



SPOTLIGHT ON SUCCESS

A GEM OF AN IDEA GETS THIS BUSINESS ROLLING: WHY NOT INVEST IN MYSELF?

BY JUAN SANDOVAL, JUANS@CFRA.ORG

Starting a business can be quite complicated, especially if you haven't thought about the details involved in structuring the business, looking for startup capital, doing inspections, or looking for a location.

The history behind Luis Onate, owner of The Granola House in Norfolk, Nebraska, is no different. Luis worked as a restaurant manager a few years before he joined the Bakery Team at the local Hy-Vee. His experience was one of the multiple motivations to start his own business.

"One day, I thought about investing in myself. My family has a Granola recipe that has been a success in Mexico for a number of years, and I could apply all the knowledge I have acquired in my own business," commented Luis.

The store took about five years to open since Onate took the time to work on the details – including a business plan and projections – to make his idea viable and sustainable. A loan from a nontraditional lender helped buy the equipment and open the store at his current location on 600 W. Benjamin Avenue.

A few months after opening, Luis discovered a new challenge he didn't predict: oven capacity. "I knew I needed to increase my production, but I couldn't do it with my existing equipment unless I baked all day long." The new unit was going to be the "fuel" to run



When Luis Onate wanted to start a business making and selling specialty granola, he knew a good first step would be to find someone to give him guidance. He found that guidance with members of the Small Business Resource Team based in Norfolk, Nebraska, including REAP Hispanic Business Center Director Juan Sandoval. | Photo courtesy of NorfolkSmallBiz.com

the business smoothly.

"At that point, I started conversations with different organizations in the area, and many suggested I contact REAP." After many hours of technical assistance with me, Juan Sandoval, REAP Hispanic Business Center Director, REAP was able to make the first loan to increase production at a lower cost.

The new equipment allowed Luis to add five stores to the mix including three grocery stores and a restaurant. As the business

continued to grow, Luis faced new challenges day by day. It didn't take long to face another one.

"I needed to purchase a new set of equipment that included a POS (point of sale) machine with a debit card system and hire a part-time employee to be at the store while I was making deliveries or establishing new accounts."

Once again, Luis contacted Juan and organized a series of meetings with a new group formed

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RURAL SMALL BUSINESS HIRING ON THE RISE

BY JON BAILEY, JONB@CFRA.ORG

Every two years, we do the REAP Small Business Needs Assessment survey. The results are in, and the latest assessment of rural small business trends, needs, and concerns in Nebraska shows some promising data. Most notable is the overall increase in hiring and job creation activity. The dramatic rise in Latino-owned businesses participating in the survey is also encouraging.

In this year's results, interesting demographic trends among Latino business owners came to light. The owners are, on average, considerably younger than the overall sampling group. Also, business owners are more likely to be women. These trends create unique business needs and exciting development opportunities.

The new report, *Small Businesses in Rural Nebraska: Their Needs and Thoughts*, sampled opinions of nearly 232 small business owners, 38 aspiring business owners, 35 lenders, 127 business technical service providers in rural Nebraska, and 65 respondents who identified with the "other" category. The Spanish language survey had 42 respondents.

In the survey, business owners identified training and business planning as chief among their concerns. Sufficient capital and taking on more debt also remain primary

concerns. Use of social networks and social media in marketing continue to rise dramatically in rural Nebraska.

The need for working capital is a natural response for startup or less experienced businesses. However, for capital issues to remain after a business is established is likely a reflection of the nature of operating a small business in a rural place.

On the other hand, increased job creation and hiring intentions is likely a result of both an improving economy compared to 2010 and 2012 and the success of these businesses and the lending and development services available to them.

How businesses respond to financial challenges, with the assistance of business development programs and public policy, is critical for the rural economy. As the economy continues to improve and rural opportunities continue to grow, we must continue to find solutions to keep your businesses thriving in your communities. We also need to find incentives for start-up businesses in similar communities that may face identical challenges.

Primary difficulties faced by start-up businesses include business knowledge and planning and financial issues. Obtaining financing from a traditional lender, marketing, and lack of business finance knowledge were items of concern too.

The ultimate goal of any business development initiative or program should be to help build sustainable businesses in communities and neighborhoods. The survey results show both opportunities and significant challenges to meet this goal. These assessments help us know better where to target our resources to do the most good.

