



Entrepreneurs Considering Basic Insurance Options to Protect Assets

Are you an entrepreneur eager to market your idea or product? One of the things you need to put on the top of your list is the type of insurance you need to protect your business, your product liability and the public.

Each business has its own unique insurance needs, so in getting started, it's wise to consider an agent with commercial insurance expertise.

Next, educate yourself on basic insurance coverage and proper limits to help protect your investment. Your agent will be able to suggest appropriate coverage, and you can select what fits your needs and your budget. Remember, as your business grows, it will be important to keep good communication with your agent so coverage can be added as necessary.

Here is a list of basic insurance you'll want to consider in starting your business:

General Liability: Coverage for your negligent acts resulting in bodily injury or property damage on your premises, while using your product, or in the general operation of your business.

Property Coverage: For your building and business personal property from perils such as fire, lightning,

windstorm, hail and theft. Look for the special peril form as this will give you the broadest protection. Consider **business income** coverage to provide protection should your business suffer a loss from a covered peril, and you are unable to continue your operation temporarily and need to supplement your loss of income.

Business Auto: Don't rely on your personal auto if you are using your auto for business purposes. Business auto will give you the standard liability for bodily injury and property damage to others as well as comprehensive and collision coverage for damages to your vehicle. But it will also allow for hired and non-owned auto coverage if your employees use their own autos to run errands for your business and will cover the loading and unloading exposure.

Inland Marine: This coverage will protect your property when away from your premises such as your tools in your truck, items you are hauling for delivery, or large pieces of equipment you are transporting to a job site.

Workers Compensation: If you have employees, the law requires you to

—See **Insurance Options** on page 2.

Networking and Business Opportunities Available at 2011 Nebraska MarketPlace

Connect, promote and network! At 2011 Nebraska MarketPlace: Opening Doors to Success, opportunities to expand your knowledge are numerous. MarketPlace is for more than entrepreneurs. It's also for small business owners, potential small business owners, farmers, ranchers, students, teachers, community and economic developers and more!

On February 22 & 23 at the Ramada Inn, Kearney, NE, you can choose from 69 sessions with over 80 speakers. The learning tracks include marketing, youth, technology, innovation, policy, agriculture, finance, policy and community development.

That isn't all! If you attend Nebraska MarketPlace, you will get the opportunity to network and make connections with others from around the Midwest. MarketPlace also offers the Resource Zone where up to 52 exhibitors will be able to answer any questions you may have.

Nebraska MarketPlace is just around the corner, so register today! Register before February 11th and receive the early bird registration rate by visiting www.cfra.org/marketplace/home. Connect with us on Facebook, Twitter, and LinkedIn by searching Nebraska MarketPlace to learn more and to stay up-to-date. You won't want to miss the 5th Annual MarketPlace: Opening Doors to Success with an abundance of surprises in store.

Contact Joy Marshall for more information, joym@cfra.org or 402.614.5558.



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Calendar Dates:

REAP Activities:

1/18/11 to 2/22/11, **Business Plan Basics Workshop**, offered by the REAP Hispanic Business Center and Women's Business Center in partnership with The Village of Emerson and the Emerson-Hubbard School Board. Sessions are on Tuesdays from 5:30 p.m. to 8:30 p.m. at the Village Office. Contact Juan E. Sandoval, 402.371.7786 or juans@cfra.org.

2/2/11, Presentation on new **Grow Garden County/REAP Small Business Loan Fund** in Oshkosh, Nebraska. A general overview of REAP's small business assistance will be included. Find out more from REAP Business Specialist Jerry Terwilliger, jerryt@cfra.org or 308.247.9926.

2/22/11 & 2/23/11, **Firth Annual Market-Place Conference** will be held at the Ramada Inn Convention Center in Kearney, Nebraska. This event, presented by the Center for Rural Affairs, REAP and our partners, is focused on strengthening small businesses and

rural communities. Save the date and plan to attend!

3/8/11 & 3/10/11, **QuickBooks Training**, two 3-hour sessions are coming to Oshkosh, Nebraska. Contact REAP Business Specialist Jerry Terwilliger at jerryt@cfra.org or 308.247.9926 for details.

