marketing Plan
- Understand how technology can be useful in marketing business

DATE: Tuesday, April 12, 2011

TIME: 8:30 am – 5:00 pm

LOCATION: Meskwaki Hotel; Outagamie Room, Veteran's Convention Center; 1504 305th St., Tama, Iowa

For more information, contact Phyllis Embree or Christ Strudthoff at sbaworkshops@stoverteam.com or call 770.423.9888. The SBA District contact for this workshop is Dawnelle Conley at 515.284.4422. There is no cost for eligible businesses. Visit <http://sbaworkshops.stoverteam.com> for more details and to register.

U.S. Small Business Administration announces its next E-200 Class opportunity

The Emerging 200 (known as e200) is an intensive training initiative to accelerate high-potential small businesses' growth in America's inner cities. The cornerstone of the e200 initiative is an in-depth educational program of about 80 – 100 hours, held in two, half-day classes held each month, April through October. It helps businesses with organizational management, financing options, growth strategies, market development, and strategic planning. The only cost is a true commitment to complete the curriculum and do the work.



If your business meets this criteria, you are eligible to apply (class size is limited to 15 businesses). To participate, the business must:

- Have been established for at least three (3) years. This is not for start-up companies.
- Have annual revenue between \$400,000 and \$10 million per year.
- Have employees (at least one employee besides the CEO participant).
- Be represented by the key decision maker of the qualified business (i.e. CEO, Owner, President)

The program boundaries are limited to the city of Des Moines.

The first class is April 14 and space is offered on a first-come, first-served basis. For more information, contact Dawnelle Conley, Lead BDS, SBA-Des Moines, at 515.284.4913.

IN RELATED NEWS...

SBA Announces Contracting Program for Women-Owned Small Businesses

FIRST CONTRACTS EXPECTED TO BE AWARDED BY CRITICAL FOURTH QUARTER OF FISCAL YEAR 2011

WASHINGTON – Women-owned small businesses can begin taking steps to participate in a new federal contracting program, the U.S. Small Business Administration announced today. The new Women-Owned Small Business (WOSB) Federal Contract Program will be fully implemented over the next several months, with the first contracts expected to be awarded by the fourth quarter of fiscal year 2011.

“Implementing the Women-Owned Small Business contracting rule has been a top priority for the Obama Administration and SBA,” said Administrator Karen Mills. “Women-owned businesses are one of the fastest growing sectors of the economy. As we continue to look to small businesses to grow, create jobs and lead America into the future, women-owned businesses will play a key role. Providing them with all the tools necessary to compete for and win federal contracts is so important. Federal contracts can provide women-owned small businesses with the oxygen they need to take their business to the next level.”

The WOSB Federal Contract Program will provide greater access to federal contracting opportunities for WOSBs and economically disadvantaged women-owned small businesses (EDWOSBs). The Program allows contracting officers, for the first time, to set aside specific contracts for certified WOSBs and EDWOSBs and will help federal agencies achieve the existing statutory goal of five percent of federal contracting dollars being awarded to WOSBs.

On Feb. 4, SBA released instructions on how to participate in the program, as well as launched the secure, online data repository for WOSBs to upload required documents, on its website: www.sba.gov/wosb. SBA also released an application to become an SBA-approved third party certifier for this program on that date. This is the first version of the application. SBA welcomes your comments and suggestions.

During the ramp up period over the next several months, SBA is encouraging small business owners to review program requirements and ensure their required documents are uploaded to the repository. WOSBs also will need to update their status in the Central Contractor Registration

Every firm that wishes to participate in the WOSB program must meet the eligibility requirements and either self-certify or obtain third party certification. At this time, SBA has not approved any third party certifiers. Regardless of their certification method, WOSBs must also upload required documents proving their eligibility to a secure online data repository developed and maintained by SBA.

To qualify as a WOSB, a firm must be at least fifty-one percent owned and controlled by one or more women, and primarily managed by one or more women. The women must be U.S. citizens and the firm must be considered small according to SBA size standards. To be deemed “economically disadvantaged”, a firm’s owners must meet specific financial requirements set forth in the program regulations.

The WOSB Program identifies eighty-three four-digit North American Industry Classification Systems (NAICS) codes where WOSBs are underrepresented or substantially underrepresented. Contracting officers may set aside contracts in these industries if the contract can be awarded at a fair and reasonable price, the contracting officer has a reasonable expectation that two or more WOSBs or EDWOSBs will submit offers for the contract and the anticipated contract price is not greater than \$5 million for manufacturing contracts and \$3 million for other contracts.

For more information on the Women-Owned Small Business Program or to access the instructions, applications or database, please visit www.sba.gov/wosb.

CCR Adds New Women-Owned Business Types

The Federal Central Contractor Registration (CCR) has announced that it has added four new business types to support the Small Business Administration’s Woman-Owned Small Business Program. The new business types include:

- Women-Owned Small Business
- Economically Disadvantaged Women-Owned Small Business
- Joint Venture Women-Owned Small Business
- Joint Venture Economically Disadvantaged Women-Owned Small Business

Vendors will be able to select any or all of these business types on the Corporate Information page, and they will then be displayed in the CCR public search and in CCR tools. For more information, visit <https://www.bpn.gov/ccr/NewsDetail.aspx?id=1000&type=N>