If you would like a program with the information brought to your organization or community, please contact REAP Senior Project Leader Dena Beck at 308.528.0060 or denab@cfra.org. You can find the report online at the Center for Rural Affairs website, cfra.org/node/5282.

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in Norfolk called the Small Business Resource Team. It's a wide partnership, including the City of Norfolk Economic Development Department, Chamber of Commerce, Midwest Bank, and several others.

REAP facilitated a new loan for business expansion. It includes developing new products, increasing production, obtaining new clients, and hiring new personnel. "REAP helped me find needed sources to make my business successful over time, and not just

a new attraction," concluded Luis.

If you're interested in opening your own business, please visit our website at cfra.org/reap or call one of our Loan Specialists for assistance.

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BUSINESS TRAINING COMES DIRECT TO YOUR DOORSTEP

BY MONICA BRAUN, REAP WOMEN'S BUSINESS CENTER DIRECTOR

You told us something important recently. Our latest Small Business Needs Assessment says that, nowadays, online training is the most convenient, effective way for you to partake in education. Previous versions of the survey showed that in-person training was the preferred method.

We have listened! Our new partnership with Ed2Go, a national online education service, allows you to register for 6-week classes in a variety of specialty areas. Most classes are offered for \$89. In return, you get professional, non-credit courses developed especially for today's busy entrepreneurs.

New sessions of classes begin every month. Visit www.ed2go.com/reapwbc to see course offerings, read student reviews, and get signed up for a class. It's never too early to invest in yourself.

And we're still doing in-person trainings too. You'll find REAP events and other small business happenings at cfra.org/reap/events.

I'm happy to answer any questions you might have. Contact me, Monica Braun, at monicab@cfra.org or 402.643.2673.

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tions for persons with disabilities and/or persons with limited English proficiency (LEP) will be made if requested in advance.



NEW REAP ADMINISTRATIVE ASSISTANT SAYS HELLO!

BY KIM PRESTON, [KIMP@CFRA.ORG](mailto:kimp@cfra.org)



I grew up on a little house on the prairie in southwestern Minnesota, literally 7 miles down the road from Laura Ingalls Wilder's former home. My father farmed there with workhorses.

I would love to have horses today, but my husband and I keep busy enough with 50 cow/calf pairs on our farm outside of Lyons, Nebraska.

I've been at the Center for Rural Affairs for 15 years. I like to think

of myself as a utility infielder. I've worked with every program at the Center, from state and federal policy analysis and advocacy to organizing, research, and direct services.

These days, I'm focusing solely on small business support. But in a pinch, fellow staff still call on me for help. I like the variety and the exposure to all our issues. I'm the one who doesn't say "no." If there is something to be volunteered for,

I am ready.

My husband and I have 2 active children who keep us busy. When I have spare time, I volunteer for my church, local food pantry, and am a licensed EMT with the fire department.

I'm delighted to be getting to know you, REAP clients, as Peggy Mahaney and I work together to service your needs. And to keep the busy REAP staff going too!



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QUESTIONS?

CONTACT ONE OF OUR HELPFUL STAFF BELOW!

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- **Nancy Flock**, Hispanic Rural Loan Specialist, nancyf@cfra.org.
- **Coming Soon!**, New Southeast Hispanic Loan Specialist.
- **Peggy Mahaney**, REAP Administrative Assistant, peggym@cfra.org.
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RURAL IN THE DIGITAL AGE

BY LUCAS NELSEN

The internet is such a powerful tool in modern life, it's hard for people to imagine going without using it in some capacity. But for some people in rural communities, accessing the internet isn't as easy as just connecting to the wifi network.

I recently flew to Washington DC to talk about net neutrality and broadband access in rural areas along with other advocates. We shared stories from rural folks across the country with representatives and regulators, and discussed how to improve service to rural communities.

Most of us already deal with less than desirable service. Losing an open and neutral internet would present even more challenges to rural communities.

Without net neutrality, internet service providers could make broadband service faster for those who pay a premium, and push others into a 'slow lane'. It's up to regulators and legislators to insure we all have the same access to internet.

Our representatives need to keep hearing stories from people who live in rural areas and want better access to broadband internet. We need net neutrality to keep rural America out of the slow lane. We need better broadband access to open the road to new opportunities too.

Contact me, Lu Nelsen, at lucasn@cfra.org to learn more.