

COAST

COMMENTS

Volume 19, No.2

FALL 2006

PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION (PCR)

PCR Client, Human Potential Consultants, Awarded \$810,000 Project From Governor Schwarzenegger

July 5, 2006

Carson, CA – The State's Department of Corrections and Rehabilitations awarded Human Potential Consultants (HPC) with the honor and distinction of managing the Police and Corrections Teams (PACT) project. The PACT project identifies, monitors and work closely with providing viable resources for ex-offenders entering the community to assist in reducing California's recidivism rates.

This phenomenal opportunity will allow HPC to engage populations within the voluminous communities of Antelope Valley, El Monte, Inglewood, Midtown Los Angeles, Orange, San Fernando Valley, San Gabriel Valley, Santa Ana and South Central Los Angeles.

HPC President Garnett Newcombe, affirms, "This august opportunity will allow HPC to demonstrate our specialized skills and abilities by providing qualified candidates an opportunity to work on this project. HPC strives to be an integral part of the PACT project's success and a con-

tributor to California's vibrant economy."

HPC offers government and private industry a wide range of unique and diverse employment solutions that may be categorized into three groups: government project management; support staffing services (direct and/or temp to perm placement); and staff and management development.

Second Chance for the Jobless



Garnett Newcombe started Human Potential Consultants in 1997 as an alternative resource for local government agencies to find employment for individuals exiting workforce development assistance programs, such as drug rehabil-

itation and unemployment services. With a huge number of individuals applying for help to these agencies, Newcombe says she told government officials: "If you can't help them, send them to us."

Currently, Newcombe is working to become more visible to the government agencies that supply her with clients, including becoming certified for federal funding. One of her goals is to become the premier minority, woman-owned business in the U.S. that provides contracting employment solutions.

Human Potential Consultants, LLC received a \$35,000 SBA Micro loan to support the growth of the business. In addition Dr. Newcombe graduated from PCR's Entrepreneurial Training Institute "ETI". The ETI program is an eleven week program of topics useful in operating a successful business. Contact PCR for more information.

KUDOS FROM ASSEMBLYMAN MARK RIDLEY-THOMAS

PCR's president, Mark Robertson was honored in Sacramento by Assemblyman Mark Ridley-Thomas during a May 30th gala luncheon hosted by the California Small Business Association. Robertson was recognized for his leadership of PCR as the most prolific of 11 state-certified Financial Development Corporations that administer the California Small Business Loan Guarantee Program. Under this program PCR annually facilitates \$25 million in loans to 300+ local small businesses. PCR's board chair, Leighton Hull is shown receiving the award on Robertson's behalf.



Leighton Hull, PCR Chairman and Assembly Member
Mark Ridley-Thomas.

HUMAN POTENTIAL CONSULTANTS

Contact Deidre Norville, www.hpcemployment.org

PCR - "Celebrating 30 Years of Uncompromising Service"

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Getting Started

Choosing the right Business Structure – Choose the right Market

Starting and managing a business takes motivation, desire and talent. It also takes research and planning. Like a chess game, success in small business starts with decisive skill, discipline and hard work to regain the advantage. To increase your chance for success, take the time up front to explore and evaluate your business and personal goals. Then use this information to build a comprehensive and well-thought-out business plan that will help you reach these goals. The process of developing a business plan will help you think through some important issues that you may not have considered yet. Your plan will become a valuable tool as you set out to raise money for your business. It should also provide milestones to gauge your success.

Before starting out, list your reasons for wanting to go into business. Some of the most common reasons for starting a business are:

- *You want to be your own boss.*
- *You want financial independence.*
- *You want to fully use your skills and knowledge.*

Next you need to determine what business is “right for you.” Ask yourself these questions:

- *What do I like to do with my time?*
- *What technical skills have I learned or developed?*
- *What do others say I am good at?*
- *How much time do I have to run a successful business?*
- *Do I have any hobbies or interest that are marketable?*

Then you should identify the niche your business will fill. Conduct the necessary research to answer these questions:

- *Is my idea practical and will it feel a need?*
- *What is my competition?*
- *What is my business advantage over existing firms?*
- *Can I deliver a better quality service?*
- *Can I create a demand for my business?*

Then the final step before developing your business plan is the pre-business checklist. You should answer these questions:

- *What business am I interested in starting?*
- *What services or products will I sell?*
- *Where will I be located?*
- *What skills and experience do I bring to the business?*
- *What will be my legal structure?*
- *What will I name my business?*
- *What equipment or supplies will I need?*
- *What financing will I need?*
- *What are my resources?*
- *How will I compensate myself?*

Your answers will help you create a focused, well-researched business plan that should detail how the business will be operated, managed and capitalized. A business may be conducted through a variety of organizational structures. A specific business structure is generally chosen for liability and/or tax reasons. There are several types of organizations.

