



Use Projections to Determine if Your Business Idea Is Feasible

Look for specific kinds of data: market size, demographics, company revenues, industry trends and forecasts.

It's always advisable to assess if a business is feasible, but in these economic times, it's essential to do research and make the best decisions for your business or potential business. When REAP staff work with business owners, it's often the financial projections that are the most difficult to predict with any accuracy.

Fortunately, resources are available to assist you in your business research. A good one to consult is "Successful Business Research," by Rhonda Abrams. Southeast Community College in Lincoln recommends it for their feasibility course. Others are available too. And a lot of useful information is available at www.Census.gov and www.Business.gov.

Your research will be most successful if you look for some specific types of data: Market Size, Demographics, Company Revenues, Industry Trends, Forecasts and Analysis. Below are some tips to help.

Conduct Primary Market Research. If your customer base is local, use surveys, focus groups, individual interviews, taste tests, sampling, etc. to learn more about them. Seek both quantitative (expressed

in numbers) and qualitative (expressed in words and usually subjective) information. If you have an e-commerce business, work with your ISP to track visits to your site, times of day, locations, etc.

Develop a Customer Profile. The profile should identify your best customers. Aim your advertising efforts at them. Ask: How many people live in my trade area? How many are possible customers? How many have the money to be customers of mine? How many "need" my product/service? (Is it a "want" or a "need"?) How many already buy my product/service? Will they buy from me if they currently buy from a competitor? How far will customers travel? How much will they pay? Where do potential customers live, shop and play?

Determine your Competitive Advantage. Why will customers choose you over another vendor? You must be scrupulously honest with yourself!

Be Realistic about Costs. How much will it cost you to open the doors to your business? Most people overestimate sales and underestimate expenses. Do your research and ask other business owners for their input and experience.

—See **Business Idea** on page 2.

REAP Increases Efforts to Reach More Entrepreneurs Online

The Online Loan System has been upgraded and is now available in Spanish. More additions are planned.

The Rural Enterprise Assistance Project (REAP), a program of the Center for Rural Affairs, is well known for producing impressive results. We combine a willingness to try innovative programming with a penchant for applying unique methods, which often achieves extraordinary results. The term "innovative" can be defined in many different ways. For REAP, the three best definitions are "original" or "one-of-a-kind" and "on the cutting edge."

REAP is one of a handful of microenterprise development programs in the United States that offers a comprehensive online lending system. The Online Lending System (www.cfra.org/reap/ols) allows us

to reach entrepreneurs in the most remote areas of Nebraska. With it, we can truly provide efficient statewide program coverage for Nebraska's rural entrepreneurs.

We recently added an important upgrade to the loan system. It is now possible for an entrepreneur to fill out an online loan application in Spanish. The entrepreneur simply needs to click on "Español," and the application questions will be displayed in the Spanish language. When the application is received, it is translated from Spanish to English, helpful for our REAP staff who are not bilingual.

Startup and existing entrepreneurs' needs and the way they desire to receive entrepreneurial services are always changing. Our recently completed 2010 REAP Needs Assessment Survey asked "How do you prefer to receive entrepreneurial services?" Nearly 50 percent of respondents answered that they preferred one-time workshops. This was closely followed by

—See **Online Efforts** on page 2.

Inside This Issue

Columbus REAP Roundtable Activities	2
Mark Your Calendar with these Dates	3
REAP Small Business Assessment Results	3
Nebraska Advantage Micro Tax Credit	3
Spotlight on Business - Edgar's Auto Repair	4

Columbus REAP Roundtable Members Actively Learning

Local food, graphic design tips, good business product descriptions, and “I Dare You” part of group sessions.

Members of the Columbus REAP Roundtable group are sharing experiences and learning from one another. In July, members met at Erstwhile Farm, LLC, in rural Columbus. Participants that evening were treated to a delicious meal comprised of products grown or produced at the farm.

Pork sausage, potatoes, and pickled eggs were some of the delectable items on the menu. Owner Lanette Stec shared with the group their goal of producing healthy foods, promoting locally, and working together as a family. A tour of the farm completed the evening.

The August meeting was held at the Central Community College Columbus Campus. Member Tracy Buzynksi, Encourage Me Kids!, shared tips from a “Freelance Graphic Artist Point of View.”

Graphic Design Tips:

- Consistency in advertising is important.
- Have someone else proof your work.
- Listen to your client’s needs and wants.
- Charge fair market value for your services.
- Make yourself the authority.

At that session the group also heard from Connie Hancock, Extension Educator, and Anita Schaepe, Web Editor and Content Consultant, both from the University of Nebraska – via the Internet. Connie and Anita

shared “The Good, The Bad and The TRUTH” about Product Descriptions on a business website. Business owners want to use descriptions that “sell.”

Product Description Tips:

- Sell the “dream.”
- Don’t overlook the details.
- Accuracy is essential.
- Seriously, don’t overlook the details.
- Sell the benefits.
- Make it easy to read.
- Write to your Target Market.
- Make them feel good about themselves.
- Include a “Call to Action”– always ask for the sale.

