

REAP Marks Decades of Small Business Development

When REAP was formed, traditional economic development focused on factory recruitment.

The Center for Rural Affairs' Rural Enterprise Assistance Project (REAP) program began in January 1990 and is celebrating its 20th anniversary this year. REAP, respected nationally as an outstanding microenterprise development program, is one of the largest rural microenterprise development efforts in the country. The first microenterprise development program founded in Nebraska, REAP set a tone for excellence in the state that continues today.

Why did the Center for Rural Affairs start REAP?

The rural Midwest suffered through difficult economic times in the 1980's and early

1990's. High interest rates and low prices for traditional farm commodities caused many farmers to sellout. Rural communities suffered as population and demand for products and services declined. Rural communities sought new economic development strategies to replace the losses suffered due to changes in the agriculture economy.

In 1989, the Center conducted a study of economic development approaches in Minnesota, North Dakota, South Dakota, Iowa, Kansas and Nebraska. This pioneering study, *Half a Glass of*

—See **REAP Marks Decades** on page 3.

Can Social Networking Save Small Businesses?

Social networking is all the buzz these days. But Trent Hamm, author of *The Simple Dollar*, makes some good points in considering whether it is right for your business or not. Here's what he observes.

When I walk down Main Street, I don't see YouTube videos or Twitter names. I see people trying to make ends meet, whose hours are already chock full to the brim and who don't see how such online promotions can help them.

—See **Social Networking** on page 2.



Highlights in REAP's History

- 1990** Program begins, funded by Ford and Mott foundations. First Peer Group formed at Cedar Rapids.
- 1992** Becomes a SBA Microloan Intermediary in a pioneering pilot project.
- 1994** Receives first CDBG grant, used to start a REAP region in southeast Nebraska and hire Jeff Reynolds. Each subsequent region was started with CDBG grants.
- 1998** \$300,000 in total lending reached.
- 1999** Direct Loan Program added with a maximum loan of \$25,000.
- 2001** REAP Women's Business Center begins with funding from SBA.
- 2002** Dual Delivery system, \$1 Million in total lending reached.
- 2004** Hispanic Business Center pilot begins with funding from USDA. \$2 Million in total lending.
- 2005** Online Lending System developed. 274th REAP Peer loan placed at Falls City. Possibly the last peer loan.
- 2006** Maximum lending limit \$35,000. \$3 Million in total lending reached.
- 2008** \$4 Million in total lending.
- 2009** \$5 Million in total lending reached.
- 2010** REAP model continues to be enhanced to serve the tremendous need for entrepreneurial development.

For a complete historic timeline of REAP, visit: www.cfra.org/reap/historic-timeline.

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Calendar Dates:

REAP Activities:

4/28/10, **Maximizing the Value of Your Business**, Valentine NE, featuring Frank Haverkamp with Sunbelt Networks. Contact Monica Braun for more information, monicab@cfra.org or 402.643.2673.

4/7 to 5/5/10, **Business Plan Basics Course in Spanish**, Imperial NE. Each session runs from 6:30 to 9:30 p.m. at the Lied Public Library. Contact Nancy Flock, nancyf@cfra.org or 308.534.3508.

4/15/10, **Informational Community Meeting in Spanish**, Hastings NE. Meeting to explain REAP services and other resources for Hispanic entrepreneurs, 6:00 to 7:00 p.m. at the Hastings Police Department. Contact Nancy Flock, nancyf@cfra.org or 308.534.3508.

4/19/10, **Facebook for Business Workshop in Spanish**, Cozad NE. Presented in partnership and at the Wilson Public Library in Cozad. Space is limited, so please pre-register by April 16. Contact Nancy Flock, nancyf@cfra.org or 308.534.3508.

2/23/ 11, **Fifth Annual MarketPlace: Opening Doors to Success** conference, Kearney NE, Ramada Inn. Find out more at <http://www.cfra.org/marketplace/home>.

Statewide Activities:

4/10/10, **From Recipe to Reality seminar**, Lincoln, NE, presented by the Food Processing Center at UNL. Contact Jill Gifford, 402.472.2819 or jgifford1@unl.edu.

5/1/10, **From Recipe to Reality seminar**, South Sioux City, NE, sponsored by the UNL Food Processing Center and Northeast Nebraska Community College. Call 402.241.6400 or 888.698.6322 for more information.

Social Networking, continued from page 1.

While sitting in the lobby of a local auto repair shop recently, I couldn't help but wonder, "What could this business possibly get out of Twitter or YouTube or Facebook?" Most of their clientele is outside the tech-savvy demographic. If you want to actually make social networking cost effective for your small brick-and-mortar business, here are several ways to do it.

