



## Small Business Needs Assessment

The history of microenterprise dates back thousands of years. The presentation of the 2006 Nobel Peace Prize to Dr. Muhammad Yunus and the Grameen Bank brought microenterprise to the surface in many areas of the world, including the United States. Recently, there is a lot of attention being paid to entrepreneurs.

Not everyone agrees on what is the key to success, the precise definition of an entrepreneur, or the solutions to the problems they face. One aspect that is agreed upon is that more research is needed, especially involving those small businesses who are not covered by unemployment insurance. Many of these businesses are the self-employed in rural areas, who are the prime market for REAP.

REAP was begun in 1990 by the Center for Rural Affairs as a response to growing pov-

erty in the Midwest. It is now the largest full-service rural microenterprise development program in the United States, with nine employees, including two bilingual staff who provide services for the Hispanic Business Center. The program also hosts the state's only Women's Business Center, whose services are delivered by all staff. The REAP program consists of four elements including credit (microloans), technical assistance, networking, and small business training.

From January 25 to March 10, 2008, REAP conducted a statewide Small Business Needs Assessment, which targeted microenterprises, lenders, and service providers who work with entrepreneurs across the state. The self-administered survey was sent out to REAP clients and contacts and also made available through various listservs across the state.

—See Assessment on page 3.



Dave Buchholz shares his enthusiasm for small business marketing at a workshop. These sessions were held in O'Neill, Valentine, Broken Bow, and Ord.

## Marketing Seminars Show How to Get Big Results

Is there really a market for your product or service? That's one of the key questions you need to answer as you consider your business and your marketing budget, according to *David Buchholz* with David & Associates in Hastings, Neb.

In May, the REAP Women's Business Center collaborated with local economic development organizations in North Central Nebraska to offer marketing seminars presented by Buchholz. Seminars were held in O'Neill in partnership with Holt County Economic Development, Ainsworth in partnership with the North Central Development Cen-

ter (NCDC), and Valentine in partnership with the Valentine/Cherry County Economic Development Board.

The Broken Bow Chamber and Valley County Economic Development partnered with the REAP-WBC to host Buchholz in Broken Bow and Ord in June. Business owners and/or community leaders gained a new appreciation of marketing efforts after attending one of these sessions.

Dave Buchholz distinguished between "selling" and "marketing" and emphasized the importance of "marketing" – which is customer-focused rather than seller-focused.

—See Seminars on page 2.

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## Calendar Dates:

### Statewide Activities:

7/18 **Franchising Seminar**, Nebraska Business Development Center, UNL. Learn what you get when you buy a franchise, what you give when you join a franchise system, what ALL the costs of franchise business ownership are, how to research a franchise and determine what you want from franchise ownership. \$20 cash or check at the door. Receive 50% off by registering by July 11 and 25% off if you register by July 16. For more information, contact Marisol or Melissa at 402.472.5222.

8/8 **From Recipe to Reality Seminar**, Food Processing Center at UNL, Lincoln, NE. Contact Jill Gifford, 402.472.2819 or [jgifford1@unl.edu](mailto:jgifford1@unl.edu) for more information.

9/10-12 **Rural Philanthropy Conference**, Nebraska City, by the Nebraska Community Foundation. Learn the power of grassroots models for rural philanthropy and community development that work in Nebraska and throughout the U.S. Participation by teams of community leaders and volunteers is strongly encouraged. Participants will leave with a doable action plan. Visit [www.nebcommfound.org/\\_RPC/2008RPC.htm](http://www.nebcommfound.org/_RPC/2008RPC.htm) for conference and registration information. Early Registration Deadline is August 1.

## REAP Staff Learn Latest Innovations at National Conference

Anaheim, California, was the setting for the 2008 Association for Enterprise Opportunity (AEO) Conference on May 20-23, 2008. Five REAP staff attended the training event.

The AEO Conference, which is now known as the "National Summit on Entrepreneurship" is the best opportunity for REAP staff to learn about the newest innovations in micro-enterprise programming, expand our skills related to existing program offerings, and network with an international attendance of other practitioners, programs, and funders.

The REAP program is respected both nationally and internationally. Many of the programs in the U.S. were derived in part by examining REAP's model. This respect is totally in relation to the dynamic entrepreneurs who participate with the REAP program. It is this participation that makes REAP a great program and the motivation that drives us all.

We will do our best to continue providing an innovative program for our clients. Information obtained from the AEO conference will be reviewed in the coming months and used to enhance the services that you receive and to provide the rural entrepreneurs in Nebraska with the best microenterprise development services possible.

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Price vs. Value was discussed. Price is only one factor in a purchasing decision. Other factors are quality, selection, service, location, convenience, uniqueness, and many others.

What is important to your customers? The seller has to provide the customer logical reasons to justify their purchases, especially if they made an emotional buying decision. Make sure to identify the benefits to your customer in relation to the features of the product or service.

Buchholz identified three ways to build your business:

1. Get more customers.
2. Increase the frequency of purchases from existing customers.
3. Increase the average purchase

from existing customers.

It's critical to realize the importance of taking care of current customers.

A Marketing Calendar is essential for budgeting and planning, in Buchholz's opinion. It provides one the ability to say "No" to requests for "donations" if the budget is allocated or expended. It allows for evaluation and adaptation as times change. The calendar should be flexible. It is also critical to track any marketing and advertising activities implemented to know if they increased sales.

The advantages and disadvantages of various advertising venues were discussed. Internet marketing and web site hints included: make contact information easy to find;

have a memorable URL (your web address) and ensure it is on all materials.