Connie and Anita recommended this website for information: <http://www.ecommerce-guide.com/>

At the September meeting, member Mickey Leptak, Fine Furniture Care Secrets, spoke to the group and challenged them with “I DARE YOU!” Mickey has had several successful ventures throughout her entrepreneurial career. She encouraged all in attendance to never stop learning. She brought a number of resource books that have assisted her along the way.

For more information on organizing a REAP Roundtable or ideas for monthly meetings, contact Monica Braun, monicab@cfra.org or 402.643.2673.

Research Your Business Idea, continued from page 1.

Run the Numbers with an Example. Suppose you’re trying to identify a market share for a new restaurant. Assume that 4,000 people live in your trade area; 2,000 go out to dinner once a month, 500 twice a month, 500 three times a month, 500 four times a month, and 500 eat out 20 times a month. In all 31,500 meals are purchased and 25 percent of them fit into your price of \$10.00 to \$15.00 per meal. Considering an average of \$12.50 per meal, the total market share is \$98,400 per month. If you believe you can win 10 percent of the market, your projected cash sales would be \$9,840.00 per month. (Source: www.BusinessProverbs.org Business Plan)

After deducting the “Cost of Goods” and “Labor Costs” (say 30 percent each in the food industry), can you be successful with 10 percent of the market share? Make adjustments for your pricing strategy.

Timing Is Critical. Now can definitely be a time for the entrepreneurial spirit to create jobs and increase employment opportunities, but make sure you are being realistic with your business idea! Gather as much information as you can to make the best business decision for your business venture. Maybe NOW is not the time, but it will be in the future. Maybe NOW is the time, but be prepared!

For more information, contact Monica Braun, REAP Women’s Business Center Director, at monicab@cfra.org or 402.643.2673.

REAP Online Efforts, continued from page 1.

online assistance (available when needed) and one-on-one counseling. The least preferred ways to receive services were classroom style with multiple sessions and online webinars with a predetermined time.

The one-time workshop preference by entrepreneurs is clear and is being met through trainings like the Center for Rural Affairs’ MarketPlace event held annually and through REAP-specific training events. You can find out more about the 2011 Nebraska MarketPlace at www.cfra.org/marketplace/home.

We are developing more new and innovative online assistance options for entrepreneurs. These will be announced in early 2011. As has been the case over the past 20 years, the new REAP service options promise to be original, one-of-a-kind, and on the cutting edge.

The Center for Rural Affairs’ Rural Enterprise Assistance Project is a full-service microenterprise development program operating on a statewide rural basis in Nebraska. For more information, visit www.cfra.org/reap.

REAP Small Business Needs Survey Results Shared

Survey reveals Nebraska rural small businesses are concerned with financing, training, and business planning.

The Center for Rural Affairs' Rural Enterprise Assistance Program (REAP) recently conducted our biennial Small Business Needs Assessment survey. It was made available to Nebraska's businesses and those who serve them, including lenders and resource providers. The self-administered survey was available online, posted to various listservs, and mailed to REAP clients.

The initial survey began in 2008 to evaluate micro business needs and to make programmatic changes to address these. Bookkeeping and marketing emerged as the most desired types of training.

The REAP Women's Business Center responded with a mobile REAP computer lab equipped with QuickBooks to offer classes to five or fewer participants, armed with a new booklet, *Basic Bookkeeping for Business Success*. We also offered marketing training and information to clients across the state.

Jeff Reynolds, REAP's program director, is already anticipating some adjustments based on the 2010 survey results. "The 2010 REAP Small Business Needs Assessment Survey will play a major part in our future planning. Entrepreneurs expressed some definite



REAP Director Jeff Reynolds presents the results of REAP's 2010 Small Business Needs Assessment. Congressman Adrian Smith, left, listens to the findings.

needs for both training and lending, and REAP will be developing new programming to address these."

The survey asked demographic questions as well as the types of business, stage of business, number of employees, gross sales, etc. Questions also assessed the business' needs when it began as well as its current needs. Respondents were asked to rank the types of training they need and the way they want it to be delivered.

"The results from 2010 varied somewhat from the 2008 study," stated Dena Beck, REAP Business Specialist and co-author of the survey.

"If you are a Nebraska business or work with them, you will want to know these results."

The biennial survey has become a respected and important survey instrument as evidenced by the interest in results from elected officials such as Congressman Adrian Smith and economic development organizations, including the Small Business Administration. If you would like the survey results brought to your organization or community, please contact Dena Beck at denab@cfra.org or 308.528.0060. They are available online at the REAP website, www.cfra.org/reap.

CALENDAR

REAP Activities:

11/15 & 17/2010, **REAP QuickBooks Training**, 3-hour sessions in Bayard. Contact Jerry Terwilliger for more information, jerryt@cfra.org or 308.247.9926.