FREE SERVICE

SCORE

Small Business Counseling

What to expect from SCORE:

A confidential, business counseling session with a SCORE volunteer counselor, who has the business experience you need to address your questions.

An assignment to help you think through your business challenge or opportunity, and a follow-up appointment to be set at your first counseling session.

Follow-up from your SCORE business counselor, checking in on your progress and offering additional assistance.

**Call our office,
make an appointment,
take advantage of this service.
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The 3 Things People Want From You

Only about 10 percent of organizations maintain high levels of motivation among long-term employees, researchers say.

Bosses who keep morale high understand what employees want, and then give it to them. That may sound like a recipe for insolvency, but employees' wishes are generally reasonable and fit with the organization's goals.

Surveys of more than 3.5 million people over 30 years reveal three basic employee desires:

1. Equity, meaning fair pay, competitive benefits, reasonable job security and respectful treatment.
2. Recognition for accomplishments.
3. Camaraderie, including warm, interesting and cooperative relations with co-workers.

Employee enthusiasm depends on a culture that satisfies those three needs. The researcher's advice? Rather than trying to pump up motivation with superficial program that don't stick, give employees what they want.

The returns are great for organizations that treat employees as allies, not children, enemies, or commodities.

-Adapted from "Assumptions That Kill Morale," David Sirota, Louis A. Mischkind, and Michael Irwin Meltzer, Leader to Leader.

FIND THE LEADERS UNDER YOUR NOSE

Who are the future leaders in your organization? According to a survey of top executives, they're people who can:

- Lead-or follow-as the situation demands.
- See broad trends that other people miss.
- Find a middle ground between competing strategies.
- Seek out new challenges.
- Translate data into specific action steps.
- Accept accountability.
- Allow others to take risks.

-Adapted from "Leading Into the Future" A Global Study of Leadership 2005-2015, American Management Association.

Homebased Sole Proprietors Generate \$102 Billion in Annual Revenue

America's homebased sole proprietors generate \$102 billion in annual revenue, according to a study released on May 31 by the Office of Advocacy. The study compares revenues, expenses, income, and industry distribution for sole proprietorship who are based in the home versus non-homebased.

The study was released at the annual meeting of the American Association of Microbusiness in Minneapolis, Minnesota. Region V Advocate Ray Marchiori presented the report. "Sole proprietorships, are a vital part of our economy,"

Marchiori said. Many are homebased microbusinesses; collectively they generate a significant amount of economic activity. For the average sole proprietor, their business provides benefits of entrepreneurship that go beyond just income and revenue."

Written by James H. Pratt with funding from the Office of Advocacy, The Impact of on Net Income: A Comparison of Homebased and Non-Homebased Sole Proprietors examines federal income tax data from sole proprietorships. For example, it finds that the average homebased sole proprietor earned \$22,569 in net income while its non-homebased counterpart earned \$38,243. Due to lower expenses, particularly in rent and labor costs, the average homebased sole proprietor consistently gained a higher return on gross revenues at 36 percent, versus 21 percent for the non-homebased.

The report also finds that the share of homebased sole proprietorships was the greatest in three sectors:

- **administrative, support, and waste management;**
- **information; and**
- **construction.**

Non-homebased businesses had their largest shares in these sectors:

- **accommodation and food services;**
- **all other services; and**
- **finance and insurance.**



Ten Reasons to Love California Small Business

Small businesses are the heart of California's economy notes the Office of Advocacy of the U.S. Small Business Administration

10. Small businesses make up 99.2 percent of all California employers
9. Small businesses create more than 50 percent of the American non-farm private gross domestic product (GDP).
8. Small patenting firms produce 13 to 14 times more patents per employee than large patenting firms.
7. The 3,320,977 small businesses in California are located in every community and neighborhood.
6. Small businesses employ 53 percent of California's non-farm private sector workers.
5. Home-based businesses account for 53% of all small businesses.
4. Small businesses are 97 percent of America's exporters and produce 26 percent of all export value.
3. California saw an estimated 117,016 new small firms with employee start-up in the last year measured.
2. There are approximately 960,000 minority-owned businesses and 871,617 women-owned businesses in California, and almost all of them are small businesses.

