

The Ohio State University
 South Centers
 1864 Shyville Rd.
 Piketon, OH 45661-9749
 Phone: 740-289-2071
 or 800-860-7232
 Fax: 740-289-4591
 Email: jbauman@ag.osu.edu

Business Development Network



Winter 2008

Volume 4, Issue 1



Our Staff

David Boulay - Director,
 Small Business Development Center
boulay.1@osu.edu

Jerry Driggs - Consultant
 Manager, Endeavor Center
driggs.8@ag.osu.edu

Brad Bapst - Consultant
 Director, MTSBDC
bapst.4@osu.edu

Meagan Barnes - Consultant
barnes.484@cfaes.osu.edu

Patrick Dengel - Consultant
dengel.3@osu.edu

Christie Welch - Consultant
welch.183@osu.edu

Tom Snyder, Ph.D. - Program
 Manager, Ohio Cooperative
 Development Center
snyder.11@osu.edu

Kelly O'Bryant - Program Assistant
obryant5@ag.osu.edu

Melissa Hurtt - Program Assistant
hurtt.8@osu.edu

Joy Bauman - Information Associate
jbauman@ag.osu.edu

Gap funding can help fill need

By Christie Welch

Many times when one is seeking to start or expand a business, they are unsure as to where to look for funding. While the majority of projects are funded through the owner's contribution and commercial loans, there are some other programs you should consider. These types of programs are often referred to as gap funding. These programs are designed to work in conjunction with a commercial lender and to assist with securing the funds needed for the business. When trying to decide if one of these programs may be a fit for your project, you must first answer a few questions. These include:

- How much money do you need and why? For example, do you need funds to purchase real estate and construct a new building or for working capital?
- Does the business have the ability to repay the debt from the cash flow of the business? In other words, will their be sufficient sales to cover the monthly loan payment?
- Is there sufficient collateral to secure the loan? If the business does not have sufficient collateral, what assets is the owner willing to pledge as collateral?
- What is the likelihood that this will be a successful business venture? This involves the experience of the owners/managers, level of demand for the product or service, and having the necessary resources to provide a level of confidence to the lender that the business will succeed.
- Will this project result in the creation of new jobs? If so, how many, when, and at what level of pay?

Having answered some of these questions, you can now determine which programs may be a fit for your particular project. There are an array of programs through agencies such as the U.S. Small Business Administration, Ohio Department of Development, as well as regional and local economic development agencies. If you are looking to start or expand a business and would like to know more about potential programs, please contact the OSU South Centers Business Development Network, telephone to 740-289-3727 Ext. 111 or e-mail: jbauman@ag.osu.edu.

Co-op cuts costs by pooling resources

by Tom Snyder

The Ohio Cooperative Development Center at The OSU South Centers recently helped form the South-Central Manufacturing Network, a cooperative designed to cut costs by pooling resources in hiring, training and purchasing.

Manufacturing companies represent the largest sector of the economy, producing over 20% of Ohio's Gross State product. Manufacturing also represents 800,000 employees in Ohio—or 15 percent of the employment sector—making this an important area to increase and retain workers.

This new cooperative is made up of seven companies in four counties representing approximately 4,000 employees. The co-op's early projects include addressing health care insurance and wellness services as well as advancing essential training for maintenance skilled trade workers.

The maintenance positions at manufacturing companies are very critical to the operation and the bottom line. These companies want to work together to train skilled trades workers to accomplish this more cost-effectively.

Technical assistance by the Ohio Cooperative Development Center on this co-op project has included guiding the members through the organizational and co-op formation phase. The Cooperative has also applied for a \$40,000 Appalachian Regional Community Grant to help fund the development work and conduct some of the early skilled training. In addition, the Center will continue to work with the new co-op to address the health insurance and wellness training needs.

The Ohio Cooperative Development Center also organized and hosted a one-day healthcare event in late September. The event, which drew 75 business representatives, community stakeholders, and manufacturing participants, focused on insurance, wellness, and skill training cooperatives. For information on cooperatives, contact Tom Snyder at 740-289-2071 Ext. 220. Visit the South-Central Manufacturing Network website at: <http://ocdc.osu.edu/index.html>

In this issue:

Gap Funding	1
Manufacturing Co-op	1
Signage for your Small Business	2
CBA—What does that mean?	2
When training isn't the answer	2
Commercialization Corner	3
Endeavor Center Spotlight	3
Training Event Schedule	4

Signage for your small business

By Patrick Dengel

Signs can be an important part of any business. Signage contains words, images, gestures, textures, and sometimes sounds in which information can be conveyed as a message to its readers. These messages let potential customers know first and foremost where the business is located, and second, provide a glimpse of what that business is about. Signs come in all sizes, from the very large 50-foot tall, illuminated and colorful, down to the very small. Signs can be on sidewalks, above a business entrance, in the window, or stand alone by the business.