12/1/2010, **REAP QuickBooks Training**, 8-hour session, Harms Technology Center in Scottsbluff. Contact Jerry Terwilliger for more information, jerryt@cfra.org or 308.247.9926.

2/22 & 23/2011, **Nebraska Marketplace**, Ramada Inn Convention Center, Kearney, Nebraska. You can visit www.cfra.org/marketplace/home for more information.

Take Advantage of Nebraska's Microenterprise Tax Credit

Get ready to submit your application for the Nebraska Advantage Microenterprise Tax Credit Act. The Nebraska Department of Revenue will begin accepting applications for the 2011 tax year on November 1, 2010.

Micro business owners and small farmers and ranchers (those with a net worth not exceeding \$200,000 or are engaged in the production of value added agriculture, such as aquaculture, agriculture tourism, fruits, herbs, tree products, vegetables, tree nuts, dried fruits, organic crops, or nursery crops) are eligible to apply for the tax credit program. The applicant must be able to show personal involvement on a continuous basis in the daily management and operation of the business.

This program will provide investment tax credits for creating or expanding micro businesses that contribute to the revitalization of economically depressed areas through the creation of new or improved income, self-employment, or other new employment in the area.

Applications should be filed with the Nebraska Department of Revenue. Applications are considered on a first-come, first-served basis. Once approved, applicants are entitled to claim the refundable tax credit equal to 20 percent of the taxpayer's new investment in the micro business during the tax year. Only \$2 million is available each year, and experience tells us it is allocated very quickly.

You'll find more information about the tax credit at the Center for Rural Affairs' website at <http://www.cfra.org/node/2889>.

QUESTIONS?

Jeff Reynolds, REAP Program Director,
402.656.3091, jeffr@cfra.org.

Monica Braun, Women's Business Center
Director and Southeast 1 Business Specialist,
402.643.2673, monicab@cfra.org.

Juan Sandoval, Hispanic Business Center
Director and Northeast Business Specialist,
402.371.7786, juans@cfra.org.

Gene Rahn, North Central Senior Business
Specialist, 402.925.2920, gener@cfra.org.

Jerry Terwilliger, Panhandle Business
Specialist, 308.247.9926, jerryt@cfra.org.

Janelle Moran, Southeast 2 Business
Specialist, 402.335.3675, janellem@cfra.org.

Dena Beck, Southwest/Central Business
Specialist, 308.528.0060, denab@cfra.org.

Nancy Flock, Southwest/Central 2 and
Hispanic Rural Business Specialist,
308.534.3508, nancyf@cfra.org.

Peggy Mahaney, REAP Administrative
Assistant, 402.687.2100, peggym@cfra.org.

The **REAP Women's Business Center** is funded in part through a cooperative agreement with the US Small Business Administration. All opinions, conclusions, or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.



REAP and the Women's Business Center and the Hispanic Business Center are programs of the **Center for Rural Affairs**. The Center for Rural Affairs is a private, nonprofit organization.

Spotlight on Business

Fire Ignites Desire to Reopen Auto Repair Shop

Edgar's Japanese Auto Repair re-opened in Lexington, Nebraska, in May of 2002. Prior to 2002, Edgar had the same business for 12 years in the Los Angeles area. The Gutierrez's decided to move to Nebraska so their children could have a better place to grow up and so they could have more opportunities as small business owners than the metropolitan area offered.

The shop filled a particular niche in Lexington. Edgar's specialty is providing affordable repair and maintenance services for Japanese automobiles. Business was steady and growing until 2008. That year Edgar's building was completely destroyed by a fire.

While some might have given up then and there, the Gutierrez's were determined to get going again. Slowly, Edgar rebuilt the shop in the same location, and it was completed in the spring of 2010. His prior customers are returning, and he is also attracting new ones.

REAP Business Specialist Nancy Flock worked with the Gutierrez's on developing a Business Plan. They also qualified for REAP financing due to this assistance. "When we saw a need for this type of business, we trusted our instincts, were patient and then saw results. With the help of REAP, we're ready to grow our business," said Angela Gutierrez, Edgar's wife.

Edgar's Japanese Auto and Edgar's Digging and Construction plans to purchase equipment and build a



Edgar and Angela Gutierrez stand outside of their newly completed shop in Lexington.

larger customer base in both businesses. As business grows they also plan to hire two to three employees.

You'll find Edgar's Japanese Auto Repair/Edgar's Digging and Construction at 507 West Vine in Lexington, Nebraska. You can reach the shop at 308.324.4150 or edgarsautorepair@qwestoffice.net.

Contact Edgar's Japanese Auto Repair/Edgar's Digging and Construction in Lexington, Nebraska at 308.324.4150.

CENTER for RURAL AFFAIRS



Rural Enterprise Assistance Project
P.O. Box 136 • Lyons, NE 68038-0136
402.687.2100 • www.cfra.org/reap

Non-Profit Org.
US Postage
PAID
Permit #138
Sioux City, IA 511

Return Service Requested

Fall 2010

20 years strengthening small rural businesses.