1. The latest figures show that a small business creates 65 percent or more of America's net new jobs.

The office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source of small business statistics presented in user-friendly formats and it funds research into small business issues. For more information, visit www.sba.gov/advo, or call (202)205-6533.

Are you living a life of constant interruptions? The answer is **yes**.

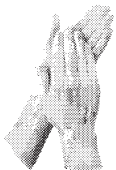
Do you feel like you're multitasking yourself into chaos? Have you ever wondered if, rather than



helping you, your e-mail, voicemail, fax machines and other methods of working on the modern office are really keeping you from getting your work done. Well, a recent study could be corroborating your suspicions. According to Brian

Donnelly of The Herald (Scotland), a research report from the University of California at Irvine found things average workers today could only work on something for 11 minutes at a time without interruption. And once the person is interrupted it takes an average of almost a half hour to get back on the track with the original task they were working on. The study The cost of not paying attention, written by Gloria Mark and Victor Gonzalez, found that all the new technology we've come to rely on for help is in fact increasing stress and unprecedented disruption in offices.


The researchers found that interruptions use up an average of 2.1 hours of each working day. Workers were interrupted by phone calls, e-mails, managers and colleagues. Once interrupted, it was hard for some workers to return to the original task at all during the day. Each worker in the study was found to be working on an average of 12 projects. The study looked at a random sample of office worker's days.




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- 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.
- Certificate awarded to each participant upon completion of the program.

Costs & Requirements



- Open to existing and potential entrepreneurs.
- **\$200 Registration fee**

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 through SCORE (Service Corp. of Retired Executives)

- 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

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CURRICULUM FOR SEPTEMBER 12, 2006 – NOVEMBER 9, 2006		
Quantum Leap to Success <i>September 12 and September 14, 2006</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Vernon Webb
Financial Literacy <i>September 19, 2006</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	C. Anderson
Managing Your Business Effectively <i>September 21 and September 26, 2006</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Frank Sutton
Developing Your Business Plan <i>September 28, October 3, and October 5, 2006</i>	9 hours (3 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Teke Negus
Marketing Your Business <i>October 10 and October 12, 2006</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Suzanne Lawrence
Employee Development/Customer Relations <i>October 17, 2006</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Rosita Odom
Small Business Resources on the Internet <i>October 19, 2006</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Sherice Bellamy
Recordkeeping/Accounting <i>October 24 and October 26, 2006</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Jeffrey Hill
Analyzing Your Financial Statements <i>October 31, 2006</i>	3 hours (1 three-hour session) 7:00 p.m. – 10:00 p.m.	Farid Haqq
Financing Your Business <i>November 2 and November 7, 2006</i>	6 hours (2 three-hour sessions) 7:00 p.m. – 10:00 p.m.	Farid Haqq
Business Strategies and Projections <i>November 9, 2006</i>	2 hours (1 two-hour session) 6:00 p.m. – 8:00 p.m.	Teke Negus

FOR MORE INFORMATION AND REGISTRATION CALL:

(213) 739-2999, ext. 228

Limited Attendance... Enroll Now!

Website www.pccorp.org

FIRST QUARTER 2006: THE ECONOMY AND SMALL BUSINESS

Trends

- The U.S. economy began with a strong showing: real gross domestic products (GDP) rose at an annual rate of 4.8. percent, up from 1.7 percent in the fourth quarter of 2005. The strong increase reflected health growth in the annual rates of real personal consumption expenditures (5.5 percent) and real gross private fixed investment (6.5 percent). A large increase in real exports (12.1 percent annual growth) was outpaced by the expansion of real imports (13.0percent annual growth). In addition, both industrial production and proprietors' income continued to rise.
- Consumers and business owners became slightly more pessimistic as the first quarter of 2006 ended. This was evident in the University of Michigan's Consumer Confidence Survey, which fell to 88.9 in March 2006 from 91.5 in December 2005, as well as in the National Federation of Independent Business's Optimism Index, which fell to a three year low of 98.0 in March. Small businesses surveyed for the index expressed less willingness to hire in the coming months. The optimism index had been higher in January and February (101.1 and 101.5, respectively), so future surveys will show whether the March reading was an aberration.
- The unemployment rate in March 2006 was 4.7 percent, the same as in January 2006 and the lowest rate

since July 2001. Additional nonfarm payroll jobs were added, and all major industries except for manufacturing saw net employment increases in the first quarter. Industries with largest shares of small business employment- construction, other services, wholesale trade, and leisure and hospitality- added 241,500 net new jobs during the quarter. There were also increases in self-employment, with 5.5 million incorporated self-employed in March 2006.