First, **don't duplicate effort**. Many businesspeople feel like they need to be on several platforms at once – and that takes a lot of time. Instead, sign up for only a few services – like Twitter and Facebook – and then centralizing most of your participation. For example, you can post things on Twitter and have them *automatically* appear on Facebook by logging onto Facebook and setting up the Twitter application there.

Second, **make it easy for people to find you**. Put your Twitter or your Facebook ID out there on your business cards and ads so people can find it.

Third, **participate in the conversations that you find**. Once a day or so, visit these sites and see whether or not any conversations that relate to you – and *participate in them*. Offer what you know – and be honest about it.

Fourth, **offer deals**. Go on Twit-

Social media does not have to be a big time drain at all.

ter and offer up a coupon code for your business. If they come in and say they're using the "March Twitter coupon," they'll get \$5 off their total bill or maybe get a voucher for a free oil change.

Finally, **keep in mind why you're doing this**. For a small businessperson, the reason to get involved is to retain existing customers and perhaps draw in new ones. The best way to do that is to be human and responsive. Answer questions and be lighthearted, but don't obsess.

Social media does not have to be a big time drain. Instead, it can be a very inexpensive and simple way to retain customers and perhaps find a few new ones with little effort and almost no cost at all. **You don't need an extensive online media plan or a high-priced consultant** – just go sign up for an account or two, keep it simple, tell your customers about it, and share what you can.

Source: <https://www.openforum.com/idea-hub/topics/money/article/can-social-networking-really-save-a-small-business-money-trent-hamm>.

Spring Active for REAP Hispanic Business Center

The REAP Hispanic Business Center has teamed up with the City of Imperial, Adams Bank and Trust, First Bank and Trust and Pinnacle Bank to host a five-week Business Plan Basics Course in Spanish from April 7 to May 5. Each session runs from 6:30 to 9:30 p.m. at the Lied Public Library in Imperial. Octavio Aragon from Imperial is instructing the sessions. It's not too late to inquire about the course.

A REAP Informational Community Meeting conducted in Spanish will be offered in Hastings on April 15. The meeting will provide the opportunity to learn about small business resources that are available for Hispanic Nebraskans in rural communities. It will run from 6:00 to 7:00 p.m. at the Hastings Police Department.

A Facebook for Business Workshop will be offered on April 19 by the REAP Hispanic Business Center in partnership with Wilson Public Library in Cozad. The class will be conducted in Spanish. Topics include how to create a personal profile and a business fan page, invite fans, create events, and post information to the fan page. Space is limited, so please pre-register by Friday, April 16.

For information on any of these activities: contact Nancy Flock, REAP Hispanic Business Specialist, at 308.534.3508 or nancyf@cfra.org.

REAP Women's Business Center Provides Training Opportunities

Several REAP staff were involved in presenting or assisting with the Center for Rural Affairs' MarketPlace conference in February during National Entrepreneurs Week. It was a great time for learning and networking! Mark your calendars for February 23, 2011 for the fifth MarketPlace conference in Kearney!

A REAP Roundtable has formed in the Columbus area. Eight business owners gathered on March 11 to share information about their businesses and discuss social media marketing opportunities. They plan to meet monthly and offer educational opportunities for growing their businesses.

The WBC co-sponsored David Buchholz, David & Associates, at the PK I&E meeting in Holdrege on March 15. He presented information on marketing and advertising with limited funds.

Five more laptops have been added to the REAP WBC's traveling computer lab. With the QuickBooks program installed, we continue to provide bookkeep-

ing training for our small businesses. The Merrick County Foundation collaborated with REAP using BECA funds to host a QuickBooks session in Palmer on March 20. Other communities hosting sessions in recent months have been Central City and Minden.

REAP Business Specialists Dena Beck and Nancy Flock have moved REAP into the world of social networking by creating a REAP Facebook page. Check it out and become a FAN! Training opportunities and other useful items are posted on a regular basis. A Facebook for Business session has been offered in Minden.

The WBC is collaborating with Economic Development groups in North Central Nebraska to host Frank Haverkamp in Valentine on April 28. Frank is with Sunbelt Networks and will present "Maximizing the Value of Your Business."

Contact: Monica Braun, REAP Women's Business Center Director, monicab@cfra.org or 402.643.2673, for more information on these activities.

REAP Marks Decades, continued from page 1.

Water, discovered a high rate of self-employment in rural areas.

