



November 2005

Celebrating Women in Business!

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Whether you are just starting a business or you already own a small business, motivation to succeed is what gets you out of bed each morning and back to work. Here are a few motivational stories to help you and maybe inspire you to jump out of bed tomorrow without hitting the 'snooze' button one more time. These women entrepreneurs found creative ways to balance their lives, and even helped others do the same!

Turning Talent into Profit

Cindy and Sean Haynie, both professional artists, founded the company Appomattox Tile Art on the belief that they could offer high-quality artistic design and service to the tile business. Although this husband and wife team knew a lot about artistic design and manufacturing mosaic tiles, their business skills were limited to previous careers. An acquaintance referred them to their local Small Business Development Center and according to Cindy, the SBDC's assistance was invaluable and helped with "everything from projections to publicity." Through the SBDC they applied and were approved for a U.S. Small Business Administration Prequalification loan. The real success story for Appomattox Tile Art is the persistence of the owners to keep the doors open during the transitional and growth stages. The Haynies participated in an annual tile show and followed up by personally visiting distributors and showrooms around the country. During such visits, a seminar was conducted on the use of mosaic tile and how easily it can be utilized with other decorating materials. These efforts recently resulted in securing an exclusive contract with a major high-end tile dealer with 17 locations across the country. This contract will result in a doubling of their production and an increase in employees.

The Eagle Soars

Elisa Comer's background as a certified medical language and transcription specialist led her to start her own firm and to become a trainer and teacher in order to fill the need for qualified medical transcription personnel. She rented space in the East Tennessee State University Innovation Laboratory and started Eagle's Landing Transcription Service (ELTS). In less than two years, ETSU had thirty-two employees supporting over fifty physicians. As with many other entrepreneurs, Elisa faced her share of challenges. She obtained a U.S. Small Business Administration guaranteed loan for \$145,000 which enabled her to grow her business. Being a home-based business advocate, a majority of Elisa's workforce is mothers who want to work from their homes while providing highly standardized, quality medical transcription services to ELTS. As Ms. Comer says, "Eagle's Landing has continued to grow, offering moms all across the U.S. the option of working from home." ELTS began a Web-based school of transcription and also provides on-site teaching and internships. "We've really appreciated the assistance from the Small Business Development Center and the SBA—they were really there when we needed the help," said Elisa.

All SBA programs and services are offered on a nondiscriminatory basis.

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Gaining Access to Capital

“We’re in the money! We’ve got a lot of what it takes to get along.” Leave it to the 1940’s musical revival *42nd Street* to put it shall we say...eloquently. It takes money to make money and unless you are sitting on top of a gold mine, most likely you are going to have to turn to an outside source for funding. Did you know that most women entrepreneurs use a variety of boot strapping methods of obtaining funding for their businesses? But why use credit cards with a high annual percentage and interest rate or borrow money from your family and friends when you can apply to obtain a SBA guaranteed loan? The process is relatively easy and here are some basics you will need to know about financing your business.

Financing 101. While poor management is cited most frequently as the reason businesses fail, inadequate or ill-timed financing is a close second. Whether you’re starting a business or expanding one, sufficient ready capital is essential. To read more visit: <http://www.sba.gov/financing/basics/basics.html>

I Have My Great Business Idea, How Much Will I need to get it Off the Ground? In order to determine how much seed money you will need, you must estimate the costs of your business for at least the first several months. Every business is different, and has its own specific cash needs at different stages of development. To read more visit: <http://www.sba.gov/financing/basics/estimating.html> and http://www.sba.gov/starting_business/financing/startup.html

Where Do I Go to Find Capital for My Business? Raising capital is the most basic of all business activities, but it may not be easy; in fact, it is often a complex and frustrating process. However, if you have studied and planned effectively, raising money for your business will go as smoothly as possible. To read more visit: http://www.sba.gov/starting_business/financing/findcapital.html

How Does the SBA Loan Program Work? Financial Assistance is delivered primarily through SBA’s Investment programs, business loan programs, disaster loan programs, and surety bonding programs. To read more visit: <http://www.sba.gov/financing/basics/sbarole.html>

What Are the Basics of Applying for a Loan? When applying for a loan, you must prepare a written loan proposal. Make your best presentation in the initial loan proposal and application; you may not get a second opportunity. To read more visit: http://www.sba.gov/starting_business/financing/applyloan.html

Cash vs. Cash Flow –plan for the unforeseen. Business analysts report that poor management is the main reason for business failure. Poor cash management is probably the most frequent stumbling block for entrepreneurs. To read more visit; http://www.sba.gov/starting_business/financing/cashmanagement.html

Understanding Financial Statements. Financial statements can be used as a roadmap on your business journey to economic success. Using numbers as navigation aids can steer you in the right

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direction and help you avoid costly breakdowns. Most business owners don't realize that financial statements have a value that goes far beyond their use to prepare tax returns or loan applications. To read more visit:

<http://www.sba.gov/managing/financing/statement.html>

Want to own a million dollar firm? Here are some interesting facts and secrets about women who do.

Provided by the Center for Women's Business Research (Founded as: The National Foundation for Women Business Owners)

- Over 15% of the \$1 million women owned firms generate at least \$5 million in annual sales. Six percent generate over \$10 million in annual sales.
- Women-owned \$1 million dollar firms differ from their male counterparts in their use of critical sources of financing – commercial credit and equity. (70% compared to 56%)
 - Equity financing is used by men-owned \$1 million firms more than twice as often as by women-owned \$1 million firms.
 - Women-owned million dollar firms exhibit considerable sophistication in the business reporting and planning documents they produce.
- Women-owned \$1 million firms exhibit considerable financial sophistication and complexity than smaller women-owned firms.
 - They use greater number of funding sources.
 - They are more likely to utilize commercial business loans or lines of credit, vendor credit, and business credit cards.
 - They are more likely to reduce capital needs by negotiating better terms for accounts payable, speeding up customer payments and leasing (rather than purchasing) equipment.
 - They are more likely to seek advice from internal or external accountants or financial advisors; lawyers; or board members than seek advice from family and friends.
 - They are more likely to produce (or more frequently produce) key financial documents such as balance sheets; income statements; cash statements; sales forecasts; or break even analyses.

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The U.S. Small Business Administration is initiating a one year Gulf Opportunity Pilot Loan (GO Loan) Program to expedite small business financing to those communities severely impacted by Hurricanes Katrina and Rita. Under this unique initiative, the Agency will provide its full guaranty and streamlined and centralized loan processing to qualified lending partners that agree to make expedited SBA 7(a) loans available to small businesses located in those disaster areas

www.sba.gov/financing/goloans

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November 22, 3:00 PM (EST)

National Women's Business Council Conference Call

Topic: Exporting –Part 2

Host: Rebecca Herwich, a successful exporter, will share her experiences and “lessons learn.” Resource speakers will include a representative from the Export-Import Bank and the US Export Assistance Center.

Moderator: Dr. Marsha Firestone

Call-In Number: 877-326-2337 (toll free) and enter the code: 368713

Connections & Directions

To Subscribe to a “Women’s Perspective” Newsletter:

Please go to <http://web.sba.gov/list/> and subscribe to the newsletter titled “A Woman’s Perspective”

To share your questions, ideas, or tips, please contact Kathryn Ballenger at:

Kathryn.Ballenger@sba.gov



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