Placing a sign at a business can attract the attention of customers. Some suggestions on signage:

1. Make sure your business has a sign that is of good quality, easily seen, and professionally done.
2. Make sure everything is spelled correctly. Watch for grammatical errors.
3. Don't crowd a sign with a lot of words and directions. Avoid long email addresses and make the phone numbers easy to read and remember.
4. Make the words large enough for readers to read the message quickly. Signs that can be read 500 to 1,000 feet away draw attention.
5. Make the signs perpendicular to the road with a visible address number.
6. Make the sign stand out on a busy street. Try not to have the sign blend in with other signs and other items.
7. Draw attention with blinking and moving lights.
8. If signs are to attract new customers that are driving on a road, make sure the sign is placed in a location to allow time for customers to stop once they have seen the sign.
9. Use signs that can be seen by both sides of traffic flow.
10. Use colors effectively. For ease of reading, use dark colors on a light background or light colors on dark background.
11. Signs that blend in with the background can't be seen. Green, red and brown colors blend in with trees and wooded areas that are in the background.
12. If a sign holds pictures of a product or service, the greater the viewer understands what the business is about.
13. Always use the same logos on all printed documents and advertising materials, including signs.
14. Make sure the sign can withstand all elements of the weather and always keep it clean and maintain its professional appearance.

CBA—What does that mean?

By Brad Bapst

The business counselors of the Small Business Development Center at The Ohio State University's South Centers are required to become Certified Business Advisors. This certification provides assurance to clients and funding partners that the counselors they work with through the SBDC network possess the business skills, competency, and knowledge to assist entrepreneurs in their business efforts.

The CBA certification focuses on enhancing counselor skills in the three main areas of business assistance that SBDC counselors provide. Training topics in human resources, finance, and marketing are designed to further educate counselors in assistance resources and techniques. Counselors must successfully complete the graduate level coursework that is provided through the University of Toledo.

Not only are SBDC counselors required to complete the training, they are also required to maintain their credentials through continuing education. Counselors attend numerous training sessions throughout the year in order to keep their knowledge and skills up-to-date on the latest educational and financial assistance programs that are applicable to their clients. The next time you contact your local SBDC for assistance, you can be assured you are working with a competent network of individuals who can assist you in addressing your business needs.

When training isn't the answer

By David Boulay

It is often common to use training as a response to problems. Have you ever heard someone say "We need communications training!" While it may seem natural to use training to resolve problems, training can only address a lack of skills or abilities. However, not all organizational problems are due to a lack of skills. For example, training may *not* be the answer when:

Performance expectations are not clear. Well established performance expectations can be effective to encourage employees to use their skills for desired outcomes. Do people know what is required for their work? Is it clear? Are there goals in place?

Work processes are poorly designed. Sometimes people do not follow a policy or process because it does not work properly or does not allow them to achieve the goals. Often people have the necessary skills and understand the requirements, so it is not a training problem. Instead, employees are working around poorly designed processes to get the job done.

Corrective action is necessary. Confrontation of unacceptable behavior can be difficult. So, it may be more comfortable to train everyone in a topic in order to address poor performance of a few employees. For example, a few employees take excessive time for lunch breaks. If you train every employee in time management or proper use of a timeclock, then you can frustrate those who are behaving correctly. Also, those employees who are violating the policy will probably not think the training is intended for them.

So, the next time you plan to provide training, think about the other reasons why performance may not be at the level you expect.

Commercialization Corner

Developing Milestones

By Meagan E. Barnes

Everyone experiences milestones in different ways during their lives. There are also milestones associated with commercializing new technologies to market. Well-defined milestones are essential for taking new products to market successfully. A milestone is a specific step or deliverable necessary to take the product to market and is a key component to the project management. Commercialization milestones are generally associated with validation of technology that leads to new funding for the project.

In order to establish commercialization milestones, all stages of the project must be examined. As with any project, you have a starting point and an ending point; in the middle are all the commercialization milestones necessary to reach the end which is taking the product to market. Each milestone must be passed in succession in order to advance to the next step.

When seeking outside investment into your company to assist with the commercialization process, whether the source is: angel investors, venture capitalists, bank debt financing or private investors, funding will likely be allocated based on completion of each milestone. Typically, each commercialization milestone established is coupled with a specific monetary funding need. The success of the commercialization project is dependent upon the establishment and completion of milestones.

A typical example of established commercialization milestones.