The Center found that 48 percent of all earned income in farm-based counties was from farm and non-farm proprietorships. This was 70 percent higher than the comparable rate from other rural counties and five times the rate of metropolitan areas. Twenty-seven percent of non-farm income came from self-employment.

At the time, traditional economic development was focused on factory recruitment. Nebraska has over 400 communities with a population of 2,000 or less. These communities lacked the population base to provide workers for a factory and were being left out of economic development efforts.

The Center for Rural Affairs held focus group meetings of micro business owners to explore their needs. Three gaps in services for micro businesses were identified: training/technical assistance, lending and networking. REAP was started in January 1990 to fill these gaps.

Who was key to getting the program going?

Gene Severens is the first name to remember. Gene conceptualized REAP's basic structure and served as lead fundraiser and designer of the original group-based lending

model. Early on he studied micro lending theory and visited micro lending models in the U.S. – only a handful existed back then.

Jennifer Tully worked with Gene in the very beginning. When she got married and left the Center, another key figure came on the scene – Rose Jaspersen. REAP was about halfway through the design process when Rose brought her "Managing Mainstreet" business training skills to the fore. She designed the entire training component of the original REAP model, making it more viable. The small town of Cedar, Rapids, Nebraska, played a critical role. Gene and Rose traveled to Cedar Rapids in the fall of 1990 to form the first REAP association. Micro business owners and community development staff from Cedar Rapids had participated in the initial focus groups. They requested to be the first site for a REAP association.

A group of eight members worked with REAP staff through an orientation process. It involved familiarizing members with lending applications, collecting baseline member data, developing bylaws for the association, electing officers, and ensuring a complete understanding of how the lending process would work.

In December of 1990 the first loan of \$1,000 was made using a step-

up, peer lending model. A loan could be for no more than \$1,000 and did not require collateral or prior training. Now 20 years later, REAP has placed nearly 700 loans totaling over five million dollars while also leveraging over 12 million dollars in loans from other sources due to REAP assistance. Since 1990, REAP has provided development services to over 10,000 micro businesses.

Rural entrepreneurs deserve the credit.

Design and implementation of REAP in 1990 required a strong visionary and working Board of Directors, a committed and talented staff, and receptive participants and partners. But through the 20-year life of the project, the rural entrepreneurs we have had the pleasure to serve have been the heart of REAP. They inspire us to keep lending, advising, and growing to meet their needs.

REAP filled a critical niche in 1990 and continues to fill a critical niche for Nebraska's startup and existing entrepreneurs today. We look forward to the next 20 years continuing our mission of strengthening rural communities through small, self-employed business development.

Contact: Jeff Reynolds, REAP Program Director at jeffr@cfra.org or 402.656.3091. Discover more at www.cfra.org/reap.

QUESTIONS?

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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

Couple Finds Opportunity in Trying Times

Brewer's Coffeehouse, LLC began as Minden's first coffeehouse in June 2007. But the idea for the business started percolating in Sherri Brewer's mind in 2003 after moving to Minden from Windsor, CO. Sherri and husband Kerry Blomme, along with their two boys, relocated when Kerry's job transferred them to the Kearney area. They chose to live in Minden, preferring its small size over Kearney.

Sherri worked at ACE Hardware until it closed in February 2006. Suddenly Sherri was unemployed, and, with a lack of other opportunities, she decided to pursue her dream and open Brewer's Coffeehouse, LLC. Sherri worked with REAP Business Specialist Dena Beck on a business plan and received a loan from the Kearney County Economic Development Agency.

An active lifelong learner, Sherri has participated in many REAP trainings, including QuickBooks and Facebook for Business, and participates in PK Innovator and Entrepreneur Club meetings. Sherri recently expanded her menu to include lunch three days a week. She continues to receive REAP's technical assistance for pricing, marketing strategies and general brainstorming.

In the fall of 2008, Kerry Blomme was laid off from his job of 13 years working for a drywall company. Kerry felt his work was well-known in the area, and he decided to go out on his own. Kerry received technical



You will find Sherri Brewer and a great cup of coffee at Brewer's Coffeehouse at 317 N Minden Avenue, Minden, Nebraska, or you can call 308.832.2739.

assistance as well as a REAP loan to get his business started. Brewer's Coffeehouse was recently featured on National Public Radio's *Marketplace*. From that feature, unexpected response came from across the country offering general support and services.

One of the most significant ways REAP has assisted Sherri is with an initial business plan and having continued access to technical assistance. Brewer's Coffeehouse also features local artists and products made locally and has been the host site of several REAP trainings.

CENTER for RURAL AFFAIRS



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