Other tips included the importance of using testimonials to develop credibility, partner with other companies, share mailing lists, joint promotions, offer in-store seminars, send thank you's, and make follow-up calls.

Participants in these seminars indicated their knowledge and skill level increased from the information presented. We plan to hold more of these sessions in the coming months. Please contact your REAP Business Specialist if you are interested in having a Marketing session in your area.

For more information, contact Monica Braun, REAP-WBC Director, at [mbraun@windstream.net](mailto:mbraun@windstream.net) or 402.643.2673.

## Survey Results— a Look at Nebraska Microenterprises

A Small Business Needs Assessment Survey was available online during the months of January, February, and March 2008. It consisted of 16 multiple choice answers and long answer questions. The survey was available to participants through SurveyMonkey.com© and through mailed hard copies.

### *Describe your affiliation with Nebraska small businesses.*

Small Business Owner	65.2%
Service Provider	17.6%
Lender	6.4%
Other	10.8%

### *What is the stage of your business?*

(Service Providers and Lenders skipped this question.)

Pre-venture (start-up stage)	6.8%
New (within the first year)	12.0%
Existing (at the business more than one year)	68.8%
Transitioning (within 10 years of exiting the business)	12.5%

### *What category best describes your business?*

Agriculture	16.4%
Manufacturing	8.8%
Retail	29.2%
Service	51.5%
Online	2.9%
Construction	4.7%

### *How many employees does your business employ, including yourself?*

One (self)	36.5%
Five or less	45.8%
Six or more	17.7%

## Assessment, continued from page 1

The survey was also translated into Spanish and made available to Spanish-speaking REAP clients and other Spanish speaking business owners. Those who received the link to the survey were encouraged to send it to others they knew of that met the criteria. A total of 250 people completed the survey.

Preliminary results from the survey have already made a powerful difference in planning for REAP's future. For example, the survey asked what the greatest difficulty was with their businesses. Cash flow/lack of capital was by far the most popular answer (60 percent) out of 20 different responses for that particular question. The respondents were also asked how they would like training to be delivered. The number one answer was as a workshop followed by online training such as a webinar or podcast.

Full results of the survey will be released by the Center for Rural Affairs this fall. You can see a snapshot of who participated and some of their business characteristics in the table accompanying this article.

Contact: Dena Beck, REAP Southwest/Central Business Specialist for more information, denab@gtmc.net or 308.528.0060.

## Quilting, continued from page 4

other small business owners have indicated. It is difficult to find reliable, part-time employees. To her advantage, a machine quilting business is located upstairs and a machine embroidery business is located downstairs in her building.

These complementary business owners consider themselves the "Tri-Level Mall" and do assist one another at times.

Phyllis belongs to the Kearney Downtown Association and participates in the business community promotions. She and husband *Bill* have two grown children. Their daughter's family lives in Central City, and their son's family is close by in Kearney. She enjoys her grandchildren.

"My quilting started out as a hobby, then became an obsession, and now it's my business. It's great to have a business you love," says Phyllis.

## Identity Theft Repair Kit Available

Identity theft is happening here in Nebraska. Recent arrests in Douglas and Saunders counties along with the recovery of thousands of pieces of stolen mail point to possible identity theft rings.

Once you're a target of identity theft, your credit starts to suffer. Repairing the damage can be a long and frustrating process, but the Attorney General's office offers a tool that gives you the information you need to take action. The Identity Theft Repair Kit offers victims a step-by-step guide to repairing credit along with tips on how to protect your personal information.

Contact the Consumer Protection Division at 1.800.727.6432 or download it from [www.ago.ne.gov](http://www.ago.ne.gov).

\*Source: Nebraska Attorney General Jon Bruning's office, June 2008.

## QUESTIONS?

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## Spotlight on Business Quilting Hobby Transforms into Business

Your husband buys the property next door for the garage. He says, "I don't care what you do with the house." What would you do? Well, *Phyllis Hamaker* knew what she would do – open a quilt shop! That was in 2000 when they lived in Curtis, Neb. At that time, a local woman owned two shops that carried craft and quilting items, and she was ready to sell. Phyllis purchased the inventory and started her business.

Before she could open, however, much work needed to be done to the little house. They painted, cleaned, and took out a wall. She used one room for fabric and supplies, one for a classroom, one for cutting fabric, and one for displaying quilts and more fabric. Phyllis opened The Quilter's Cottage in January 2001. After purchasing more inventory, she found herself needing additional working capital and needing to make improvements to the store. A REAP loan was approved in 2004, and the business continued to grow. They put in a floor with patterns that looked like quilt blocks!

In September of 2007, Phyllis moved The Quilter's Cottage to 2220 Central Avenue in downtown Kearney. She started in the front half of the building. A used furniture store was located in the back half. In February 2008 she was able to expand into half of the back, and in April

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—Phyllis Hamaker,  
owner of The Quilter's Cottage

2008 she expanded into the whole level of the building. She has lots of fabric inventory, patterns, books, and supplies to sell. Phyllis realizes she has more customer base in Kearney than she had in Curtis. Also, with gas prices on the rise, she believes her location in Kearney will remain more profitable than it would have in Curtis.

Phyllis also holds many classes. She loves to teach quilting to those who don't know how and share the joy she experiences from the art. Check out the class schedule on The Quilter's Cottage website ([www.quilterscottage.net](http://www.quilterscottage.net)) and see how busy she is. She offers mail order service on items available.

Phyllis has been a vendor at the "Threads Across Nebraska" event and the Quilt Nebraska State Convention for many years. She has exhibited and won awards at local, area, and state events. She has participated in the "Shop Hop" since 2002.

The challenge that Phyllis has been experiencing echoes what

—See Quilting on page 3.

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