Step	Funding Required	Completion Date
1. Market Research	\$9,000	1/3/08
2. Prototype Development	\$20,000	3/15/08
3. Prototype Testing	\$5,000	4/30/08
4. Patent Application	\$10,000	5/10/08
5. Sales Consultant	\$10,000	6/1/08
6. Patent Secured	\$40,000	9/1/08
7. Marketing Program	\$50,000	10/1/08
Total Cost Required for Project	\$144,000	12/1/08

The establishment of commercialization milestones provides a clear path for moving technology to market. These milestones indicate to any investor what is required to complete the project and the cost associated with each step. It is necessary to institute this process with any commercialization project not only to provide a clear funding path, but also to provide a project management outline with clear goals. Each step must be completed and properly executed in order for the next step to begin.

For more information contact: Meagan Barnes, barnes.484@cfaes.osu.edu phone 740-289-2071 Ext. 227.

¹ Retrieved from "http://en.wikipedia.org/wiki/Milestone_%28Project_management%29"

Endeavor Center Spotlight

StudioBlue Videography

In February 2007, StudioBlue Videography moved into The OSU South Centers Endeavor Center. The benefits of locating in this great facility were realized almost immediately as the exposure and business environment of the Center prompted many opportunities. StudioBlue (formerly Red Rock Productions of Colorado) moved to Ohio in 2003. A change in ownership took place the same month that Studio Blue moved into the Endeavor Center. The primary focus of StudioBlue under its previous ownership was wedding videography. StudioBlue has expanded its services since moving into the Endeavor Center beyond the production of weddings in South Central Ohio. This past year it has also produced DVDs of 2007 Valley High School Prom, 2007 Piketon High School Prom, 2007 Piketon High School Graduation and 2007 Hooks for Books in Huntington, WV. Piketon High School has planned several DVD projects for 2008.

Another opportunity realized is the teaming up of StudioBlue and the OSU South Centers to produce five streaming videos of activities associated with the University's Aquaculture Program. The video clips will document activities associated with shrimp culture, perch culture, water quality, pond fertilization and pond construction. These videos should be completed and online in early '08. Looking ahead to 2008, StudioBlue plans to continue its growth and diversification and hopes to become the area's most recognized video production company.



The Ohio State University South Centers

The Ohio State University
South Centers
1864 Shyville Rd.

Sign-up to receive future newsletters and announcements electronically! Contact Joy at:

Phone: 740-289-2071 or 800-860-7232 (Ohio Only)

Fax: 740-289-4591

Email: jbauman@ag.osu.edu



We're on the web!

<http://southcenters.osu.edu/benet/>

Funded in part through a cooperative agreement with the U.S. Small Business Administration. The Ohio SBDC program is also funded in part by the Ohio Department of Development. All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. For arrangements, call the Ohio SBDC at 614-466-2711 or (800) 848-1300, ext. 6-2711 or via email at www.odod.state.oh.us/sbdc.

Schedule of Business Training Events

January 16	Marketing 101: An Introduction to Government Procurement OSU South Centers, Endeavor Center	Introduction to Government Procurement. Contact the Southern Ohio Procurement Outreach Center for more information at 740-377-4550 or sopoc@zoominternet.net .	FREE
January 31	IRS Small Business Tax Workshop Ross County Service Center Conference Room D, 9 am - 4 pm	Learn about business tax requirements, business structures, Ohio sales tax, personal property tax, and state tax withholding.	\$10
February 5	Building Your Own Business Southern Ohio Growth Partnership office, Portsmouth, 9 am - 11 am	Provides you with the tools for developing your business. This workshop will focus on money, marketing, and management.	\$20
March 10	Building Your Own Business Vinton County, 9 am - 11 am	Provides you with the tools for developing your business. This workshop will focus on money, marketing, and management.	\$20
March 11	Bonding/EDGE Workshop Ohio University, Chillicothe 1 pm - 4 pm	Learn about bonding your employees and the Encouraging Diversity Growth and Equity program. Contact the Southern Ohio Procurement Outreach Center for more information at 740-377-4550 or sopoc@zoominternet.net .	FREE
April 3	Department of Labor Seminar Gallipolis, 9 am - 3 pm	Sessions on Fair Labor Standards Act, EEOC, ADA, child labor laws, OSHA, Family Medical Leave Act, COBRA, ERISA, and 401k.	\$25
April 15	Building Your Own Business Brown County Extension Office, 9 am - 11 am	Provides you with the tools for developing your business. This workshop will focus on money, marketing, and management.	\$20

To register for any of the business training events, unless otherwise noted, contact Joy Bauman at 740-289-2071 or 800-860-7232 (Ohio Only) or email jbauman@ag.osu.edu.