Statewide Activities:

3/11 & 4/11, **Regional Forums on Technology** coordinated by University of Nebraska Extension. Eight regional meetings will be held across Nebraska to help identify how regions in the state can address and increase adoption and use of broadband services. Find more information, dates, and town locations at www.cfra.org/node/3112.

4/11/11 to 4/13/11, **Better Process Control School for Acidified & Low Acid Canned Foods**, offered in Lincoln, Nebraska, by the University of Nebraska Food Processing Center. Find out more at www.fpc.unl.edu/workshops.

Insurance Options, continued from page 1.

carry this insurance. This provides benefits for your employees if injured on the job to include medical care, death benefits, disability and rehabilitation.

Umbrella: Excess liability coverage to protect from large catastrophic claims.

With some good basic insurance knowledge and the help of an experienced commercial lines agent, you can keep your focus on growing your business and rest assured your insurance will be there to help you should you need it.

Source: Becky Haufle, INSPRO Insurance, Lincoln, Nebraska. Becky has earned the designation of Certified Insurance Counselor and has over 30 years experience helping business owners with their insurance needs. She can be reached at 402.483.4500 or bhaufle@insproins.com. Visit the company website at www.insproins.com.

Social Media Offers Marketing Tool for Small Businesses

Facebook, Twitter, YouTube, LinkedIn, RSS Feeds, etc. Are you using these in your marketing plan? Social media is highly touted today as a way to do inexpensive marketing. But is it right for your business?

That depends. Who is your target market? Are your customers using Facebook, Twitter, etc.? It's easy to let a trend carry you away. For most of us, social media is just one piece of a good marketing effort. Traditional marketing venues also have value.

Not long ago I read an article by Denise Zimmerman, President and CEO of NetPlus Marketing, Inc, which talked about some things social media won't do. For example, social media can't:

- **Substitute for marketing strategy.** You must have objectives and be able to measure for results.
- **Succeed without a genuine focus on your customers.** You still need to listen, engage and respond to customers.
- **Be a one-off project.** It is one channel of a business marketing plan.
- **Work without organization alignment.** You need to have a process in place to respond to feedback from social media venues.
- **Change the inherent popularity, appeal, or success of your brand.** It can't save a bad product, service or something no one needs or wants.
- **Replace experienced digital marketing expertise.** Again, integrate it into your total strategy.
- **Be successful without a realistic level of investment.** Time and effort will be expended to implement, monitor and adjust tactics.

Zimmerman concludes that social media marketing can't magically produce positive changes or marketing results. But real magic is not about tricks or smoke and mirrors. The best magic takes a lot of hard work, creativity, experience, and substance so that when you look behind the curtain, there really is something there.

You can check out the article at this link: <http://www.imediaconnection.com/content/25979.asp>. Social media can be a great asset to your total marketing plan. Check out the possibilities!

For more information, contact Monica Braun, monicab@cfra.org or 402.643.2673.

Senator Tom Hansen Witnesses Positive Effect of Nebraska Microenterprise Act on North Platte Micro Tour

On the morning of December 17, 2010, state Senator Tom Hansen joined Traci Bruckner and Nancy Flock, both with the Center for Rural Affairs, to tour two small businesses in North Platte. The tour showed first-hand how state support of entrepreneurial development through the Nebraska Microenterprise Act has helped start or grow businesses.

The tour began at Gracie Mae's, a local bakery and café owned by Stacy Chingren. It opened a year ago. "When individuals come back to small communities to start businesses, it's important they know what help is out there, and they [REAP] are very helping in letting you know what resources are available," said Chingren.

The next stop was Caravan Skate Shop (see Spotlight on Success story

"When individuals come back to small communities to start businesses, it's important they know what help is out there, and they [REAP] are very helping in letting you know what resources are available."

—Stacy Chingren, owner of Gracie Mae's

on page 4), which opened its doors in September of 2010 and needed help expanding inventory. "I had a small inventory, and I needed help to build up the inventory. REAP helped out my business quite a bit," said owner Brandon Raby. "People are happy to come in here and see a great selection of products and great diversity of products, and it will encourage growth."