- Interest rates continued to rise, with the prime rate averaging 7.4 percent in the first quarter of 2006, up 2 percentage points from the first quarter of 2005. Other interest rates are similar. According to the Senior Loan Officers' Survey, these rate increases have had an impact on the demand for loans to small businesses; bank executives note that the strong demand for such loans has softened from the previous quarter. Venture capital investment remains steady: 761 deals valued at \$5.6 billion were finalized in the first three months of 2006.
- Core consumer inflation, which excludes energy costs, increased an annual 2.6 percent during the quarter. With energy costs, the consumer price index rose an annual 4.3 percent. The price of West Texas crude averaged \$62.90 in March 2006. This is more than in December 2005 (\$59.43) but slightly less than the January 2006 price (\$65.51), reflecting a volatile energy.

SAVE THE DATE
Tuesday, May 22, 2007

**PACIFIC COAST REGIONAL
SMALL BUSINESS DEVELOPMENT CORPORATION**

hosts their
30th Anniversary Gala
"Celebrating 30 Years of Uncompromising Service"

California African American Museum (CAAM)
600 State Drive, Los Angeles, CA 90037

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**Mary Ann Mitchell, President/CEO, CC-OPS,
Comerica Bank and Hanmi Bank**

Keynote Speaker & Artist:
Erik Wahl

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We cannot direct the wind but we can adjust the sails.

-BERTHA CALLOWAY

The cleverest ideas don't come from leaders, but rather from the leaders listening and encouraging and kind of creating a discussion.

-ERIC SCHMIDT

The individual activity of one man with backbone will do more than a thousand men with a mere wishbone.

-WILLIAM J. H. BOETCKER

Help others get ahead. You will always stand tall with someone on your shoulders.

-BOB MOAWARD

A hundred cartloads of anxiety will not pay an ounce of debt.

-ITALIAN PROVERB

To become fully human, with our souls intact, is our most important task. When we are making progress and our values fully engaged and meaning is ever present in our daily lives.

-DAVE SMITH

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Writing a Business Plan

After you've given some careful consideration to the business, you're ready to begin putting ideas on paper. That means preparing a business plan- a formal document explaining in some detail your plans to develop a financially successful business. If you think the business plan is just a lot of paperwork think again. It's important for two reasons:

1. *Preparing a business plan forces you to think through every aspect of your business. If you need outside capital, the business plan will be one of the first things the lender or investor wants to see.*
2. *A business plan serves as an assessment tool for the owner. As you work your way through the points of the plan, you will have to reaffirm the viability of your ideas. As you grow your business, a plan will help you keep track of the details and make sure the business is progressing as you intended.*

Introduction

- Give a detailed description of the business and its goals.
- Discuss the ownership of the business and the legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over your competitors.

Marketing

- Discuss the products/services offered.
- Identify the customer demand for your product/service.

- Identify your market, its size and locations.
- Explain how your product/service will be advertised and marketed, including signs inviting customers.
- Explain the pricing strategy.

Financial Management

- Explain your source and the amount of initial equity capital.
- Develop a monthly operating budget for the first year.
- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements, balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting record and how they will be kept.
- Provide "what if" statements that address alternative approaches to any problem that may develop.

Operations

- Explain how the business will be managed on a day-to-day basis.
- Discuss hiring, personal procedures.
- Discuss insurance, lease or rent agreements and issues pertinent to your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of products and services.

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Small Business Development Corporation
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We provide free mentoring, guidance and counseling to maximize the success of our community's existing and emerging small businesses. 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 a.m. to 1 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
(213) 739-2999 ext. 228**

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

**SEE US AT THE BLACK BUSINESS EXPO
LOS ANGELES CONVENTION CENTER
SEPTEMBER 22-24, 2006**

PCR Mission Statement

Pacific Coast Regional Small Business Development Corporation ("PCR") delivers financial, educational and management counseling services to small businesses most in need.

Team Members

- Amina Almeida, Office Manager/Executive Assistant
- Constance Anderson, Vice President, Communications & Programs
- Selina Arellanes, Documentation Specialist
- Peter D. Barash, Loan Consultant
- Nestor Correa, Vice President, Program Manager
- M. Selena Davis, Vice President, Senior Credit Officer
- Ellis Gordon, Jr., Loan Consultant
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- Maria Marroquin, Senior Administrative Assistant
- Teke Negus, Loan Consultant
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- Kenneth D. Smith, Controller



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