Small businesses like these and the programs that help them grow

strengthen our rural communities and keep them thriving. The REAP program has benefitted from state support through the Microenterprise Act, and is able to provide technical assistance, lending, training and networking opportunities across rural Nebraska in part because of that funding.

Contact Jeff Reynolds for more information, jeffr@cfra.org or 402.656.3091.

Changes in Tax Law for 2010 and Beyond

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 ("the Act"), was signed into law December 17, 2010. The Act generally consists of extensions of expired or expiring tax provisions. One of the most important features is the extension of the Bush-era tax cuts set to expire December 31, 2010.

The Act included changes to personal and business taxes. The most important business provisions of the Act are described below.

Business Changes to Tax Laws

Effective for calendar year 2010 and 2011:

1. Several business incentives that expired December 31, 2009 were extended for two years through 2011. These include:

- The research and development credit
- Indian employment tax credit
- The Work Opportunity Tax Credit
- Employer wage credit for employees who are in the military on active duty

Effective September 9, 2010 through December 31, 2012:

2. The Act allows 100 percent expensing of qualifying property placed in service September 9, 2010 through December 31, 2011. *Note: for 2012 only, 50 percent bonus depreciation is allowed.*

Effective for calendar year 2011 only:

3. The Act establishes a "payroll tax holiday" – a reduction in the employee-only portion of social security tax. (More information is available online

at: www.cfra.org/reap/tax-law-changes-2010.)

Effective for calendar year 2012:

4. The section 179 limitation for qualified property is \$125,000 with a phase-out threshold of \$500,000. This is a decrease from the 2010 and 2011 limitation of \$500,000. However, absent the Act, the limit and threshold would have been significantly lower (\$25,000 and \$200,000, respectively).

These provisions expired at the beginning of 2010:

- Increased Standard Deduction for Real Property Tax
- New Vehicle Sales Tax Deduction
- First \$2,400 Unemployment Compensation Exclusion
- Required Minimum Distribution Waiver

These provisions are set to expire at the beginning of 2011:

- Making Work Pay Credit
- Alternative Motor Vehicle Credit

You can find more information, including personal tax changes brought about by the Act, in a longer version of the article available on the REAP website: www.cfra.org/reap/tax-law-changes-2010. As with any tax planning, you should consult your tax professional to determine if any of these provisions will affect you in the coming years and what you can do to prepare for them.

Source: Thanks to Kandi Brown, Franchisee, H&R Block - Seward/David City, for contributing this article. You can reach Kandi at 402.643.4488 or kanbrown@hrblock.com.

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Spotlight on Business

Success Found by Serving the Skate Community

North Platte, Nebraska, is seeing an increase in the number of people on skateboards. Brandon Raby, who has skateboarded for approximately 20 years, knows that a skate shop is a very important part of skate culture. He decided to launch Caravan Skate Shop in September of 2010.

Brandon's business is the first and only skate shop the community has seen. Often, obtaining financing when a business is in the start-up phase can be a struggle, even though that's the time a business needs money the most. Caravan Skate Shop began with a small inventory, which needed to expand to meet the demands of local skateboarders.

Reaching out to REAP Business Specialist Nancy Flock was a smart move on Brandon's part. REAP was able to provide the financing he needed to offer his customers a nice variety in quality skateboard decks, clothing, videos and accessories.

In addition to financing, entrepreneurs face other challenges when it comes to small businesses. Brandon said "reaching the target market and convincing people to choose shopping locally instead of online" are in fact his greatest challenges. However, he is receiving great support from the community, and with challenges also come rewards.

Brandon feels proud to support the community and growing skate culture. In addition to operating Caravan Skate Shop, he plays an ac-



Brandon Raby
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tive role in Skate and Create, a local group that promotes getting active and is also working on fundraising to improve the local skate park. A local skate park can be a very important part of a community because it gives youth an opportunity to get active instead of spending time watching television or playing video games.

When Brandon has spare time, he enjoys spending it with his seven year old son, skateboarding and studying the music of Django Reinhardt, a pioneering virtuoso jazz guitarist and composer.

Contact Nancy Flock, REAP Hispanic Business Specialist, at 308.534.3508 or nancyf@cfra.org for more information about REAP services.

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